



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

**Tuesday, October 19, 2021 - 9:30 a.m.
Laguna Woods Village Community Center
Board Room/Virtual Meeting
24351 El Toro Road
Laguna Woods, California**

NOTICE OF MEETING 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*

- 1. Call meeting to order / Establish Quorum – President Mutchnick**
- 2. Pledge of Allegiance – Director Rane-Szostak**
- 3. Acknowledge Media**
- 4. Approval of Agenda**
- 5. Approval of Minutes**
 - a. June 2, 2021 – Special Open Meeting (Budget M&C Review)
 - b. June 3, 2021 – Special Open Meeting (Budget Landscape Review)
 - c. July 16, 2021 – Special Open Meeting (Budget)
 - d. August 13, 2021 – Special Open Meeting (Budget)
 - e. September 10, 2021 – Agenda Prep Meeting
 - f. September 10, 2021 – Meet the Candidates
 - g. September 21, 2021 – Regular Board Meeting
- 6. Report of the Chair**
- 7. Update from VMS Board**
- 8. 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 to have your message read during the Open Forum.

9. Responses to Open Forum Speakers

10. CEO/COO Report

11. 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 2021, 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 Landscape Committee:**
 - (1) Recommend to Approve Tree Removal Request: 2151-C Rhonda Granada – One Indian Laurel Fig
 - (2) Recommend to Approve Tree Removal Request: 5348-Q Algarrobo – One Indian Laurel Fig tree
 - (3) Recommend to Deny Tree Removal Request: 3316-C San Amadeo – One Carrotwood Tree
 - (4) Recommend to Deny Tree Removal Request: 4007-2G Calle Sonora Oeste – One Rusty Leaf Fig
- c. **Recommendation from the Finance Committee:**
 - (1) Recommendation to Approve a Resolution for Recording of Lien Against Member ID#931-580-71
 - (2) Recommendation to Approve a Resolution for Recording of Lien Against Member ID#933-200-32
- d. **Approve a Resolution to Update Committee Appointments**
- e. **Recommendation from the Architectural Controls and Standards Committee:**
 - (1) Recommend to Approve a Variance Request for a Handrail at 5236 Elvira

12. Unfinished Business

- a. Entertain a Motion to Adopt a Resolution for Alterations Fee Schedule Revisions (SEPTEMBER Initial Notification—28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied)

- b. Entertain a Motion to Adopt a Resolution to Revise the Pest Control for Termite Policy to Allow for Unscheduled Fumigation of Single-Unit Buildings, at Member Expense **(SEPTEMBER Initial Notification—28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied)**

13. New Business

- a. Entertain a Motion to Introduce a Resolution for the 2022 Collection and Lien Enforcement Policy **(OCTOBER Initial Notification—Must postpone 28-days for Member review and comment to comply with Civil Code §4360)**
- b. Entertain a Motion to Provide a Company Cell-phone for Board President (Oral Report by CEO Parker)
- c. Discuss Continuing Training and Education for Board
- d. Entertain a Motion to Update 2022 Reserve Study Funding Plans
- e. Entertain a Motion to Introduce a Resolution for a Stepping Stones Policy and Guidelines **(OCTOBER Initial Notification—Must postpone 28-days for Member review and comment to comply with Civil Code §4360)**
- f. Board review of Board member Resignation and appointment of a replacement Director pursuant to By-laws Section 6.4.6.2—President Mutchnick

14. Committee Reports

- a. Report of the Finance Committee / Financial Report – Director Rane-Szostak. The committee met on October 5, 2021; next meeting November 2, 2021, 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 Engdahl. The committee met on September 27, 2021; next meeting October 25, 2021 at 9:30 a.m. in the board room and as a virtual meeting.
- c. Report of the Communications Committee – Director McCary. The committee met on October 13, 2021 was canceled; next meeting January 12, 2022.
- d. Report of the Maintenance and Construction Committee – Director Mutchnick. The committee met on September 13, 2021; next meeting November 1, 2021 at 1:30 p.m. in the board room and as a virtual meeting.
 - (1) Report of the Parking and Golf Cart Subcommittee – Director Parsons. The subcommittee met on August 18, 2021; next meeting TBA.
 - (2) Garden Villa Rec. Room Subcommittee – Director Rane-Szostak. The subcommittee met on September 29, 2021; next meeting TBA.

- e. Report of the Landscape Committee – Director McCary. The committee met on September 29, 2021; next meeting November 4, 2021 at 9:30 a.m. as a virtual meeting.
- f. Report of the Water Committee – Director Rane-Szostak. The committee met on July 29, 2021; next meeting October 28, 2021 at 2 p.m. as a virtual meeting.
- g. Report of the Resident Policy and Compliance Committee – Director Mutchnick. The committee met on August 24, 2021; next meeting TBA.

15. GRF Committee Highlights

- a. Community Activities Committee – Director McCary. The committee met on October 14, 2021; next meeting November 8, 2021 at 1:30 p.m. as a virtual meeting.
 - (1) Equestrian Center Ad Hoc Committee – Director Bhada. The committee met on September 20, 2021; next meeting, November 4, 2021, at 1 p.m. as a virtual meeting.
- b. GRF Finance Committee – Director Mutchnick. The committee met on August 25, 2021; next meeting October 20, 2021, at 1:30 p.m. as a virtual meeting.
- c. GRF Landscape Committee – The committee met on September 8, 2021; next meeting November 10, 2021, at 1:30 p.m. as a virtual meeting.
- d. GRF Maintenance & Construction Committee – Director Frankel – The committee met on October 13, 2021; next meeting December 8, 2021, at 9:30 a.m. as a virtual meeting.
 - (1) Clubhouse Facilities Renovation Ad Hoc Committee – Director Engdahl. The committee met on September 22, 2021; next meeting TBA.
- e. Media and Communications Committee – Director McCary. The committee met on October 18, 2021; next meeting November 15, 2021, at 1:30 p.m. as a virtual meeting.
- f. Mobility and Vehicles Committee – Director Wayne – The committee met on October 6, 2021; next meeting December 1, 2021, at 1:30 p.m. as a virtual meeting.
- g. Security and Community Access Committee – Director Bhada. The committee met on August 30, 2021; next meeting October 25, 2021 at 1:30 p.m. as a virtual meeting.
 - (1) Disaster Preparedness Task Force – Director McCary. The task force met on September 28, 2021; next meeting November 30, 2021 at 9:30 a.m. as a virtual meeting

- h. Report of the Laguna Woods Village Traffic Hearings – Director Frankel. The hearings were held on September 15, 2021; next meeting October 20, 2021 at 9 a.m. as a virtual meeting.
 - i. GRF Strategic Planning Ad Hoc Committee – Director Mutchnick. The committee met on June 28, 2021; next meeting TBA.
 - j. Trash Task Force – Director Wayne.
- 16. **Future Agenda Items--** *All matters listed under Future Agenda Items are items for a future Board Meetings. 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.*
 - a. Resolution for Manor Alteration Requests for Modifications
- 17. **Director's Comments**
- 18. **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 Session Agenda

Approval of Agenda

Approval of the Minutes

(a) September 10, 2021—Emergency Closed Meeting

(b) September 21, 2021—Regular Closed Session

(c) September 24, 2021—Special Closed Meeting

(d) September 28, 2021—Special Closed Meeting

Discuss and Consider Member Matters

Discuss Personnel Matters

Discuss and Consider Contractual Matters

Discuss and Consider Litigation Matters

19. Adjournment

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OPEN SESSION

**MAINTENANCE & CONSTRUCTION BUDGET MEETING OF THE THIRD LAGUNA
HILLS MUTUAL BOARD OF
DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
Wednesday, June 2, 2021 - 9:30 a.m.
Laguna Woods Village Virtual Meeting
24351 El Toro Road
Laguna Woods, California**

Directors Present: Steve Parsons, Annie McCary, Ralph Engdahl, Lynn Jarrett, Robert Mutchnick, John Frankel, Donna Rane-Szostak, Debbie Dotson, Reza Karimi, Cush Bhada, Craig Wayne.

Directors Absent: None

Staff Present: Jeff Parker-CEO, Steve Hormuth, Ernesto Munoz, Laurie Chavarria, Guy West, Darren Kopp, Chris Lauganour, Juan Onofre, Abel Lucero, Ian Barnette, Chris Naylor, Jose Campos, Richu Saju, Ada Montesinos

Others Present: None

1. Call meeting to order / Established Quorum – President Parsons, Chair

President Parsons called the meeting to order at 9:39 a.m. and established that a quorum was present.

2. Acknowledge Media

The media was acknowledged online.

3. Approval of Agenda

President Parsons requested to add item 5a, Responses to Open Forum and asked for a motion to approve the agenda.

Director Annie McCary made a motion to approve the agenda. Director Debbie Dotson seconded the motion.

Without objection, the Board approved the agenda as written.

4. Report of the Chair

- Jeff Parker-CEO discussed about the Village reopening plan for June 15, 2021 – which includes reopening of clubhouses, fitness centers, pools (Pool 2: Reservation Required) etc. He also noted that VMS is actively looking for a Facilities Engineer to recommend energy savings, safety improvements and upgrades within the Laguna Woods Village community. Lastly, Jeff announced the resignation of Ernesto Munoz, Director of Maintenance and Construction and appreciated for the outstanding job he has done for the Village community.
- President Parsons also appreciated Ernesto for everything has done for the organization. President Parson then formally introduced the purpose of the meeting and pointed out some of the challenges such as insurance premiums in the coming year. He commented that Third Board is working with Fannie Mae on their requirements to lower cost for our situation. President Parsons requested Board's attention on service levels and hiring of adequate staff for the 2022 budget year.

5. Open Forum (Three Minutes per Speaker)

No member comments.

5a. Responses to Open Forum

None

6. Department Head Update

Ernesto Munoz expressed his gratitude towards the Board and staff for all the support he received throughout the year. He recognized Laurie Chavarria, Chris Naylor and the managers in Maintenance & Construction for their hard work and making the meeting possible.

7a. Review Maintenance Service Levels – Proposed 2022 Reserves Plan

The Board reviewed the proposed 2022 Maintenance Service Levels and questions were addressed after the presentation. The following action was taken:

- Provide a prioritized list for the Board to review.

7b. Review Reserve Expenditures Plan – Proposed 2022 Reserves Plan

The Board reviewed the proposed 2022 Reserves Expenditures and questions were addressed after the presentation. The following action was taken:

- Provide a prioritized list for the Board to review.

8. Director's Comments

- Director Mutchnick commented on the potential 2022 Budget reductions and recommended Ernesto to revise and provide a prioritized list for the Board to review.
- Director Dotson echoed the comments made by Robert Mutchnick on providing a prioritized list and wished Ernesto Munoz the very best.
- Director Frankel inquired about staff who are registered Engineers in the State of California.
- Ernesto responded to Director Frankel by saying, Robbi Doncost from Maintenance & Construction is a registered architect.
- Director Karimi expressed his concerns on the impacts of budget reduction.
- Ernesto responded to Director Karimi stating that with the potential budget reductions there will be tradeoffs in the long term (Operating cost will increase).
- Director Mutchnick took the initiative to collect and sort the questions from the Board for Ernesto.

9. Adjournment

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



Lynn Jarrett, Secretary of the Board
Third Mutual Laguna Hills

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**REPORT OF THE SPECIAL
LANDSCAPE BUDGET MEETING**

Thursday, June 3, 2021 – 1:30 p.m.
Virtual Meeting

MEMBERS PRESENT: Steve Parsons, Annie McCary, Ralph Engdahl, Lynn Jarrett, Robert Mutchnick, Donna Rane-Szostak, Reza Karimi, Cush Bhada, Debbie Dotson, John Frankel

OTHER PRESENT: None

MEMBERS ABSENT: Craig Wayne

STAFF PRESENT: Jose Campos, Kurt Wiemann, Jeff Parker, Siobhan Foster, Steve Hormuth

Call to Order

President Parsons chaired the meeting and called it to order at 1:32 p.m.

Acknowledgment of Media

None.

Approve Meeting Agenda

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

Chair Remarks

None

Member Comments (Items Not on the Agenda)

None

Review Landscape Service Levels - 2022 Proposed Business Plan Version 1

The Committee reviewed the proposed 2022 Landscape Service Levels and questions were addressed after each slide.

Committee Member Comments

Director Jarrett thanked Kurt Wiemann and Finance staff for supporting the Landscape Committee during the 2022 Budgeting Process. Several Directors commented on the improvements to the landscape in the past year.

Adjournment

The meeting adjourned at 2:26 p.m.



Lynn Jarrett, Secretary



SPECIAL OPEN MEETING

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

**Friday, July 16, 2021- 9:30 a.m.
Board Room/Virtual Meeting
24351 El Toro Road, Laguna Woods, California**

Directors Present: Steve Parsons, Annie McCary, Ralph Engdahl, Robert Mutchnick, Lynn Jarrett, Reza Karimi, John Frankel, Craig Wayne, Donna Rane-Szostak, Cush Bhada,

Directors Absent: None

Staff Present: Jeff Parker, Siobhan Foster, Steve Hormuth, Jose Campos, Dan Yost, Laurie Chavarria, Guy West, Eileen Paulin, Christopher Swanson

Others Present: United: Elsie Addington, Dick Rader (United Finance Advisor)

VMS: Rosemarie diLorenzo, Juanita Skillman

1. Call Meeting to Order/Establish Quorum – President Parson

President Parsons called the meeting to order at 9:32 a.m. and confirmed there is quorum.

2. State Purpose of Meeting – President Parsons

Purpose of this meeting is to review the 2022 Business Plan Version 2.

3. Acknowledge Media

The media was acknowledged virtually and was recorded by Granicus.

4. Approval of Agenda

By consensus, the agenda was approved.

5. Report of Chair

None.

6. Open Forum (Three Minutes per Speaker)

Residents comments on Third insurance.

7. Responses to Open Forum Speaker

Directors provided response to open forum comments.

8. Unfinished Business

None.

9. Review proposed 2022 Business Plan – Version 2

Staff presented the 2022 Business Plan for Version 2. Discussion ensued over a wide range of topics. By consensus, the board recommended no changes.

10. Director's Comments

None.

11. Adjournment

The meeting was adjourned at 11:00 a.m.



Lynn Jarrett, Secretary of the Board
Third Laguna Hills Mutual



OPEN MEETING

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

**Friday, August 13, 2021- 9:30 a.m.
Board Room/Virtual Meeting
24351 El Toro Road, Laguna Woods, California**

Directors Present: Steve Parsons, Annie McCary, Ralph Engdahl, Robert Mutchnick, Lynn Jarrett, Reza Karimi, John Frankel, Craig Wayne, Donna Rane-Szostak, Cush Bhada

Directors Absent: None

Staff Present: Jeff Parker, Siobhan Foster, Steve Hormuth, Jose Campos, Dan Yost, Laurie Chavarria, Guy West, Eileen Paulin, Christopher Swanson

Others Present:
United: Elsie Addington, Dick Rader (United Finance Advisor)
VMS: Rosemarie diLorenzo, Juanita Skillman

1. Call Meeting to Order/Establish Quorum – President Parson

President Parsons called the meeting to order at 9:31 a.m. and confirmed there is quorum.

2. State Purpose of Meeting – President Parsons

Purpose of this meeting is to review the 2022 Business Plan Version 3.

3. Acknowledge Media

The media was acknowledged virtually and was recorded by Granicus.

4. Approval of Agenda

By consensus, the agenda was approved.

5. Report of Chair

None.

6. Open Forum (Three Minutes per Speaker)

None.

7. Responses to Open Forum Speaker

None.

8. Unfinished Business

None.

9. Review proposed 2022 Business Plan – Version 3

Staff presented the 2022 Business Plan for Version 3. Discussion ensued over a wide range of topics. By consensus, the board recommended no changes and directed staff to place this item onto the next regular schedule board meeting to adopt the 2022 business plan.

10. Director's Comments

None.

11. Adjournment

The meeting was adjourned at 10:53 a.m.

A handwritten signature in cursive script, appearing to read "L. Jarrett", written in black ink.

Lynn Jarrett, 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, September 10, 2021 - 9:30 a.m.
Willow Room/Virtual Meeting
24351 El Toro Road
Laguna Woods, California**

NOTICE OF MEETING AND AGENDA


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

Directors present: Steve Parsons, Annie McCary, Lynn Jarrett, John Frankel, Ralph Engdahl, Robert Mutchnick, Craig Wayne, Cush Bhada, Donna Rane-Szostak, Reza Karimi

Directors absent: None

Staff present: Jeff Parker-CEO, Siobhan Foster, Cheryl Silva and Grant Schultz

- 1. Call Meeting to Order / Establish Quorum**
Vice President McCary called the meeting to order at 10:05 a.m. and establish that a quorum was present.
- 2. Approval of the Agenda**
By consensus, the agenda was approved as presented.
- 3. Discuss and Consider Items to be placed on the Third Board Regular Meeting Agenda (open & closed session) on September 21, 2021**
- 4. Director Comments**
There were no additional director comments
- 5. Adjournment**
The meeting was adjourned at 10:30 a.m.



Lynn Jarrett, Secretary of the Board
Third Mutual Laguna Hills

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OPEN MEETING

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

NOTICE AND AGENDA

MEET THE CANDIDATES

Friday, September 10, 2021
Laguna Woods Village Community Center
Board Room/Virtual Meeting • 11:30 a.m.

Directors Present: Steve Parsons, Annie McCary, Lynn Jarrett, John Frankel, Ralph Engdahl, Robert Mutchnick, Reza Karimi, Donna Rane-Szostak, Cush Bhada

Directors Absent: None

Staff Present: Jeff Parker-CEO, Siobhan Foster-COO, Eileen Paulin, Cheryl Silva and Grant Schultz

Others Present: Third Board Candidates: Jim Cook, Lynn Jarrett, Reza Karimi, Mark Laws and Karen Shore
United Board Member: Azar Asgari

1. Welcome and Acknowledgement of Press, Village TV, Moderator and Attendees

President Parsons called the meeting to order at 11:30 a.m., acknowledged the press, Village TV and attendees.

2. Introduction of the Moderator

President Parsons commented that Director Mutchnick would serve as the Moderator for the meeting.

3. Introduction of the Candidates

Jim Cook

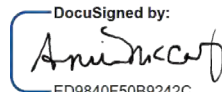
Third Board Meet the Candidates

September 10, 2021

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Lynn Jarrett
Reza Karimi
Mark Laws
Nathaniel Lewis
Karen Shore

4. **Candidate Opening Statements** – Moderator Mutchnick
Each candidate was given two (2) minutes to give an opening statement. The sequence of Candidate presentations was determined by the moderator.
5. **Candidate Interviews Prepared Questions and Member Questions** – Moderator Mutchnick
Each candidate selected randomly assorted questions from a basket to answer that had been submitted from the board and residents. The candidates were given two (2) minutes to respond to questions.
6. **Candidate Closing Statements** – Moderator Mutchnick
Each candidate was given one (1) minute to give a closing statement.
7. **Announcements** – Moderator Mutchnick
Director Mutchnick thanked the candidates for their participation in this forum. He reminded residents to vote by September 30, 2021.
8. **Concluding Remarks and Adjournment** – Moderator Mutchnick
The meeting was adjourned at 12:40 p.m.

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Annie McCarty, First Vice President
Third Board Mutual Laguna Hills



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 21, 2021 - 9:30 a.m.
Laguna Woods Village Community Center
24351 El Toro Road
Laguna Woods, California**

Directors Present: Steve Parsons, Annie McCary, Lynn Jarrett, Robert Mutchnick, Reza Karimi, Craig Wayne, Ralph Engdahl, John Frankel, Cush Bhada

Directors Absent: Donna Rane-Szostak

Staff Present: Jeff Parker-CEO, Siobhan Foster-COO, Ellyce Rothrock, Eileen Paulin, Manuel Gomez, Bart Mejia, Richu Saju, Ian Barnette, Robbi Doncost, Ada Montesinos, Guy West, Kurt Wiemann, Cheryl Silva and Grant Schultz

Others Present: Rosemarie diLorenzo (VMS), Wei-Ming Tao (VMS), Raquel Unger (VMS)

1. Call meeting to order / Establish Quorum – President Parsons, Chair

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

2. Pledge of Allegiance

Director Wayne led the Pledge of Allegiance.

3. Acknowledge Media

The media was acknowledged online and through Village Television.

4. Approval of Agenda

President Parsons asked for a motion to approve the agenda.

Director Karimi made a motion to approve the agenda. Director McCary seconded the motion.

President Parsons commented that 13c. resolutions will be voted on separately.

President Parsons called for the vote on the agenda and the motion passed without objection.

5. Approval of Minutes

5a. August 6, 2021 – Agenda Prep Meeting

5b. August 17, 2021 – Regular Board Meeting

President Parsons asked for a motion to approve the minutes.

Director Mutchnick made a motion to approve the minutes of August 6, 2021—Agenda Prep Meeting, and August 17, 2021—Regular Board Meeting. Director Karimi seconded the motion and the motion passed without objection.

6. Report of the Chair

President Parsons commented that there are three seats available on the Third Board term ending in 2024. Ballots are due back by 5:00 p.m. on Thursday, September 30, 2021. Ballots will be tabulated on October 1, 2021 at 1:30 p.m. in the Board Room. New board members will be seated at the annual meeting on October 7, 2021 at 9:30 a.m. in the board room.

7. Update from the VMS Board

VMS Director Tao gave a presentation from the VMS Board.

- Role of VMS Board of Directors
- Sensitivity, Cultural Diversity and Social Media
- Training Overview
- Testimonials
- General Services Department

VMS Director Tao answered questions from the board.

8. Open Forum (Three Minutes per Speaker) - *At this time Members only addressed the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors.*

- A member spoke against the election process.
- A member requested that her unit be painted bouquet beige.
- A member commented that the lawns near her unit are not being mowed every week.

Ellyce Rothrock read the written member comments:

- A member spoke in favor of routine inspections of termites.

9. Responses to Open Forum Speakers

- President Parsons responded about the candidate forum.
- Director Jarrett spoke on a member's comment regarding the election process.
- Director Karimi spoke on a member's comment regarding the election process.
- President Parsons responded that there are pre-approved color palettes that residents can use.

- Jeff Parker-CEO commented residents can go to Resident Services to see the pre-approved color palettes for her unit.
- Director Mutchnick commented about the paint colors and the application process for a co-owner.
- Director Bhada commented that the paint colors were approved before she moved into her unit.
- Jeff Parker-CEO commented about the application process for co-owners.
- Director Jarrett will follow-up with the landscape department regarding the member's lawn.
- Jeff Parker-CEO commented he will check into the mowing schedule near her unit.
- Director Bhada commented sometimes a holiday will cause the delay.
- Siobhan Foster-COO commented on when the paint colors were approved.
- Jeff Parker-CEO commented about the prior-to-paint program; with regards to termites, local treatment is done when the members call Resident Services.

10. CEO Report (Jeff Parker-CEO and Siobhan Foster-COO)

- COVID Update: COVID cases have decreased this week in both the hospital and in Orange County. FDA and the CDC are recommending booster shots for individuals 65 and older.
- VMS is taking applications for gate ambassadors, part-time positions and full-time positions in the Recreation Department.

10a. New Managers Introduction video was shown during the meeting.

Jeff Parker-CEO and Siobhan Foster-COO answered questions from the board.

11. 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.*

11a. Finance Committee Recommendations:

Consistent with its statutory obligations, the board members individually reviewed Third Laguna Hills Mutual preliminary financials for the month of July 2021 and by this vote ratify that such review be confirmed in this month's board member Open Session Meeting minutes per Civil Code 5501.

11b. Recommendation from the Landscape Committee:

- (1) Recommend to Approve the Tree Removal Request: 3094-C Via Serena N. – One Rusty Leaf Fig tree

RESOLUTION 03-21-55

**Approve the Request for Removal of One Rusty Leaf Fig Tree
3094-C Via Serena N**

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 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 2, 2021, the Landscape Committee reviewed a request from the Member at 3094-C to remove one Rusty Leaf Fig tree. The Member cited the reasons as structural damage (roots growing under the foundation) and mold on the roof;

WHEREAS, the Committee determined that the tree *meets* the guidelines set forth in Resolution 03-21-10 and recommends approving the request for the removal of one Rusty Leaf Fig tree *located* at 3094-C Via Serena N.

NOW THEREFORE BE IT RESOLVED, September 21, 2021, the Board of Directors *approves* the request for the removal of one Rusty Leaf Fig tree located at 3094-B;

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

- (2) Recommend to Approve Landscape Revision Request with the Exception of the Walkway Shown on the Plan: 3085-C Via Serena N.

RESOLUTION 03-21-56

**Approve the Landscape Revisions Request
With the Exception of the Walkway Shown on the Plan
3085-C Via Serena N.**

WHEREAS, on September 2 2021, the Landscape Committee reviewed a request from the Member at 3085-C for landscape revisions to their manor, at their expense. The Member cited the reasons as resident preference;

WHEREAS, the Committee recommends approving the request for landscape revisions, at the Member's expense, located at 3085-C Via Serena N., with the

exception of the walkway running from the patio area to the sidewalk, and with the following conditions:

1. All costs for design, construction, and maintenance of the improvement are the responsibility of the Property's Member Owner at 3085-C.
2. All materials and installation shall be approved by the Landscape Department prior to start of work.
3. The requesting Member understands that the area will remain Common Area subject to the use and passage of all members of Third Mutual.

NOW THEREFORE BE IT RESOLVED, September 21, 2021, the Board of Directors approves the request for a landscape revision, with the exception of the walkway running from the patio area to the sidewalk, at the Member's expense, at 3085-C;

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

- (3) Recommend to Approve Request for Removal of One Canary Island Pine tree and Deny Request for Removal of One Hollywood Juniper tree: 5158 Avenida Despacio

RESOLUTION 03-21-57

**Deny the Request for Removal of One Canary Island Pine Tree
and Approve the Request for Removal of One Hollywood Juniper
Tree
5158 Avenida Despacio**

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 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 2, 2021, the Landscape Committee reviewed a request from the Member at 5158 to remove one Canary Island Pine tree and one Hollywood Juniper tree. The Member cited the reasons as litter/debris and overgrown;

WHEREAS, the Committee determined that the Hollywood Juniper tree meets the guidelines set forth in Resolution 03-21-10 and recommends approving the request for the removal of one Hollywood Juniper tree located at 5158 Avenida Despacio.

WHEREAS, the Committee determined that the Canary Island Pine tree does not meet the guidelines set forth in Resolution 03-21-10 and recommends denying the request for the removal of one Canary Island Pine tree located at 5158 Avenida Despacio.

NOW THEREFORE BE IT RESOLVED, September 21, 2021, the Board of Directors approves the request for the removal of one Hollywood Juniper tree located at 3094-B and denies the request to remove one Canary Island Pine tree at the same location;

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

- (4) Recommend to Deny Tree Removal Request: 3075-C Via Serena S. – One Rusty Leaf Fig tree

RESOLUTION 03-21-58
Deny the Request for Removal
of One Rusty Leaf Fig Tree and Perform a Canopy
Reduction During Next Scheduled Trim Cycle
3075-C Via Serena S.

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 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 2, 2021, the Landscape Committee reviewed a request from the Member at 3075-C to remove one Rusty Leaf Fig tree. The Member cited the reasons litter/debris, falling leaves, berries in the patio area, as well as the surrounding landscape;

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 S but recommends a canopy reduction during the next scheduled trim cycle.

NOW THEREFORE BE IT RESOLVED, September 21, 2021, the Board of Directors denies the request for the removal of one Rusty Leaf Fig tree located at 3075-B;

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

This item was removed from the consent calendar and moved to new business for discussion.

11c. Recommendation from the Maintenance and Construction Committee:

- (1) Recommendation to Cancel Applications Submitted for the Charge Ready 2 Program

President Parsons asked for a motion to approve the consent calendar as amended.

By consensus, the consent calendar, as amended, was approved without objection.

12. Unfinished Business

- 12a.** Entertain a Motion to Approve the 2022 Third Business Plan and Third Reserves Funding Plan

Director Jarrett read the following resolutions:

RESOLUTION 03-21-59
2022 THIRD BUSINESS PLAN

RESOLVED, September 21, 2021, that the Business Plan of this Corporation for the year 2022 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 \$41,414,855 is required by the Corporation to meet the Third Laguna Hills Mutual operating expenses and reserve contributions for the year 2022. In addition, the sum of \$15,927,043 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 2022. Therefore, a total of \$57,341,898 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 \$10,523,314 of which \$10,308,574 is planned from the Replacement Fund, \$105,000 from the Elevator Replacement Fund, \$109,740 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 \$1,606,459 of which

\$1,133,000 is planned from the Disaster Fund, \$400,000 from the Unappropriated Expenditures Fund \$73,459 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 2022 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 2022; and

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

Director Mutchnick made a motion to adopt the resolution to approve the 2022 Third Business Plan. Director Karimi seconded the motion.

Discussion ensued among the directors.

President Parsons called for the vote and the motion passed without objection.

RESOLUTION 03-21-60
2022 THIRD RESERVES FUNDING PLAN

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

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

NOW THEREFORE BE IT RESOLVED, September 21, 2021, that the Board hereby adopts the 30-Year Alternate Reserve Funding Plan (attached) prepared by Association Reserves™ for fiscal year 2022; and

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

Director Karimi made a motion to adopt the resolution to approve the 2022 Third Reserve Funding Plan. Director McCary seconded the motion.

Discussion ensued among the directors.

President Parsons called for the vote and the motion passed without objection.

13. New Business

13a. Entertain a Motion to Approve a Resolution for the Parking and Golf Cart Subcommittee Mission Statement/Charter

Director Jarrett read the following resolution:

RESOLUTION 03-21-61
THIRD LAGUNA HILLS MUTUAL PARKING AND GOLF CART
SUBCOMMITTEE CHARTER AND MISSION STATEMENT

RESOLVED, the primary mission of the Third Mutual Parking and Golf Cart Subcommittee, as a subcommittee of the Third Mutual Maintenance and Construction committee shall be to oversee parking matters within the mutual for all vehicles, including golf carts; identify and recommend parking solutions or resolutions to parking issues that will improve safety, and efficiency; review and address concerns of residents related to parking; provide possibilities for parking improvements, and inform the M&C Committee of issues, concerns, and opportunities in furtherance of these overall goals and objectives;

NOW THEREFORE BE IT RESOLVED, September 21, 2021, the Board of Directors of the Third Laguna Hills Mutual (hereafter, "Mutual") hereby assigns the duties and responsibilities of this Subcommittee as follows:

1. Review and evaluate existing and proposed purchases/installations of devices, systems, or materials that will generate, control, or make available parking options, and make recommendations to improve efficiency, reliability, sustainability, cost reduction, or operability, including items required to satisfy future needs.
2. Consult, review, and analyze proposed EV Charging Station locations with the Third Mutual Maintenance and Construction Committee for the purpose of long-term planning and to make recommendations for funding, installation, and sustainability.
3. Review proposed needs for parking allocations or changes which are not budgeted, with the Third M&C and Finance Committees, and make recommendations.
4. Investigate and evaluate funding sources for energy-related EV projects, including grants and incentives, for which the Third Mutual may be eligible, and assist in preparation of any requests.
5. Work with the VMS staff to support the parking needs of the residents of Third Mutual.
6. Hold meetings as required and make progress reports to the various committees as necessary to fulfill the mission of the subcommittee.

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.

Staff recommends the board approve the Parking and Golf Cart Subcommittee Mission Statement and Charter.

Director McCary made a motion to approve a resolution for the Parking and Golf Cart Subcommittee Mission Statement and Charter. Director Mutchnick seconded the motion.

Discussion ensued among the directors.

President Parsons called for the vote and the motion passed without objection.

13b. Entertain a Motion to Introduce a Resolution for Alterations Fee Schedule Revisions

Director Jarrett read the following resolution:

RESOLUTION 03-21-xx
ALTERATION/VARIANCE PROCESSING FEE POLICY

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

WHEREAS, in order to offset administrative costs associated with processing variance requests, which is often followed by multiple resubmittals, and can be followed by an appeal to the Board as mandated in accordance with Resolution 03-13-105; and

WHEREAS, the Mutual currently charges a \$50 fee for a Mutual Consent and a \$150 fee for a Variance; and

WHEREAS, the new Alteration Fee Schedule increase to better align the fees with the administrative time it takes to process each task.

WHEREAS, the Board realizes that the current fee schedule does not appropriately cover staff time;

NOW THEREFORE BE IT RESOLVED, [DATE], 2021, to partially offset administrative costs associated with processing alteration and variance requests, the Board of Directors of this Corporation hereby revise the alteration and inspection fees as attached to the official minutes of this meeting; the Variance request processing fee will increase to \$662, the Alteration processing fee will increase to \$50, the Unauthorized Alteration Fee will increase to \$350, the Revised Inspection Fee Schedule will be adopted; and

RESOLVED FURTHER, October 20, 2017, that Resolution 03-17-120 adopted October 20, 2017 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 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.

Staff recommends the board approve the Alterations Fee Schedule Revisions.

Director Bhada made a motion to approve a resolution for Alteration/Variance Processing Fee Policy for 28-day review. Director Mutchnick seconded the motion.

Discussion ensued among the directors.

President Parsons called for the vote and the motion passed without objection.

- 13c.** Entertain a Motion to Introduce a Resolution to Revise the Pest Control for Termite Policy to Allow for Unscheduled Fumigation of Single-Unit Buildings, at Member Expense

Director Jarrett, Secretary of the Board, read the following resolution:

RESOLUTION 03-21-XX
PEST CONTROL FOR TERMITES

WHEREAS, the buildings that are qualified for whole structure tenting in any given year are scheduled for fumigation the following fiscal year, as the fumigation costs are based on a pre-determined contract value per building type; and

WHEREAS, manor owners have requested that fumigation take place in the building, the same fiscal year they are qualified in for various reasons; and

WHEREAS, in an effort to accommodate these requests when the current years' budget is already allocated to a scheduled group of buildings, the Board will allow manor owners of free-standing, single-unit buildings to arrange for fumigation by whole structure tenting at their own expense, provided that the conditions in item 3 below are met without exception;

NOW THEREFORE BE IT RESOLVED, [DATE], 2021, the Board hereby adopts the following procedure with regard to the scheduling and implementation of the fumigation process as part of the Mutual's Pest Control for Termites Program:

1. The Mutual shall provide members and tenants of buildings scheduled for treatment with four (4) weeks advance written notice specifying:
 - (a) The Mutual's intent to perform fumigation in accordance with the Mutual's authorized standard practice.

- (b) Each member or tenant has the option of arranging for accommodations, in addition to any accommodations which may be provided by the Mutual during the fumigation process, and taking any additional steps that they believe are necessary and appropriate at their own expense.
- 2. If the Mutual receives, at its mailing address, no less than two weeks prior to the scheduled fumigation, a written request from a member or tenant to delay fumigation, and if the written request is due to a documented medical reason, and includes an estimated duration of the medical ailment, signed by a licensed physician, prohibiting the resident from vacating the unit:
 - (a) The Mutual shall allow for a one-time rescheduling of the fumigation on behalf of the requesting resident.
 - (b) Staff shall work with the resident and reschedule fumigation. Considerations affecting their scheduling include the nature of the medical issue and the timing of the request within the program year. Requests made late in a program year may preclude fumigation until the following program year.
 - (c) Staff will refer residents who request a second rescheduling of fumigation to the Board for action.
 - (d) Staff shall issue a letter to members and tenants of an affected building advising that the fumigation of the building has been postponed and will be rescheduled by the Mutual at the earliest date possible and that they will be advised of that date in accordance with the notification procedure.
- 3. The Mutual will allow Members who request that their qualified free-standing, single-unit buildings, be fumigated by whole structure tenting in the current fiscal year, to do so at their expense when the following conditions are met:
 - (a) The building is not attached to other residential buildings and contains a single residential manor.
 - (b) The building has qualified for fumigation based on the inspection findings in the termite report issued to the member by the Mutual's fumigation contractor.
 - (c) The member agrees to provide the termite inspection report to staff.
 - (d) The building is not on the fumigation schedule for the current fiscal year, where funds have already been allocated for the Program.
 - (e) The member agrees to only use the exterminating company currently under contract with Third Mutual, for fumigation by whole structure tenting.
 - (f) The member agrees to be responsible for scheduling the fumigation; to enter into an agreement with the Mutual's fumigation contractor; and to pay all associated costs to fumigate the building.

- (g) The member agrees to pay all costs for lodging if the unit is occupied by the member, lessee or other registered occupant.
- (h) The member agrees to notify staff 2 weeks prior to the scheduled fumigation in order to prepare the liability waiver and to allow for a roof inspection to be conducted by staff and/or the Mutual's roofing contractor, on the building to be fumigated.
- (i) The member agrees to have the fumigation contractor provide written evidence the fumigation took place as scheduled, that is consistent with what it regularly provides to Third Mutual for buildings fumigated under the contract.
- (j) The member will provide to Third Mutual a warranty for work consistent with the warranty it currently provides for buildings scheduled for fumigation by Third Mutual.
- (k) The member agrees to sign a waiver provided by staff that holds Third Laguna Hills Mutual harmless for any problems, issues, damage, loss of property, etc. for the fumigation they independently contract for with the exterminating company.
- (l) The member acknowledges that any dry rot repairs to Mutual property will be remediated by the Mutual at Mutual expense as soon as scheduling allows.

RESOLVED FURTHER, that Resolution 03-12-138, adopted November 20, 2012 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 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.

Director Mutchnick made a motion to approve a resolution for Unscheduled Fumigation of Single-Unit Buildings, at members expense for 28-day review. Director Bhada seconded the motion.

Discussion ensued among the directors.

President Parsons called for the vote and the motion passed without objection.

Director Mutchnick made a motion to approve fumigation at 5247 Duenas, at member expense. Director Karimi seconded the motion.

Discussion ensued among the directors.

President Parsons called for the vote and the motion passed without objection.

This item was removed from the consent calendar and moved to new business for discussion.

13d. Recommendation from the Maintenance and Construction Committee:

(1) Recommendation to Cancel Applications Submitted for the Charge Ready 2 Program

Director Mutchnick commented the Maintenance and Construction Committee recommends cancelling 12 of the 14 electric vehicle charging station applications submitted for the SCE Charge Ready 2 Program.

Discussion ensued among the directors.

Director Mutchnick made a motion to approve the recommendation to cancel the 12 of the 14 applications for the SCE Charge Ready 2 Program. Director Karimi seconded the motion.

Discussion ensued among the directors.

President Parsons called for the vote and the motion passed by a vote of 8-1-0 (Director Bhada opposed)

14. Committee Reports

14a. Report of the Finance Committee / Financial Report – Director Mutchnick gave the Treasurer's Report. The committee met on September 7, 2021; next meeting October 5, 2021, at 1:30 p.m. in the board room and as a virtual meeting.

- (1) Treasurer's Report
- (2) Third Finance Committee Report
- (3) Resale/Leasing Reports

14b. Report of the Architectural Controls and Standards Committee – President Parsons gave an update from the last committee meeting. The committee met on August 23, 2021; next meeting October 25, 2021, at 9:30 a.m. in the board room and as a virtual meeting.

14c. Report of the Communications Committee – Director McCary gave an update from the committee. The committee met on August 4, 2021; next meeting October 13, 2021 at 1:30 p.m. as a virtual meeting.

14d. Report of the Maintenance and Construction Committee – Director Mutchnick gave an update from the M&C Committee. The committee is working on fumigation and floor noise. The committee met on September 13, 2021; next meeting November 1, 2021, at 1:30 p.m. in the board room and as a virtual meeting.

- (1) Report of the Parking and Golf Cart Subcommittee – President Parsons gave an update from the subcommittee. The subcommittee met on August 18, 2021; next meeting TBA.

(2) Report of the Garden Villa Rec. Room Subcommittee – Director Jarrett gave an update from the subcommittee. The Garden Villas Rec. Room Subcommittee met on June 8, 2021; next meeting September 29, 2021 at 1:30 p.m.

14e. Report of the Landscape Committee – Director Jarrett gave an update from the Landscape Committee. The committee met on September 2, 2021; next meeting September 29, 2021, at 9:30 a.m. as a virtual meeting.

14f. Report of the Water Committee – Director McCary gave a presentation on Water Conservation. Residents are invited to watch a video on water conservation on Sunday at 7 p.m. on TV6. The committee met on July 29, 2021; next meeting October 28, 2021, at 2:00 p.m. as a virtual meeting.

14g. Report of the Resident Policy and Compliance Committee – The committee met on July 9, 2021; next meeting TBA.

15. GRF Committee Highlights

15a. Community Activities Committee – Director Karimi shared highlights from the last Community Activities Committee. The committee met on September 9, 2021; next meeting October 14, 2021, at 1:30 p.m. as a virtual meeting.

(1) Equestrian Center Ad Hoc Committee – Director McCary shared highlights from the last committee meeting. The committee met on September 20, 2021; next meeting November 4, 2021 at 10:00 a.m. as a virtual meeting.

15b. GRF Finance Committee – Director Mutchnick shared highlights from the last committee meeting. The committee met on August 25, 2021; next meeting October 20, 2021, at 1:30 p.m. as a virtual meeting.

15c. GRF Landscape Committee – Director Jarrett shared highlights from the last committee meeting. The committee met on September 8, 2021; next meeting November 10, 2021 at 1:30 p.m. as a virtual meeting.

15d. GRF Maintenance & Construction Committee – Director Frankel shared highlights from the last committee meeting. The committee met August 11, 2021; next meeting October 13, 2021, at 9:30 a.m. as a virtual meeting.

(1) Clubhouse Facilities Renovation Ad Hoc Committee – Director Engdahl and Frankel shared highlights from the last committee meeting. The committee met on July 9, 2021; next meeting September 22, 2021 at 9:30 a.m. as a virtual meeting.

15e. Media and Communications Committee – Director McCary shared highlights from the last committee meeting. The committee met on September 20, 2021; next meeting October 18, 2021, at 1:30 p.m. as a virtual meeting.

- 15f.** Mobility and Vehicles Committee – Director Karimi shared highlights from the last committee meeting. The committee met on July 28, 2021; next meeting October 6, 2021, at 1:30 p.m. as a virtual meeting.
- 15g.** Security and Community Access Committee – Director Bhada shared highlights from the last committee meeting. The committee met on August 30, 2021; next meeting October 25, 2021 at 1:30 p.m. as a virtual meeting.
- (1) Disaster Preparedness Task Force – Director McCary updated the board on the last task force meeting. The task force met on July 27, 2021; next meeting September 28, 2021, 9:30 a.m. as a virtual meeting.
- 15h.** Report of the Laguna Woods Village Traffic Hearings – Director Frankel reported on the last traffic hearings held on September 15, 2021; next meetings are October 20, 2021 at 9 a.m. in as a virtual meeting.
- 15i.** Report of the GRF Strategic Planning Ad Hoc Committee – Director Mutchnick shared highlights from the last committee meeting. The committee met on June 28, 2021; next meeting TBA.
- 15j.** Report of the Trash Task Force – Director Wayne commented no meeting has been schedule.

16. Future Agenda Items-- *All matters listed under Future Agenda Items are 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.*

- a. Resident Suggestion Program
- b. Alterations Review
- c. Property and Casualty Insurance
- d. Presentation from El Toro Water District

17. Director's Comments

- Director Wayne commented about booster shots and where to get the vaccine.
- Director Jarrett spoke on a member's comment made during Open Forum.
- Director McCary spoke on a member's comment made during Open Forum.
- President Parsons commented about the upcoming election.
- Director Bhada encouraged residents to vote.

18. 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 at 12:10 p.m.

Summary of Previous Closed Session Minutes per Civil Code §4935.

During the August 6, 2021, Emergency Closed Meeting, the board:

Approved the Agenda

Discussed and Considered the Contract Matters

Director Comments

Adjournment

During the August 17, 2021, Regular Closed Session the Board:

Approved the Agenda

VMS Board Update

Discussed and Considered Legal/Litigation Matters

CEO Report (Personnel Matters)

Approval of the Following Meeting Minutes.

(a) July 20, 2021 – Regular Closed Session

(b) July 27, 2021 – Emergency Closed Meeting

Approve Write-Off Chargeable Services for Member ID#932-792-36

Approve Write-Off Chargeable Services for Member ID#932-950-82

Approve Write-Off Chargeable Services for Member ID#934-901-37

Discuss and Consider Investment and Insurance Matters

Discuss Personnel Matters

Discuss COVID-19 Matters

Discussed Member Disciplinary Matters

Director Comments

Adjournment

19. Adjournment

The meeting was adjourned at 4:40 p.m.



Lynn Jarrett, Secretary of the Board
Third Mutual Laguna Hills

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THIRD LAGUNA HILLS MUTUAL 2022 BUSINESS PLAN - BY DEPARTMENT

DESCRIPTION	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 PLAN	2022 PLAN	ASSESSMENT		
						Per Manor 2021	Per Month 2022	Per Month Change
OPERATING:								
Office of the CEO	\$280,554	\$300,423	\$504,373	\$306,603	\$451,247	\$4.19	\$6.16	\$1.97
Information Services	446,920	385,215	528,637	641,787	667,144	8.76	9.11	0.35
General Services	1,398,168	1,423,231	1,573,194	1,659,535	1,656,465	22.66	22.62	(0.04)
Financial Services	627,134	740,926	734,565	795,105	791,517	10.86	10.81	(0.05)
Security Services	147,684	189,761	204,477	147,863	158,876	2.02	2.17	0.15
Landscape Services	4,520,658	4,850,661	4,990,251	5,391,682	5,494,608	73.63	75.04	1.41
Human Resource Services	5,186	7,057	143,303	149,985	146,652	2.05	2.00	(0.05)
Insurance	1,267,140	1,512,536	1,910,975	1,813,011	9,059,053	24.76	123.72	98.96
Maintenance & Construction	4,214,295	3,209,809	3,437,051	3,949,241	3,704,074	53.93	50.59	(3.34)
Non Work Center	5,884,563	5,730,986	5,763,754	5,766,634	6,127,281	78.76	83.66	4.90
Net Operating	\$18,792,302	\$18,350,605	\$19,790,580	\$20,621,446	\$28,256,917	\$281.62	\$385.88	\$104.26
RESERVE CONTRIBUTIONS								
Replacement Fund	\$9,885,240	\$10,251,360	\$10,690,704	\$10,690,704	\$10,690,704	\$146.00	\$146.00	\$0.00
Elevator Replacement Fund	366,120	439,344	366,120	366,120	366,120	5.00	5.00	0.00
Laundry Replacement Fund	0	0	73,224	73,224	73,224	1.00	1.00	0.00
Total Reserve Contribution	\$10,251,360	\$10,690,704	\$11,130,048	\$11,130,048	\$11,130,048	\$152.00	\$152.00	\$0.00
RESTRICTED CONTRIBUTIONS								
Disaster Fund	\$2,028,305	\$2,028,305	\$1,133,508	\$1,830,600	\$1,591,890	\$25.00	\$21.74	(\$3.26)
Unappropriated Exp. Fund	732,240	585,792	585,792	585,792	0	8.00	0.00	(8.00)
Total Restricted Contribution	\$2,760,545	\$2,614,097	\$1,719,300	\$2,416,392	\$1,591,890	\$33.00	\$21.74	(\$11.26)
Total Reserve/Restricted Contribution	\$13,011,905	\$13,304,801	\$12,849,348	\$13,546,440	\$12,721,938	\$185.00	\$173.74	(\$11.26)
TOTAL MUTUAL	\$31,804,207	\$31,655,406	\$32,639,928	\$34,167,886	\$40,978,855	\$466.62	\$559.62	\$93.00
GOLDEN RAIN FOUNDATION								
GRF Operating	\$13,075,237	\$13,460,408	\$13,297,478	\$13,663,283	\$14,316,115	\$186.60	\$195.50	\$8.90
GRF Reserve Contributions	1,391,256	1,244,808	1,391,256	1,391,256	1,244,808	19.00	17.00	(2.00)
GRF Contingency Contributions	73,224	146,448	366,120	0	366,120	0.00	5.00	5.00
Total GRF	\$14,539,717	\$14,851,664	\$15,054,854	\$15,054,539	\$15,927,043	\$205.60	\$217.50	\$11.90
TOTAL BASIC ASSESSMENTS	\$46,343,924	\$46,507,070	\$47,694,782	\$49,222,425	\$56,905,898	\$672.22	\$777.12	\$104.90
SURCHARGES (unique to units with common laundry facilities, elevators, and/or Garden Villa Rec Rooms)								
Laundry Revenue	(\$132,633)	(\$210,085)	(\$198,525)	(\$240,000)	(\$210,000)	(\$5.79)	(\$5.07)	\$0.72
Laundry Operating	132,633	210,085	\$198,525	240,000	210,000	5.79	5.07	(0.72)
Elevator Operating	354,546	363,183	\$303,146	346,374	346,576	15.63	15.64	0.01
Laundry Replacement Fund	82,896	73,224	\$73,224	0	0	0.00	0.00	0.00
Garden Villa Rec Room Fund	59,616	81,972	\$85,698	85,698	89,424	5.75	6.00	0.25
	\$497,058	\$518,379	\$462,068	\$432,072	\$436,000	\$21.38	\$21.64	\$0.26
TOTAL BUSINESS PLAN	\$46,840,982	\$47,025,449	\$48,156,850	\$49,654,497	\$57,341,898			

THIRD LAGUNA HILLS MUTUAL 2022 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 PLAN	2022 PLAN	ASSESSMENT		
						Per Manor Per Month		
						2021	2022	Change
REVENUES								
Non-Assessment Revenues								
Fees and Charges to Residents	\$977,604	\$1,087,533	\$401,033	\$674,156	\$960,396	\$9.21	\$13.12	(\$3.91)
Miscellaneous	683,736	995,189	543,648	640,447	683,067	8.75	9.33	(0.58)
Total Revenue	\$1,661,340	\$2,082,722	\$944,681	\$1,314,603	\$1,643,463	\$17.96	\$22.45	(\$4.49)
EXPENSES								
Employee Compensation	\$6,734,884	\$6,492,437	\$6,496,995	\$7,211,121	\$7,833,487	\$98.48	\$106.98	\$8.50
Expenses Related to Compensation	2,937,749	2,570,068	2,776,079	3,046,212	3,324,517	41.60	45.40	3.80
Material and Supplies	774,841	742,572	618,392	850,344	767,213	11.61	10.48	(1.13)
Electricity	455,577	357,458	276,892	211,441	251,506	2.89	3.43	0.54
Sewer	1,695,720	1,685,382	1,698,515	1,773,600	1,829,400	24.22	24.98	0.76
Water	2,809,708	2,610,093	2,817,315	2,971,182	3,095,794	40.58	42.28	1.70
Trash	514,757	531,455	546,524	564,007	655,275	7.70	8.95	1.25
Legal Fees	427,069	726,416	627,448	499,985	526,652	6.83	7.19	0.36
Professional Fees	100,652	149,906	216,776	149,616	154,767	2.04	2.11	0.07
Equipment Rental	7,624	5,128	4,688	4,652	7,368	0.06	0.10	0.04
Outside Services	1,388,020	1,293,726	1,255,418	1,383,401	945,798	18.89	12.92	(5.97)
Repairs and Maintenance	19,607	5,990	2,554	11,109	7,104	0.15	0.10	(0.05)
Other Operating Expense	126,687	226,843	123,011	165,022	167,123	2.25	2.28	0.03
Insurance	444,898	495,924	542,735	783,504	949,710	10.70	12.97	2.27
Property Insurance	822,241	1,016,612	1,368,240	1,021,615	8,099,520	13.95	110.61	96.66
Uncollectible Accounts	134,208	361,190	71,798	75,000	65,000	1.02	0.89	(0.13)
Net Allocation to Mutuals	1,059,401	1,162,127	1,291,881	1,214,238	1,220,146	16.61	16.66	0.05
Total Expenses	\$20,453,642	\$20,433,327	\$20,735,261	\$21,936,049	\$29,900,380	\$299.58	\$408.33	\$108.75
RESERVE CONTRIBUTIONS								
Replacement Fund	\$9,885,240	\$10,251,360	\$10,690,704	\$10,690,704	\$10,690,704	\$146.00	\$146.00	\$0.00
Elevator Replacement Fund	366,120	439,344	366,120	366,120	366,120	5.00	5.00	0.00
Laundry Replacement Fund	0	0	73,224	73,224	73,224	1.00	1.00	0.00
Total Reserve Contribution	\$10,251,360	\$10,690,704	\$11,130,048	\$11,130,048	\$11,130,048	\$152.00	\$152.00	\$0.00
RESTRICTED CONTRIBUTIONS								
Disaster Fund	\$2,028,305	\$2,028,305	\$1,133,508	\$1,830,600	\$1,591,890	\$25.00	\$21.74	(\$3.26)
Unappropriated Exp. Fund	732,240	585,792	585,792	585,792	0	8.00	0.00	(8.00)
Total Restricted Contribution	\$2,760,545	\$2,614,097	\$1,719,300	\$2,416,392	\$1,591,890	\$33.00	\$21.74	(\$11.26)
Total Reserve/Restricted Contribution	\$13,011,905	\$13,304,801	\$12,849,348	\$13,546,440	\$12,721,938	\$185.00	\$173.74	(\$11.26)
TOTAL MUTUAL	\$31,804,207	\$31,655,406	\$32,639,928	\$34,167,886	\$40,978,855	\$466.62	\$559.62	\$93.00
GOLDEN RAIN FOUNDATION								
GRF Operating	\$13,075,237	\$13,460,408	\$13,297,478	\$13,663,283	\$14,316,115	\$186.60	\$195.50	\$8.90
GRF Reserve Contributions	1,391,256	1,244,808	1,391,256	1,391,256	1,244,808	19.00	17.00	(2.00)
GRF Contingency Contributions	73,224	146,448	366,120	0	366,120	0.00	5.00	5.00
Total GRF	\$14,539,717	\$14,851,664	\$15,054,854	\$15,054,539	\$15,927,043	\$205.60	\$217.50	\$11.90
TOTAL BASIC ASSESSMENTS	\$46,343,924	\$46,507,070	\$47,694,782	\$49,222,425	\$56,905,898	\$672.22	\$777.12	\$104.90
SURCHARGES (unique to units with common laundry facilities, elevators, and/or Garden Villa Rec Rooms)								
Laundry Revenue	(\$132,633)	(\$210,085)	(\$198,525)	(\$240,000)	(\$210,000)	(\$5.79)	(\$5.07)	\$0.72
Laundry Operating	132,633	210,085	198,525	240,000	210,000	5.79	5.07	(0.72)
Elevator Operating	354,546	363,183	303,146	346,374	346,576	15.63	15.64	0.01
Laundry Replacement Fund	82,896	73,224	73,224	0	0	0.00	0.00	0.00
Garden Villa Rec Room Fund	59,616	81,972	85,698	85,698	89,424	5.75	6.00	0.25
	\$497,058	\$518,379	\$462,068	\$432,072	\$436,000	\$21.38	\$21.64	\$0.26
TOTAL BUSINESS PLAN	\$46,840,982	\$47,025,449	\$48,156,850	\$49,654,497	\$57,341,898			

**Third Laguna Hills Mutual
Budget Comparison Report by Account
12/31/2022
THIRD LAGUNA HILLS MUTUAL**

	<u>2018 Actuals</u>	<u>2019 Actuals</u>	<u>2020 Actuals</u>	<u>2021 Budget</u>	<u>2022 Budget</u>	<u>Assessment Increase/ (Decrease)</u>	<u>VAR %</u>
Non-Assessment Revenues:							
Fees and Charges for Services to Residents							
46501000 - Permit Fee	\$107,788	\$160,232	\$149,933	\$159,607	\$238,222	(\$78,615)	(49%)
46501500 - Inspection Fee	71,304	81,310	60,676	76,520	73,538	2,983	4%
46502000 - Resident Maintenance Fee	<u>798,512</u>	<u>845,991</u>	<u>190,424</u>	<u>438,029</u>	<u>648,636</u>	<u>(210,606)</u>	<u>(48%)</u>
Total Fees and Charges for Services to Residents	977,603	1,087,533	401,033	674,157	960,395	(286,238)	(42%)
Laundry							
46005000 - Coin Op Laundry Machine	<u>132,633</u>	<u>210,085</u>	<u>198,525</u>	<u>240,000</u>	<u>210,000</u>	<u>30,000</u>	<u>13%</u>
Total Laundry	132,633	210,085	198,525	240,000	210,000	30,000	13%
Unrealized Gain/(Loss) On AFS Investments							
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	<u>(166,633)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total Unrealized Gain/(Loss) on AFS Investments	(166,633)	0	0	0	0	0	0%
Miscellaneous							
46002000 - Traffic Violation	(25)	(25)	0	0	0	0	0%
46004500 - Resident Violations	75,975	18,580	12,336	30,000	54,198	(24,198)	(81%)
44501510 - Lease Processing Fee - Third	247,699	259,475	236,435	259,475	259,475	0	0%
44502000 - Variance Processing Fee	(150)	(150)	0	0	15,888	(15,888)	0%
44502500 - Non-Sale Transfer Fee - Third	2,050	1,500	1,450	1,500	1,666	(166)	(11%)
44503520 - Resale Processing Fee - Third	153,086	163,072	133,408	163,072	191,740	(28,668)	(18%)
44505500 - Hoa Certification Fee	7,290	8,015	13,040	7,800	12,000	(4,200)	(54%)
44507000 - Golf Cart Electric Fee	69,077	70,609	68,930	70,000	70,000	0	0%
44507200 - Electric Vehicle Plug-In Fee	6,824	10,657	11,910	11,000	11,000	0	0%
44507500 - Cartport Space Rental Fee	5,536	4,006	4,800	4,600	4,400	200	4%
47001000 - Cash Discounts - Accounts Payable	0	701	0	0	0	0	0%
47001500 - Late Fee Revenue	56,148	49,541	46,004	60,000	51,000	9,000	15%
47002020 - Collection Administrative Fee - Third	3,500	1,800	1,275	6,000	2,700	3,300	55%
47002500 - Collection Interest Revenue	7,586	13,658	12,089	25,000	5,000	20,000	80%
47501000 - Recycling	6,070	4,360	2,013	2,000	4,000	(2,000)	(100%)
48001000 - Legal Fee	178,203	390,534	0	0	0	0	0%
49009000 - Miscellaneous Revenue	<u>31,500</u>	<u>(1,143)</u>	<u>(42)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total Miscellaneous	850,369	995,190	543,647	640,447	683,067	(42,620)	(7%)
Total Non-Assessment Revenue	<u>1,793,972</u>	<u>2,292,808</u>	<u>1,143,205</u>	<u>1,554,604</u>	<u>1,853,462</u>	<u>(298,858)</u>	<u>(19%)</u>
Expenses:							
Employee Compensation							
51011000 - Salaries & Wages - Regular	2,237,720	2,291,242	2,419,055	2,854,473	3,188,996	334,523	12%
51021000 - Union Wages - Regular	3,614,889	3,262,675	3,384,949	3,612,110	3,731,723	119,612	3%
51041000 - Wages - Overtime	33,060	38,477	23,109	20,749	25,234	4,485	22%
51051000 - Union Wages - Overtime	61,965	73,656	82,693	20,949	39,156	18,207	87%
51061000 - Holiday & Vacation	619,467	615,424	647,290	543,570	583,126	39,557	7%
51071000 - Sick	186,095	202,487	216,340	221,719	237,854	16,135	7%
51081000 - Sick - Part Time	0	0	0	175	0	(175)	(100%)
51091000 - Missed Meal Penalty	2,362	2,856	3,820	1,201	3,462	2,261	188%
51101000 - Temporary Help	107,647	78,125	46,844	19,400	109,606	90,206	465%
51981000 - Compensation Accrual	<u>(35,467)</u>	<u>39,659</u>	<u>(229,148)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total Employee Compensation	6,827,738	6,604,601	6,594,953	7,294,346	7,919,157	624,811	9%
Compensation Related							
52411000 - F.I.C.A.	504,345	488,684	502,347	546,649	584,255	37,606	7%
52421000 - F.U.I.	6,444	5,985	5,951	7,843	8,206	363	5%
52431000 - S.U.I.	56,925	45,954	40,656	40,062	41,877	1,815	5%
52441000 - Union Medical	1,315,419	1,232,634	1,282,935	1,288,520	1,372,279	83,759	7%
52451000 - Workers' Compensation Insurance	466,823	299,979	378,392	372,737	387,913	15,177	4%
52461000 - Non Union Medical & Life Insurance	281,784	299,952	315,125	351,459	432,813	81,354	23%
52461500 - VUL Premium	18,337	0	0	0	0	0	0%
52461550 - VUL Interest	(579)	0	0	0	0	0	0%
52471000 - Union Retirement Plan	232,249	251,473	285,388	322,232	365,223	42,990	13%
52481000 - Non-Union Retirement Plan	52,718	52,322	62,389	124,243	139,777	15,534	13%
52981000 - Compensation Related Accrual	<u>42,778</u>	<u>(29,025)</u>	<u>(30,287)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total Compensation Related	2,977,244	2,647,957	2,842,894	3,053,745	3,332,343	278,598	9%
Materials and Supplies							
53001000 - Materials & Supplies	324,124	327,122	292,343	389,603	364,369	(25,235)	(6%)
53003000 - Materials Direct	462,901	432,752	340,393	463,528	404,601	(58,927)	(13%)
53004000 - Freight	<u>15</u>	<u>74</u>	<u>540</u>	<u>2,386</u>	<u>3,416</u>	<u>1,030</u>	<u>43%</u>
Total Materials and Supplies	787,039	759,948	633,276	855,517	772,386	(83,131)	(10%)
Cost of Goods Sold							
53101000 - Cost Of Sales - Warehouse	<u>0</u>	<u>12,569</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Total Cost of Goods Sold	0	12,569	0	0	0	0	0%
Utilities and Telephone							
53301000 - Electricity	478,675	370,031	303,146	365,300	372,829	7,529	2%
53301500 - Sewer	1,695,720	1,685,382	1,698,515	1,773,600	1,829,400	55,800	3%
53302000 - Water	2,809,708	2,610,093	2,817,315	2,971,182	3,095,794	124,612	4%

OPERATING FUND ONLY

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**Third Laguna Hills Mutual
Budget Comparison Report by Account
12/31/2022
THIRD LAGUNA HILLS MUTUAL**

	2018 Actuals	2019 Actuals	2020 Actuals	2021 Budget	2022 Budget	Assessment Increase/ (Decrease)	VAR %
53302500 - Trash	514,757	531,455	546,524	564,007	655,275	91,268	16%
Total Utilities and Telephone	5,498,861	5,196,961	5,365,499	5,674,089	5,953,298	279,209	5%
Legal Fees							
53401500 - Legal Fees	427,069	726,416	627,448	499,985	526,652	26,667	5%
Total Legal Fees	427,069	726,416	627,448	499,985	526,652	26,667	5%
Professional Fees							
53402000 - Audit & Tax Preparation Fees	42,056	0	0	0	0	0	0%
53402020 - Audit & Tax Preparation Fees - Third	0	43,377	44,628	45,400	47,670	2,270	5%
53403500 - Consulting Fees	5,313	2,756	2,533	15,780	13,597	(2,183)	(14%)
53403520 - Consulting Fees - Third	53,283	103,772	169,615	88,436	93,500	5,064	6%
Total Professional Fees	100,651	149,906	216,775	149,616	154,767	5,151	3%
Equipment Rental							
53501500 - Equipment Rental/Lease Fees	7,624	5,128	4,688	4,652	7,368	2,716	58%
Total Equipment Rental	7,624	5,128	4,688	4,652	7,368	2,716	58%
Outside Services							
53601000 - Bank Fees	20,026	6,604	39,669	31,679	42,323	10,643	34%
53601500 - Credit Card Transaction Fees	0	2,343	6,147	0	0	0	0%
53604500 - Marketing Expense	5,940	5,960	4,420	5,000	5,000	0	0%
54603500 - Outside Services CC	1,281,164	1,176,756	1,097,156	1,255,470	799,047	(456,423)	(36%)
53704000 - Outside Services	80,890	102,063	108,026	91,252	99,428	8,176	9%
Total Outside Services	1,388,021	1,293,726	1,255,418	1,383,401	945,797	(437,604)	(32%)
Repairs and Maintenance							
53701000 - Equipment Repair & Maint	5,099	5,990	2,554	11,109	7,104	(4,005)	(36%)
53702500 - Building Repair & Maint	14,508	0	0	0	0	0	0%
53703000 - Elevator /Lift Maintenance	319,531	353,266	295,759	336,584	336,584	0	0%
Total Repairs and Maintenance	339,137	359,256	298,313	347,693	343,688	(4,005)	(1%)
Other Operating Expense							
53801000 - Mileage & Meal Allowance	5,787	8,214	2,146	14,379	10,432	(3,947)	(27%)
53801500 - Travel & Lodging	404	1,005	246	2,763	2,511	(252)	(9%)
53802000 - Uniforms	54,892	53,999	49,348	61,483	65,437	3,955	6%
53802500 - Dues & Memberships	822	1,314	701	2,713	2,526	(186)	(7%)
53803000 - Subscriptions & Books	1,160	1,641	1,317	2,322	1,930	(391)	(17%)
53803500 - Training & Education	3,967	6,231	4,237	19,373	20,298	925	5%
53804000 - Staff Support	0	0	104	0	0	0	0%
53903000 - Safety	0	0	0	981	1,466	485	49%
54001000 - Board Relations	3,980	6,931	158	0	0	0	0%
54001020 - Board Relations - Third	3,883	8,556	2,522	7,525	7,525	0	0%
54001500 - Public Relations	(29)	(1)	(17)	0	0	0	0%
54002000 - Postage	51,402	43,798	45,274	52,980	54,488	1,508	3%
54002500 - Filing Fees / Permits	409	1,866	183	503	510	7	1%
Total Other Operating Expense	126,676	133,554	106,218	165,021	167,124	2,104	1%
Income Taxes							
54301000 - State & Federal Income Taxes	10	80,720	16,295	0	0	0	0%
Total Income Taxes	10	80,720	16,295	0	0	0	0%
Property and Sales Tax							
54302000 - Property Taxes	0	0	497	0	0	0	0%
Total Property and Sales Tax	0	0	497	0	0	0	0%
Insurance							
54401000 - Hazard & Liability Insurance	391,239	444,073	501,005	716,432	853,762	137,331	19%
54401500 - D&O Liability	46,761	46,634	38,931	60,000	88,758	28,758	48%
54402000 - Property Insurance	822,241	1,016,612	1,368,240	1,021,615	8,099,520	7,077,905	693%
54403000 - General Liability Insurance	6,898	5,217	2,799	7,072	7,190	118	2%
Total Insurance	1,267,140	1,512,536	1,910,975	1,805,119	9,049,230	7,244,112	401%
Net Allocation to Mutuals							
48502500 - Mutual General Operating	0	(20,513)	0	0	0	0	0%
54602500 - Allocated Expenses	1,059,401	1,182,640	1,291,881	1,214,238	1,220,146	5,908	0%
Total Net Allocation To Mutuals	1,059,401	1,162,127	1,291,881	1,214,238	1,220,146	5,908	0%
Uncollectible Accounts							
54602000 - Bad Debt Expense	134,208	361,190	71,798	75,000	65,000	(10,000)	(13%)
Total Uncollectible Accounts	134,208	361,190	71,798	75,000	65,000	(10,000)	(13%)
Total Expenses	20,940,819	21,006,595	21,236,928	22,522,421	30,456,957	7,934,536	35%
Excess of Revenues Over Expenses	<u>(\$19,146,848)</u>	<u>(\$18,713,787)</u>	<u>(\$20,093,722)</u>	<u>(\$20,967,817)</u>	<u>(\$28,603,495)</u>	<u>\$7,635,678</u>	<u>36%</u>

**Third Laguna Hills Mutual
Budget Comparison Report by Fund Type
12/31/2022**

	2022 Budget Operating	2022 Budget Reserves	2022 Budget Restricted	Total
Non-Assessment Revenues:				
Fees and Charges for Services to Residents				
46501000 - Permit Fee	\$238,222	\$0	\$0	\$238,222
46501500 - Inspection Fee	73,538	0	0	73,538
46502000 - Resident Maintenance Fee	648,636	0	0	648,636
Total Fees and Charges for Services to Residents	960,395	0	0	960,395
Laundry				
46005000 - Coin Op Laundry Machine	210,000	0	0	210,000
Total Laundry	210,000	0	0	210,000
Investment Income				
49001000 - Investment Income - Nondiscretionary	0	2,249	1,751	4,000
49002000 - Investment Income - Discretionary	0	136,032	103,968	240,000
Total Investment Income	0	138,281	105,719	244,000
Miscellaneous				
46004500 - Resident Violations	54,198	0	0	54,198
44501510 - Lease Processing Fee - Third	259,475	0	0	259,475
44502000 - Variance Processing Fee	15,888	0	0	15,888
44502500 - Non-Sale Transfer Fee - Third	1,666	0	0	1,666
44503520 - Resale Processing Fee - Third	191,740	0	0	191,740
44505500 - Hoa Certification Fee	12,000	0	0	12,000
44507000 - Golf Cart Electric Fee	70,000	0	0	70,000
44507200 - Electric Vehicle Plug-In Fee	11,000	0	0	11,000
44507500 - Cartport Space Rental Fee	4,400	0	0	4,400
47001500 - Late Fee Revenue	51,000	0	0	51,000
47002020 - Collection Administrative Fee - Third	2,700	0	0	2,700
47002500 - Collection Interest Revenue	5,000	0	0	5,000
47501000 - Recycling	4,000	0	0	4,000
Total Miscellaneous	683,067	0	0	683,067
Total Non-Assessment Revenue	1,853,462	138,281	105,719	2,097,462
Expenses:				
Employee Compensation				
51011000 - Salaries & Wages - Regular	3,188,996	0	0	3,188,996
51021000 - Union Wages - Regular	3,731,723	1,817,263	32,861	5,581,846
51041000 - Wages - Overtime	25,234	0	0	25,234
51051000 - Union Wages - Overtime	39,156	10,511	439	50,106
51061000 - Holiday & Vacation	583,126	154,661	2,797	740,583
51071000 - Sick	237,854	63,085	1,141	302,080
51091000 - Missed Meal Penalty	3,462	103	6	3,571
51101000 - Temporary Help	109,606	0	0	109,606
Total Employee Compensation	7,919,157	2,045,623	37,243	10,002,023
Compensation Related				
52411000 - F.I.C.A.	584,255	155,678	2,815	742,748
52421000 - F.U.I.	8,206	1,980	35	10,221
52431000 - S.U.I.	41,877	9,898	173	51,948
52441000 - Union Medical	1,372,279	524,933	9,158	1,906,370
52451000 - Workers' Compensation Insurance	387,913	140,239	2,536	530,688
52461000 - Non Union Medical & Life Insurance	432,813	0	0	432,813
52471000 - Union Retirement Plan	365,223	139,707	2,437	507,367
52481000 - Non-Union Retirement Plan	139,777	0	0	139,777
Total Compensation Related	3,332,343	972,435	17,153	4,321,931
Materials and Supplies				
53001000 - Materials & Supplies	364,369	135,481	3,239	503,088
53003000 - Materials Direct	404,601	482,048	15,768	902,417
53004000 - Freight	3,416	2,176	38	5,631

**Third Laguna Hills Mutual
Budget Comparison Report by Fund Type
12/31/2022**

	2022 Budget Operating	2022 Budget Reserves	2022 Budget Restricted	Total
Total Materials and Supplies	772,386	619,705	19,045	1,411,136
Utilities and Telephone				
53301000 - Electricity	372,829	0	0	372,829
53301500 - Sewer	1,829,400	0	0	1,829,400
53302000 - Water	3,095,794	0	0	3,095,794
53302500 - Trash	655,275	14,293	425	669,993
Total Utilities and Telephone	5,953,298	14,293	425	5,968,016
Legal Fees				
53401500 - Legal Fees	526,652	0	0	526,652
Total Legal Fees	526,652	0	0	526,652
Professional Fees				
53402020 - Audit & Tax Preparation Fees - Third	47,670	0	0	47,670
53403500 - Consulting Fees	13,597	0	0	13,597
53403520 - Consulting Fees - Third	93,500	0	0	93,500
Total Professional Fees	154,767	0	0	154,767
Equipment Rental				
53501500 - Equipment Rental/Lease Fees	7,368	37,136	573	45,077
Total Equipment Rental	7,368	37,136	573	45,077
Outside Services				
53601000 - Bank Fees	42,323	0	0	42,323
53604500 - Marketing Expense	5,000	0	0	5,000
54603500 - Outside Services CC	799,047	6,570,055	1,101,156	8,470,258
53704000 - Outside Services	99,428	6,918	84	106,430
Total Outside Services	945,797	6,576,972	1,101,240	8,624,010
Repairs and Maintenance				
53701000 - Equipment Repair & Maint	7,104	5,166	70	12,340
53703000 - Elevator /Lift Maintenance	336,584	0	0	336,584
Total Repairs and Maintenance	343,688	5,166	70	348,924
Other Operating Expense				
53801000 - Mileage & Meal Allowance	10,432	107	1	10,540
53801500 - Travel & Lodging	2,511	0	0	2,511
53802000 - Uniforms	65,437	24,192	369	89,998
53802500 - Dues & Memberships	2,526	157	0	2,683
53803000 - Subscriptions & Books	1,930	0	0	1,930
53803500 - Training & Education	20,298	857	7	21,163
53903000 - Safety	1,466	23	0	1,489
54001020 - Board Relations - Third	7,525	0	0	7,525
54002000 - Postage	54,488	0	0	54,488
54002500 - Filing Fees / Permits	510	0	0	510
Total Other Operating Expense	167,124	25,337	377	192,838
Insurance				
54401000 - Hazard & Liability Insurance	853,762	0	0	853,762
54401500 - D&O Liability	88,758	0	0	88,758
54402000 - Property Insurance	8,099,520	0	0	8,099,520
54403000 - General Liability Insurance	7,190	0	0	7,190
Total Insurance	9,049,230	0	0	9,049,230
Investment Expense				
54201000 - Investment Expense	0	11,640	9,480	21,120
Total Investment Expense	0	11,640	9,480	21,120
Net Allocation to Mutuals				
54602500 - Allocated Expenses	1,220,146	226,646	2,329	1,449,122
Total Net Allocation To Mutuals	1,220,146	226,646	2,329	1,449,122

**Third Laguna Hills Mutual
Budget Comparison Report by Fund Type
12/31/2022**

	<u>2022 Budget Operating</u>	<u>2022 Budget Reserves</u>	<u>2022 Budget Restricted</u>	<u>Total</u>
Uncollectible Accounts				
54602000 - Bad Debt Expense	65,000	0	0	65,000
Total Uncollectible Accounts	<u>65,000</u>	<u>0</u>	<u>0</u>	<u>65,000</u>
 Total Expenses	 <u>30,456,957</u>	 <u>10,534,953</u>	 <u>1,187,935</u>	 <u>42,179,845</u>
 Excess of Revenues Over Expenses	 <u><u>(\$28,603,495)</u></u>	 <u><u>(\$10,396,672)</u></u>	 <u><u>(\$1,082,215)</u></u>	 <u><u>(\$40,082,383)</u></u>

**THIRD LAGUNA HILLS MUTUAL
2022 PLAN
PROGRAMS REPORT**

DESCRIPTION	2018	2019	2020	2021	2022	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION							
1 PLUMBING SERVICE	\$740,507	\$827,584	\$828,543	\$676,492	\$704,474	\$27,982	4%
2 PEST CONTROL	281,908	194,008	87,989	645,800	174,633	(471,167)	(73%)
3 CARPENTRY SERVICE	427,819	149,952	515,640	455,942	510,004	54,062	12%
4 ELECTRICAL SERVICE	93,736	99,796	107,651	135,290	115,944	(19,346)	(14%)
5 FIRE PROTECTION	87,961	86,599	101,400	133,931	144,380	10,449	8%
6 APPLIANCE REPAIRS	106,484	130,996	115,550	90,825	93,270	2,445	3%
7 MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	34,075	58,234	11,191	58,664	58,664	0	0%
8 SOLAR MAINTENANCE	15,911	28,149	23,981	25,000	25,000	0	0%
9 GUTTER CLEANING	132,890	132,957	29,988	0	0	0	0%
10 CURB CUTS	0	10,000	0	0	0	0	0%
11 BALCONY/BREEZEWAY RESURFACING	478,073	0	0	0	0	0	0%
12 BUILDING REHAB/DRY ROT	198,433	0	0	0	0	0	0%
13 ROOF REPAIRS	274,541	0	0	0	0	0	0%
14 PAINT- TOUCHUP	244,896	0	0	0	0	0	0%
TOTAL	\$3,117,234	\$1,718,276	\$1,821,933	\$2,221,944	\$1,826,367	(\$395,576)	(18%)

Lines 9 moved to General Services in 2020.

Lines 11 - 14 moved to reserves in 2019.

OPERATING FUND - GENERAL SERVICES

15 JANITORIAL SERVICE	\$874,334	\$882,450	\$963,848	\$962,945	\$977,822	\$14,878	2%
16 CONCRETE SERVICE	376,281	393,686	348,028	379,831	369,462	(10,369)	(3%)
17 GUTTER CLEANING	9,759	41,466	123,469	179,758	160,758	(19,000)	(11%)
18 WELDING	71,402	99,041	111,697	115,027	126,349	11,322	10%
19 TRAFFIC CONTROL	28,168	14,238	14,118	21,974	22,074	100	0%
20 PAVING MAINTENANCE & REPAIRS	48,602	0	0	0	0	0	0%
TOTAL	\$1,408,547	\$1,430,881	\$1,561,161	\$1,659,535	\$1,656,465	(\$3,069)	(0%)

OPERATING FUND - LANDSCAPE

21 LANDSCAPE ADMINISTRATION	\$94,424	\$148,803	\$145,024	\$332,008	\$341,287	\$9,279	3%
22 NURSERY & COMPOSTING	257,078	257,239	237,480	290,341	290,924	583	0%
23 GROUNDS MAINTENANCE	2,808,720	2,910,763	3,035,110	3,173,855	3,211,028	37,173	1%
24 IRRIGATION	937,145	1,043,777	1,051,492	1,053,027	1,040,844	(12,183)	(1%)
25 SMALL EQUIPMENT REPAIR	204,148	204,044	206,371	226,338	227,135	797	0%
26 PEST CONTROL	227,888	291,533	313,692	316,113	383,390	67,277	21%
27 TREE MAINTENANCE	(8,745)	(5,498)	1,082	0	0	0	0%
TOTAL	\$4,520,658	\$4,850,661	\$4,990,251	\$5,391,682	\$5,494,608	\$102,926	2%

Line 27 moved to reserves in 2020.

**THIRD LAGUNA HILLS MUTUAL
2022 PLAN
PROGRAMS REPORT**

DESCRIPTION	2018	2019	2020	2021	2022	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION							
BUILDING NUMBERS	\$32,797	\$33,961	\$0	\$30,000	\$0	(\$30,000)	(100%)
BUILDING STRUCTURES	2,084,453	2,534,260	1,404,870	3,599,789	2,502,043	(1,097,746)	(30%)
ELECTRICAL SYSTEMS	50,907	50,400	16,690	59,495	30,000	(29,495)	(50%)
ENERGY PROJECTS	7,997	27,491	923	0	0	0	0%
EXTERIOR LIGHTING	302,074	59,319	760,369	75,000	25,000	(50,000)	(67%)
FENCING	21,576	123,758	57,416	58,920	63,996	5,077	9%
GARDEN VILLA LOBBY	114,664	111,162	109,636	112,500	12,000	(100,500)	(89%)
GARDEN VILLA MAILROOM	54,023	75,477	32,510	439	412	(27)	(6%)
GARDEN VILLA RECESSED AREAS	71,111	40,436	65,016	65,000	0	(65,000)	(100%)
GARDEN VILLA REC ROOM HEAT PUMP/WATER HEATER	15,546	23,584	12,473	6,017	2,983	(3,033)	(50%)
GUTTERS	136,466	39,017	134,135	76,206	78,926	2,720	4%
MAILBOXES	6,701	29,282	63,844	51,899	9,143	(42,756)	(82%)
PAINT PROGRAM	1,482,768	2,031,797	1,619,789	1,506,039	1,586,080	80,041	5%
PRIOR TO PAINT	1,538,859	1,228,861	915,496	1,071,350	1,166,432	95,082	9%
PAVING/CONCRETE	518,479	693,336	695,094	694,149	433,960	(260,189)	(37%)
ROOFS	1,576,174	1,550,899	1,429,531	1,439,294	1,461,792	22,498	2%
EXTERIOR WALLS	0	148,913	137,928	35,000	35,000	0	0%
WASTE LINE REMEDIATION	723,670	741,873	417,586	1,000,000	700,000	(300,000)	(30%)
WATER LINES - COPPER PIPE REMEDIATION	104,547	199,817	154,939	500,000	500,000	(0)	(0%)
ELEVATORS	309,899	332,267	115,890	255,000	105,000	(150,000)	(59%)
LAUNDRY COUNTERTOP/FLOOR	50,380	51,423	62,093	58,888	16,028	(42,860)	(73%)
LAUNDRY APPLIANCES	46,293	20,935	46,932	92,955	93,712	756	1%
TOTAL	\$9,249,385	\$10,148,267	\$8,253,160	\$10,787,940	\$8,822,507	(\$1,965,432)	(18%)

Lines 29, 40 - 43 include major repairs moved from operations in 2019.

Line 29 includes the funds moved from Disaster fund in 2021.

Line 35 moved from operations to reserves in 2018.

RESERVE FUNDS - GENERAL SERVICES

50 PRIOR TO PAINT	\$1,184	\$3,735	\$1,842	\$11,856	\$12,709	\$853	7%
51 PAVING/CONCRETE	0	32,375	65,491	79,002	67,608	(11,394)	(14%)
52 EXTERIOR WALLS	50,000	0	0	49,147	24,150	(24,997)	(51%)
TOTAL	\$51,184	\$36,111	\$67,333	\$140,005	\$104,467	(\$35,538)	(25%)

Line 51 moved into Reserves Fund - General Services in 2019.

**THIRD LAGUNA HILLS MUTUAL
2022 PLAN
PROGRAMS REPORT**

DESCRIPTION	2018	2019	2020	2021	2022	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET	Increase/(Decrease)	
						\$	%
RESERVE FUNDS - LANDSCAPE							
LANDSCAPE MODERNIZATION	\$49,813	\$797,341	\$837,542	\$487,823	\$523,701	\$35,878	7%
IMPROVEMENT & RESTORATION	0	0	0	126,524	129,213	2,689	2%
TREE MAINTENANCE	828,245	228,647	830,447	920,872	943,426	22,553	2%
TOTAL	\$878,058	\$1,025,988	\$1,667,989	\$1,535,219	\$1,596,340	\$61,121	4%

DISASTER FUND - MAINTENANCE & CONSTRUCTION

56 MOISTURE INTRUSION - RAIN LEAKS	\$208,073	\$873,957	\$707,469	\$237,513	\$237,513	\$0	0%
57 MOISTURE INTRUSION - PLUMBING LEAKS	796,702	882,146	1,254,082	400,000	400,000	0	0%
58 MOISTURE INTRUSION - PLUMBING STOPPAGES	153,986	208,893	151,227	50,000	50,000	0	0%
59 MOISTURE INTRUSION - MISCELLANEOUS	161,029	148,226	146,221	46,548	46,548	0	0%
60 DAMAGE RESTORATION SERVICES	337,753	108,912	217,829	220,370	190,935	(29,435)	(13%)
TOTAL	\$1,657,543	\$2,222,135	\$2,476,828	\$954,431	\$924,996	(\$29,435)	(3%)

Lines 56 – 60 funding for the construction portion of damage restoration was moved to Reserve Funds under the Building Structures line.

DISASTER FUND - LANDSCAPE

61 FIRE RISK MANAGEMENT	\$0	\$31,335	\$106,597	\$180,000	\$180,000	\$0	0%
TOTAL	\$0	\$31,335	\$106,597	\$180,000	\$180,000	\$0	0%

DISASTER FUND - FINANCIAL SERVICES

62 INSURANCE PREMIUMS	\$0	\$0	\$918,432	\$2,131,029	\$0	(\$2,131,029)	(100%)
TOTAL	\$0	\$0	\$918,432	\$2,131,029	\$0	(\$2,131,029)	(100%)

Lines 62 - 2021 expenditures assumes insurance premium of \$2.1M to be paid from the Disaster Fund.

GARDEN VILLA REC ROOM FUND - MAINTENANCE & CONSTRUCTION

63 GARDEN VILLA RECREATION ROOMS	\$63,429	\$71,036	\$71,247	\$71,831	\$73,459	\$1,627	2%
TOTAL	\$63,429	\$71,036	\$71,247	\$71,831	\$73,459	\$1,627	2%



DEFINITION OF FUNDS

RESERVE FUNDS

REPLACEMENT RESERVE FUND

This fund was established at the original construction of the Mutual. The purpose of the Reserve Fund is to provide for repair, restoration, replacement, or maintenance of structural elements and mechanical equipment within the Mutual including, but not limited to, building structures, plumbing, roofs, paving, and walls.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures</i>	<i>ENDING BALANCE</i>
REPLACEMENT RESERVE FUND	2021	\$ 15,220,959	\$ 103,718	\$ 10,690,704	\$ 146.00	\$ (11,305,667)	\$ 14,709,714
	2022	\$ 14,709,714	\$ 17,881	\$ 10,690,704	\$ 146.00	\$ (10,308,574)	\$ 15,109,725
	2023	\$ 15,109,725	\$ 296,052	\$ 11,276,496	\$ 154.00	\$ (11,890,709)	\$ 14,791,564
	2024	\$ 14,791,564	\$ 292,903	\$ 11,862,288	\$ 162.00	\$ (12,155,118)	\$ 14,791,637
	2025	\$ 14,791,637	\$ 295,896	\$ 12,448,080	\$ 170.00	\$ (12,441,768)	\$ 15,093,845
	2026	\$ 15,093,845	\$ 313,337	\$ 13,033,872	\$ 178.00	\$ (11,887,818)	\$ 16,553,236

ELEVATOR REPLACEMENT RESERVE FUND

This Elevator Replacement Fund was established in the 1978 Business Plan and only manors located within buildings containing common elevators contributed to this fund. The Board adopted Resolution M3-97-10, which changed this from a surcharge to a shared cost for all members of the Mutual effective January 1, 1998. The purpose of this fund is to provide for repair, restoration, replacement, or maintenance of elevator components including, but not limited to, cab doors, buttons and refurbishment, controllers, hoistway doors, hydraulic cylinders, and pit water proofing.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures</i>	<i>ENDING BALANCE</i>
ELEVATOR REPLACEMENT RESERVE FUND	2021	\$ 2,117,684	\$ 1,886	\$ 366,120	\$ 5.00	\$ (229,500)	\$ 2,256,190
	2022	\$ 2,256,190	\$ 2,864	\$ 366,120	\$ 5.00	\$ (105,000)	\$ 2,520,174
	2023	\$ 2,520,174	\$ 51,451	\$ 366,120	\$ 5.00	\$ (261,375)	\$ 2,676,370
	2024	\$ 2,676,370	\$ 54,510	\$ 366,120	\$ 5.00	\$ (267,909)	\$ 2,829,091
	2025	\$ 2,829,091	\$ 57,497	\$ 366,120	\$ 5.00	\$ (274,607)	\$ 2,978,101
	2026	\$ 2,978,101	\$ 60,408	\$ 366,120	\$ 5.00	\$ (281,472)	\$ 3,123,157



LAUNDRY REPLACEMENT RESERVE FUND

The Laundry Replacement Fund was one of the first funds established by the Mutual. Only manors originally built to be served by Mutual-owned laundry facilities contribute to this fund. As part of the 2019 Business Plan approval, this fund was changed from a surcharge to a shared cost for all members of the Mutual effective January 1, 2019. The purpose of this fund is to provide for repair, restoration, replacement, or maintenance of equipment in common laundry facilities including, but not limited to, washers, dryers, water heaters and plumbing fixtures.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures</i>	<i>ENDING BALANCE</i>
LAUNDRY REPLACEMENT RESERVE FUND	2021	\$ 387,389	\$ 427	\$ 73,224	\$ 1.00	\$ (151,842)	\$ 309,198
	2022	\$ 309,198	\$ 349	\$ 73,224	\$ 1.00	\$ (109,740)	\$ 273,032
	2023	\$ 273,032	\$ 5,501	\$ 146,448	\$ 2.00	\$ (142,396)	\$ 282,585
	2024	\$ 282,585	\$ 5,862	\$ 146,448	\$ 2.00	\$ (125,453)	\$ 309,442
	2025	\$ 309,442	\$ 6,280	\$ 146,448	\$ 2.00	\$ (137,299)	\$ 324,871
	2026	\$ 324,871	\$ 6,953	\$ 183,060	\$ 2.50	\$ (137,461)	\$ 377,423

RESTRICTED FUNDS

DISASTER FUND

The Disaster Fund is used for the repair or replacement of mutual assets damaged by uninsured or unexpected disasters in addition to providing for certain insurance premiums as directed by the Board. This fund may also be used for write-offs of uncollectible accounts according to original definition of the General Operating Fund. This fund is not required by Civil Code and is not included in the reserve plan calculations.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures</i>	<i>ENDING BALANCE</i>
DISASTER FUND	2021	\$ 6,985,570	\$ 276,685	\$ 1,830,600	\$ 25.00	\$ (5,985,802)	\$ 3,107,053
	2022	\$ 3,107,053	\$ 4,004	\$ 1,591,890	\$ 21.74	\$ (1,133,000)	\$ 3,569,947
	2023	\$ 3,569,947	\$ 4,686	\$ 1,830,600	\$ 25.00	\$ (1,161,000)	\$ 4,244,233
	2024	\$ 4,244,233	\$ 5,477	\$ 1,830,600	\$ 25.00	\$ (1,190,000)	\$ 4,890,310
	2025	\$ 4,890,310	\$ 6,235	\$ 1,830,600	\$ 25.00	\$ (1,220,000)	\$ 5,507,145
	2026	\$ 5,507,145	\$ 6,956	\$ 1,830,600	\$ 25.00	\$ (1,251,000)	\$ 6,093,701

Includes Supplemental Appropriation of Insurance premium of \$918K in 2021.

Includes Supplemental Appropriation of Moisture Intrusion Rerelandsaping of \$66K in 2021.

2021 expenditures assumes insurance premium of \$1,736K to be paid from the Disaster Fund.



UNAPPROPRIATED EXPENDITURES FUND

In 1977, Resolution No. 696 established the Supplemental Appropriations Fund. The fund name was changed to the Unappropriated Expenditures Fund in 1991. This contingency fund is used for significant expenditures not otherwise identified in the Business Plan. This fund is not required by Civil Code and is not included in the reserve plan calculations.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures</i>	<i>ENDING BALANCE</i>
UNAPPROPRIATED EXPENDITURES FUND	2021	\$ 4,325,546	\$ 110,705	\$ 585,792	\$ 8.00	\$ (1,736,403)	\$ 3,285,640
	2022	\$ 3,285,640	\$ 3,703	\$ 0	\$ 0	\$ (400,000)	\$ 2,889,343
	2023	\$ 2,889,343	\$ 3,573	\$ 585,792	\$ 8.00	\$ (410,000)	\$ 3,068,708
	2024	\$ 3,068,708	\$ 3,782	\$ 585,792	\$ 8.00	\$ (420,000)	\$ 3,238,282
	2025	\$ 3,238,282	\$ 3,979	\$ 585,792	\$ 8.00	\$ (431,000)	\$ 3,397,053
	2026	\$ 3,397,053	\$ 4,163	\$ 585,792	\$ 8.00	\$ (442,000)	\$ 3,545,008
	<i>2021 expenditures assumes insurance premium of \$1,736K to be paid from the Unappropriated Expenditures Fund.</i>						

GARDEN VILLA RECREATION ROOM FUND

Surcharge Fund: Only manors located within the 53 Garden Villa buildings contribute to this fund.

The Replacement Reserve-Villa Furnishings Fund was established in 1975 for the replacement of furnishings in the Villa buildings. Several policy changes were made through the years regarding the fund name and usage. On September 19, 1995, the Board of Directors adopted Resolution M3-95-82 approving a fund name of Garden Villa Recreation Room Fund. The purpose of this fund is to provide for all expenditures in the recreation rooms of Garden Villa buildings (repairs, replacements and preventive maintenance), other than janitorial services. On June 16, 2009 the Board directed that water heater and heat pump components previously paid from this fund will be paid from the Replacement Fund. This fund is not required by Civil Code and is not included in the reserve plan calculations.

<i>Fund</i>	<i>Year</i>	<i>Beginning Balance</i>	<i>Interest</i>	<i>Contributions</i>	<i>Assessment PMPM</i>	<i>Planned Expenditures</i>	<i>ENDING BALANCE</i>
SURCHARGE: GARDEN VILLA REC ROOM FUND	2021	\$ 89,700	\$ 2,229	\$ 85,698	\$ 5.75	\$ (71,831)	\$ 105,796
	2022	\$ 105,796	\$ 137	\$ 89,424	\$ 6.00	\$ (73,459)	\$ 121,898
	2023	\$ 121,898	\$ 157	\$ 93,150	\$ 6.25	\$ (75,300)	\$ 139,905
	2024	\$ 139,905	\$ 177	\$ 93,150	\$ 6.25	\$ (77,200)	\$ 156,032
	2025	\$ 156,032	\$ 196	\$ 93,150	\$ 6.25	\$ (79,100)	\$ 170,278
	2026	\$ 170,278	\$ 212	\$ 93,150	\$ 6.25	\$ (81,100)	\$ 182,540

**Third Mutual - Laguna Woods Village**

Laguna Woods, CA

Level of Service: **Update "No-Site-Visit"**Report #: **31071-2**

of Units: 6,102

January 1, 2022 through December 31, 2022**Findings & Recommendations****as of January 1, 2022**

Projected Starting Reserve Balance	\$17,275,103
Current Full Funding Reserve Balance	\$46,724,065
Average Reserve Deficit (Surplus) Per Unit	\$4,826
Percent Funded	37.0 %
Recommended 2022 "Annual Full Funding Contributions"	\$13,260,000
Alternate minimum contributions to keep Reserve above \$8,290,000	\$11,130,048
Most Recent Reserve Contribution Rate	\$11,130,048

Reserve Fund Strength: 37.0%**Weak****Fair****Strong**

< 30%

< 70%

> 130%

**Risk of Special Assessment:****High****Medium****Low****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **2.00 %**Annual Inflation Rate **3.00 %**

This is an Update "No-Site-Visit", and is based on a prior Report prepared by Association Reserves for your 2021 Fiscal Year. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist, Sean Erik Andersen RS #68.

The Reserve Fund is between the 30% Funded level and the 70% Funded level at 37.0 % Funded, which is a fair position for the fund to be in. This means that the Mutual's special assessment & deferred maintenance risk is currently Medium. The objective of your multi-year Funding Plan is to continue to Fully Fund Reserves and maintain a position of strength in the fund, where the Mutual enjoy a low risk of Reserve cash flow problems. Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$13,260,000.

*The Alternative Contribution rate, also called Threshold Funding will keep the Reserve Funds above \$8,290,000. This figure for the Mutual is \$11,130,048.

To receive a copy of the full Reserve Study, contact the Mutual.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Paved Surfaces			
103 Parkway Concrete - Repair/Replace	1	1	\$150,000
201 2022 Asphalt Paving Replacement	25	0	\$388,000
201 2023 Asphalt Paving Replacement	25	1	\$381,000
201 2024 Asphalt Paving Replacement	25	2	\$438,000
201 2025 Asphalt Paving Replacement	25	3	\$453,000
201 2026 Asphalt Paving Replacement	25	4	\$360,000
201 2027 Asphalt Paving Replacement	25	5	\$363,000
201 2028 Asphalt Paving Replacement	25	6	\$355,000
201 2029 Asphalt Paving Replacement	25	7	\$389,000
201 2030 Asphalt Paving Replacement	25	8	\$379,000
201 2031 Asphalt Paving Replacement	25	9	\$365,000
201 2032 Asphalt Paving Replacement	25	10	\$360,000
201 2033 Asphalt Paving Replacement	25	11	\$358,000
201 2034 Asphalt Paving Replacement	25	12	\$355,000
201 2035 Asphalt Paving Replacement	25	13	\$336,000
201 2036 Asphalt Paving Replacement	25	14	\$344,000
201 2037 Asphalt Paving Replacement	25	15	\$318,000
201 2038 Asphalt Paving Replacement	25	16	\$235,000
201 2039 Asphalt Paving Replacement	25	17	\$145,000
201 2041 Asphalt Paving Replacement	25	19	\$160,000
201 2042 Asphalt Paving Replacement	25	20	\$299,000
201 2043 Asphalt Paving Replacement	25	21	\$245,000
201 2044 Asphalt Paving Replacement	25	22	\$399,000
201 2045 Asphalt Paving Replacement	25	23	\$571,000
201 2046 Asphalt Paving Replacement	25	24	\$398,000
202 Paving Seal Coat - Annually	1	0	\$47,200
205 (2022) Concrete & Paving Maint	10	0	\$69,300
205 (2023) Concrete & Paving Maint	10	1	\$50,400
205 (2024) Concrete & Paving Maint	10	2	\$111,500
205 (2025) Concrete & Paving Maint	10	3	\$94,900
205 (2026) Concrete & Paving Maint	10	4	\$50,700
205 (2027) Concrete & Paving Maint	10	5	\$33,100
205 (2028) Concrete & Paving Maint	10	6	\$17,000
205 (2029) Concrete & Paving Maint	10	7	\$32,000
205 (2030) Concrete & Paving Maint	10	8	\$63,000
205 (2031) Concrete & Paving Maint	10	9	\$65,700
Roofing & Gutters			

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1308 (2022) LWT to Comp Shingle	40	0	\$119,000
1308 (2023) LWT to Comp Shingle	40	1	\$116,000
1308 (2024) LWT to Comp Shingle	40	2	\$118,000
1308 (2025) LWT to Comp Shingle	40	3	\$117,000
1308 (2026) LWT to Comp Shingle	40	4	\$114,000
1308 (2027) LWT to Comp Shingle	40	5	\$112,000
1308 (2028) LWT to Comp Shingle	40	6	\$117,000
1308 (2029) LWT to Comp Shingle	40	7	\$118,000
1308 (2030) LWT to Comp Shingle	40	8	\$442,000
1308 (2031) LWT to Comp Shingle	40	9	\$446,000
1308 (2032) LWT to Comp Shingle	40	10	\$446,000
1308 (2033) LWT to Comp Shingle	40	11	\$446,000
1308 (2034) LWT to Comp Shingle	40	12	\$443,000
1308 (2035) LWT to Comp Shingle	40	13	\$443,000
1308 (2036) LWT to Comp Shingle	40	14	\$445,000
1308 (2037) LWT to Comp Shingle	40	15	\$442,000
1308 (2038) LWT to Comp Shingle	40	16	\$444,000
1308 (2039) LWT to Comp Shingle	40	17	\$447,000
1308 (2040) LWT to Comp Shingle	40	18	\$443,000
1308 (2041) LWT to Comp Shingle	40	19	\$444,000
1308 (2042) LWT to Comp Shingle	40	20	\$441,000
1308 (2043) LWT to Comp Shingle	40	21	\$446,000
1308 (2044) LWT to Comp Shingle	40	22	\$447,000
1308 (2045) LWT to Comp Shingle	40	23	\$447,000
1308 (2046) LWT to Comp Shingle	40	24	\$440,000
1308 (2047) LWT to Comp Shingle	40	25	\$446,000
1308 (2048) LWT to Comp Shingle	40	26	\$442,000
1308 (2049) LWT to Comp Shingle	40	27	\$441,000
1308 (2050) LWT to Comp Shingle	40	28	\$452,000
1308 (2051) LWT to Comp Shingle	40	29	\$476,000
1310 (2039) Malibu/Capistrano Tile Roofs	40	17	\$603,000
1310 (2040) Malibu/Capistrano Tile Roofs	40	18	\$607,000
1310 (2041) Malibu/Capistrano Tile Roofs	40	19	\$606,000
1310 (2042) Malibu/Capistrano Tile Roofs	40	20	\$603,000
1310 (2043) Malibu/Capistrano Tile Roofs	40	21	\$605,000
1310 (2044) Malibu/Capistrano Tile Roofs	40	22	\$607,000
1310 (2045) Malibu/Capistrano Tile Roofs	40	23	\$606,000
1310 (2046) Malibu/Capistrano Tile Roofs	40	24	\$290,000
1310 (2047) Malibu/Capistrano Tile Roofs	40	25	\$409,000
1310 (2048) Malibu/Capistrano Tile Roofs	40	26	\$589,000
1310 (2049) Malibu/Capistrano Tile Roofs	40	27	\$577,000
1310 (2050) Malibu/Capistrano Tile Roofs	40	28	\$601,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1310 (2051) Malibu/Capistrano Tile Roofs	40	29	\$597,000
1310 (2052) Malibu/Capistrano Tile Roofs	40	30	\$604,000
1310 (2053) Malibu/Capistrano Tile Roofs	40	31	\$606,000
1310 (2054) Malibu/Capistrano Tile Roofs	40	32	\$605,000
1311 (2030) Metal Tile Roof - Replace	40	8	\$265,000
1311 (2031) Metal Tile Roof - Replace	40	9	\$257,000
1311 (2032) Metal Tile Roof - Replace	40	10	\$264,000
1311 (2033) Metal Tile Roof - Replace	40	11	\$274,000
1311 (2034) Metal Tile Roof - Replace	40	12	\$275,000
1311 (2035) Metal Tile Roof - Replace	40	13	\$261,000
1311 (2036) Metal Tile Roof - Replace	40	14	\$272,000
1311 (2037) Metal Tile Roof - Replace	40	15	\$269,000
1311 (2038) Metal Tile Roof - Replace	40	16	\$276,000
1311 (2039) Metal Tile Roof - Replace	40	17	\$269,000
1311 (2040) Metal Tile Roof - Replace	40	18	\$272,000
1311 (2041) Metal Tile Roof - Replace	40	19	\$277,000
1311 (2042) Metal Tile Roof - Replace	40	20	\$275,000
1311 (2043) Metal Tile Roof - Replace	40	21	\$271,000
1311 (2044) Metal Tile Roof - Replace	40	22	\$273,000
1311 (2045) Metal Tile Roof - Replace	40	23	\$269,000
1311 (2046) Metal Tile Roof - Replace	40	24	\$275,000
1311 (2047) Metal Tile Roof - Replace	40	25	\$274,000
1311 (2048) Metal Tile Roof - Replace	40	26	\$268,000
1311 (2049) Metal Tile Roof - Replace	40	27	\$264,000
1314 (2022) PVC Cool Roof System - Repl	25	0	\$1,100,000
1314 (2023) PVC Cool Roof System - Repl	25	1	\$1,112,000
1314 (2024) PVC Cool Roof System - Repl	25	2	\$1,114,000
1314 (2025) PVC Cool Roof System - Repl	25	3	\$1,111,000
1314 (2026) PVC Cool Roof System - Repl	25	4	\$1,115,000
1314 (2027) PVC Cool Roof System - Repl	25	5	\$1,105,000
1314 (2028) PVC Cool Roof System - Repl	25	6	\$1,157,000
1314 (2028) PVC Cool Roof System - Repl	25	6	\$1,157,000
1314 (2029) PVC Cool Roof System - Repl	25	7	\$1,221,000
1314 (2030) PVC Cool Roof System - Repl	25	8	\$1,244,000
1314 (2031) PVC Cool Roof System - Repl	25	9	\$1,250,000
1314 (2032) PVC Cool Roof System - Repl	25	10	\$1,242,000
1314 (2033) PVC Cool Roof System - Repl	25	11	\$1,251,000
1314 (2034) PVC Cool Roof System - Repl	25	12	\$1,282,000
1314 (2035) PVC Cool Roof System - Repl	25	13	\$1,253,000
1314 (2036) PVC Cool Roof System - Repl	25	14	\$1,294,000
1314 (2037) PVC Cool Roof System - Repl	25	15	\$1,431,000
1314 (2038) PVC Cool Roof System - Repl	25	16	\$1,360,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1314 (2039) PVC Cool Roof System - Repl	25	17	\$1,147,000
1314 (2040) PVC Cool Roof System - Repl	25	18	\$1,400,000
1314 (2041) PVC Cool Roof System - Repl	25	19	\$1,163,000
1314 (2042) PVC Cool Roof System - Repl	25	20	\$1,052,000
1314 (2043) PVC Cool Roof System - Repl	25	21	\$786,000
1314 (2044) PVC Cool Roof System - Repl	25	22	\$636,000
1314 (2045) PVC Cool Roof System - Repl	25	23	\$607,000
1314 (2046) PVC Cool Roof System - Repl	25	24	\$569,000
1314 (2047) PVC Cool Roof System - Repl	25	24	\$619,000
1314 (2048) PVC Cool Roof System - Repl	25	24	\$659,000
1314 (2049) PVC Cool Roof System - Repl	25	25	\$659,000
1316 Roof Preventative Maintenance	1	0	\$114,000
1317 Emergency Roof Repairs	1	0	\$150,000
1330 (2040) 3- Story Gutters R/R	30	18	\$125,000
1330 (2041) 3- Story Gutters R/R	30	19	\$125,000
1330 (2042) 3- Story Gutters R/R	30	20	\$125,000
1330 (2043) 3- Story Gutters R/R	30	21	\$125,000
1330 (2044) 3- Story Gutters R/R	30	22	\$125,000
1330 (2045) 3- Story Gutters R/R	30	23	\$125,000
1330 (2046) 3- Story Gutters R/R	30	24	\$125,000
1330 (2047) 3- Story Gutters R/R	30	25	\$125,000
1330 (2048) 3- Story Gutters R/R	30	26	\$12,500
1331 (2022) 1 & 2-Story Gutters R/R	1	0	\$28,900
1331 (2023-2029) 1 & 2-Story Gutters R/R	1	1	\$100,000
1331 (2030-2051) 1 & 2-Story Gutters R/R	1	8	\$50,000
Building Structures			
1860 (2023-2028) Fire Alarm System	1	1	\$210,000
3210 (2022) MO/Carpentry/CP Panels	1	0	\$666,000
3210 (2023-2025) MO/Carpentry/CP Panels	1	1	\$625,300
3210 (2026-2039) MO/Carpentry/CP Panels	1	4	\$359,000
3210 (2040-2051) MO/Carpentry/CP Panels	1	18	\$291,000
3213 (2023-2027) Bldg Structure Dry Rot	1	1	\$512,500
3213 (2028-2037) Bldg Structure Dry Rot	1	6	\$256,300
3213 (2038-2050) Bldg Structure Dry Rot	1	16	\$128,100
3216 (2022) Bldg Struct Replacement	1	0	\$200,000
3216 (2023-2027) Bldg Struct Replacement	1	1	\$350,000
3216 (2028-2037) Bldg Struct Replacement	1	6	\$175,000
3216 (2038-2051) Bldg Struct Replacement	1	16	\$87,500
3219 (2023-2025) Parapet Wall Removal	1	1	\$275,000
3220 Bldg Struct Foundation Repairs	1	0	\$75,000
3223 (2023-2027) Storage Cabinets	1	1	\$91,000
3225 (2022) Glulam/Beam - Repair	10	0	\$299,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
3225 (2024) Glulam/Beam - Repair	10	2	\$149,500
3225 (2026) Glulam/Beam - Repair	10	4	\$149,500
3225 (2027) Glulam/Beam - Repair	10	5	\$399,000
3225 (2028) Glulam/Beam - Repair	10	6	\$199,000
3225 (2029) Glulam/Beam - Repair	10	7	\$149,500
3225 (2030) Glulam/Beam - Repair	10	8	\$49,800
3225 (2031) Glulam/Beam - Repair	10	9	\$1,246,000
3230 Annual Bldg Dry Rot - Repairs	1	0	\$141,500
3231 (2022) Bldg Lead Abatement	1	0	\$5,000
3231 Bldg Lead Abatement	1	1	\$1,200
3235 Annual Damage Restoration	1	0	\$889,000
Decking Projects			
151 Balcony Inspections	1	0	\$50,000
153 (2022) Mid-Cycle Decks Seal	1	0	\$435,800
153 (2023-2025) Mid-Cycle Decks Seal	1	1	\$412,100
153 Annual Mid-Cycle Decks Seal	1	6	\$412,100
Prior To Painting & Painting Projects			
153 Deck Top Coat With Painting	1	0	\$63,000
1115 (2022) Full Cycle Exterior Painting	1	0	\$1,235,000
1115 Annual Full Cycle Exterior Painting	1	1	\$1,126,000
1116 Annual Exterior Paint Touch-Up	1	0	\$156,000
1116 Annual Interior Paint Touch-Up	1	0	\$75,500
1400 Annual HIP Reflective Address Signs	1	0	\$38,000
1401 Building # Signage - Replace	1	1	\$39,300
2901 Annual Lead Testing & Abatement	1	0	\$7,500
2902 PTP Annual Asbestos Abatement	1	0	\$36,000
2910 (2022) PTP Repair Work	1	0	\$741,300
2910 (2023-2034) PTP Repair Work	1	1	\$668,700
2910 Annual PTP Repair Work	1	13	\$632,200
Elevators			
2800 Miscellaneous Elevator Components	1	1	\$14,000
2802 (2023-2026) Cab Door Operators	1	1	\$55,000
2802 (2051) Cab Door Operators Replace	40	29	\$110,000
2804 (2023) Cab Remodel & Flooring	40	1	\$53,500
2804 (2024) Cab Remodel & Flooring	40	2	\$53,500
2804 (2025) Cab Remodel & Flooring	40	3	\$53,500
2804 (2026) Cab Remodel & Flooring	40	4	\$53,500
2806 (2032) Controllers & Call Buttons	30	10	\$590,000
2806 (2033) Controllers & Call Buttons	30	11	\$590,000
2806 (2034) Controllers & Call Buttons	30	12	\$590,000
2806 (2035) Controllers & Call Buttons	30	13	\$590,000
2806 (2036) Controllers & Call Buttons	30	14	\$590,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
2806 (2037) Controllers & Call Buttons	30	15	\$590,000
2806 (2038) Controllers & Call Buttons	30	16	\$590,000
2806 (2039) Controllers & Call Buttons	30	17	\$708,000
2808 (2023) Hoistway Doors Replace	40	1	\$49,100
2808 (2024) Hoistway Doors Replace	40	2	\$49,100
2808 (2025) Hoistway Doors Replace	40	3	\$49,100
2808 (2026) Hoistway Doors Replace	40	4	\$49,100
2850 (2023-2026) Machine Room Power Unit	1	1	\$67,500
2850 (2051) Machine Room Power Units	1	29	\$135,000
2852 (2023) Solid State Soft Starters	20	1	\$16,000
2852 (2024) Solid State Soft Starters	20	2	\$16,000
2852 (2025) Solid State Soft Starters	20	3	\$16,000
2852 (2026) Solid State Soft Starters	20	4	\$16,000
Garden Villas			
332 (2023) GV Water Heaters	10	1	\$1,000
332 (2024) GV Water Heaters	10	2	\$1,000
332 (2026) GV Water Heaters	10	4	\$1,000
332 (2027) GV Water Heaters	10	5	\$1,500
332 (2028) GV Water Heaters	10	6	\$7,400
332 (2029) GV Water Heaters	10	7	\$4,400
332 (2030) GV Water Heaters	10	8	\$4,400
332 (2031) GV Water Heaters	10	9	\$6,200
336 GV Rec Room Heat Pump	1	0	\$2,000
912 (2023) GV Lobby Renovations	1	1	\$11,300
912 (2031-2041) GV Lobby Renovations	10	9	\$56,500
912 (2051-2061) GV Lobby Renovations	10	29	\$56,500
915 (2026) Mail Room Renvoations	10	4	\$80,000
915 (2027) Mail Room Renvoations	10	5	\$80,000
915 (2028) Mail Room Renvoations	10	6	\$80,000
915 (2029) Mail Room Renvoations	10	7	\$80,000
915 (2030) Mail Room Renvoations	10	8	\$80,000
915 (2031) Mail Room Renvoations	10	9	\$24,000
1950 (2023-2035) GV Concrete Filler	1	0	\$225,000
1951 GV Recessed Area Carpet	1	0	\$64,400
Lighting Replacement Projects			
360 Street Light Replacement	1	0	\$29,000
370 Exterior Lighting Replacement	1	1	\$50,000
Walls, Fencing & Railings			
501 Common Interior Walls- Repair	1	0	\$25,000
501 Perimeter Block Wall - Repair	1	0	\$24,100
504 (2022) Perim Shepherds Crooks - R/R	1	0	\$35,000
504 Shepherds Crooks - Replace/Repair	1	1	\$145,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
516 Split Rail Fencing Replacement	1	0	\$66,700
Laundry Facilities			
603 (2023-2029) Epoxy Floors - Replace	1	0	\$50,300
603 (2041) Epoxy Floors - Replace	25	19	\$50,300
990 (2022) Countertops - Replace	20	0	\$6,400
990 (2023) Countertops - Replace	20	1	\$14,500
990 (2034-2043) Countertops - Replace	1	12	\$15,000
992 Commercial Washers - Replace	1	0	\$62,000
993 (2026-2027) Commercial Dryers	1	4	\$7,700
993 Annual Commercial Dryers - Replace	1	4	\$37,900
994 (2022) Laundry Water Heaters	10	0	\$33,200
994 (2023) Laundry Water Heaters	10	1	\$13,200
994 (2024) Laundry Water Heaters	10	2	\$8,100
994 (2025) Laundry Water Heaters	10	3	\$16,200
994 (2026) Laundry Water Heaters	10	4	\$8,100
994 (2027) Laundry Water Heaters	10	5	\$6,100
994 (2028) Laundry Water Heaters	10	6	\$17,200
994 (2029) Laundry Water Heaters	10	7	\$6,100
994 (2030) Laundry Water Heaters	10	8	\$5,100
Sewer Lines, Water Lines & Elect			
318 (2023-2041) Waste Line Liners	1	1	\$1,000,000
319 (2022-2028) Copper Water Lines	1	0	\$287,000
319 (2029-2045) Copper Water Lines	1	7	\$137,600
319 (2046-2051) Copper Water Lines	1	24	\$103,200
340 (2022) Elect System & Panel Replace	1	0	\$30,000
340 Elect System & Panel Replacement	1	1	\$50,000
341 Heat Pumps/Wall Heaters, Replace	1	1	\$9,500
2810 (2023-2028) Energy Consultant	1	1	\$10,000
Grounds & Miscellaneous			
450 Pedestal Mailboxes - Replace	1	0	\$27,000
Landscape Projects			
1020 Annual Tree Trimming	1	0	\$859,000
1022 (2022) Landscape Modernization	1	0	\$300,000
1022 (2023) Landscape Modernization	1	1	\$200,000
1022 Annual Landscape Modernization	1	2	\$50,000
1022 Landscape Improvement & Restoration	1	0	\$173,000
1024 Slope Renovations	1	0	\$817,000
272 Total Funded Components			



Budget Summary

Report # 31071-2
No-Site-Visit

	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022 Fully Funded Balance	2022 Contributions
	Min	Max	Min	Max				
Paved Surfaces	1	25	0	24	\$9,178,800	\$504,500	\$5,008,190	\$390,396
Roofing & Gutters	1	40	0	32	\$57,806,400	\$1,511,900	\$29,450,165	\$1,551,678
Building Structures	1	10	0	18	\$7,979,700	\$2,275,500	\$2,943,310	\$3,696,353
Decking Projects	1	1	0	6	\$1,310,000	\$485,800	\$485,800	\$864,292
Prior To Painting & Painting Projects	1	1	0	13	\$4,818,500	\$2,352,300	\$2,352,300	\$3,179,077
Elevators	1	40	1	29	\$5,693,900	\$0	\$3,118,133	\$296,219
Garden Villas	1	10	0	29	\$866,600	\$291,400	\$468,280	\$236,915
Lighting Replacement Projects	1	1	0	1	\$79,000	\$29,000	\$29,000	\$52,121
Walls, Fencing & Railings	1	1	0	1	\$295,800	\$150,800	\$150,800	\$195,158
Laundry Facilities	1	25	0	19	\$357,400	\$151,900	\$225,087	\$123,565
Sewer Lines, Water Lines & Elect	1	1	0	24	\$1,627,300	\$317,000	\$317,000	\$1,073,635
Grounds & Miscellaneous	1	1	0	0	\$27,000	\$27,000	\$27,000	\$17,814
Landscape Projects	1	1	0	2	\$2,399,000	\$2,149,000	\$2,149,000	\$1,582,776
					\$92,439,400	\$10,246,100	\$46,724,065	\$13,260,000

Percent Funded: 37.0%



30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 31071-2
No-Site-Visit

Fiscal Year Start: 2022

Interest:

2.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2022	\$17,275,103	\$46,724,065	37.0 %		Medium	\$11,130,048	\$0	\$357,608	\$10,246,100
2023	\$18,516,659	\$51,514,692	35.9 %		Medium	\$12,142,882	\$0	\$366,014	\$12,909,093
2024	\$18,116,462	\$53,952,534	33.6 %		Medium	\$12,385,740	\$0	\$355,508	\$13,392,589
2025	\$17,465,121	\$56,391,173	31.0 %		Medium	\$12,633,455	\$0	\$342,438	\$13,632,644
2026	\$16,808,370	\$58,072,411	28.9 %		High	\$12,886,124	\$0	\$336,937	\$13,116,905
2027	\$16,914,526	\$60,614,220	27.9 %		High	\$13,143,846	\$0	\$337,940	\$13,487,574
2028	\$16,908,738	\$62,647,067	27.0 %		High	\$13,406,723	\$0	\$330,644	\$14,461,764
2029	\$16,184,342	\$63,706,367	25.4 %		High	\$13,674,858	\$0	\$332,671	\$13,080,323
2030	\$17,111,547	\$57,230,145	29.9 %		High	\$13,948,355	\$0	\$350,313	\$13,460,065
2031	\$17,950,149	\$59,483,407	30.2 %		Medium	\$14,227,322	\$0	\$350,958	\$15,352,353
2032	\$17,176,077	\$60,287,218	28.5 %		High	\$14,511,868	\$0	\$339,158	\$15,258,020
2033	\$16,769,083	\$61,657,273	27.2 %		High	\$14,802,106	\$0	\$333,721	\$15,272,944
2034	\$16,631,966	\$63,532,760	26.2 %		High	\$15,098,148	\$0	\$325,727	\$16,086,860
2035	\$15,968,981	\$65,045,284	24.6 %		High	\$15,400,111	\$0	\$314,339	\$16,191,318
2036	\$15,492,112	\$66,586,085	23.3 %		High	\$15,708,113	\$0	\$303,268	\$16,642,571
2037	\$14,860,922	\$68,196,316	21.8 %		High	\$16,022,275	\$0	\$283,338	\$17,669,064
2038	\$13,497,471	\$68,954,066	19.6 %		High	\$16,342,721	\$0	\$262,801	\$17,297,612
2039	\$12,805,381	\$70,384,810	18.2 %		High	\$16,669,575	\$0	\$243,267	\$18,175,870
2040	\$11,542,353	\$71,353,466	16.2 %		High	\$17,002,967	\$0	\$226,041	\$17,689,982
2041	\$11,081,380	\$73,378,994	15.1 %		High	\$17,343,026	\$0	\$194,048	\$20,278,245
2042	\$8,340,208	\$71,536,433	11.7 %		High	\$17,689,887	\$0	\$172,976	\$17,230,662
2043	\$8,972,409	\$73,282,886	12.2 %		High	\$18,043,684	\$0	\$196,161	\$16,551,599
2044	\$10,660,655	\$76,272,864	14.0 %		High	\$18,404,558	\$0	\$225,029	\$17,428,493
2045	\$11,861,749	\$78,984,530	15.0 %		High	\$18,772,649	\$0	\$248,129	\$17,909,903
2046	\$12,972,624	\$81,553,226	15.9 %		High	\$19,148,102	\$0	\$252,555	\$20,068,557
2047	\$12,304,724	\$82,534,961	14.9 %		High	\$19,531,064	\$0	\$231,909	\$21,161,395
2048	\$10,906,303	\$82,996,697	13.1 %		High	\$19,921,686	\$0	\$218,447	\$20,089,079
2049	\$10,957,357	\$85,170,228	12.9 %		High	\$20,320,119	\$0	\$217,822	\$20,651,546
2050	\$10,843,753	\$84,209,244	12.9 %		High	\$20,726,522	\$0	\$220,252	\$20,589,976
2051	\$11,200,551	\$87,144,088	12.9 %		High	\$21,141,052	\$0	\$193,342	\$24,384,562

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RESOLUTION 03-21-XX

Approve the Request For Removal of One Indian Laurel Fig Tree 2151-C Rhonda Granada

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 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 29, 2021, the Landscape Committee reviewed a request from the Member at 2151-C to remove one Indian Laurel Fig tree. The Member cited the reasons as overgrown, poor condition, litter/debris, and shedding of berries;

WHEREAS, the Committee determined that the tree meets the guidelines set forth in Resolution 03-21-10 and recommends approving the request for the removal of one Indian Laurel Fig tree located at 2151-C Rhonda Granada.

NOW THEREFORE BE IT RESOLVED, October 19, 2021, the Board of Directors approves the request for the removal of one Indian Laurel Fig tree located at 2151-C;

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 03-21-XX

Approve the Request For Removal of One Indian Laurel Fig Tree 5348-Q Algarrobo

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 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 29, 2021, the Landscape Committee reviewed a request from the Member at 5348-Q to remove one Indian Laurel Fig tree. The Member cited the reasons as structural damage, overgrown, sewer damage, and shade causing a moist, damp situation for mosquitos to breed;

WHEREAS, the Committee determined that the tree meets the guidelines set forth in Resolution 03-21-10 and recommends approving the request for the removal of one Indian Laurel Fig tree located at 5348-Q Algarrobo.

NOW THEREFORE BE IT RESOLVED, October 19, 2021, the Board of Directors approves the request for the removal of one Indian Laurel Fig tree located at 5348-Q;

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 03-21-XX

Deny the Request For Removal of One Carrotwood Tree 3316-C San Amadeo

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 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 29, 2021, the Landscape Committee reviewed a request from the Member at 3316-C to remove one Carrotwood tree. The Member cited the reasons as litter/debris and personal preference;

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 Carrotwood tree located at 3316-C San Amadeo.

NOW THEREFORE BE IT RESOLVED, October 19, 2021, the Board of Directors denies the request for the removal of one Carrotwood tree located at 3316-C;

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 03-21-XX

Deny the Request For Removal of One Rusty Leaf Fig Tree 4007-2G Calle Sonora Oeste

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 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 29, 2021, the Landscape Committee reviewed a request from the Member at 4007-2G to remove one Rusty Leaf Fig tree. The Member cited the reasons as over grown, branches are breaking off, the tree blocks sunlight, roots growing under the foundation, and mold on the roof;

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 4007-2G Calle Sonora Oeste.

NOW THEREFORE BE IT RESOLVED, October 19, 2021, the Board of Directors denies the request for the removal of one Rusty Leaf Fig tree located at 4007-2G;

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 03-21-XX

Recording of a Lien

WHEREAS, Member ID 931-580-71; 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 19, 2021, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-580-71 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 03-21-XX

Recording of a Lien

WHEREAS, Member ID 933-200-32; 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 19, 2021, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-200-32 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 03-21-xx
Third Mutual Committee Appointments

RESOLVED, October 7, 2021, that the following persons are hereby appointed to serve on the committees and services of this Corporation.

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

Architectural Standards and Control Committee

Robert Mutchnick, **Chair**

John Frankel

Ralph Engdahl

James Cook

Craig Wayne, Alternate

~~Steve Parsons~~

~~Reza Karimi~~

Voting Advisors: Mike Butler and Mike Plean

Communications Committee

Annie McCary, Chair

Donna Rane-Szostak

~~Steve Parsons~~

~~James Cook~~

~~Mark Laws~~

~~Lynn Jarrett~~

~~Reza Karimi~~

~~Cush Bhada~~

Executive Hearing Committee

Annie McCary, Chair

Ralph Engdahl, Co-Chair

Robert Mutchnick

John Frankel

Mark Laws

~~Donna Rane-Szostak~~

Finance (Committee of the Whole)

Steve Parsons, Chair

Non-Voting Advisors: John Hess, Wei-Ming Tao

Banking Ad Hoc Committee

~~Robert Mutchnick~~

~~Donna Rane-Szostak~~

~~Craig Wayne~~

Insurance Task Force

Meeting of the Whole

Investment Ad Hoc Committee

Robert Mutchnick

Craig Wayne

Donna Rane-Szostak

Garden Villa Recreation Room Subcommittee (Quarterly)

~~Steve Parsons, Chair~~

Donna Rane-Szostak

~~Nathaniel "Ira" Lewis~~

~~Lynn Jarrett, Chair~~

~~Robert Mutchnick~~

Voting Advisors: Sharon Molineri, Stuart Hack, Randy Scott

Landscape Committee

~~Steve Parsons, Chair~~

~~Lynn Jarrett, Chair~~

Annie McCary

Ralph Engdahl

Donna Rane-Szostak

~~Nathaniel "Ira" Lewis~~

Cush Bhada, Alternate

~~Reza Karimi~~

Advisor: Cindy Baker

Maintenance and Construction Committee

Ralph Engdahl, ~~Chair~~

Robert Mutchnick

John Frankel

Craig Wayne

~~James Cook~~

Cush Bhada, Alternate

~~Reza Karimi~~

New Resident Orientation

Everybody Participates on a Rotating Basis

Water Conservation Committee (Quarterly)

Donna Rane-Szostak, Chair

John Frankel

Cush Bhada

Nathaniel "Ira" Lewis

~~Reza Karimi~~

~~Lynn Jarrett~~

Advisor: Katheryn Freshley, Kay Havens

Parking & Golf Cart Task Force

Steve Parsons, Chair

John Frankel

Cush Bhada

Mark Laws

~~Lynn Jarrett~~

Advisors: Hal Horne

Resident Policy and Compliance Committee

Steve Parsons, ~~Chair~~

Robert Mutchnick

Cush Bhada

Annie McCary

Mark Laws

Nathaniel "Ira" Lewis, Alternate

~~Lynn Jarrett~~

~~Reza Karimi~~

Voting Advisors: Stuart Hack

Energy Research Group

Ralph Engdahl

John Frankel

Nathaniel "Ira" Lewis

~~Craig Wayne~~

Advisors: Sue Stephens, Bill Walsh

RESOLVED FURTHER, that Resolution 03-21-41, adopted July 20, 2021, 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.

RESOLUTION 03-21-xx
GRF Committee Appointments

RESOLVED, October 19, 2021, 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

Annie McCary

Cush Bhada

~~Reza Karimi~~

Equestrian Center Ad Hoc Committee

Cush Bhada

Annie McCary

GRF Finance Committee

Steve Parsons

Robert Mutchnick

Craig Wayne, Alternate

Purchasing Ad Hoc Committee (new)

Donna Rane-Szostak

Ralph Engdahl

Robert Mutchnick, Alternate

~~Steve Parsons~~

GRF Landscape Committee

~~Lynn Jarrett~~

~~Reza Karimi~~

Donna Rane-Szostak, Alternate

GRF Maintenance and Construction Committee

John Frankel

Ralph Engdahl

~~Reza Karimi, Alternate~~

Clubhouse Renovation Ad Hoc Committee

John Frankel

Cush Bhada

Ralph Engdahl, Alternate

Media and Communication Committee

Annie McCary

James Cook

Steve Parsons, Alternate

~~Lynn Jarrett~~

~~Donna Rane-Szostak, Alternate~~

Broadband Ad Hoc Committee

Annie McCary

~~Lynn Jarrett~~

Mobility and Vehicles Committee

James Cook

Cush Bhada

~~Craig Wayne~~

~~Reza Karimi~~

Security and Community Access Committee

Annie McCary

Craig Wayne

Donna Rane-Szostak, Alternate

~~Cush Bhada~~

Disaster Preparedness

John Frankel

Donna Rane-Szostak

James Cook

~~Annie McCary~~

Laguna Woods Village Traffic Hearings

John Frankel

Mark Laws

~~Cush Bhada~~

Strategic Planning Committee

Robert Mutchnick

Nathaniel "Ira" Lewis

~~Cush Bhada~~

~~Steve Parsons, Alternate~~

Customer Experience Subcommittee

~~Cush Bhada~~

~~Robert Mutchnick~~

Facilities Subcommittee

~~Cush Bhada~~

Budget Ad Hoc Committee

Robert Mutchnick

Annie McCary

~~Steve Parsons~~

~~Reza Karimi, Alternate~~

GRF Insurance Ad Hoc Committee

Robert Mutchnick

Reza Karimi

Trash Task Force

Craig Wayne

John Frankel, Alternate

IT Technology Advisory Committee (ITAC)

Mark Laws

Steve Parsons

Lynn Jarrett

Reza Karimi

RESOLVED FURTHER, that Resolution 03-21-42, adopted July 20, 2020, 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



STAFF REPORT

DATE: October 19, 2021
FOR: Third Laguna Hills Mutual Board of Directors
SUBJECT: Variance Request (Appeal):
Mrs. Victoria Kalinsky of 5236 Elvira (Villa Reposa, C11A_1)
Handrail Along Driveway

RECOMMENDATION (APPEAL)

Staff presents the Architectural Standards and Control Committee recommendation that the Board approve the request for a handrail along the driveway approach to the manor at 5236 Elvira. Should the Board decide to approve the request, the approval will be conditioned per Appendix AA.

BACKGROUND

On July 26, 2021 the original variance request for a handrail (Attachment A1) to be installed along the driveway at 5236 Elvira was heard and denied by the ACSC.

On September 23, 2021, an appeal letter (Attachment A2) was submitted by Mrs. Victoria Kalinsky of 5236 Elvira.

On September 27, 2021 the appeal was added to the ACSC meeting agenda for consideration by the Committee. Upon review of the additional documentation (Attachments A3 and A4), submitted by the applicant, the Architectural Control and Standards Committee found sufficient reasoning to overturn their previous determination and now recommends the Board approve the Kalinsky's request to install a handrail along the driveway approach to the manor at 5236 Elvira, per Resolution 03-21-XX (Attachment A5).

ATTACHMENT(S) (APPEAL):

Appendix AA: Conditions of Approval, Revised
Attachment A1: Original Staff Report to ACSC
Attachment A2: Appeal Letter
Attachment A3: FFHA Legal Discussion
Attachment A4: Photo – 5180 Del Sol (Approved Variance 2008)
Attachment A5: Resolution 03-21-XX Variance Request

Appendix AA (4 pages)

CONDITIONS OF APPROVAL, REVISED

1. No improvement shall be installed, constructed, modified or altered at **5236**, ("Property") within the Third Laguna Hills Mutual ("Mutual") without an approved Mutual Consent for Alterations application for the improvement has been made to, and approved, in writing, by, the Village Management Services, Inc. ("VMS, Inc."), Alterations Division ("Division"), or, in the event of a Variance from the Mutual's Alteration Standards, the Architectural Control and Standards Committee ("ACSC"). In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the Property, the Members ("Member ") agrees to comply with the Mutual's Governing Documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
2. A Variance for Alterations has been granted at **5236** for a **Handrail on common area driveway**, subject to the attached plans stamped approved and is subject to a final inspection by the Division. Any variations to the approved attached plans are not allowed and could result in a stop work notice and/or severe fines to the Member.
3. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member at **5236** and all future Mutual Members at **5236**.
4. Prior to the issuance of a Mutual Consent for Alterations, a complete set of unit specific plans prepared by a licensed architect or structural engineer depicting the proposed improvement must be submitted to the Division office located in the Laguna Woods Village Community Center. The plans must depict any required structural modifications ensuring the structural integrity of the building is maintained upon completion of the proposed improvement.
5. Parking of contractors or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible contractors' or other invitees' vehicles should be limited in number.
6. A City of Laguna Woods permit may be required, which may include the requirement to obtain clearance from the South Coast Air Quality Management District (Asbestos Hot Line at (909) 396-2336). Prior to the issuance of a Mutual Consent for Alterations, the appropriate City of Laguna Woods permit number(s) must be submitted to the Division office located in the Laguna Woods Village Community Center. The City permit must be finalized within the prescribed timeframe, and a copy of the final permit must be submitted to the Division within two weeks.

7. Prior to the Issuance of a Mutual Consent for Alterations, the Member shall request a Landscape Department inspection in order to assure all landscape, irrigation, and drainage modifications associated with the improvements are identified and completed by the Landscape Department at the expense of the Member. All gutter drainage shall be directed away from structures, free standing walls, foundations, and pedestrian walkways.
8. Prior to the Issuance of a Mutual Consent for Alterations, the Member shall request a Maintenance and Construction Department inspection to assure that Mutual property is appropriately addressed during construction.
9. Prior to the issuance of a Mutual Consent for Alterations, any altered exterior surface should match the Building color; vinyl fence/gate will be either white or taupe, tubular steel or wrought iron fence/gate will be black or white; the approved colors and materials are identified as "Third Laguna Hills Mutual Color Selections" at Resident Services, located at the Community Center first floor.
10. Member hereby consents to and grants to the Mutual and the Maintenance and Construction Department, and their representatives, a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and for the Mutual and the Department, and their representatives and contractors to remedy any violation upon the Property, including, but not limited to, removing trash, removing any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.
11. Member shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others who perform work on the Property, including any violation of the Mutual's Governing Documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, damage to Mutual property, and use of Mutual property for storage of equipment or materials without prior approval. Member acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the Mutual's Rules and Regulations. Member shall be liable for any violation of the Mutual's Governing Documents by any invitee, including any fine, assessment or other charge levied in connection therewith.
12. Member is responsible for following the gate clearance process (<http://www.lagunawoodsvillage.com>) in place to admit contractors and other invitees.
13. Member's contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use Mutual recreational facilities or other amenities while they are in the Village for performance of work in connection with the Property.
14. All improvements must be installed in accordance with the California State Building Code, and the published Mutual Architectural Alterations Standards, Policies and Guidelines. See <http://www.lagunawoodsvillage.com>.

15. During construction, work hours established by the Mutual and the Noise Ordinance set forth in the City of Laguna Woods Municipal Code must be adhered to at all times.
16. During construction, both the Mutual Consent for Alterations and the City Building Permit must be on display for public view at all times in a location approved by the Division.
17. It is mandatory that no waste or materials associated with the construction be dumped in the Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
18. A dumpster is approved for placement at the location identified by Security staff by calling 949-580-1400. All dumpsters must conform to the Policy for Temporary Containers. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.
19. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.
20. A portable bathroom is approved for placement at the location identified by Security staff by calling 949-580-1400.
21. The Mutual Consent for Alterations expires six months after the date of approval, unless an application is submitted with fees and approved by the Division for an extension. Only one extension for a maximum of an additional six months may be granted.
22. Violations of the forgoing conditions or the Mutual's Governing Documents (See <http://www.lagunawoodsvillage.com>), including, but not limited to, unpaid assessments, work outside the approved plans, excessive noise, illegal dumping, or working after hours, will result in disciplinary action, which could result in a stop work notice, loss of privileges and/or severe fines to the Member. Such fines left unpaid will result in forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.
23. Mutual Member shall indemnify, defend and hold harmless Third and its officers, directors, committee members and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from Mutual Member's improvements and installation, construction, design and maintenance of same.
24. The Alteration handrail should be painted a color consistent with other handrails installed within the area.
25. The Alteration handrail shall meet ADA and California Building Code Accessibility guidelines.
26. The Alteration handrail and footings will require structural calculations and details engineered to prevent overturning.

27. The Alteration handrail must be removed and the driveway and landscaped area returned to original condition upon sale/change of Membership of the unit or in the event that the Mutual Members of Unit **5236** are no longer a permanent resident of the unit and all associated costs will be the sole responsibility of the Mutual Members of Unit **5236**.

Additional Conditions

28. The modifications shall be consistent with applicable building code requirements.
29. The modifications shall be consistent with the intent of otherwise applicable provisions of the governing documents pertaining to safety and/or aesthetics.
30. Modifications external to the dwelling shall not prevent reasonable passage by other residents, and shall be removed and restored to original condition by the member when the separate interest is no longer occupied by the person(s) requiring those modifications.
31. Any member who intends to modify a separate interest pursuant to this paragraph shall submit a formal architectural application with proposed architectural and engineering plans, as necessary and applicable to meet the needs of the manor resident.
32. Any change in the exterior appearance of a separate interest or common area shall be in accordance with the governing documents of Third Mutual and applicable provisions of law.
33. Manor owner shall pay for any experts needed to develop the architectural and engineering plans, any association fees, and full cost of the manufacturing and installation of approved modifications.



STAFF REPORT

DATE: July 26, 2021
FOR: Architectural Control and Standards Committee
SUBJECT: Variance Request:
Mrs. Victoria Kalinsky of 5236 Elvira (Villa Reposa, C11A_1)
Handrail Along Driveway

RECOMMENDATION

Staff recommends the Board deny the request for a handrail along the driveway approach, due to the handrail improvement being in common area. Should the Board decide to approve the request, the approval will be conditioned per Appendix A.

BACKGROUND

Mrs. Kalinsky of 5236 Elvira, a Villa Reposa style manor, requests Board approval of a variance to add a handrail along the driveway approach to the manor. There is a medical need for the handrail and a doctor's diagnosis letter has been attached with the variance request (Attachment 2)

Due to there being no existing Standard for a handrail along the driveway approach, and the handrail being located in common area, Staff seeks direction from the Board prior to issuing a Mutual Consent for the alterations.

A plan and elevation have been submitted for review (Attachment 1).

DISCUSSION

Mrs. Kalinsky is proposing to install a metal handrail along the right edge of the sloping driveway from the curb to the start of the level walkway leading to the main entry of her manor. The handrail will be approximately 19'-4" long and 42" high, and will be painted black or white (Attachment 2).

Staff is of the opinion that the Mutual should accommodate reasonable requests to provide assistance to disabled residents, with evidence provided of a medical necessity of the proposed alteration as well as how any applicable codes (e.g. ADA requirements) will be met. Without such evidence, Staff applies the current Common Area Usage policy, which indicates that Alterations in the common area are not allowed.

Previous requests to install handrails at entry walkways were denied by the Board when at Mutual expense but approved by the Board at times when at Mutual member expense for Manors 948-D in April 2016, 257-D in January 2006, 243-E in January 2004 and 9-B in December 2001.

The installation of the handrails will restrict cross flow movement along the frontage of the manor. This could impede and restrict landscape maintenance efficiency as mowers traveling parallel with the street traffic would be blocked by this handrail.

Staff cannot recommend the Board approve the request due to the Mutual's current policies regarding common area. The handrail will interfere with landscape maintenance, irrigation, and will be visible to traffic utilizing the street.

In the event of Board approval of this request, additional Conditions of Approval (Appendix A) will include:

1. The Alteration handrail should be painted a color consistent with other handrails installed within the area;
2. The Alteration handrail shall meet ADA and California Building Code Accessibility guidelines;
3. The Alteration handrail and footings will require structural calculations and details engineered to prevent overturning;
4. The Alteration handrail must be removed and the driveway and landscaped area returned to original condition upon sale/change of Membership of the unit or in the event that the Mutual Members of Unit **5236** are no longer a permanent resident of the unit and all associated costs will be the sole responsibility of the Mutual Members of Unit **5236**;
5. The handrail shall be located in the grass area adjacent to the driveway.
6. The Alteration handrail shall be reviewed by Landscape and they will provide recommendations for the installation e.g. mow strip between handrail and landscape to avoid unmaintained areas

Currently, there is one open Mutual Consent for Unit **5236** for a kitchen and bathroom remodel Alteration. The demolition has been completed and the improvements should be nearing completion.

A City of Laguna Woods building permit is required and a City final would verify compliance with all applicable building codes.

A Neighbor Awareness Notice was sent to Units 5213, 5214, 5215, 5216, 5217, 5218, 5233, 5234, 5235, 5237, and 5238 on July 16, 2021 due to having line of sight, or being potentially affected during construction.

At the time of writing the report, there have been no responses to the Neighbor Awareness Notices.

All future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at Unit 5236.

Prepared By: Richard de la Fuente, Alterations Inspector II

Reviewed By: Gavin Fogg, Inspections Supervisor

Robbi Doncost, Manor Alterations Manager

ATTACHMENT(S)

Appendix A:	Conditions of Approval
Attachment 1:	Scope
Attachment 2:	Variance Application
Attachment 3:	Photos
Attachment 4:	Map

APPENDIX A

CONDITIONS OF APPROVAL

1. No improvement shall be installed, constructed, modified or altered at **5236**, ("Property") within the Third Laguna Hills Mutual ("Mutual") without an approved Mutual Consent for Alterations application for the improvement has been made to, and approved, in writing, by, the Village Management Services, Inc. ("VMS, Inc."), Alterations Division ("Division"), or, in the event of a Variance from the Mutual's Alteration Standards, the Architectural Control and Standards Committee ("ACSC"). In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the Property, the Members ("Member ") agrees to comply with the Mutual's Governing Documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
2. A Variance for Alterations has been granted at **5236** for a **Handrail on common area driveway**, subject to the attached plans stamped approved and is subject to a final inspection by the Division. Any variations to the approved attached plans are not allowed and could result in a stop work notice and/or severe fines to the Member.
3. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member at **5236** and all future Mutual Members at **5236**.
4. Prior to the issuance of a Mutual Consent for Alterations, a complete set of unit specific plans prepared by a licensed architect or structural engineer depicting the proposed improvement must be submitted to the Division office located in the Laguna Woods Village Community Center. The plans must depict any required structural modifications ensuring the structural integrity of the building is maintained upon completion of the proposed improvement.
5. Parking of contractors or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible contractors' or other invitees' vehicles should be limited in number.
6. A City of Laguna Woods permit may be required, which may include the requirement to obtain clearance from the South Coast Air Quality Management District (Asbestos Hot Line at (909) 396-2336). Prior to the issuance of a Mutual Consent for Alterations, the appropriate City of Laguna Woods permit number(s)

must be submitted to the Division office located in the Laguna Woods Village Community Center. The City permit must be finalized within the prescribed timeframe, and a copy of the final permit must be submitted to the Division within two weeks.

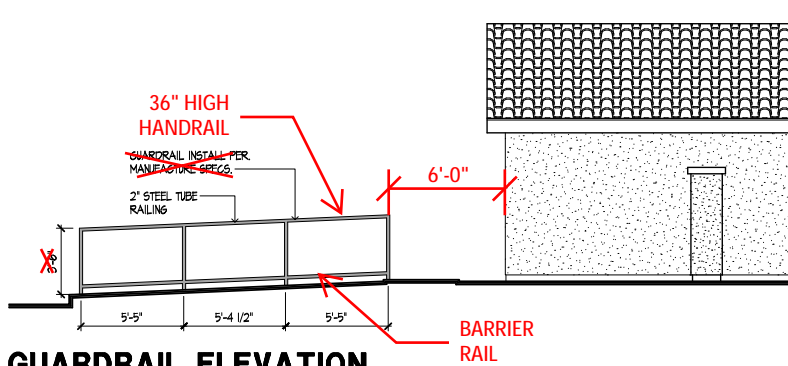
7. Prior to the Issuance of a Mutual Consent for Alterations, the Member shall request a Landscape Department inspection in order to assure all landscape, irrigation, and drainage modifications associated with the improvements are identified and completed by the Landscape Department at the expense of the Member. All gutter drainage shall be directed away from structures, free standing walls, foundations, and pedestrian walkways.
8. Prior to the Issuance of a Mutual Consent for Alternations, the Member shall request a Maintenance and Construction Department inspection to assure that Mutual property is appropriately addressed during construction.
9. Prior to the issuance of a Mutual Consent for Alterations, any altered exterior surface should match the Building color; vinyl fence/gate will be either white or taupe, tubular steel or wrought iron fence/gate will be black or white; the approved colors and materials are identified as "Third Laguna Hills Mutual Color Selections" at Resident Services, located at the Community Center first floor.
10. Member hereby consents to and grants to the Mutual and the Maintenance and Construction Department, and their representatives, a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and for the Mutual and the Department, and their representatives and contractors to remedy any violation upon the Property, including, but not limited to, removing trash, removing any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.
11. Member shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others who perform work on the Property, including any violation of the Mutual's Governing Documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, damage to Mutual property, and use of Mutual property for storage of equipment or materials without prior approval. Member acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the Mutual's Rules and Regulations. Member shall be liable for any violation of the Mutual's Governing Documents by any invitee, including any fine, assessment or other charge levied in connection therewith.
12. Member is responsible for following the gate clearance process

(<http://www.lagunawoodsvillage.com>) in place to admit contractors and other invitees.

13. Member's contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use Mutual recreational facilities or other amenities while they are in the Village for performance of work in connection with the Property.
14. All improvements must be installed in accordance with the California State Building Code, and the published Mutual Architectural Alterations Standards, Policies and Guidelines. See <http://www.lagunawoodsvillage.com>.
15. During construction, work hours established by the Mutual and the Noise Ordinance set forth in the City of Laguna Woods Municipal Code must be adhered to at all times.
16. During construction, both the Mutual Consent for Alterations and the City Building Permit must be on display for public view at all times in a location approved by the Division.
17. It is mandatory that no waste or materials associated with the construction be dumped in the Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
18. A dumpster is approved for placement at the location identified by Security staff by calling 949-580-1400. All dumpsters must conform to the Policy for Temporary Containers. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.
19. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.
20. A portable bathroom is approved for placement at the location identified by Security staff by calling 949-580-1400.
21. The Mutual Consent for Alterations expires six months after the date of approval, unless an application is submitted with fees and approved by the Division for an extension. Only one extension for a maximum of an additional six months may be granted.
22. Violations of the forgoing conditions or the Mutual's Governing Documents (See <http://www.lagunawoodsvillage.com>), including, but not limited to, unpaid assessments, work outside the approved plans, excessive noise, illegal dumping, or working after hours, will result in disciplinary action, which could result in a stop work notice, loss of privileges and/or severe fines to the Member. Such fines

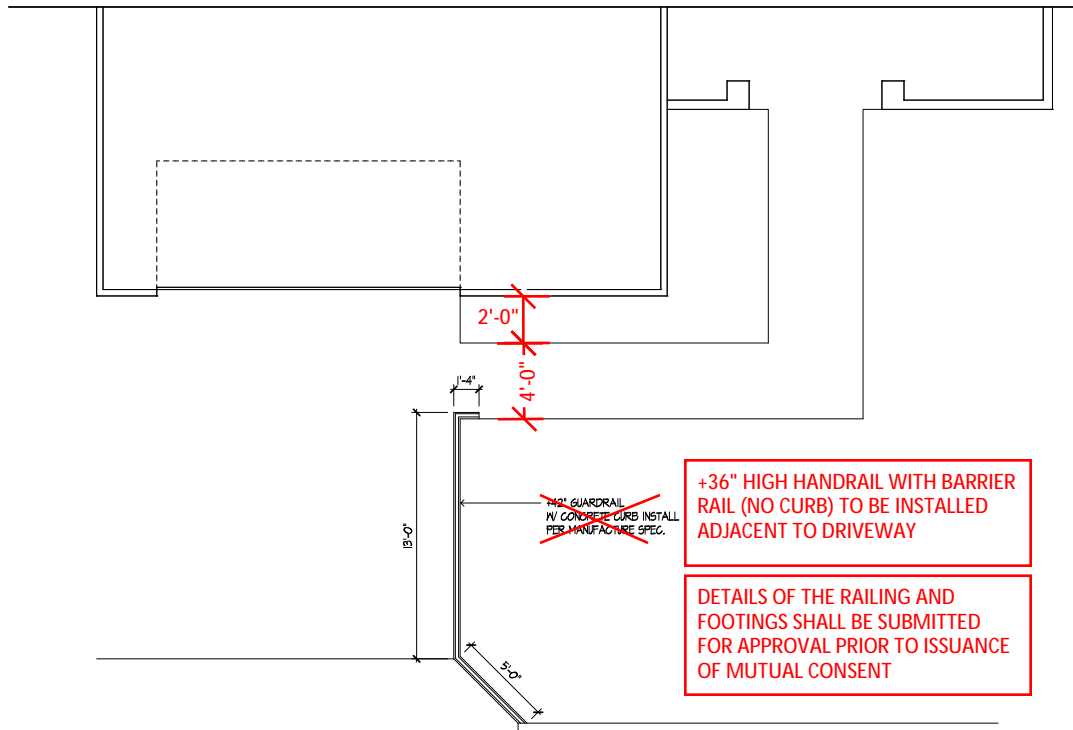
left unpaid will result in forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.

23. Mutual Member shall indemnify, defend and hold harmless Third and its officers, directors, committee Members and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from Mutual Members' improvements and installation, construction, design and maintenance of same.
24. The Alteration handrail should be painted a color consistent with other handrails installed within the area.
25. The Alteration handrail shall meet ADA and California Building Code Accessibility guidelines.
26. The Alteration handrail and footings will require structural calculations and details engineered to prevent overturning.
27. The Alteration handrail must be removed and the driveway and landscaped area returned to original condition upon sale/change of Membership of the unit or in the event that the Mutual Members of Unit **5236** are no longer a permanent resident of the unit and all associated costs will be the sole responsibility of the Mutual Members of Unit **5236**.



GUARDRAIL ELEVATION

SCALES: 1/4"=1'-0"



design
 EDGAR ESPARZA
 16198 EBONY AVE.
 MORENO VALLEY, CA 92551
 CELL: 562.965.4771

- 1. 11-20-2020 BUILDING DEPT.
- 2. 02/10/2021 FIELD CHANGES
- 3.
- 4.
- 5.
- 6.

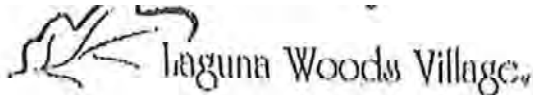
PLOT DATE: 4/8/2021

SIGNATURE
 EDGAR ESPARZA
 PHONE: 562.965.4771



5236 ELVIRA
 LAGUNA WOODS, CA 92637

A4

MANOR # 5236 ELVIRA☐ ULWM ☒ TLHM

Variance Request Form

SA 21573258

Model: <u>Villa Reposa</u>	Plan:	Date: <u>2/10/21</u>
Member Name: <u>Victoria Kalinsky</u>	Signature: <u>[Signature]</u>	
Phone: <u>[Redacted]</u>	Email: <u>[Redacted]</u>	
Contractor Name/Co: <u>AgB Home Remodeling</u>	<u>[Redacted]</u>	<u>[Redacted]</u>

Description of Proposed Variance Request ONLY:

Install new METAL wrought IRON HANDRAIL (white or Black Finish)

in Driveway in front of Garage. TOTAL 17' TOTAL 19'-4"

17' x 3' Height 19'-4" LONG X 42" HIGH

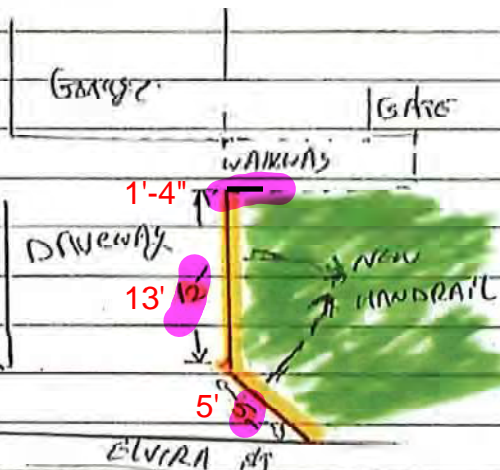
Dimensions of Proposed Variance Alterations ONLY:

TOTAL 17' x 3' Height

TOTAL 19'-4" LONG X 42" HIGH

NEW HANDRAIL

GRASS AREA (LANDSCAPING)



FOR OFFICE USE ONLY

RECEIVED BY: _____ DATE RECEIVED: 4/9/21 Check/ CL BY: au

Alteration Variance Request

Check Items Received:

- ☐ Drawing of Existing Floor Plan
- ☐ Drawing of Proposed Variance
- ☐ Dimensions of Proposed Variance
- ☐ Before and After Pictures
- ☐ Other: _____

Complete Submittal Cut Off Date: 4/23/21

Meetings Scheduled:

Third AC&S Committee: 5/24/21

United AC&S Committee: _____

Board Meeting: 6/15/21☐ Denied ☐ Approved☐ Tabled ☐ Other: _____

v.0.17



FRONT - STREET VIEW



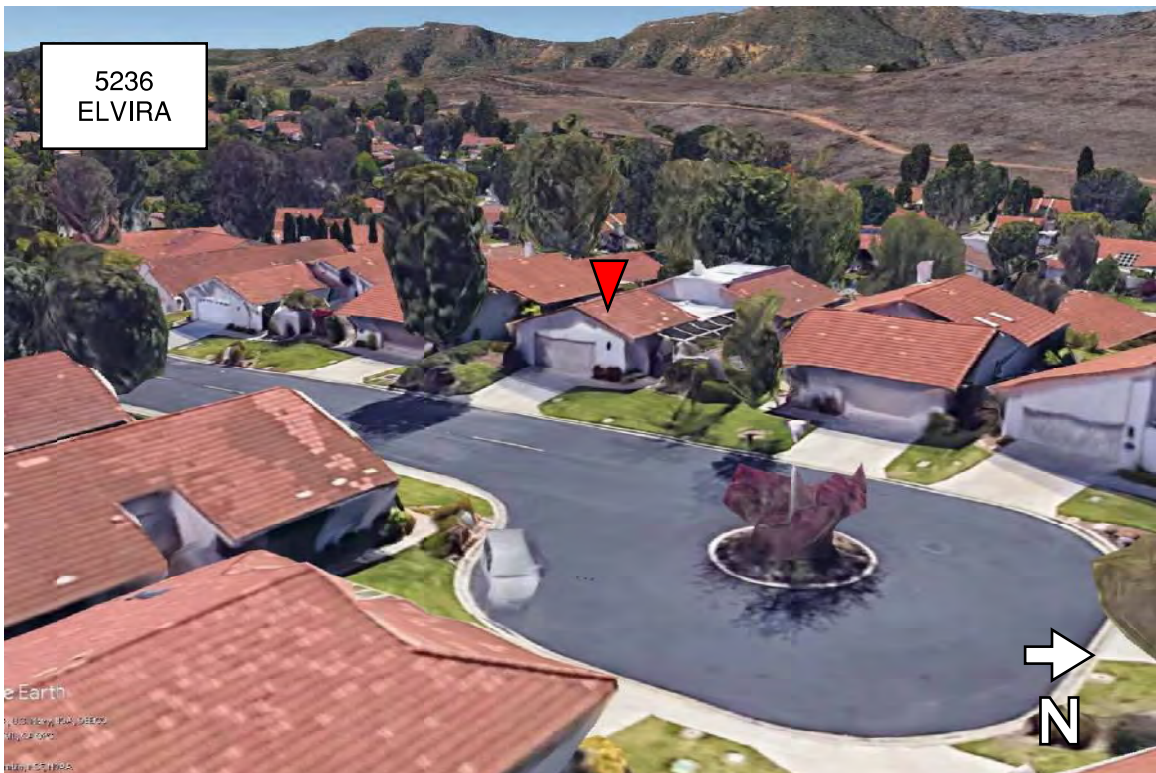
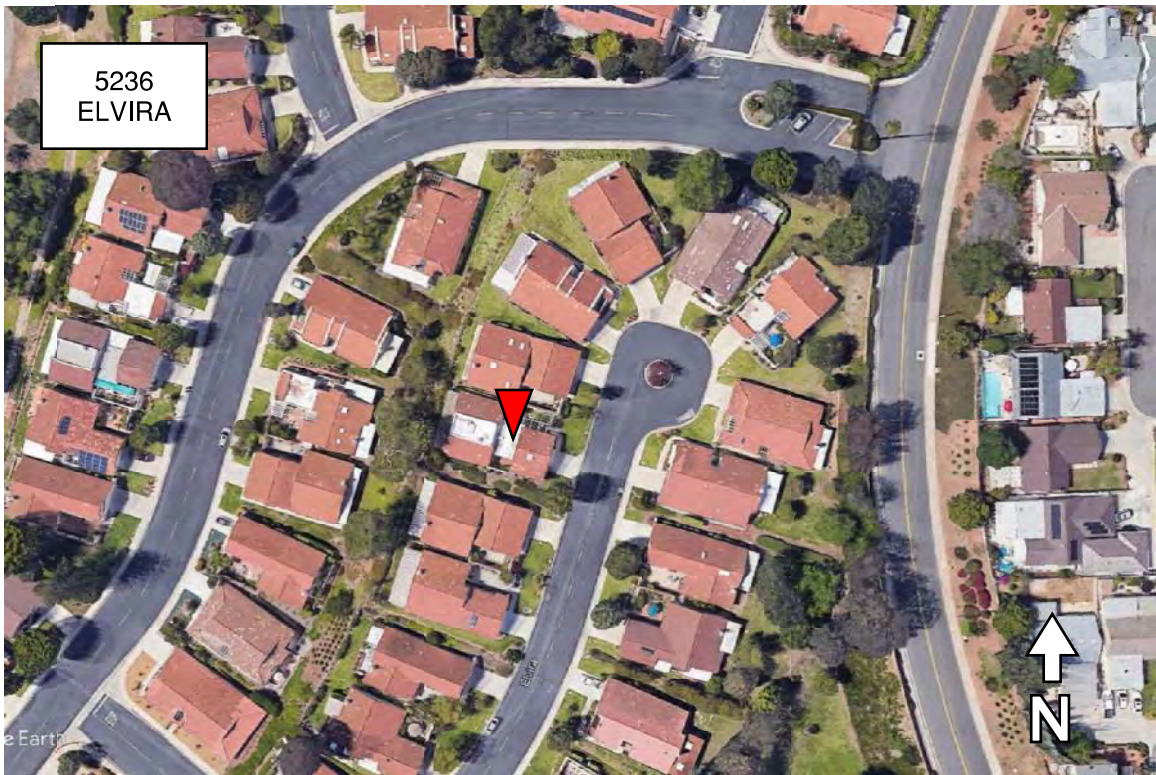
LENGTH OF DRIVEWAY VIEW



VIEW OF DRIVEWAY SLOPE



VIEW OF DRIVEWAY SLOPE



Attachment A2 - Appeal Letter

To: Maintenance and Construction Committee
From: Arseny and Victoria Kalinsky of 5236 Elvira

Subject: Appeal of the Third Laguna Woods Mutual Board of Directors resolution from August 17, 2021 to deny a handrail improvement along the driveway to 5236 Elvira Manor

This is a letter of appeal of the Board's Decision from August 17, 2021 to deny installation of a handrail along the steep driveway of our home at 5236 Elvira allowing Mr. Arseny Kalinsky, the owner, safe access from the house to the street, and vice versa. The medical necessity of such a handrail is described in Attachment 3 to the original variance application (Letter from Cedars Sinai ALS clinic). Arseny has been diagnosed with a progressive neurodegenerative disorder (an ALS variant), which makes it very difficult for him to walk up and down our steep driveway. He needs the handrail to prevent him from losing balance and falling.

The staff of ACS Committee recommended denial of the handrail application in their report from July 26, 2021 based on the following:

- 1) There is no evidence that ADA requirements apply to require reasonable accommodation. Hence, the Common Area Policy shall substitute for ADA requirements, and it does not allow for the handrail alteration.
- 2) Staff report contains references to previously approved handrail installations for manors in 2016, 2006, 2004, and 2001 when at Mutual member expense, but denied when at Mutual expense.
- 3) The installation of the handrail will restrict cross-flow movement along the front grassy area of the manor. This could impede/restrict landscape maintenance as mowers traveling parallel with street traffic would be blocked by the handrail.

Our appeal is based on the following:

- 1) The Federal Fair Housing Act (FFHA) and California Fair Housing Act (CFHA) requirements are applicable in this case. Refusal to make reasonable accommodations for a disabled owner is deemed discrimination under FFHA/CFHA. The FFHA/CFHA regulations supersede the HOA rules. The Third Mutual's legal counsel Sandra Gottlieb (of the Swedelson & Gottlieb firm) refers to this in a document titled "*Fair Housing and ADA: Dealing with the Legal Rights of Disabled Condo and HOA Residents*" (see Attachment 1 to this letter).
- 2) We reviewed Appendix A to ACS staff report, "Conditions of Approval," and have no objections to them within the scope of this Appendix. The handrail will be painted in a color consistent with other handrails installed within this area. We will pay all the expenses related to the installation of the handrail. We found a similar handrail installed in the Gate 11 area at 5180 Avenida del Sol. (See Attachment 2 to this letter). In fact, six similar handrails are located within Gate 11 manors.
- 3) The handrail location will be at the edge of the driveway as per the Variance application. A simple mow strip can be installed adjacent to the handrail and it will not impede landscape maintenance.

On another note, we were hurt and disappointed by your improper disclosure on the Laguna Woods Village public website of private medical information pertaining to Arseny's medical condition as noted on the doctor's letter we attached to our original application. This is a private medical document and it shouldn't be made available on the public website without Arseny's express consent. At a minimum, such a document should be appropriately redacted, and it should be removed from the public website immediately until that occurs. This shall be considered a clear breach of confidentiality according to Title 2, Section 12176(b)(1) of the California Code of Regulations. (See Attachment 3.) Our hurt was compounded by your inconsiderate denial of the handrail improvement. At this time, we hope the Board's decision will be reversed. We are considering legal action related to your violation of Arseny's privacy rights and the improper denial of a reasonable accommodation for a disabled person.

Respectfully,

Arseny and Victoria Kalinsky



**SWEDELSON
GOTTLIEB**

Community Association Attorneys

**Fair Housing and ADA:
Rights of Disabled Condo and HOA Residents**
Dealing with the Legal *By David C. Swedelson, Esq.*

Unless you have been sleeping with Rip Van Winkel for 20+ years (and if you have been, then maybe you have a disability that needs accommodation), you are likely aware that there are a number of laws that deal with the rights of disabled individuals to be accommodated. This would include the [Americans with Disabilities Act \("ADA"\)](#) and the [Federal Fair Housing Act \("FFHA"\)](#) as well as [California Fair Housing law \("CFHA"\)](#). These laws deal with public and private facilities, and to some extent they include condominium and homeowner associations. These laws address who is responsible for making modifications or changes to common area to accommodate individuals with disabilities. It is important to understand the distinctions in the law, as many disabled individuals may insist that their community association is obligated to comply with the ADA and its more rigorous requirements that may require that the association take action to accommodate the owner or resident at its expense.

Americans with Disabilities Act ("ADA") The [ADA](#) requires that all public and government facilities are required to comply with specific use and construction requirements to accommodate disabled individuals. As the ADA only applies to "public accommodations" and as most condo, stock cooperatives and HOA planned developments are private and not public accommodations, the ADA would not apply. A community association will not be subject to the ADA unless it is operating what can be considered a "public accommodation", defined as any facility which an association is holding out for use by members of the general public — not solely for use by the condo or HOA's members and their guests.

Some community associations have unwittingly or purposely made themselves subject to ADA by opening their facilities to the public, allowing their facilities to be used by non-owners or residents who are not guests. For example, some HOAs have been subjected to ADA requirements when they allow their pool to be used by a swim club whose members are not members or residents of the HOA. Or, they allow members of the public to buy memberships or passes to the Association's pool. Other associations have allowed schools, religious groups or the Boy Scouts or other clubs

to use their association's clubhouse or other common area facilities on a regular basis for meetings and events. Some associations even allow their facilities to be used as a balloting location open to the public.

Any community association considering or currently allowing these types of activities should determine if their facilities are ADA compliant (are the bathrooms wheelchair accessible, for example). If not, then these activities must be terminated or the association faces a possible claim/lawsuit that it is in violation of the ADA (and many businesses have faced discrimination claims/lawsuits which are not covered by some carriers for these types of claims).

Federal and California Fair Housing Act ("FFHA" and "CFHA")

The [FFHA](#) and [CFHA](#) are similar to the ADA; however, the FFHA and CFHA apply directly to housing facilities, including community associations. Under the FFHA and CFHA, a condo or HOA may not legally refuse to make reasonable accommodations in its rules or policies when such accommodations may be necessary for a disabled owner to fully enjoy and use a unit. The operative word here is "reasonable" when it comes to the accommodation. And the owner (or their tenant) must establish that they have a disability that requires the accommodation, which can be complicated.

We see these types of requests all the time. Sometimes, the requests have to do with the location of a parking space or the owner's request to install a ramp or a power stair lift in the common area. Often, we field owner requests for a service or companion pet/animal that may not comply with their association's CC&Rs, which may have a weight limit or enforceable prohibition on all pets. As association's refusal to make such the requested accommodation (one that is reasonable and necessary to afford a disabled owner the full enjoyment and use of his or her unit) is deemed to be discrimination under the FFHA and CFHA.

The FFHA and CFHA may also require an association to permit a disabled owner to make, at the requesting owner's expense, reasonable modifications to the owner's unit and the association's common areas. This requirement is found in the Davis-Stirling Act at Civil Code Section 4760.

California Civil Code Section 4760

Civil Code Section 4760 requires California condos and HOAs to allow disabled owners to make modifications to their units and the association's common areas, at the owner's expense, in order to accommodate the owner's disability. This could include power stair lifts, ramps or handrails. Under Civil Code Section 4760, a community association must allow an owner to make modifications to his or her unit and the route to the unit from a public way, so long as the modifications are compliant with building and safety regulations, the modifications are consistent with the provisions of the association's governing documents relating to safety and aesthetics, the modifications do not prevent reasonable passage by other residents, the modifications are removed by the owner when the unit is no longer occupied by the disabled individual, and the owner submits plans and specifications to the association for review. The association may (and should) require that the owner submit plans for the modifications in order to ensure consistency with the design of the association and do not negatively impact its architectural integrity, and require the execution of an agreement that the owner return the property to its original condition upon leaving the property (and the association should consider having that agreement recorded as a covenant running with the land).

The laws that address accommodating a disabled resident of a community association are complicated, and the failure to comply can lead to a claim to the appropriate governmental agency or a lawsuit. When faced with these kinds of issues, it is recommended that the association's board confer with legal counsel. *David Swedelson, Esq. is a senior partner at the law firm of SwedelsonGottlieb. He can be reached at 800-372-2207 or dcs@sghoalaw.com.*

REASONABLE ACCOMMODATION

"Reasonable accommodation" for persons with disabilities is a requirement both under the [Federal Fair Housing Act](#) (FFHA) and California's [Fair Employment and Housing Act](#) (FEHA).

Definition. The U.S. Department of Housing and Urban Development defines reasonable accommodation as "a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with a disability to have equal opportunity to use and enjoy a dwelling, including public and common use spaces." ([HUD Service and Assistance Animal Guidance](#).) The Sixth Circuit U.S. Court of Appeals clarified the definition in a case where an owner with asthma sought "reasonable accommodation" by demanding the association ban all smoking in the entire project, including inside units, the court ruled in favor of the association.

[T]he phrase "reasonable accommodation" means a moderate adjustment to a challenged policy, not a fundamental change in the policy...the word accommodation means adjustment. (*Davis v. Echo Valley Condominium Association* (2019) 945 F.3d 483, 490; internal quotations marks and citations omitted.)

The adjective "reasonable" further narrows the types of accommodations that the text directs property owners to make. Even if a request would qualify as an adjustment, the adjustment still must be moderate, not extravagant or excessive. Put another way, the word reasonable conveys that the adjustment cannot impose undue financial and administrative burdens. The word also indicates the process that courts should undertake when deciding if a proposed adjustment is unduly burdensome. Dating back to the reasonable person of tort fame, a reasonableness inquiry has long been associated with the balancing of costs and benefits. So an adjustment goes too far if the costs of implementing it exceed any expected benefits it will provide the person requesting it. (Id. at 490-491; cites and quote marks omitted.)

One last textual point. The prepositional phrase "in rules, policies, practices, or services" modifies the noun accommodation and provides the benchmark against which to assess whether a request qualifies as a reasonable accommodation. In other words, the phrase tells courts that they should not ask whether the request is a moderate adjustment or a fundamental change in some abstract sense. Rather, they should ask whether the request is a modest adjustment or fundamental change of the rule, policy, practice, or service that the plaintiff challenges. (Id. at 491; cites and quotes omitted.)

Confidentiality. When a disabled person requests reasonable accommodation for their disability, [California Code of Regulations 12176\(b\)\(1\)](#) requires, "All information concerning an individual's disability, request for an accommodation, or medical verification or information must be kept confidential and must not be shared with other persons..."

Verifying the Disability. When a disabled person makes a request for reasonable accommodation and the person's disability is obvious, the association cannot request additional information about the existence and validity of the disability. When the disability is not obvious, an association can request information verifying:

1. The person is disabled,
2. The need for the requested accommodation, and
3. The relationship between the disability and the requested accommodation.

Interactive Process. When a request for reasonable accommodation is made, the association must engage in an "interactive process" with the person making the request. Once the need for accommodation has been established, the association must engage in an informal interactive process to clarify what the individual needs and identify the appropriate accommodation. Failure to do so in good faith may result in liability if a reasonable accommodation would have been possible.

Reasonable Accommodation vs. Modification. A "modification" under the FHA is distinct from an accommodation. The Fair Housing Act does not provide a definition for "modification," but regulations promulgated by HUD define a modification as any change to the public or common use areas of a building or any change to a dwelling unit. Claims for reconstruction or renovation to a dwelling are actionable under the reasonable modifications section of the FHA, and not the reasonable accommodation section.

Discrimination. Discrimination under the Act includes "a refusal to permit, at the expense of the handicapped person, [reasonable modifications](#) of existing premises occupied or to be occupied by such person if such modifications may be necessary to afford such person full enjoyment of the premises." (42 U.S.C. §3604(f)(3)(A).) The statute also makes unlawful any "refusal to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling." (42 U.S.C. §3605(f)(3)(B).)

Recommendation: Failure by a board to make reasonable accommodation when an appropriate request has been made can lead to costly litigation for the association. Boards should consult with legal counsel when a resident makes a request for reasonable accommodation.

ASSISTANCE: Associations needing legal assistance can [contact us](#). To stay current with issues affecting community associations, subscribe to the [Davis-Stirling Newsletter](#).



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Attachment A4 - Photo 5180 Del Sol (Approved Variance 2008)



Attachment A5 - Resolution 03-21-XX

RESOLUTION 03-21-XX
Variance Request

WHEREAS, Mrs. Victoria Kalinsky of 5236 Elvira, a Villa Reposa style unit, is requesting Board approval of a variance to construct a handrail along the driveway approach to the manor in common area; and,

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected units on July 16, 2021, 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 July 26, 2021.

NOW THEREFORE BE IT RESOLVED, on October 19, 2021, the Board of Directors hereby approves the request to construct a handrail along the driveway approach to the manor in common area;

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 Owner at **5236 Elvira** and all future Mutual members at **5236 Elvira**;

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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STAFF REPORT

DATE: September 21, 2021
FOR: Third Mutual Board of Directors
SUBJECT: Alteration Fee Schedule Revision

RECOMMENDATION

The Third Architectural Control & Standards Committee recommend the Third Mutual Board approve the new Alteration Fee Schedule, as provided in Attachment One, which allows for a more appropriate fee structure to the actual cost of staff labor expended on Mutual Consent Alterations.

BACKGROUND

The current Fee Schedule was adopted in 2017. The actual cost expended by Manor Alterations at its current rate do not align with the 2017 adopted Fee Schedule.

DISCUSSION

Prior to the commencement of most manor alterations, Mutual members or their authorized contractors are required to obtain a Mutual Consent (permit application) from the Permits & Inspections Office. A Permit Fee is charged to partially offset administrative costs associated with the processing and review of Mutual Consents. Depending on the type of alteration to be performed, the fees are currently calculated using either a flat fee or the value of the proposed alteration. The process starts as soon as the Mutual Consent is submitted to the Permits & Inspections Office. Staff reviews the application and ensures that the proposed alteration conforms to Mutual Standards.

Since alterations are optional, and chosen by the Member, it is reasonable that the cost for processing the applications and inspecting the work be borne by those electing to alter their manor. Over the past year, several new processes and services, along with improvements to customer service, have been implemented in the Manor Alterations Division. Contractor parking passes, demolition mutual consents, and conformance deposits have all brought significant improvements to the services offered and have increased safety within the Village. Given the processes and administrative requirements currently involved, it is suggested that the ACSC now consider updating the alteration fee schedule to reflect the increased administrative and processing cost increase for Mutual Consents.

As shown on Attachment 1, the Financial Analysis factors in the cost of each staff members time in order to process Mutual Consents, Variances, Resale Inspections, and other submissions.

The cost of each staff members time is based upon their position within Manor Alterations (Attachment 2). The financial analysis extrapolates the amount of additional earnings captured by the proposed fee increase (Attachment 3). The proposed resolution 03-21-XX (Attachment 4) would serve to update the existing fee schedule and enact a more accurate fee schedule reflective of current costs incurred by the Mutual.

FINANCIAL ANALYSIS

The total average increase is estimated to incur a \$67,200 increase to the assessment value in Mutual Consents with an increase of \$12,300 in Variance fees. The proposed fee increases will partially offset the operating costs of the added staff. This additional income is not represented in the current 2022 Budget projection for Manor Alterations.

Prepared By: Robbi Doncost, Manor Alterations Manager

Reviewed By: Gavin Fogg, Manor Alterations Supervisor
Guy West, Maintenance & Construction Director
Siobhan Foster, COO

ATTACHMENT(S)

Attachment 1 – Financial Analysis
Attachment 2 – Organizational Chart
Attachment 3 – Revised Fee Schedule
Attachment 4 – Resolution 03-21-XX

Attachment 1 – Financial Analysis

925 ADDED STAFF FINANCIAL ANALYSIS					
DIVISION 925		January 15, 2020			
See Organizational Chart for listing of new positions and new staff added.					
STAFF ADDITIONS		Economical Impact			
<u>Counter Staff Added</u>		<u>Rate/Hr.</u>	<u>Yearly Pay</u>		
0	promotion-Sr. Op Specialist	2.2	\$ 4,576	1) Previously Appv'd position	
1	1 Counter Operational Specialist	19	\$ 39,520		
2	2 Counter Operational Specialist	19	\$ 39,520		
<u>Phone Staff Added</u>					
3	3 Phone Operational Specialist	19	\$ 39,520		
4	4 Phone Operational Specialist	19	\$ 39,520		
<u>Resales Staff Added</u>					
5	5 Inspector Float	28.85	\$ 60,000		
6	6 Operational Specialist	19	\$ 39,520		
<u>Inspectors Staff Added</u>					
7	7 Float Inspector (3rd & United)	28.85	\$ 60,000		
			Total Salary Increase Per Org Chart	\$ (322,176)	
<u>Economical Resource Alternatives</u>					
<u>Mutual Consents</u>		Current Fees		MC Proposed Fee Increase	
MC Permit Fees Collected 2020		\$ 110,500		\$ 120,000.00	2) MC Permit Fees Calculated See Exhibit "A"
<u>Resale Inspection & Report Fees</u>		Current Fees		Proposed Fee Increase	
Third Resale Inspections		\$ 37,375		\$ 45,000.00	3) Resale Inspection & Report Fees Calculated See
United Resale Inspections		\$ 48,750		\$ 45,000.00	Exhibit "A" for Fees
		\$ 86,125		\$ 90,000	
				Proposed Fee Increase	
		Current Fees			
<u>Variances</u>				4) Resale Inspection & Report Fees See Exhibit "A"	
		24		24	
		VARs/YEAR	VARs Actual	Additional Fee Generated	
Variance Fee \$150/VAR.		\$ 3,600	\$ 7,944	\$ 4,344	5) 24 Variances per year average.
<u>Added Fines</u>					
MA Issued IN110 Stop Notice		Fine of \$500 X 17 events		\$ 8,500	6) 1.42 per month
MA Issued N of Correction 9378		Fine of \$250 X 43 events		\$ 10,740	7) 3.58 per month
			Added Proceeds for Various Cost Revisions	\$ 323,584	
			Total Financial Impact	\$ 1,408 per year	
NOTES:			Added Income		
1) This rate is noted as the increase from prior position to new position rate increase as previously approved.					
2) MC Permit Fees see Exhibit "A" for Current & Proposed Fees					
3) Resale Fees see Exhibit "A" for Current & Proposed Fees					
4) Resale Inspection & Report Fees See Exhibit "A"					
5) Increase of Variance fee proposed to cover actual cost to owner					
6) MA Stop Notice Fee- Many are issued for illegal work or ACM P-5 Cleanup					
7) Correction Notice Issuance for work not conforming to Standards and Policy					
The current variance fee of \$150 doesn't come close to covering the site visits, staff reporting, and preparation					

Attachment 1 – Financial Analysis (continued)

EXHIBIT "A"				
MUTUAL CONSENT CURRENT FEES				
Mutual Consent Current fee based on Average of records searched in 2020				
MCs processed '2020	325	records for the AV yr.		
MC Fee Av 2020	\$ 340	for PA01 & PA02 Mutual Consent		
MC FEES COLLECTED 2020	\$ 110,500			
MUTUAL CONSENT PROPOSED FEE INCREASE				
United \$100 Fee Increase X 600 AV MC's/yr	\$ 60,000	Fee Increase only		
Third \$100 Fee Increase X 600 AV MC's/yr.	\$ 60,000	Fee Increase only		
MC PROPOSED FEE INCREASE	\$ 120,000	Proposed Fee Increase		
RESALE INSPECTION & REPORT FEES CURRENT & PROPOSED				
	Current Fees 2020			
Third Report Cost Current : \$115	\$ 37,375	325 resales inspections		
United Report Cost Current: \$150	\$ 48,750	325 resales inspections		
	\$ 86,125	Current Fees		
	Fee Increase			
Resale Inspections in 20211				
United \$100 Fee Increase X 450 Insp't	\$ 45,000.00	Fee Increase only		
Third \$100 Fee Increase X 450 Insp't	\$ 45,000.00	Fee Increase only		
	\$ 90,000	Proposed Fee Increase		
Projected an increase in Resale Inspections due to staff and no malware problems				
VARIANCE FEES ACTUAL				
	Per 2021 Bill Rates Schedule			
	\$ 38.94			
		Hrs.	Total	
Inspection Site Visit & Gen. Data	\$ 38.94	1.5	\$ 58.41	
Manor Research Tickets/MC's/Violations	\$ 38.94	2.5	\$ 97.35	
Operations Specialist Report	\$ 38.94	1.5	\$ 58.41	
Operations Specialist Filing & Transmittal	\$ 38.94	1.5	\$ 58.41	
Misc. Reissue & Resale Coord. O.S.	\$ 38.94	1.5	\$ 58.41	
		8.50	\$ 330.99	
		Hrs	per report	
			Actual Cost	
	Actual Fee 24 X @330.99 =			\$ 7,943.76

Attachment 1 – Financial Analysis (continued)

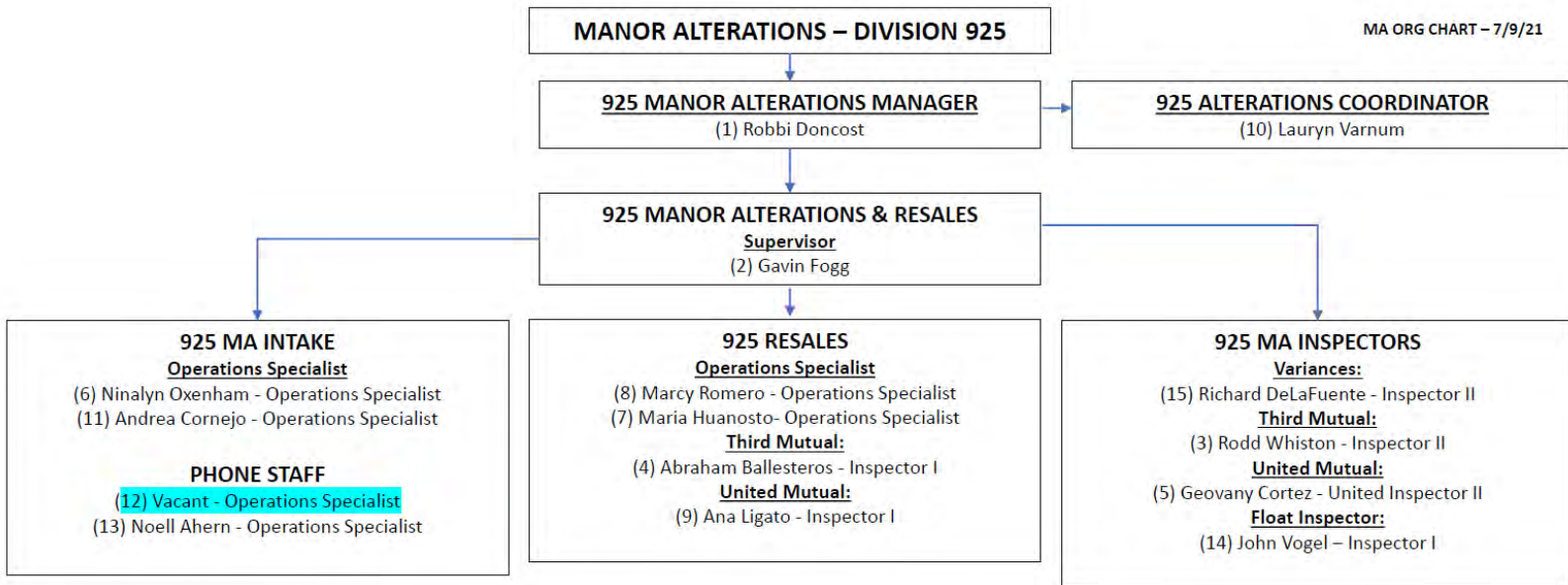
EXHIBIT "B"				
VARIANCE ASSEMBLY & REPORT PROCESSING FEE ALLOCATION				
Per 2021 Bill Rates Schedule				
	\$ 38.94	Hrs.	Total	
Rev of Variance Initial Req. & Discssions of Policy	\$ 38.94	0.5	\$ 19.47	
Initial Stellar & Policy Review	\$ 38.94	1	\$ 38.94	
Site Visit & Doc Assembly	\$ 38.94	4	\$ 155.76	
Report Assembly	\$ 38.94	7	\$ 272.58	
Added Plan Coordination/MC	\$ 38.94	2	\$ 77.88	
Supervisor Review & Comments	\$ 38.94	1.5	\$ 58.41	
Manager Review & Edits	\$ 38.94	1	\$ 38.94	
		17	\$ 662.0	
		Hrs	Per Variance	
			Actual Cost	
Calculate AV # of Variances / Yr.				
24 Variances per year at \$662 = \$15,900				

	Permit Fee Legend			
Valuation	Current	% Fee	New	Actual
	Fee	Increase	Fee	\$ Increase
Less than \$750	\$50	40%	\$70.0	\$20.0
\$751 to \$2,000	\$77	40%	\$107.8	\$30.8
\$2,001 to \$4,000	\$168	40%	\$235.2	\$67.2
\$4,001 to \$6,000	\$280	40%	\$392.0	\$112.0
\$6,001 to \$8,000	\$392	40%	\$548.8	\$156.8
\$8,001 tp \$10,000	\$504	40%	\$705.6	\$201.6
Above \$10,000	\$700	40%	\$980.0	\$280.0
What are # of AV MC's issued	600	in 2021 IN Third Mutual		
What is AV Fee Collected	280			
Calculate Total Fee Tally 2021			\$168,000	Third Mutual
Calculate Total Fee Increase 2022			\$67,200	Third Mutual

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Attachment 2 – Organizational Chart

MA ORG CHART – 7/9/21



CURRENT – 14 POSITIONS FILLED
 VACANT – 1 POSITIONS VACANT
 15 TOTAL POSITIONS

INCLUDES 6 OPERATIONS SPECIALIST POSITIONS
 Vacancy to Hire

Attachment 3 – Revised Fee Schedule



Alteration Fee Schedule

All alterations require an approved HOA Mutual Consent from Manor Alterations before work can commence.

Alterations may also require a City Permit as indicated below.

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

Visit www.lagunawoodsvillage.com for Mutual Standards and Standard Plans.

Unauthorized Alteration Fee	\$350
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Variance Processing Fee	\$662
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\$50 Alteration Processing Fee	
Alteration Type	City Permit Required
Acoustic Ceiling Removal	Yes
Awnings (Standard, Less than 54")	Yes
Awnings (Powered)	Yes
HVAC (No Increase in Amperage)	No
Tub Replacement	Yes
Block Walls (Less than 48" H)	No
Block Walls (More than 48" H)	Yes
Planter Wall	No
Dishwasher (New Installation)	Yes
Door Revision (Exterior)	No
Electrical	Yes
Exhaust Fan	Yes
Fences (Less than 84") and Gates	No
Floor Coverings (Exterior)	No
Flooring (Vinyl)	No
Gutters and Downspouts	No
Metal Drop Shades	No
Modesty Panels (Balcony)	No
Patio Slab Revision	No
Patio Wall Revision	No
Plumbing	Yes
Soft Water System (Independent)	No
Soft Water System (Connected to Water Heater)	No
Storage Cabinets (Carpot)	No
Shades (Roll-up)	No

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

Permit Fee Legend	
Valuation	Fee
Less than \$750	\$70
\$751 to \$2,000	\$108
\$2,001 to \$4,000	\$235
\$4,001 to \$6,000	\$392
\$6,001 to \$8,000	\$549
\$8,001 to \$10,000	\$706
Above \$10,000	\$980

*Some Alterations may require a Demolition Permit, which carries a \$50 fee. To confirm if your Alteration will require a Demolition Permit, please contact the Manor Alterations Department.

*Alteration Fees are paid via credit card upon approval of a completed permit. Manor Alterations will contact applicants directly upon approval to collect payment.

Attachment 4 – Resolution 03-21-XX

RESOLUTION 03-21-XX

Alteration/Variance Processing Fee Policy

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

WHEREAS, in order to offset administrative costs associated with processing variance requests, which is often followed by multiple resubmittals, and can be followed by an appeal to the Board as mandated in accordance with Resolution 03-13-105; and

WHEREAS, the Mutual currently charges a \$50 fee for a Mutual Consent and a \$150 fee for a Variance; and

WHEREAS, the new Alteration Fee Schedule increase to better align the fees with the administrative time it takes to process each task.

WHEREAS, the Board realizes that the current fee schedule does not appropriately cover staff time;

NOW THEREFORE BE IT RESOLVED, October 19, 2021, to partially offset administrative costs associated with processing alteration and variance requests, the Board of Directors of this Corporation hereby revise the alteration and inspection fees as attached to the official minutes of this meeting; the Variance request processing fee will increase to \$662, the Alteration processing fee will increase to \$50, the Unauthorized Alteration Fee will increase to \$350, the Revised Inspection Fee Schedule will be adopted; and

RESOLVED FURTHER, October 20, 2017, that Resolution 03-17-120 adopted October 20, 2017 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 resolution.

SEPTEMBER Initial Notification

28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied

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STAFF REPORT

DATE: September 21, 2021
FOR: Board of Directors
SUBJECT: Authorize an Unscheduled Fumigation of a Single-unit Building, at Member Expense

RECOMMENDATION

1. Approve and authorize the Member of Manor 5247 Duenas to fumigate the single-unit building, at Member Expense, using the Mutual approved Fumigation Company.
2. Approve the Revised Mutual Pest Control for Termite Policy/Resolution to allow unscheduled fumigation of single-unit buildings, at Member Expense (Initial Notification— Must postpone 28-days for Member review and comment to comply with Civil Code §4360).

BACKGROUND

The existing Mutual Pest Control for Termite Policy (Resolution 03-12-138) does not allow Members who reside in free-standing, single-unit buildings to schedule fumigation by whole structure tenting at their own expense. The Member at 5247 Duenas has requested approval to perform a fumigation of their single-unit building now, as a condition of closing the current escrow on the property. Under normal protocol, this building would be fumigated in 2022, on a schedule determined by the Mutual.

DISCUSSION

On or about September 7, 2021, Director Mutchnick received a request on behalf of the Member at 5247 Duenas to have the Mutual allow the Member to fumigate the building at the expense of the Member (Attachment 1). The request is based on an inspection report prepared by Newport Exterminating (the Mutual's Pest Control Company) commissioned by the Member (Attachment 2).

On September 13, 2021, the Third Laguna Hills Mutual Maintenance and Construction Committee considered the Member's request and unanimously voted to recommend that The Third Laguna Hills Mutual Board of Directors authorize the Member to proceed with the fumigation, at Member expense, including any cost for temporary housing if necessary, and that the Board approve a revision of the Mutual's Pest Control for Termite Policy/Resolution, to allow unscheduled fumigation of single-unit buildings, at Member expense (Attachment 3).

FINANCIAL ANALYSIS

There is no fiscal impact for the recommended actions.

Prepared By: Koh Shida, Maintenance Operations Manager

Reviewed By: Manuel Gomez, Maintenance and Construction Director

Committee Routing: Third M&C Committee 9/13/2021

ATTACHMENT(S)

Attachment 1 – Member Request for Fumigation at 5247 Duenas
Attachment 2 – Newport Exterminating Inspection Report dated 8/19/2021
Attachment 3 – Revised Pest Control for Termites Resolution 03-21-XX

ENDORSEMENT (to Board)

Fumigation for Manor 5247 and a Policy Revision

Chair Mutchnick summarized the request from the seller/owner of unit 5247, which would allow them to be able to fumigate their single unit building, by whole structure tenting, at their own cost prior to the close of escrow.

Discussion ensued regarding fumigation preparation by staff; recording the fumigation in the database; and the savings to the Mutual.

Chair Mutchnick proposed that a resolution be written to allow fumigation at member expense for free-standing single unit buildings with several conditions that he read aloud and had also sent in an email to staff.

Director Frankel suggested that a condition be included that the owner requesting the unscheduled whole structure fumigation also be responsible for costs associated with lodging for any occupants residing in the unit at the time of fumigation.

A motion was made and unanimously carried to recommend the Board authorize the owner of 5247 Duenas to fumigate their single-unit, free standing building at their expense.

Additionally, a motion was made and unanimously carried to recommend the Board approve the proposed resolution to revise the Fumigation Policy to allow single-unit buildings that are not scheduled for the current year's fumigation, be allowed to schedule whole structure fumigation/tenting with the Mutual's fumigation contractor, at their own expense.

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Attachment 1 – Member Request for Fumigation at 5247 Duenas

Dear Robert Munchnick,

Thanks for your quick response. Sellers both are MDs and will be working at the time of the M&C meeting. Sellers' agents (Katherine Platt and Amir Kharrazi, 3249-B) are Third Mutual members and have SOE to act on behalf of the sellers. Kitty Platt will attend the M&C meeting. We assume it has the same 3-minute period that residents can address items that are not on the agenda.

The following are pertinent facts concerning this 5247 Duenas property:

It is a vacant free-standing, detached condo in Gate 11, so fumigation would not involve hotel costs for any residents. If the mutual waits until it is occupied, it will incur those lodging costs as well as fumigation costs.

We spoke with Debbie at Newport Exterminating on 8/31/21. She told us that their next availability to schedule fumigation was 2 weeks from then. She said to contact Patrick Hammer, coordinator of Newport's Laguna Woods Village activity, to get more information.

Patrick Hammer told us the fumigation cost would be approximately \$1,500.

The current owners bought the home in 2005. There has been no fumigation done since they bought it.

In 2014 Third Mutual provided a spot treatment in the same area the current Newport report states there are still termites and recommends fumigation. (We suspect that the spot treatment was not adequate and that termite destruction continued.)


The home is in escrow and the buyer wants the fumigation done before she closes escrow & moves in. Her son & daughter-in-law are very concerned with her moving in and needing to move out later for fumigation and have stated that she intends to cancel escrow if fumigation cannot be completed prior to her buying.

If this sale does not happen it will be costing the current owners quite a bit of money since the accepted offer was substantially above the asking price.

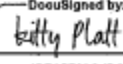
We would think a primary aim of the Board & VMS would be to protect property values and management reputation and to prevent further progression of damage.

Both buyer and sellers would really appreciate your assistance in finding a positive solution to this. It would also save money for Third Mutual to not have to pay for moving resident out & lodging for future owner(s) of the property. Sellers are willing to pay for fumigation in order to proceed with the sale but Mutual policy prevents them from ordering it.

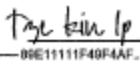
Thank you for your efforts,

DocuSigned by:

3808EF4E89174E3...
Bettina Franz-Ip, owner

9/7/2021

DocuSigned by:

1BFA5F8BC4B04A2...
Katherine (Kitty) Platt, real estate agent

9/7/2021

DocuSigned by:

08E1111F40F4AF...
Tze Kin Ip, owner

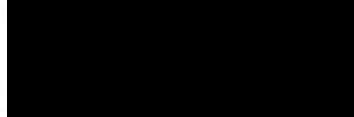


9/7/2021

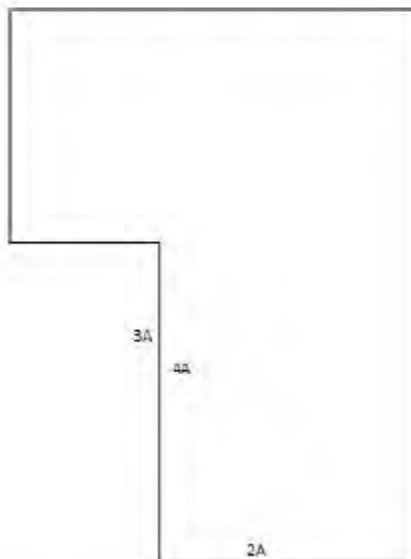
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FC1838FDD8C34FD...
Amir Kharrazi, real estate agent

9/7/2021

Attachment 2 – Newport Exterminating Inspection Report dated 8/19/2021 (5 pages)

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT					
Building No. 5247	Street Duenas	City Laguna Woods	Zip 92637-1815	Date of Inspection 08/19/2021	Number of Pages 1 of 5
Newport Exterminating 			A LICENSED PEST CONTROL OPERATOR IS AN EXPERT IN HIS/HER FIELD. QUESTIONS RELATIVE TO THIS REPORT SHOULD BE REFERRED TO HIM/HER. Report #: 90287		
Ordered by: Century 21 Rainbow Kitty Platt 		Property Owner and/or Party of Interest: Bettina Franz c/o Agent 5247 Duenas Laguna Woods, CA 92637-1815		Report sent to: Corner Escrow Stacy Cope 	
COMPLETE REPORT <input checked="" type="checkbox"/> LIMITED REPORT <input type="checkbox"/> SUPPLEMENTAL REPORT <input type="checkbox"/> REINSPECTION REPORT <input type="checkbox"/>					
General Description: 1 Story Single Family Residence, Tile Roof, Occupied				Inspection Tag Posted: Other	
				Other Tag(s) Posted:	
An inspection has been made of the structure(s) shown on the diagram in accordance with the Structural Pest Control Act. Detached porches, detached steps, detached decks and any other structures not on the diagram were not inspected.					
Subterranean Termites <input type="checkbox"/> Drywood Termites <input checked="" type="checkbox"/> Fungus/Dryrot <input checked="" type="checkbox"/> Other Findings <input checked="" type="checkbox"/> Further Inspection <input type="checkbox"/>					
If any of the above boxes are checked, it indicates that there were visible problems in accessible areas. Read the report for details on checked items.					
Key: 1 = Subterranean Termites 2 = Drywood Termites 3 = Fungus/Dryrot 4 = Other Findings 5 = Unknown Further Inspection					



Inspected By: Patrick Hammer State License No.: FR30763 Signature: 

You are entitled to obtain copies of all reports and completion notices on this property reported to the Structural Pest Control Board during the preceding two years. To obtain copies contact: Structural Pest Control Board, 2005 Evergreen Street, Suite 1500, Sacramento, CA 95815

NOTE: Questions or problems concerning the above report should be directed to the manager of the company. Unresolved questions or problems with services performed may be directed to the Structural Pest Control Board at (916) 561-8708, (800) 737-8188 or www.pestboard.ca.gov. 43M-41 (REV. 04/2015)

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No.	Street	City	Zip	Date of Inspection	Number of Pages
5247	Duenas	Laguna Woods	92637-1815	08/19/2021	2 of 5

General Comments

A. Certain areas are recognized by the industry as inaccessible and/or for other reasons not inspected. These include but are not limited to: inaccessible and/or insulated attics or portions thereof, attics with less than 18" clear crawl space, the interior of hollow walls; spaces between a floor or porch deck and the ceiling below; area where there is no access without defacing or tearing out lumber, masonry or finished work; areas behind stoves, refrigerators or beneath floor coverings, furnishings; areas where encumbrances and storage, conditions or locks make inspection impractical; and areas or timbers around eaves that would require use of an extension ladder.

B. Slab floor construction has become more prevalent in recent years. Floor coverings may conceal cracks in the slab that will allow infestation to enter. Infestation in the walls may be concealed by plaster so that a diligent inspection may not disclose the true condition. These areas are not practical to inspect because of health hazards, damage to the structure, or inconvenience. They were not inspected unless described in this report. We recommend further inspection if there is any question about the above noted areas. Re: Structural Pest Control Act, Title 16, Article 5, 1990-1991, Division 3, Article 1, Section 8516 (b). Amended, effective March 1, 1974. Inspection is limited to disclosure of wood destroying pests or organisms is the Structural Pest Control Act, Title 16, Article 5, 1990-1991, Division 3, Article 1, Section 8516 (b).

C. This inspection pertains only to the specific address(es) indicated above and does not include any attached or adjacent unit(s).

D. This company is NOT RESPONSIBLE for work completed by others, recommended or not, including by Owner. Contractors bills should be submitted to Escrow as certification of work completed by others.

E. Should any party in interest desire further information pertaining to the condition of the Plumbing or the Roof, we recommend the employment of a Licensed Contractor, as this is not within the scope of our license.

F. This proposal does not include Painting or Decorating in the process of work performed. Items recommended will be replaced as close as possible to original but are NOT GUARANTEED to match.

G. Second story stall showers are inspected but NOT WATER TESTED unless there is evidence of leaks in ceilings below. Ref: Structural Pest Control Rules and Regulations Sec. 8516G. Sunken or below grade showers or tubs are not water tested due to their construction.

H. During the course of/or after opening walls or any PREVIOUSLY CONCEALED AREAS should any further damage or infestation be found, a supplementary report will be issued. Any work completed in these areas would be at OWNERS DIRECTION AND ADDITIONAL EXPENSE.

I. During the process of treatment or replacement it may be necessary to drill holes through ceramic tiles or other floor coverings; these holes will then be sealed with concrete. We will exercise due care but assume NO RESPONSIBILITY for cracks, chipping or other damage to floor coverings.

J. We assume NO RESPONSIBILITY for damage to any Plumbing, Gas or Electrical lines, etc., in the process of pressure treatment of concrete slab areas or replacement of concrete or structural timbers.

K. When a fumigation is recommended we will exercise ALL DUE CARE but assume NO RESPONSIBILITY for damage to Shrubbery, Trees, Plants, TV Antennas or Roofs. A FUMIGATION NOTICE will be left with, or mailed to the Owner of this property, or his designated Agent which states, among other things, that certain FOOD AND MEDICINES must be bagged in Nylofume plastic bags or removed from the premises PRIOR to Fumigation.

L. Your termite report and clearance will cover any EXISTING infestation or infection which is outlined in this report.

M. If you should have any questions regarding this report, please call or come by our office any weekday between 8:00 am and 4:30 pm.

N. I agree to pay reasonable attorneys fees if suit is required by this COMPANY to enforce any terms of this contract, together with the costs of such action, whether or not suit proceeds to judgment.

NOTICE TO OWNER

Under the California Mechanics Lien Law any structural pest company which contracts to do work for you, any contractor, subcontractor, laborer, supplier or other person who helps to improve your property, but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your structural pest control company in full if the subcontractor, laborers or supplier remain unpaid.

To preserve their right to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are required to provide you with a document entitled, Preliminary Notice. Prime contractors and laborers for wages do not have to provide this notice. A Preliminary Notice is not a lien against your property. Its purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid.

State law requires that you be given the following information: CAUTION PESTICIDES ARE TOXIC CHEMICALS. Structural Pest Control Companies are registered and regulated by the Structural Pest Control Board, and apply pesticides which are registered and approved for use by the California Department of Pesticide Regulation and the United States Environmental Protection Agency. Registration is granted when the state finds that based on existing scientific evidence there are no appreciable risks if proper use conditions are followed or that the risks are outweighed by the benefits. The degree of risk depends upon the degree of exposure, so

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No	Street	City	Zip	Date of Inspection	Number of Pages
5247	Duenas	Laguna Woods	92637-1815	08/19/2021	3 of 5

exposure should be minimized. If within 24 hours following application you experience symptoms similar to common seasonal illness comparable to the flu, contact your physician or poison control center (800) 222-1222, (800) 876-4768 and your pest control company immediately. For further information, contact any of the following: Newport Exterminating (949) 261-0700; for Health Questions County Health Dept.: Orange (714) 433-8000; Los Angeles (310) 338-3200; San Diego (619) 515-6770; Riverside (951) 955-3045; San Bernardino (909) 387-8280; for Application Information County Agricultural Commissioner: Orange (714) 955-0100; Los Angeles (626) 575-5466; San Diego (619) 894-8980; Riverside (951) 955-3000; San Bernardino (909) 387-2105 and for Regulatory Information - the Structural Pest Control Board, 2005 Evergreen St, Ste 1500, Sacramento, CA 95815-3831 (800) 737-8188.

The exterior surface of the roof was not inspected. If you want the water tightness of the roof determined, you should contact a roofing contractor who is licensed by the Contractor's State License Board. "NOTICE: Reports on this structure prepared by various registered companies should list the same findings (i.e., termite infestations, termite damage, fungus damage, etc.). However, recommendations to correct these findings may vary from company to company. You have a right to seek a second opinion from another company."

"This Wood Destroying Pests and Organisms Report DOES NOT INCLUDE MOLD or any mold like condition. No reference will be made to mold or mold like condition. Mold is not a Wood Destroying Organism and is outside the scope of this report as defined by The Structural Pest Control Act. If you wish your property to be inspected for mold or mold like conditions, please contact the appropriate mold professional."

If the structure(s) inspected and/or subject(s) of this report were constructed prior to 1978, please notify us immediately. It is very important that we have accurate information on the date of the construction to properly evaluate the needed repair procedures.

Structures built prior to 1978: Homes and other buildings constructed prior to 1978 are presumed to have lead paint that may cause serious health issues if disturbed during repairs. Special procedures are required by the US EPA in repairing areas where more than 6 square feet in the interior or 20 square feet on the exterior are disturbed. Those doing the repairs are required by the EPA to be licensed lead renovators and must follow strict test, containment, repair, clean up and debris disposal practices. The penalties for violation of the EPA regulations are severe.

"NOTICE: The charge for service that this company subcontracts to another registered company may include the company's charges for arranging and administering such services that are in addition to the direct costs associated with paying the subcontractor. You may accept Newport Exterminating's bid or you may contract directly with another registered company licensed to perform the work. If you choose to contract directly with another registered company, Newport Exterminating will not in any way be responsible for any act or omission in the performance of work that you directly contract with another to perform".

"This company will re-inspect repairs done by others within four (4) months of the original inspection. A charge, if any, can be no greater than the original inspection fee for each re-inspection. The re-inspection must be done within ten (10) working days of request. The re-inspection is a visual inspection and if inspection of concealed areas is desired, inspection of work in progress will be necessary. Any guarantees must be received from parties performing repairs."

IMPORTANT NOTE: Under no circumstances should this "Wood Destroying Pests and Organisms Inspection Report" be construed in any way as a guarantee or warranty of the structure. Inspection reports are intended to represent a list of infestations, infections or adverse conditions which are noted on the date of inspection in visible and accessible areas. Any infestations, infections or adverse conditions found after the date of this inspection report by any party will require an additional inspection report with additional findings, recommendations and estimates, if any.

Fences and gates are not included on inspection report.

All fumigations completed by Newport Exterminating are guaranteed for three years from date of completion.

Payment is the responsibility of homeowner or agent ordering the work if not paid through escrow.

ATTENTION: Please be advised that your lender may require all items (Section I, Section II and Unknown) be completed before the close of escrow. Consult your lender before ordering work.

In accordance with the laws and regulations of the State of California, we are required to provide you with the following information prior to application of termiticides to your property.

For fumigation process, the following fumigant will be used:

Vikane - active ingredients: (99.8% sulfuryl fluoride and chloropicrin)

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No	Street	City	Zip	Date of Inspection	Number of Pages
5247	Duenas	Laguna Woods	92637-1815	08/19/2021	4 of 5

This is a separated report which is defined as Section I/Section II conditions evident on the date of the inspection. Section I contains items where there is visible evidence of active infestation, infection or conditions that have resulted in or from infestation or infection. Section II items are conditions deemed likely to lead to infestation or infection but where no visible evidence of such was found. Further inspection items are defined as recommendations to inspect area(s) which during the original inspection did not allow the inspector access to complete the inspection and cannot be defined as Section I or Section II.

Description of Findings

SECTION: I

DRYWOOD TERMITES

Finding: 2A

Evidence of drywood termites noted in garage extending into inaccessible areas as marked on diagram.

Recommendation:

It is recommended that the structure be covered with tarpaulin and fumigant be released for the eradication of drywood termites. Pellets to be covered or cleaned up where practical. All fumigations are guaranteed for three years from date of completion.

FUNGUS/DRYROT

Finding: 3A

Fungus damage noted at garage door as marked on diagram.

Recommendation:

Others remove fungus damaged wood members and replace with new material. Upon removal of wood, if further fungus infection and/or damage is noted, Newport Exterminating will further inspect, if requested, and a supplemental report will be issued with findings, recommendations and costs of repairs, if any.

SECTION: II

OTHER FINDINGS

Finding: 4A

Moisture damage noted at garage wall as marked on diagram.

Recommendation:

Appropriate tradesman inspect and make necessary repairs.

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No.	Street	City	Zip	Date of Inspection	Number of Pages
5247	Duenas	Laguna Woods	92637-1815	08/18/2021	5 of 5

Disclaimer

Escrow Inspection Fee: \$60.00

2A Fumigation - Price Per Contract (Corporation's Responsibility)

3A/4A - Others (Corporation's Responsibility)

Re-Inspection/Supplemental Reports:

If a re-inspection is required for clearance, work completed by owner and/or others must be re-inspected by Newport Exterminating. The re-inspection fee is \$60.00 and an additional \$60.00 will be charged per trip.

If owner or others request a previously inaccessible area to be inspected by Newport Exterminating, an \$60.00 supplemental inspection fee will be charged and an additional \$60.00 will be charged per trip.

If the inspection report is used for escrow purposes, then it is agreed that the inspection report and completion, if any, is part of the ESCROW TRANSACTION.

The total amount of this contract is due and payable upon completion of work unless otherwise specified. A finance charge computed at a monthly rate of 1.5% of the unpaid balance (annual percentage rate of 18%) will be added to all accounts 30 days past due.

PLEASE NOTE: AN ESCROW CANCELLATION, BUYER WITHDRAWAL OR "CHANGING YOUR MIND" DOES NOT ABSOLVE LIABILITY FOR UP-FRONT MATERIAL AND LABOR COSTS INCURRED BY NEWPORT EXTERMINATING.

All parties authorizing construction repair services for the property designated in this report are financially liable for the preliminary costs incurred by our company. These costs include but are not limited to: up-front material costs (purchasing of paint, lumber, & other items needed to prepare the material) and/or labor costs paid to our employees to prepare these materials. The authorizing party is responsible for reimbursing Newport Exterminating for all up-front costs incurred.

I hereby authorize Newport Exterminating to perform the following items:

Item #(s): _____ Total Cost Estimate of Item(s): \$ _____

Authorized by: Owner/Agent/Management _____ Date _____

Print Name _____

Title _____ P.O. / ESC # _____

Phone: (Hm) _____ (Bus) _____ (Cell) _____

We only need the last page of the inspection report. Please consider the environment before faxing the entire report back to us. Thank you.

Attachment 3 – Revised Pest Control for Termites Resolution 03-21-XX (3 pages)

**Pest Control for Termites
Resolution 03-21-XX**

WHEREAS, the buildings that are qualified for whole structure tenting in any given year are scheduled for fumigation the following fiscal year, as the fumigation costs are based on a pre-determined contract value per building type; and

WHEREAS, manor owners have requested that fumigation take place in the building, the same fiscal year they are qualified in for various reasons; and

WHEREAS, in an effort to accommodate these requests when the current years' budget is already allocated to a scheduled group of buildings, the Board will allow manor owners of free-standing, single-unit buildings to arrange for fumigation by whole structure tenting at their own expense, provided that the conditions in item 3 below are met without exception;

NOW THEREFORE BE IT RESOLVED, **October 19, 2021**, the Board hereby adopts the following procedure with regard to the scheduling and implementation of the fumigation process as part of the Mutual's Pest Control for Termites Program:

1. The Mutual shall provide members and tenants of buildings scheduled for treatment with four (4) weeks advance written notice specifying:
 - (a) The Mutual's intent to perform fumigation in accordance with the Mutual's authorized standard practice.
 - (b) Each member or tenant has the option of arranging for accommodations, in addition to any accommodations which may be provided by the Mutual during the fumigation process, and taking any additional steps that they believe are necessary and appropriate at their own expense.
2. If the Mutual receives, at its mailing address, no less than two weeks prior to the scheduled fumigation, a written request from a member or tenant to delay fumigation, and if the written request is due to a documented medical reason, and includes an estimated duration of the medical ailment, signed by a licensed physician, prohibiting the resident from vacating the unit:
 - (a) The Mutual shall allow for a one-time rescheduling of the fumigation on behalf of the requesting resident.
 - (b) Staff shall work with the resident and reschedule fumigation. Considerations affecting the rescheduling include the nature of the medical issue and the timing of the request within the program year. Requests made late in a program year may preclude fumigation until the following program year.

- (c) Staff will refer residents who request a second rescheduling of fumigation to the Board for action.
 - (d) Staff shall issue a letter to members and tenants of an affected building advising that the fumigation of the building has been postponed and will be rescheduled by the Mutual at the earliest date possible and that they will be advised of that date in accordance with the notification procedure.
3. The Mutual will allow Members who request that their qualified free-standing, single-unit buildings, be fumigated by whole structure tenting in the current fiscal year, to do so at their expense when the following conditions are met:
- (a) The building is not attached to other residential buildings and contains a single residential manor.
 - (b) The building has qualified for fumigation based on the inspection findings in the termite report issued to the member by the Mutual's fumigation contractor.
 - (c) The member agrees to provide the termite inspection report to staff.
 - (d) The building is not on the fumigation schedule for the current fiscal year, where funds have already been allocated for the Program.
 - (e) The member agrees to only use the exterminating company currently under contract with Third Mutual, for fumigation by whole structure tenting.
 - (f) The member agrees to be responsible for scheduling the fumigation; to enter into an agreement with the Mutual's fumigation contractor; and to pay all associated costs to fumigate the building.
 - (g) The member agrees to pay all costs for lodging if the unit is occupied by the member, lessee or other registered occupant.
 - (h) The member agrees to notify staff 2 weeks prior to the scheduled fumigation in order to prepare the liability waiver and to allow for a roof inspection to be conducted by staff and/or the Mutual's roofing contractor, on the building to be fumigated.
 - (i) The member agrees to have the fumigation contractor provide written evidence the fumigation took place as scheduled, that is consistent with what it regularly provides to Third Mutual for buildings fumigated under the contract.
 - (j) The member will provide to Third Mutual a warranty for work consistent with the warranty it currently provides for buildings scheduled for fumigation by Third Mutual.
 - (k) The member agrees to sign a waiver provided by staff that holds Third Laguna Hills Mutual harmless for any problems, issues, damage, loss of property, etc. for the fumigation they independently contract for with the exterminating company.

Third Laguna Hills Mutual

Revise the Pest Control for Termite Policy/Resolution to Allow Unscheduled Fumigation of Single-unit Buildings, at Member Expense

September 21, 2021

Page 11

(I) The member acknowledges that any dry rot repairs to Mutual property will be remediated by the Mutual at Mutual expense as soon scheduling allows.

RESOLVED FURTHER, that Resolution 03-12-138, adopted November 20, 2012 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

28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied.

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STAFF REPORT

DATE: October 19, 2021
FOR: Board of Directors
SUBJECT: 2022 Collection and Lien Enforcement Policy

RECOMMENDATION

Staff recommends approval of the 2022 Collection and Lien Enforcement Policy.

BACKGROUND

The proposed 2022 Third Laguna Hills Mutual Collection and Lien Enforcement Policy outlines the procedures, policies, and practices employed by the Mutual in enforcing lien rights or other legal remedies against members who are in default in payment of assessments. 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 2021 as part of the Annual Policy Statement.

DISCUSSION

Third legal counsel has determined that proposed changes are substantive enough to trigger the 28-day notice requirement for review.

FINANCIAL ANALYSIS

None.

Prepared By: Christopher Swanson, Financial Analyst
Reviewed By: Steve Hormuth, Interim Financial Services Director

ATTACHMENT(S)

ATT1: 2022 Collection and Lien Enforcement Policy (Redline)
ATT2: 2022 Collection and Lien Enforcement Policy (Clean)
ATT3: Resolution 03-21-XX 2022 Collection & Lien Enforcement Policy



**~~YEAR 2021~~2022 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.

~~WE SINCERELY TRUST THAT ALL MEMBERS, IN THE SPIRIT OF COOPERATION AND
RECOGNIZING THEIR LEGAL OBLIGATIONS, WILL FAILURE TO MAKE TIMELY
PAYMENTS AND AVOID CAN RESULT IN THE IMPOSITION OF LATE CHARGES, INTEREST,
COSTS OF COLLECTION, POSSIBLE RESULTANT LEGAL ACTION, AND THE LEGAL
OBLIGATION~~ AGREE MEMBERS CAN BE REQUIRED TO REIMBURSE THE MUTUAL FOR
THE COSTS OF SUCH LEGAL COSTS, REGARDLESS OF WHETHER FORMAL LEGAL
ACTION IS TAKEN. IT IS IN ~~THE BEST INTEREST OF YOU YOUR~~ AND EVERY OTHER
MEMBER OF THE MUTUAL 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 ~~made prepared~~ monthly by the Mutual’s managing agent to the Mutual’s Board of Directors ~~of the Mutual~~ (“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 ~~Mutual's~~ 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 ~~California~~ 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, ~~finer~~ 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 (1st) 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 the special assessment is duly imposed.

2. Reminder Notice

~~If the current~~ A monthly assessment becomes delinquent if it is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or ~~if a, for special assessment assessments, if it~~ is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due), ~~a Reminder Notice is~~. A reminder notice may be sent to the Member. It is each Member's responsibility to pay assessments in full each month regardless of whether a reminder notice is received.

~~PLEASE NOTE THAT~~ TO BE CONSIDERED TIMELY, ~~THE~~ PAYMENT MUST BE RECEIVED BY THE MUTUAL WITHIN ~~THIS~~ THE FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS ~~NOT SUFFICIENT~~ INSUFFICIENT.

IN ADDITION TO THE FOREGOING, CHARGEABLE SERVICES ARE LATE IF NOT PAID WITHIN 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 ~~the~~ files for delivery to the Mutual's legal counsel and/or collection agent in order to carry out authorized legal and/or collection actions ~~authorized hereunder~~, as well as direct costs incurred in recording and/or mailing documents attendant to ~~this~~ 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 ~~THE DELINQUENCY DATE. THEY BECOME DELINQUENT.~~ Any notices or invoices for assessments (Are these "regular" monthly assessments and/or "special" assessments???) will be sent to Members by first-class and/or certified mail addressed to the Member at his ~~or~~ her/their/its address as shown on the books and records of the Mutual. However, it is the Member's responsibility to be aware of the assessment payment 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 amount of ~~Sixty~~Seventy-Five Dollars (\$~~60~~75.00) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. ~~Further, both state law~~Civil Code section 5650 and the Mutual's Governing Documents provide for interest on ~~the all sums imposed in accordance with Section 5650, including on~~ delinquent assessment, reasonable fees and ~~the late charge costs of collection, and accordingly interest~~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%) ~~as allowed by Civil Code section 5650. %).~~ Such interest may be imposed and collected ~~per the foregoing sentence~~ regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel and/or collection agent for ~~further~~ 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 ~~the Reminder Notice,~~ a Demand Letter (also known 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, then a Pre-Lien Notice demand letter pursuant to ~~California Civil Code sections~~section 5660), (a "Pre-Lien Notice"), as detailed ~~further~~ below, will be sent to the Member by Certified Mail. The Mutual, through its managing agent, ~~will~~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 (30th) day after the date of ~~the Demand Letter/Pre-Lien Notice~~ 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") ~~which is governed by the Mutual,~~), on the thirtieth (30th) day after receipt of ~~the Demand Letter/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) suspending a Member's right (and that of the Resident or Tenant of that Member's Manor) to use Mutual or ~~GRF~~Golden Rain Foundation of Laguna Woods ("GRF") facilities; (2) termination of the delinquent Member's Membership in the Mutual as a result of any foreclosure, (3) legal actions, discussed further below, or (4) 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 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 ~~vote on matters as to which the Member would otherwise be entitled to vote (based on applicable law and/or the Mutual's governing documents), or to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full, including interest, late charges, and/or the Administrative Costs of Collection Fee, as may have been imposed or incurred in a particular instance. Failure to pay the assessments, interest, late charges, and/or the Administrative Collection Fee in full such amounts~~ may also result in suspension of certain Membership rights and the ability to use the facilities or services provided by ~~the Golden Rain Foundation of Laguna Woods~~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 ~~proceeding~~; 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 (~~which costs shall, as stated above, include, without limitation, the Administrative Collection Fee~~), attorney's fees 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 county Orange County recorder ~~of the county in which the Manor is located.~~

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 ~~subdivision (b) of Section 5650 of the California~~ Civil Code; section 5650(b); a legal description of the owner's Manor ~~against which the assessment and other sums are levied~~; and the name of the record owner of the Manor ~~against which the lien is imposed~~.

~~The~~ An itemized statement of the ~~charges~~ debt owed by the owner, as described in ~~subdivision (b) of Section 5660 of the California~~ 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 ~~Sections~~ Civil Code sections 5700 to 5710 ~~of the California Civil Code~~, inclusive, the notice of delinquent assessment shall state the name and address of the trustee authorized by the ~~association~~ 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 ~~association~~ Mutual for that purpose, or if no one is designated, by the president of the ~~association~~ 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 ~~association's~~ Mutual's records, and ~~the notice~~ shall be mailed no later than ten (10) calendar days after recordation.

~~The Mutual is prohibited from recording a lien or initiating a foreclosure action without participating in dispute resolution or ADR procedures if so requested by the Member.~~ 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, ~~costs and~~ Costs of ~~collection, costs imposed for the notice prescribed in Section 5660 of the California Civil Code, and costs of recordation and release of the lien authorized under subdivision (b) of Section 5720~~ 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 ~~the expiration of~~ thirty (30) days following the recording of a delinquent assessment ~~lien created pursuant to California Civil Code Section 5675~~, the lien may be enforced in any manner permitted by law. Once the amount of delinquent assessments (not including any late charges, fees, ~~attorney's fees~~, interest, or Costs of Collection), exceeds One Thousand Eight Hundred Dollars (\$1,800), ~~or~~ OR any unpaid assessments are more than twelve (12) months delinquent, then, subject to the conditions specified ~~conditions 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 ~~must~~ 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~~ 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, ~~a proceeding may be commenced to foreclose~~ 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 ~~or~~ /her/their/its Manor.

10. Board Decision to Initiate Foreclosure

The decision to initiate foreclosure of a ~~lien for delinquent assessments that has been~~ 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, and not by the name of the delinquent Member ~~or Members~~. 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.

~~The Board must~~ If the Board votes to foreclose upon an owner’s Manor, the Board shall provide notice by personal service to an owner of a Manor if the owner occupies the Manor or to their legal representative, ~~if the Board votes to foreclose.~~ For a non-occupying owner, the Board ~~must~~ 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.

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 ~~California~~ 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 ~~the Davis-Stirling Common Interest Development Act~~ California law, applicable regulations, and the Covenants, Conditions and Restrictions (CC&Rs), the delinquent amount, as well as late ~~payment penalties for charges on~~ the delinquent assessments and/or interest charges and/or ~~charges for~~ Costs of Collection ~~that are incurred by the Mutual and/or its managing agent acting on behalf of the Mutual in its efforts to collect delinquent assessments~~ (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 ~~the Davis-Stirling Common Interest Development Act~~ 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 to the Delinquent Member

Before a lien ~~can~~may be recorded ~~in the chain of title to the~~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 ~~dispute resolution~~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 ~~California~~ 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 ~~DISPUTE RESOLUTION~~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) days after this Pre-Lien Notice has been given.

The Pre-Lien Notice must include the following information (per ~~California~~ 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 ~~Dispute Resolution~~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 ~~dispute resolution~~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-~~or~~/her/~~their~~/its right to participate in ~~alternative dispute resolution~~ADR with a neutral third party under Civil Code sections 5925-5965 before the Mutual may initiate foreclosure against the 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-~~of Directors~~ 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 ~~if there is no regularly scheduled Board~~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

~~Additionally, in~~In accordance with state law, unless otherwise waived in writing by the Member, payments received on delinquent assessments shall be applied to the Member's account in the following order of priority: ~~first, to the principal assessments owed;~~ then ~~to accrued interest fees~~ and ~~late charges;~~ ~~then to costs of collection, attorney's fees;~~ ~~then to title company and foreclosure service company charges and other Costs of Collection-;~~ 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 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 ~~onsite-manor~~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 (\$25.00) fee for the first check tendered to the Mutual that is returned unpaid by the Member's bank, and thereafter, the Mutual may charge a thirty-five dollar (\$35.00) fee for any subsequent check that is returned based on insufficient funds. If a Member's check cannot be negotiated for any reason, then the Mutual may also seek to recover damages of the greater of (a) one hundred dollars (\$100.00); or (b) three (3) times the amount of the check up to fifteen hundred dollars (\$1,500.00) in accordance with ~~California~~Civil Code section 1719.

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

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

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

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

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

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

PAYMENTS

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

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

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

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

MEETINGS AND PAYMENT PLANS

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



2022 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 AGREE MEMBERS 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 (1st) 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 the special assessment is duly imposed.

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 (16th) 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 (15th) day after it is due). A reminder notice may be sent 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 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. 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 amount of Seventy-Five Dollars (\$75.00) 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, 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 (30th) 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 (30th) day after receipt of 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) 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; (2) termination of the delinquent Member's Membership in the Mutual as a result of any foreclosure, (3) legal actions, discussed further below, or (4) 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 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, 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 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.

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) 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, unless otherwise waived in writing by the Member, 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 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 (\$25.00) fee for the first check tendered to the Mutual that is returned unpaid by the Member's bank, and thereafter, the Mutual may charge a thirty-five dollar (\$35.00) fee for any subsequent check that is returned based on insufficient funds. If a Member's check cannot be negotiated for any reason, then the Mutual may also seek to recover damages of the greater of (a) one hundred dollars (\$100.00); or (b) three (3) times the amount of the check up to fifteen hundred dollars (\$1,500.00) in accordance with 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 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

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

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

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

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

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

PAYMENTS

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

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

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

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

MEETINGS AND PAYMENT PLANS

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



RESOLUTION 03-21-XX

2022 Collection & 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, [DATE], that the Board of Directors hereby adopts the 2022 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 2021 as part of the Annual Policy Statement.

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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STAFF REPORT

DATE: October 19, 2021
FOR: Third Laguna Hills Mutual Board of Directors
SUBJECT: Annual Training for Boards of Directors

RECOMMENDATION

Receive and file this informational report pertaining to the previously announced all-boards training session taking place at Clubhouse 7 on Monday, November 15, from 9 a.m. to approximately 2 p.m.

BACKGROUND

Board training is sponsored by the VMS Board of Directors. This session, which culminates a year-long initiative to streamline board training, will include an extensive overview of current legislation and guidelines that all directors must follow. Training will also include a session on the Golden Rain Foundation Trust and an overview of each VMS department led by the responsible VMS staff director.

DISCUSSION

All board members of GRF, Third, United and VMS should attend the training. All board members have received an updated board handbook. Directors are asked to review the content in the handbook prior to the session.

FINANCIAL ANALYSIS

Expenses will include the speaking fee for the presentation on the Golden Rain Foundation attendee lunches and miscellaneous supplies. These expenses fall under the CEO's Office annual budget for board support.

Prepared By: Eileen Paulin, Director Media and Communications

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STAFF REPORT

DATE: October 19, 2021
FOR: Board of Directors
SUBJECT: Updated 2022 Reserve Funding Plan

RECOMMENDATION

Staff recommends the Board approve the attached 2022 Reserve Fund Resolution (ATT1).

GOVERNING AUTHORITY

California Civil Code § 5550 Reserve Study Requirements

- (a) A least once every three years, the board shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components that the association is obligated to repair, replace, restore, or maintain as part of a study of the reserve account requirements of the common interest development, if the current replacement value of the major components is equal to or greater than one-half of the gross budget of the association, excluding the association's reserve account for that period. The board shall review this study, or cause it to be reviewed, annually and shall consider and implement necessary adjustments to the board's analysis of the reserve account requirement as a result of that review.

California Civil Code § 5300 Annual Budget Report

- (b) Unless the governing documents impose more stringent standards, the annual budget report shall include all of the following information:
 - (2) A summary of the association's reserves.

BACKGROUND

Each year, Third contracts a vendor, Association Reserves™, to provide a reserve study, which is approved in September, as part of the of the business plan approval. The 2022 reserve study that was approved via resolution 03-21-60 was conducted in July 2021, so the figures could be used for the preliminary versions of the budget. During the business planning process, the reserve expenditures budget was decreased to help offset insurance premium increases. After the budget was officially approved, staff contacted the reserve specialist to make the appropriate updates.

A summary of the updated study is attached for Board adoption. The summary is planned to be included in the annual mailout in November and information found in the reserve study will be used to provide further disclosure statements, as required by Civil Code § 5570.

DISCUSSION

Each year, Third approves a 30-Year Reserve Plan that provides a general roadmap of anticipated revenues and expenditures into and out of the reserve funds. Although the plan is approved in concept, the Board approves specific contributions to and expenditures from the Reserve Fund only for the upcoming year. On September 21, 2021, the Board approved the 2022 Business Plan through Resolution 03-21-59, which included a contribution of \$152 per manor per month to the Third reserve funds. The resolution further approved expenditures from reserves in the sum of \$10,523,314. The contracted reserve study was updated with the information to provide consistency. In addition to providing a reserve study, Association Reserves™ also provides disclosures that are required to be provided to owners.

The reserve study also provides a determination of reserve fund strength, shown as percent funded, which is required to be disclosed each year. The current study shows that Third is 36.8% funded, which is a fair position, as indicated by the reserve study in the attached resolution. The reserve specialist uses proprietary software and industry best practices to determine the percent funded.

FINANCIAL ANALYSIS

As stipulated in Civil Code § 5550, at least every three years a visual inspection of components is required. The 2022 reserve study was a “No-Site-Visit” study and cost \$5,200, which was paid from the Operating Fund. No additional expense was incurred for the update. The 2023 reserve study will require a visual inspection.

Prepared By: Jose Campos, Financial Services Manager

Reviewed By: Jeff Parker, Chief Executive Officer
Steve Hormuth, Interim Financial Services Director

ATTACHMENT(S)

ATT1 – Third 2022 Reserves Funding Plan

ATT2 – Resolution 03-21-XX Updated 2022 Reserve Funding Plan



Reserve Study Executive Summary

No-Site-Visit

Third Mutual - Laguna Woods Village

Laguna Woods, CA

Level of Service: **Update "No-Site-Visit"**Report #: **31071-2**

of Units: 6,102

January 1, 2022 through December 31, 2022**Findings & Recommendations****as of January 1, 2022**

Projected Starting Reserve Balance	\$17,275,103
Current Full Funding Reserve Balance	\$47,001,765
Average Reserve Deficit (Surplus) Per Unit	\$4,872
Percent Funded	36.8 %
Recommended 2022 "Annual Full Funding Contributions"	\$13,260,000
Alternate minimum contributions to keep Reserve above \$8,290,000	\$11,130,048
Most Recent Reserve Contribution Rate	\$11,130,048

Reserve Fund Strength: 36.8%**Weak****Fair****Strong**

< 30%

< 70%

> 130%

**Risk of Special Assessment:****High****Medium****Low****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **2.00 %**Annual Inflation Rate **3.00 %**

This is an Update "No-Site-Visit", and is based on a prior Report prepared by Association Reserves for your 2021 Fiscal Year. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist, Sean Erik Andersen RS #68.

The Reserve Fund is between the 30% Funded level and the 70% Funded level at 36.8 % Funded, which is a fair position for the fund to be in. This means that the Mutual's special assessment & deferred maintenance risk is currently Medium. The objective of your multi-year Funding Plan is to continue to Fully Fund Reserves and maintain a position of strength in the fund, where the Mutual enjoy a low risk of Reserve cash flow problems. Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$13,260,000.

*The Alternative Contribution rate, also called Threshold Funding will keep the Reserve Funds above \$8,290,000. This figure for the Mutual is \$11,130,048.

To receive a copy of the full Reserve Study, contact the Mutual.

Attachment 1



Budget Summary

Report # 31071-2
No-Site-Visit

	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022 Fully Funded Balance	Remaining Bal. to be Funded	2022 Contributions
	Min	Max	Min	Max					
Paved Surfaces	1	25	0	24	\$9,176,000	\$501,700	\$5,005,390	\$6,973,130	\$396,963
Roofing & Gutters	1	40	0	32	\$57,835,400	\$1,540,900	\$29,479,165	\$51,954,395	\$1,600,538
Building Structures	1	10	0	18	\$8,206,200	\$2,502,000	\$3,169,810	\$5,494,900	\$3,933,416
Decking Projects	1	1	0	6	\$1,310,700	\$436,500	\$436,500	\$874,200	\$881,192
Prior To Painting & Painting Projects	1	1	0	13	\$4,795,200	\$2,329,000	\$2,329,000	\$2,466,200	\$3,223,844
Elevators	1	40	0	29	\$5,784,900	\$105,000	\$3,223,133	\$5,277,807	\$363,030
Garden Villas	1	10	0	29	\$879,600	\$15,000	\$191,880	\$814,300	\$250,158
Lighting Replacement Projects	1	1	0	1	\$75,000	\$25,000	\$25,000	\$50,000	\$50,423
Walls, Fencing & Railings	1	1	0	1	\$268,200	\$123,200	\$123,200	\$145,000	\$180,313
Laundry Facilities	1	25	0	19	\$315,300	\$109,800	\$182,987	\$157,165	\$96,971
Sewer Lines, Water Lines & Elect	1	1	0	24	\$1,540,300	\$1,230,000	\$1,230,000	\$310,300	\$1,035,554
Grounds & Miscellaneous	1	1	0	0	\$9,200	\$9,200	\$9,200	\$0	\$6,185
Landscape Projects	1	1	0	2	\$1,846,500	\$1,596,500	\$1,596,500	\$250,000	\$1,241,414
					\$92,042,500	\$10,523,800	\$47,001,765	\$74,767,397	\$13,260,000
								Percent Funded:	36.8%



30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 31071-2
No-Site-Visit

Fiscal Year Start: 2022

Interest:

2.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2022	\$17,275,103	\$47,001,765	36.8 %		Medium	\$11,130,048	\$0	\$354,805	\$10,523,800
2023	\$18,236,156	\$50,818,033	35.9 %		Medium	\$12,076,102	\$0	\$366,682	\$12,215,079
2024	\$18,463,862	\$53,219,520	34.7 %		Medium	\$12,317,624	\$0	\$369,175	\$12,665,024
2025	\$18,485,637	\$55,633,362	33.2 %		Medium	\$12,563,977	\$0	\$369,898	\$12,883,251
2026	\$18,536,261	\$57,288,976	32.4 %		Medium	\$12,815,256	\$0	\$378,888	\$12,345,031
2027	\$19,385,374	\$59,804,305	32.4 %		Medium	\$13,071,561	\$0	\$395,106	\$12,692,544
2028	\$20,159,498	\$61,809,788	32.6 %		Medium	\$13,332,992	\$0	\$403,779	\$13,642,883
2029	\$20,253,386	\$62,578,848	32.4 %		Medium	\$13,599,652	\$0	\$425,199	\$11,974,913
2030	\$22,303,324	\$56,118,270	39.7 %		Medium	\$13,871,645	\$0	\$465,290	\$12,374,317
2031	\$24,265,942	\$58,334,812	41.6 %		Medium	\$14,149,078	\$0	\$488,935	\$14,234,032
2032	\$24,669,924	\$59,100,701	41.7 %		Medium	\$14,432,060	\$0	\$501,584	\$14,071,611
2033	\$25,531,957	\$60,467,167	42.2 %		Medium	\$14,720,701	\$0	\$521,746	\$14,086,518
2034	\$26,687,887	\$62,303,275	42.8 %		Medium	\$15,015,115	\$0	\$540,194	\$14,864,840
2035	\$27,378,356	\$63,775,128	42.9 %		Medium	\$15,315,417	\$0	\$556,478	\$14,932,638
2036	\$28,317,612	\$65,245,187	43.4 %		Medium	\$15,621,726	\$0	\$574,644	\$15,317,391
2037	\$29,196,591	\$66,811,174	43.7 %		Medium	\$15,934,160	\$0	\$585,581	\$16,304,129
2038	\$29,412,203	\$67,523,232	43.6 %		Medium	\$15,934,160	\$0	\$594,095	\$15,891,729
2039	\$30,048,729	\$68,906,791	43.6 %		Medium	\$15,934,160	\$0	\$598,505	\$16,727,810
2040	\$29,853,584	\$69,826,718	42.8 %		Medium	\$15,934,160	\$0	\$599,908	\$16,198,480
2041	\$30,189,172	\$71,801,922	42.0 %		Medium	\$15,934,160	\$0	\$581,012	\$18,741,999
2042	\$27,962,345	\$70,449,227	39.7 %		Medium	\$15,934,160	\$0	\$562,287	\$16,143,745
2043	\$28,315,047	\$72,206,077	39.2 %		Medium	\$15,934,160	\$0	\$576,106	\$15,479,883
2044	\$29,345,430	\$75,158,811	39.0 %		Medium	\$15,934,160	\$0	\$588,378	\$16,324,626
2045	\$29,543,342	\$77,831,967	38.0 %		Medium	\$15,934,160	\$0	\$587,848	\$16,772,920
2046	\$29,292,431	\$80,360,846	36.5 %		Medium	\$15,934,160	\$0	\$561,343	\$18,897,464
2047	\$26,890,470	\$81,301,412	33.1 %		Medium	\$15,934,160	\$0	\$502,190	\$19,954,751
2048	\$23,372,070	\$81,721,013	28.6 %		High	\$15,934,160	\$0	\$442,357	\$18,846,667
2049	\$20,901,920	\$83,850,546	24.9 %		High	\$15,934,160	\$0	\$387,198	\$19,371,861
2050	\$17,851,417	\$82,844,074	21.5 %		High	\$15,934,160	\$0	\$326,634	\$19,271,901
2051	\$14,840,310	\$85,731,888	17.3 %		High	\$15,934,160	\$0	\$227,960	\$23,026,944

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RESOLUTION 03-21-XX

UPDATED 2022 RESERVE FUNDING PLAN

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

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

NOW THEREFORE BE IT RESOLVED, October 19, 2021, that the Board hereby adopts the 30-Year Alternate Reserve Funding Plan (attached) prepared by Association Reserves™ for fiscal year 2022; and

RESOLVED FURTHER, that Resolution 03-21-60, adopted September 21, 2021, 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.

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STAFF REPORT

DATE: October 19, 2021
FOR: Board of Directors
SUBJECT: Stepping Stone Approval Process and Guidelines

RECOMMENDATION

Approve the Stepping Stone Resolution and Guidelines.

BACKGROUND

At the September 29, 2021, Landscape Committee meeting, the committee discussed this topic and are making a recommendation of approval to the Board.

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 03-07-02 in which the stepping stone standard was revoked and required an application for a variance from the Alterations Committee.

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 time-consuming process of applying for an architectural variance. As the stepping stones are located within the common area landscaping, the issue is better served by review from the Landscape Committee. Additionally, with the proposed process, the member would submit a Landscape Request form which is free to the members; requiring an Architectural Variance is an expensive and time-consuming process.

The proposed resolution (Attachment 2) would change the process to the Landscape Request form.

The proposed resolution makes it clear that stepping stones are not a gift of common area and must be temporary in nature. All existing stepping stones not approved by this process, or the variance process, will still need to be removed at resale.

FINANCIAL ANALYSIS

There are no funds attributable to this action.

Prepared By: Kurt Wiemann, Director of Landscape Services

Reviewed By: Eve Morton, Landscape Coordinator

ATTACHMENT(S)

Attachment 1:	Stepping Stone Resolution History
Attachment 2:	Proposed Stepping Stone Resolution

ATTACHMENT 1

Stepping Stone Resolution History in Third Mutual

Resolution Number	Topic	Date Approved
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 cancelled)	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

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ATTACHMENT 2

RESOLUTION 03-21-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;

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

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

WHEREAS, the Landscape Committee determined that requiring a variance application is unduly burdensome for Members and the process could be simplified by use of the Landscape Request form process. All stepping stone installations must be approved by the Board of Directors prior to installation.

NOW THEREFORE BE IT RESOLVED, [DATE], the Board of Directors approves the change from variance request to landscape request form and consideration thereof shall be performed by the Landscape Committee;

RESOLVED FURTHER, all new stepping stone installations shall be performed following the attached Stepping Stone Guidelines and all existing stepping stone installations not approved by variance shall be removed upon resale;

RESOLVED FURTHER, Resolution 03-07-02, adopted January 16, 2007, is hereby superseded in their entirety and no longer in effect;

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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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.

Member understands that by installing stepping stones in common area they are responsible for the installation, maintenance and safety of the installation. Failure to maintain the stepping stones shall result in the removal as a chargeable service to the Member.

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, parking areas or used as landings for new or alteration doors.
- 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.)

4.0 INSTALLATION REQUIREMENTS

- 4.1 All stepping stone installations shall require prior approval by the Landscape Committee.
- 4.2 A plan of the stepping stone layout must be submitted to the Landscape Department and approved prior to installation.
- 4.4 Installed stepping stones must be stable and level to the surrounding soil grade. Any loose or non-level stones will not be permitted and may result in the removal of the stones. Such removal will be performed as a chargeable service to the Mutual Member.
- 4.5 Ongoing maintenance to ensure the stability and level grade of the stepping stones is the sole responsibility of the Member. Improperly maintained stepping stones identified as a safety hazard by the Mutual's managing agent during routine maintenance may result in removal of the stones. Such removal will be performed as a chargeable service to the Mutual Member.

Financial Report

As of August 31, 2021



INCOME STATEMENT (in Thousands)		ACTUAL
Assessment Revenue		\$23,067
Non-assessment Revenue		\$1,101
Total Revenue		\$24,168
Total Expense		\$23,007
Net Revenue/(Expense)		\$1,161

Financial Report

As of August 31, 2021



OPERATING INCOME STATEMENT (in Thousands)		ACTUAL
Assessment Revenue		\$13,978
Non-assessment Revenue		\$1,019
Total Revenue		\$14,997
Total Expense ¹		\$15,367
Operating Deficit		(\$370)

1) excludes depreciation

Financial Report

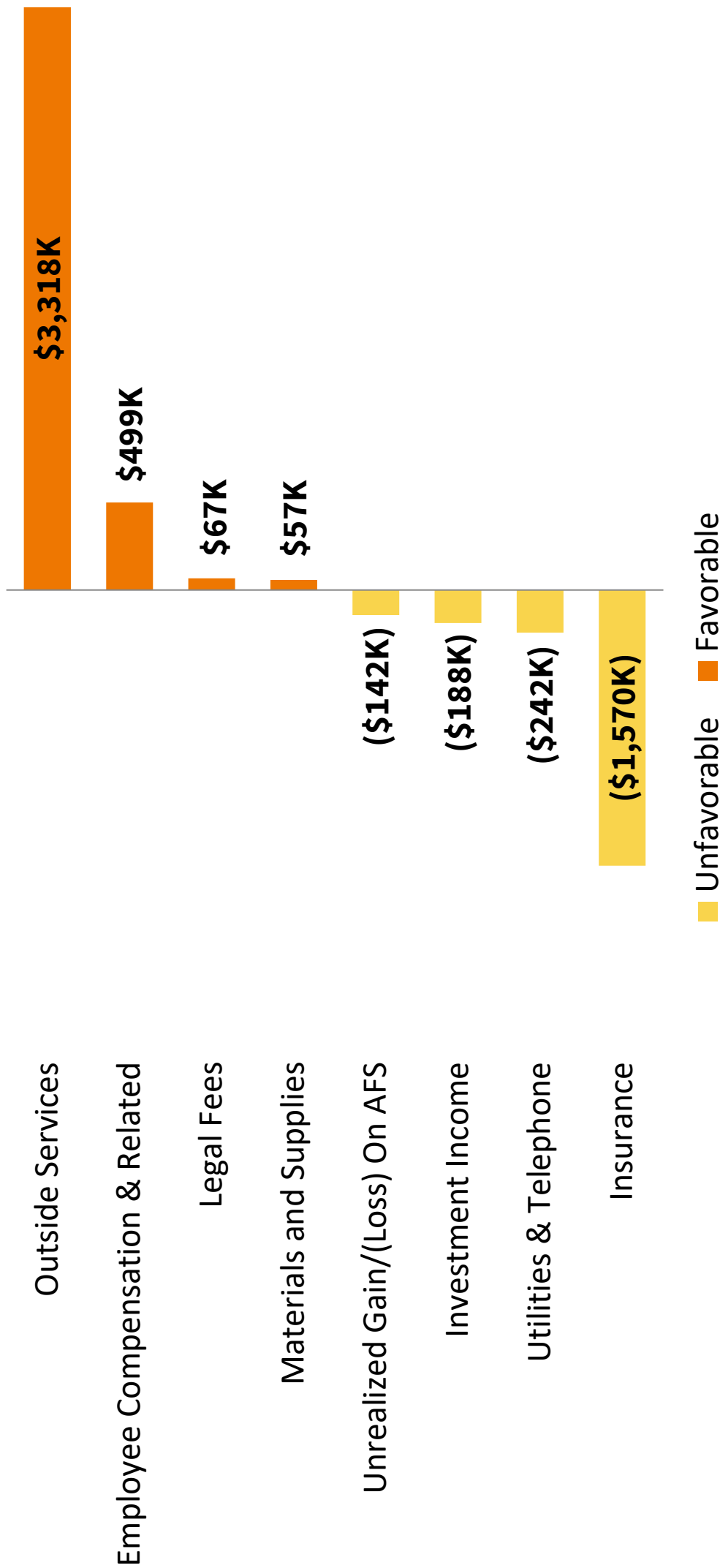
As of August 31, 2021



INCOME STATEMENT (in Thousands)	ACTUAL	BUDGET	VARIANCE
Assessment Revenue	\$23,067	\$23,067	\$0
Non-assessment Revenue	\$1,101	\$1,445	(\$344)
Total Revenue	\$24,168	\$24,512	(\$344)
Total Expense	\$23,007	\$25,289	\$2,282
Net Revenue/(Expense)	\$1,161	(\$777)	\$1,938

Financial Report

As of August 31, 2021

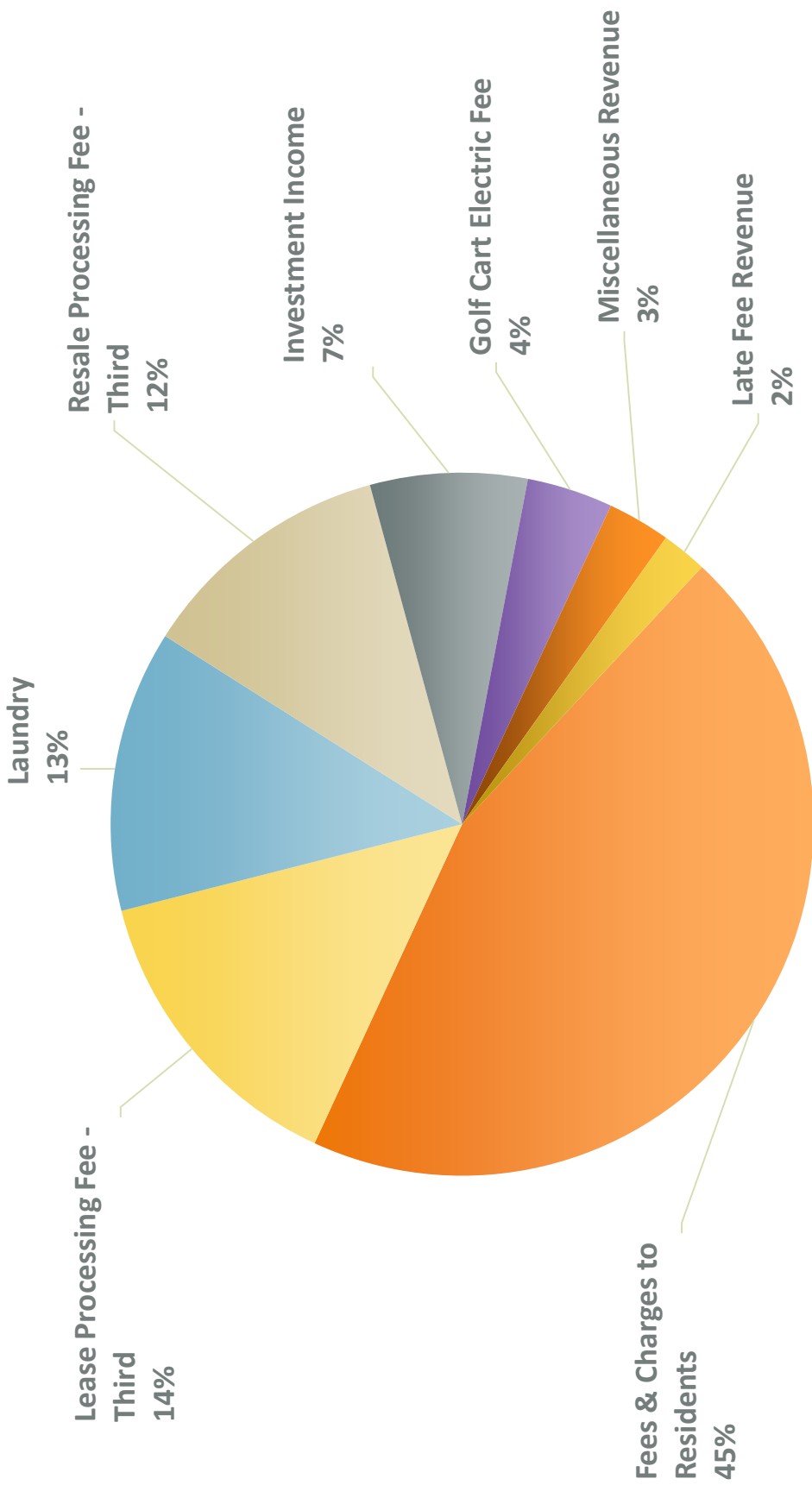


Financial Report

As of August 31, 2021



Total Non Assessment Revenues \$1,101,438

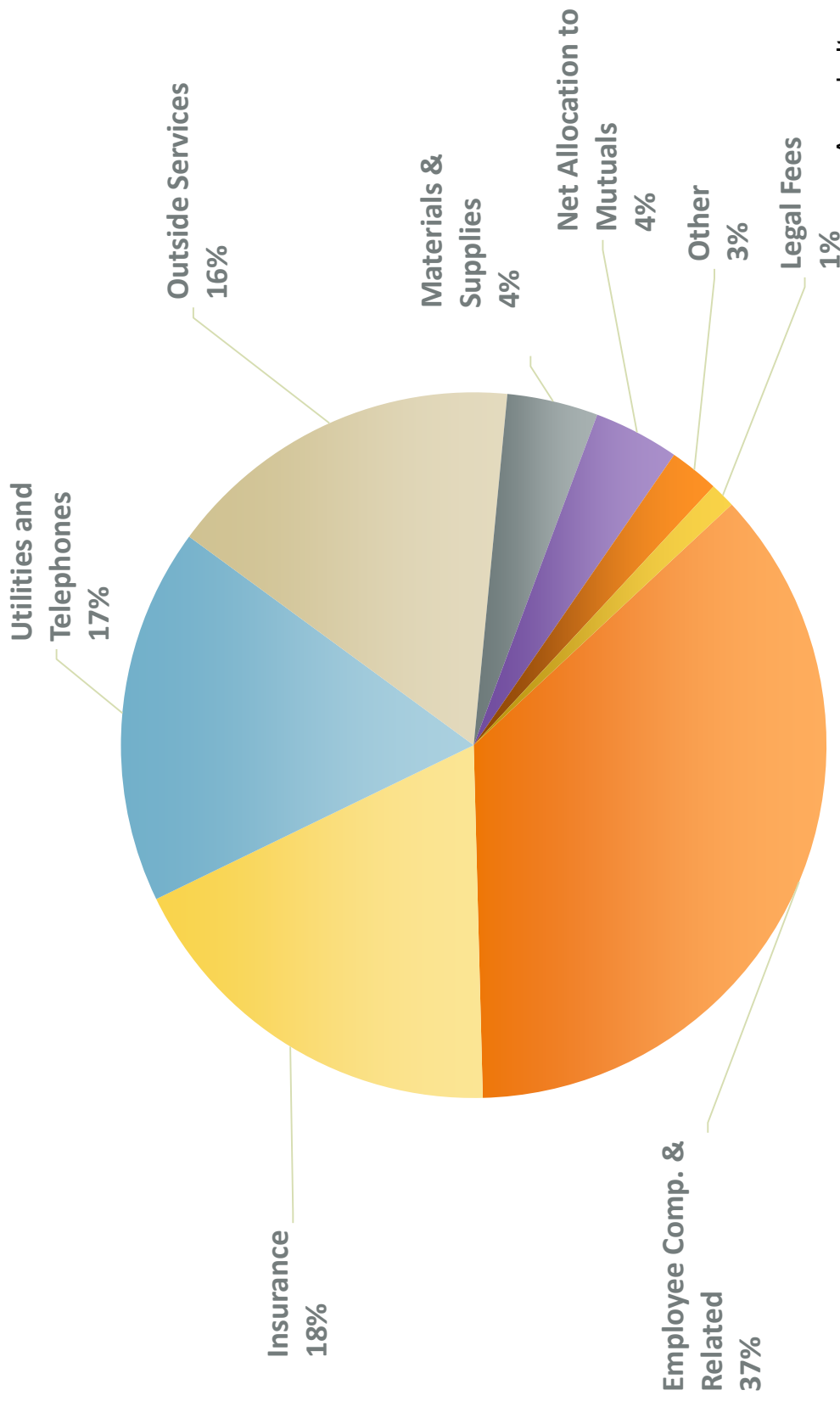


Financial Report

As of August 31, 2021



Total Expenses \$23,007,393



Financial Report

As of August 31, 2021



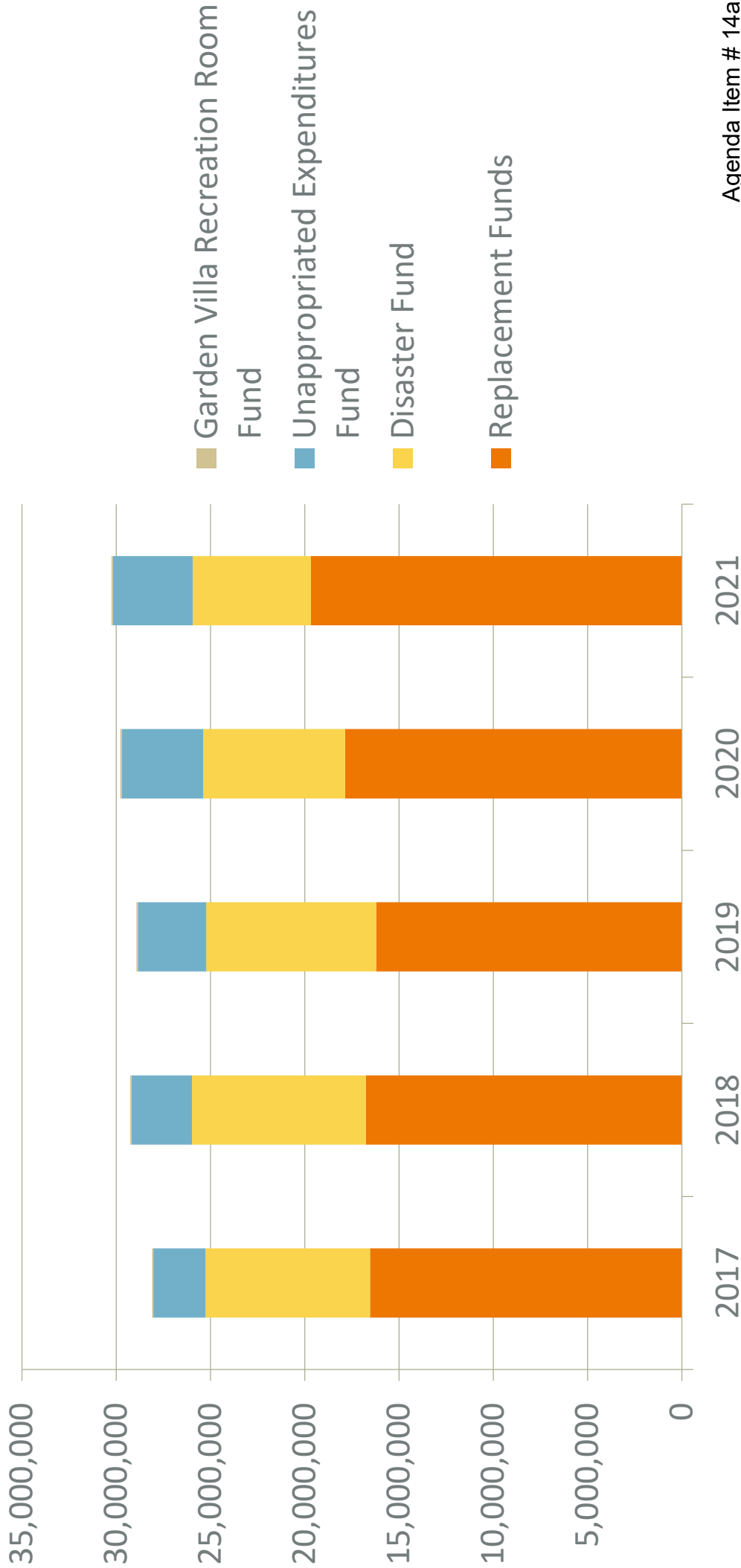
NON OPERATING FUND BALANCES (in Thousands)	Replacement Funds*	Disaster Fund	Unappropriated Expenditures Fund	Garden Villa Fund	TOTAL
Beginning Balances: 1/1/21	\$17,437	\$6,843	\$4,271	\$89	\$28,640
Contributions & Interest	7,468	1,245	401	57	9,171
Expenditures	5,234	1,804	443	71	7,552
Current Balances: 8/31/21	\$19,671	\$6,284	\$4,229	\$75	\$30,259

* Includes Elevator and Laundry Funds

Financial Report

As of August 31, 2021

FUND BALANCES – Third Mutual

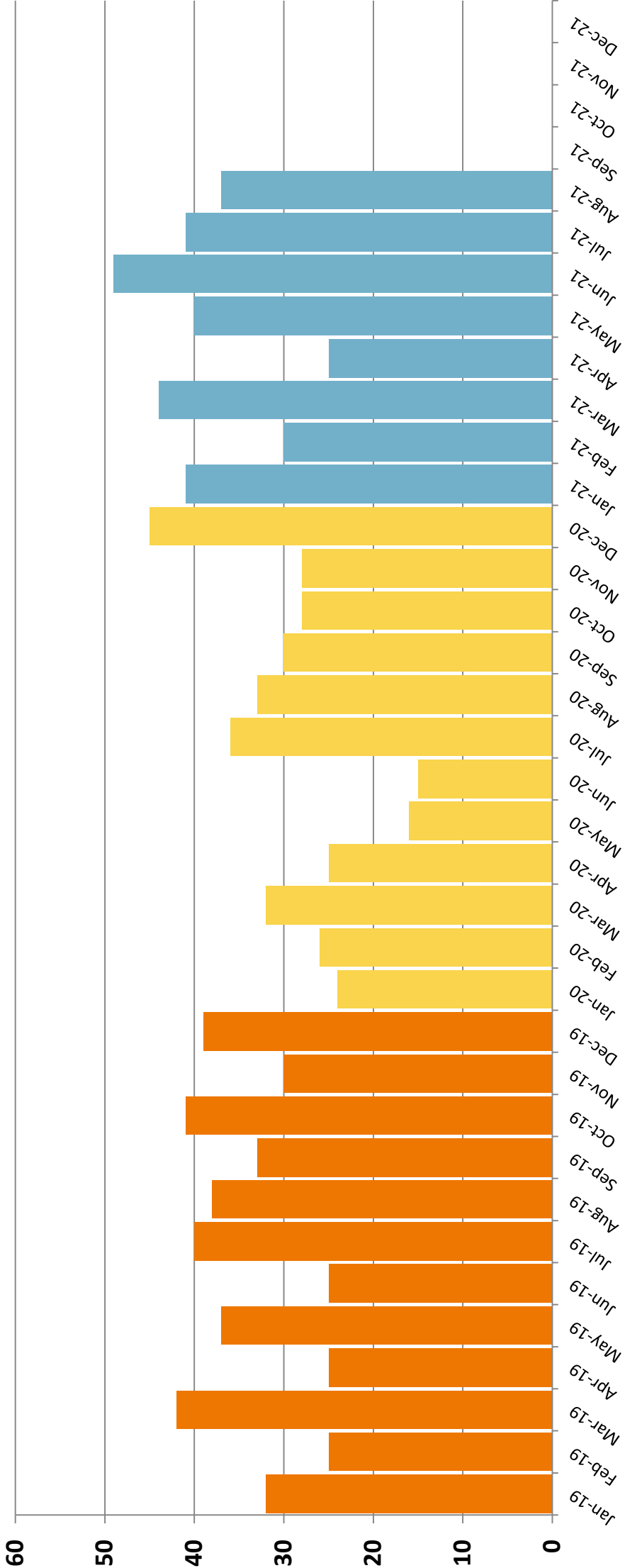


Financial Report

As of August 31, 2021

RESALE HISTORY – Third Mutual

	NO. OF RESALES	AVG. RESALE PRICE
YTD 2019	264	\$414,688
YTD 2020	207	\$420,312
YTD 2021	307	\$460,705



Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
8/31/2021
(\$ IN THOUSANDS)

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE	ACTUAL	YEAR TO DATE BUDGET	VARIANCE	PRIOR YEAR ACTUAL	TOTAL BUDGET
Revenues:								
Assessments:								
1 Operating	\$1,747	\$1,747		\$13,978	\$13,979		\$13,486	\$20,968
2 Additions to restricted funds	1,136	1,136		9,088	9,088		8,623	13,632
3 Total assessments	2,883	2,883		23,066	23,067		22,109	34,600
Non-assessment revenues:								
4 Fees and charges for services to residents	85	57	29	495	448	47	235	674
5 Laundry	17	20	(3)	143	160	(17)	150	240
6 Investment income	1	33	(33)	80	268	(188)	314	402
7 Unrealized gain/(loss) on AFS investments		18	(18)		142	(142)	669	213
8 Miscellaneous	47	53	(7)	384	427	(43)	372	640
9 Total non-assessment revenue	150	181	(31)	1,101	1,445	(344)	1,740	2,170
10 Total revenue	3,033	3,065	(31)	24,168	24,512	(344)	23,849	36,770
Expenses:								
11 Employee compensation and related	1,170	1,125	(45)	8,405	8,904	499	7,766	13,340
12 Materials and supplies	118	124	6	960	1,017	57	666	1,526
13 Utilities and telephone	529	564	35	3,968	3,726	(242)	3,568	5,685
14 Legal fees	11	42	31	266	333	67	390	500
15 Professional fees	10	9	(2)	57	114	57	85	150
16 Equipment rental	5	1	(4)	34	12	(22)	13	18
17 Outside services	914	1,211	296	3,787	7,105	3,318	4,554	11,122
18 Repairs and maintenance	24	29	5	190	235	44	199	353
19 Other Operating Expense	12	15	3	86	125	40	71	192
20 Income taxes							20	
21 Property and sales tax				2		(2)		
22 Insurance	516	328	(188)	4,194	2,624	(1,570)	1,376	3,936
23 Investment expense	13		(13)	21	11	(11)	6	21
24 Uncollectible Accounts	26		(26)	29	38	8	20	75
25 (Gain)/loss on sale or trade				15		(15)	108	
26 Depreciation and amortization	11	11		90	90		91	135
27 Net allocation to mutuals	117	119	2	902	956	54	942	1,426
28 Total expenses	3,477	3,578	101	23,007	25,289	2,282	19,876	38,479
29 Excess of revenues over expenses	(\$444)	(\$513)	\$69	\$1,161	(\$777)	\$1,938	\$3,973	(\$1,710)



Statement of Revenues & Expenses - Preliminary

Variance Explanations as of August 31, 2021

SUMMARY

Third financial results were better than budget by \$1,938K as of August 31, 2021. Explanations for categories with significant variances are found below.

REVENUE

Investment Income – (\$188K) [Line 6](#)

Unfavorable variance due to less revenue being generated from current portfolio of Discretionary investments as opposed to budgeted investment bonds.

Unrealized gain/(loss) on AFS Investments – (\$142K) [Line 7](#)

Unfavorable variance due to the current investment portfolio being sold off in favor of purchasing treasury bills. The current year-to-date unrealized loss was transferred to realized gains/losses along with prior year unrealized gain.

EXPENSES

Employee Compensation and Related – \$499K [Line 11](#)

Favorable variance resulted primarily in Landscape and M&C departments. In Landscape department, ground maintenance was favorable due to outsourcing of 8 staff positions. The variance was furthered in carpentry services due to budgeted position put on hold. To a lesser extent, Property Services, Damage Restoration, Projects are favorable due to open positions, recruitment is in progress.

Materials and Supplies – \$57K [Line 12](#)

Favorable variance due to shortages in materials and appliances, primarily in programs such as paint, appliances, building maintenance. In addition, a purchase of the first 2,000 RFID was executed in August while the budget was split between June and December. Expenses are yet to be recognized.

Utilities and Telephone – (\$242K) [Line 13](#)

Unfavorable variance due to less seasonal rainfall. Budget was based on a five-year average of water consumption, however, seasonal rainfall through June was 35% lower than 5-year average during the same period.

Legal Fees – \$67K [Line 14](#)

Favorable variance resulted due to lower expenditures to date than anticipated. The budget for legal fees is a contingency, which fluctuates from year to year.

Professional Fees – \$57K [Line 15](#)

Favorable variance due to lower expenditures for consultation service for epoxy programs in M&C. Consultant was unable to meet the schedule due to the pandemic.



Statement of Revenues & Expenses - Preliminary
Variance Explanations as of August 31, 2021

Outside Services – \$3,318K [Line 17](#)

Favorable variance is due to:

- **Building Structures – \$1,344K**

Favorable variance resulted from delays in processing invoices primarily in damage restoration programs. Staff was directed to focus on United backlog before processing Third invoices. Beginning August, staff has started to process 2021 invoices for damage restoration. Additionally, Staff anticipates the building structure program being under budget by \$465K by year-end, due to less building structure replacement, dry rot and parapet wall removal.

- **Waste Line Remediation – \$432K**

Favorable variance due to delays in scheduled work compared to budget distribution. Work is in progress. While the primary focus is on three-story buildings this year, other buildings with a high risk for stoppages will also be evaluated for epoxy lining. The three-story buildings take an average of 10-12 weeks to complete. Six three-story buildings were scheduled to complete this year; however, due to delays in scheduled work, only five buildings will be completed by year end.

- **Water Lines – Copper Remediation – \$318K**

Favorable variance resulted from late start due to COVID-19 restrictions. Work commenced in June and is scheduled to be completed by September.

- **Pest Control – \$175K**

Pest Control for bees and wasps is a contingency for resident service requests. Savings resulted from some buildings requiring a postponement to next year. Staff anticipates the pest control program being under budget by \$224K by yearend. This program commenced in May and is estimated to be completed by the end of November.

- **Roof Replacements – \$116K**

Favorable variance is due to timing of invoices. 28 buildings totaling 145,535 SF are scheduled for roof replacement with a PVC cool roof system. This program commenced in April and is scheduled to be completed by the end of November. As of August 31, 2021, 13 out of 28 buildings have been completed.

Insurance – (\$1,570K) [Line 22](#)

Unfavorable variance due to higher premiums for property and casualty insurance. Insurance premium increases were implemented after 2021 budget was finalized. Significant changes in market conditions, catastrophic losses including wildfires in California, and a non-renewal situation required a new layered program structure to achieve the existing limits in a tight market.



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

Tuesday, October 5, 2021 – 1:30 p.m.
Board Room/Virtual Meeting

MEMBERS PRESENT: Robert Mutchnick – Chair, Ralph Engdahl, Reza Karami, John Frankel, Craig Wayne, Donna Rane-Szostak, Steve Parsons, Annie McCary, Advisors: Wei-Ming Tao, Advisor: John Hess

MEMBERS ABSENT: Lynn Jared, Cush Bhada

STAFF PRESENT: Steve Hormuth, Jose Campos, Christopher Swanson, Erika Hernandez

Call to Order

Director Mutchnick chaired and called the meeting to order at 1:32pm

Acknowledgement of Media

Director Mutchnick acknowledged the media through Granicus.

Approval of Meeting Agenda

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

Approval of Meeting Report for September 7, 2021

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

Chair Remarks

None.

Member Comments

Karen Shore commented on the discussion of legal expenses in closed session.

Department Head Update

Steve Hormuth, Interim Financial Services Director, provided updates on the 2022 budget, banking services, insurance and fee review.

Preliminary Financial Statements dated August 31, 2021

Steve Hormuth, presented the Preliminary Financial Statements dated August 31, 2021 and questions were addressed from the committee. The following items were requested from staff –

1. Insurance payment schedules (Dan Yost/Steve Hormuth)
2. 2022 Collection and Lien enforcement Policy – Agenda Item# 17 of 27, First paragraph there are question marks that need revisions

- a. Once completed send me final copy and I will email to all appropriate board members

Future Agenda Items

None

Committee Member Comments

Director Frankel commented on the history of the disaster fund.

Date of Next Meeting

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

Recess to Closed Session

The meeting recessed at 2:32 p.m.

DRAFT

Robert Mutchnick, Chair

Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

Third

September, 2021

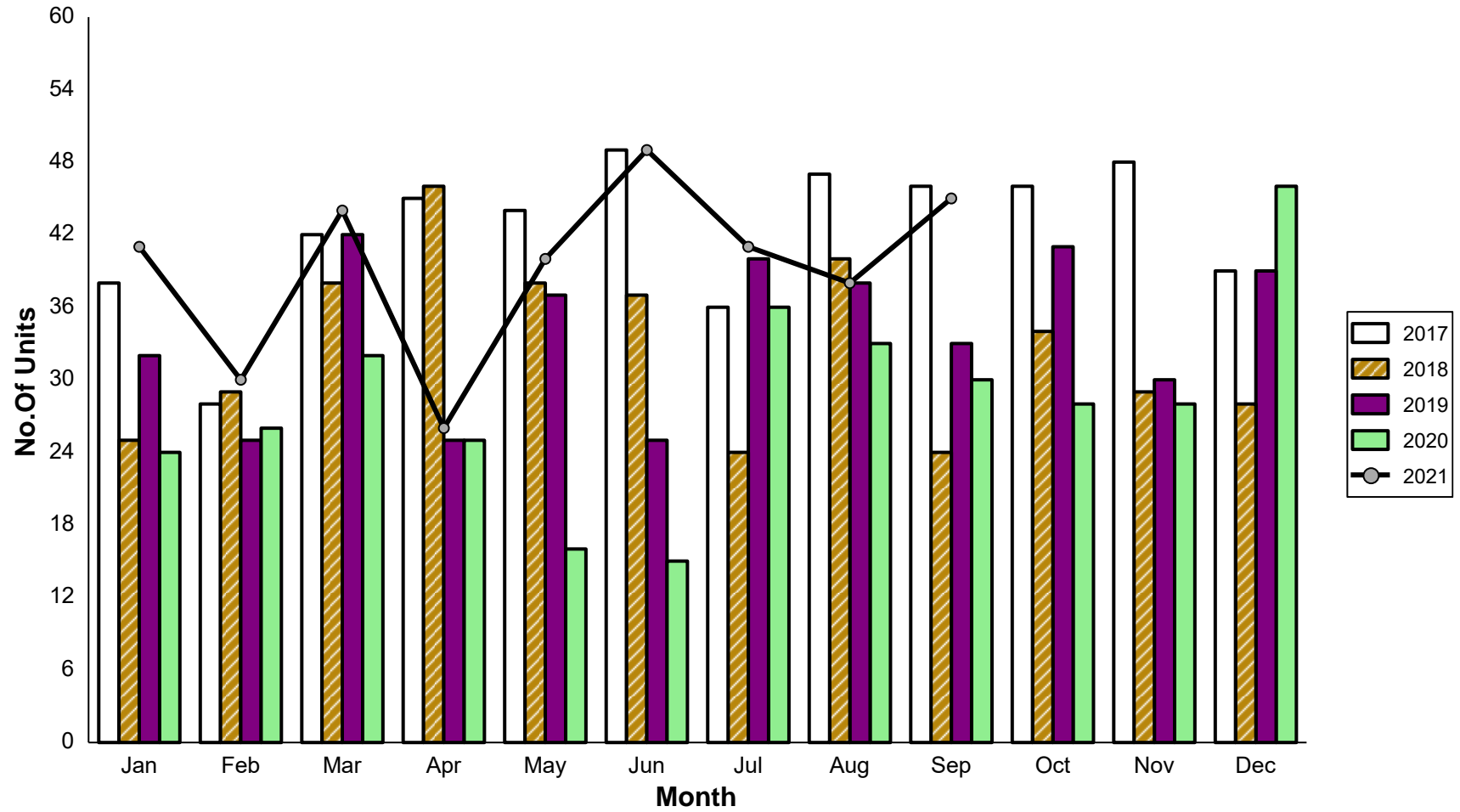
MONTH	NO. OF RESALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	41	24	\$16,433,725	\$10,015,000	\$400,823	\$417,292
February	30	26	\$11,904,525	\$12,158,700	\$396,818	\$467,642
March	44	32	\$20,903,100	\$13,946,416	\$475,070	\$435,826
April	26	25	\$12,851,400	\$10,830,833	\$494,285	\$433,233
May	40	16	\$18,741,800	\$5,604,000	\$468,545	\$350,250
June	49	15	\$25,804,388	\$5,881,500	\$526,620	\$392,100
July	41	36	\$17,901,388	\$15,240,248	\$436,619	\$423,340
August	38	33	\$18,292,000	\$14,612,928	\$481,368	\$442,816
September	45	30	\$20,638,940	\$14,314,100	\$458,643	\$477,137
October		*		\$10,707,400		\$382,407
November		*		\$11,057,300		\$394,904
December		*		\$18,548,901		\$403,237
TOTAL	354.00	237.00	\$163,471,266	\$102,603,725		
MON AVG	39.00	26.00	\$18,163,474	\$11,400,414	\$459,866	\$426,626
% CHANGE - YTD	49.4%		59.3%		7.8%	

% Change calculated (ThisYear - LastYear)/LastYear

* Amount is excluded from percent calculation

THIRD MUTUAL

Resales - 5 Year Comparison



Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

REPORT PERIOD

September, 2021

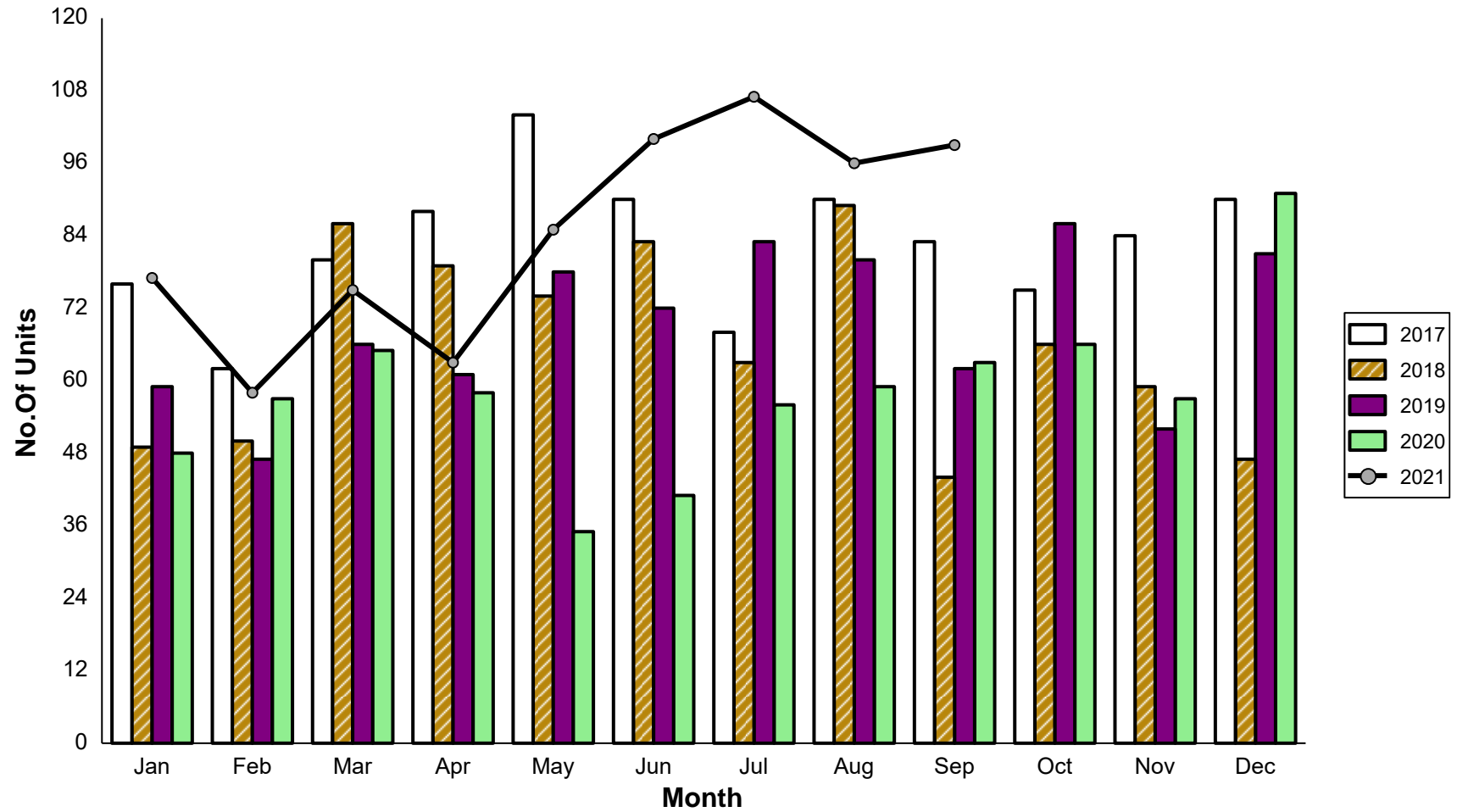
MONTH	NO. OF REALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	77	48	\$25,440,878	\$16,125,300	\$330,401	\$335,944
February	58	57	\$18,806,125	\$18,886,210	\$324,244	\$331,337
March	75	65	\$28,286,000	\$21,969,916	\$377,147	\$337,999
April	63	58	\$22,499,399	\$18,200,321	\$357,133	\$313,799
May	85	35	\$29,079,200	\$10,277,500	\$342,108	\$293,643
June	100	41	\$40,080,488	\$12,315,399	\$400,805	\$300,376
July	107	56	\$35,145,888	\$20,514,748	\$328,466	\$366,335
August	96	59	\$33,947,600	\$21,522,228	\$353,621	\$364,784
September	99	63	\$35,983,540	\$22,132,600	\$363,470	\$351,311
October		*		\$20,962,800		* \$317,618
November		*		\$17,923,188		* \$314,442
December		*		\$29,495,361		* \$324,125
TOTAL	760.00	482.00	\$269,269,118	\$161,944,222		
MON AVG	84.00	53.00	\$29,918,791	\$17,993,802	\$353,044	\$332,836

* Amount is excluded from percent calculation

Year to-date totals now include Mutual Fifty

ALL MUTUALS

Resales - 5 Year Comparison



Resales Report Third Laguna Hills Mutual September, 2021

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
09/09/2021	961-B	3	\$320,000	San Sebastian	Wise Choices Realty	Wise Choices Realty	Blue Pacific Escrow
09/01/2021	969-3F	3	\$228,000	Villa Capri	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Blue Pacific Escrow
09/16/2021	2111-N	3	\$299,900	Monterey	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Blue Pacific Escrow
09/27/2021	2230-O	3	\$142,000	Coronado	No Broker	No Broker	Lotus Escrow
09/14/2021	2233-D	3	\$179,240	Monterey	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Blue Pacific Escrow
09/22/2021	2268-P	3	\$275,000	Castilla	HomeSmart Evergreen	Coldwell Banker	Escrow Options Group
09/23/2021	2310-B	3	\$425,000	Seville	California Group Real Estate	Century 21 Rainbow	Corner Escrow Inc.
09/10/2021	2334-B	3	\$385,000	Seville	ReMax Select One	Coldwell Banker Residential	Generations Escrow
09/22/2021	2339-D	3	\$419,000	La Jolla	Team Spirit Realty	Berkshire Hathaway	Generations Escrow
09/08/2021	2355-3D	3	\$415,000	Garden Villa	Hoyt Real Estate	Village Real Estate	Granite Escrow
09/28/2021	2387-1B	3	\$346,000	Garden Villa	HomeSmart Evergreen	Laguna Premier Realty, Inc	Blue Pacific Escrow
09/28/2021	2389-2E	3	\$525,000	Garden Villa	Century 21 Rainbow	Harcourts Prime Properties	Granite Escrow
09/03/2021	2390-1H	3	\$495,000	Garden Villa	Tri-Star Realty	No Broker	Granite Escrow
09/29/2021	2394-3G	3	\$203,000	Garden Villa	ReMax Select One	First Team Real Estate	Generations Escrow
09/13/2021	3006-D	3	\$525,000	Villa Nova	Village Real Estate	HomeSmart Evergreen	Granite Escrow
09/21/2021	3008-B	3	\$455,000	San Clemente	HomeSmart Evergreen	Compass	Escrow Options Group
09/02/2021	3125-P	3	\$385,000	Casa Vista	Century 21 Rainbow	Get Assured	Granite Escrow
09/23/2021	3129-P	3	\$505,000	Casa Vista	Sunset Pacific Real Estate	One Source Realty Solutions	Corner Escrow Inc.
09/23/2021	3147-C	3	\$348,000	Ventura	Laguna Premier Realty, Inc	Century 21 Rainbow	Blue Pacific Escrow
09/28/2021	3165-A	3	\$510,000	Hermosa	HomeSmart Evergreen	Coldwell Banker	Escrow Options Group
09/23/2021	3171-B	3	\$405,000	Las Flores	ReMax Select One	ReMax Select One	Corner Escrow Inc.
09/22/2021	3243-3B	3	\$240,000	Villa Puerta	Century 21 Rainbow	Realty Benefit	Granite Escrow
09/27/2021	3252-N	3	\$388,000	Casa Vista	Century 21 Rainbow	Re/Max Select One	Granite Escrow

Resales Report Third Laguna Hills Mutual September, 2021

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
09/27/2021	3267-C	3	\$725,000	La Reina	Village Real Estate	Realty One Group West	Corner Escrow Inc.
09/10/2021	3298-A	3	\$350,000	La Brisa	Zero To Sell	Keller Williams Realty Irvine	Chicago Title Company
09/01/2021	3298-C	3	\$373,800	La Brisa	Berkshire Hathaway	Active Realty	Corner Escrow Inc.
09/15/2021	3320-B	3	\$750,000	La Reina	Re/Max	Seven Gables Real Estate	Generations Escrow
09/15/2021	3364-2A	3	\$355,000	Sierra	Century 21 Award	HomeSmart Evergreen	Escrow Network Group, Inc
09/16/2021	3417-A	3	\$455,000	Catalina	Century 21 Rainbow	Kingston Realty	Granite Escrow
09/02/2021	3469-A	3	\$850,000	Andaluz	Century 21 Rainbow	Century 21 Rainbow	Corner Escrow Inc.
09/21/2021	3496-N	3	\$435,000	La Quinta	Village Real Estate	Team Spirit Realty, Inc.	Corner Escrow Inc.
09/03/2021	3500-2B	3	\$310,000	Villa Nueva	Laguna Premier Realty, Inc	Berkshire Hathaway	Blue Pacific Escrow
09/23/2021	4006-3F	3	\$500,000	El Mirador	Keller Williams Realty Irvine	RE/PRO Real Estate	Corner Escrow Inc.
09/21/2021	4022-B	3	\$585,000	Casa Milano	Laguna Woods Village Realty		Granite Escrow
09/28/2021	4022-C	3	\$550,000	Casa Milano	Remax Tiffany	Laguna Premier Realty, Inc	Granite Escrow
09/21/2021	5191	3	\$950,000	Villa Serena	Century 21 Rainbow	DUAL	Corner Escrow Inc.
09/14/2021	5322-A	3	\$250,000	Casa Vista	Laguna Premier Realty, Inc	Integrated Realty Group	Blue Pacific Escrow
09/23/2021	5370-2G	3	\$228,000	Villa Puerta	Laguna Premier Realty, Inc	Century 21 Rainbow	Granite Escrow
09/21/2021	5370-3G	3	\$238,000	Villa Puerta	Barbara Stoker Broker	HomeSmart Evergreen	Blue Pacific Escrow
09/29/2021	5372-3E	3	\$460,000	Villa Puerta	Residential Agent Inc.	HomeSmart Evergreen	Granite Escrow
09/24/2021	5478-A	3	\$760,000	Villa Fuente	Century 21 Rainbow	Professional's Broker	Generations Escrow
09/17/2021	5489-P	3	\$560,000	Casa Milano	Surterre Properties, Inc.	First Team Real Estate	Blue Pacific Escrow
09/08/2021	5519-1E	3	\$370,000	El Mirador	Century 21 Rainbow	Re/Max Select One	Granite Escrow
09/22/2021	5534-B	3	\$726,000	Villa Francesca	Kenneth Schister Broker	Presidential Real Estate	Granite Escrow
09/16/2021	5591-A	3	\$1,440,000	Casa Monaco	First Team Real Estate	New Star Realty & Investment	Generations Escrow

Number of Resales: 45

Resales Report **Third Laguna Hills Mutual** **September, 2021**

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
Total Resale Price:			\$20,638,940				
Average Resale Price:			\$458,643				
Median Resale Price:			\$415,000				

Monthly Resale Report Third Mutual

PREPARED BY
Community Services Department

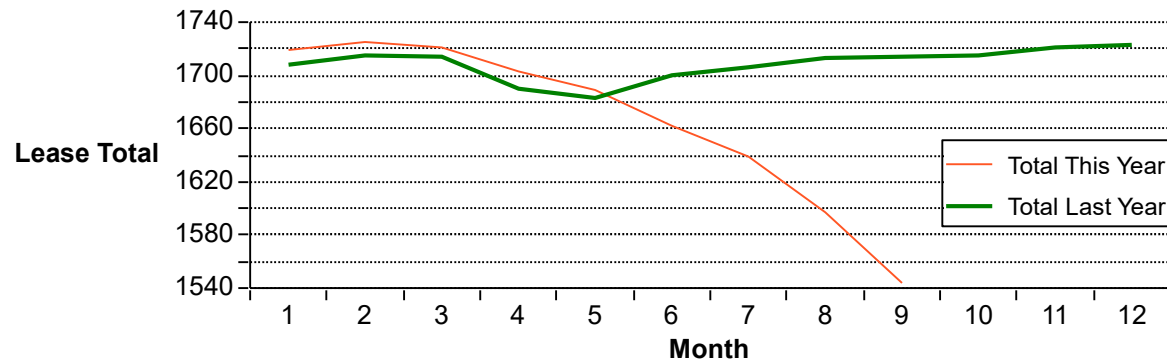
Sep-21

Month	NUMBER OF REALES				TOTAL SALES VOLUME IN \$\$				AVG RESALE PRICE			
	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
January	41	24	32	25	\$16,433,725	\$10,015,000	\$12,482,100	\$8,807,150	\$400,823	\$417,292	\$390,066	\$352,286
February	30	26	25	29	\$11,904,525	\$12,158,700	\$10,208,000	\$12,600,892	\$396,818	\$467,642	\$408,320	\$434,514
March	44	32	42	38	\$20,903,100	\$13,946,416	\$16,639,712	\$16,909,199	\$475,070	\$435,826	\$396,184	\$444,979
April	26	25	25	46	\$12,851,400	\$10,830,833	\$10,435,500	\$18,869,626	\$494,285	\$433,233	\$417,420	\$410,209
May	40	16	37	38	\$18,741,800	\$5,604,000	\$16,273,033	\$15,452,990	\$468,545	\$350,250	\$439,812	\$406,658
June	49	15	25	37	\$25,804,388	\$5,881,500	\$10,290,000	\$16,981,138	\$526,620	\$392,100	\$411,600	\$458,950
July	41	36	40	24	\$17,901,388	\$15,240,248	\$17,327,373	\$9,892,800	\$439,619	\$423,340	\$433,184	\$412,200
August	38	33	38	40	\$18,292,000	\$14,612,928	\$15,994,900	\$17,327,000	\$481,368	\$442,816	\$420,918	\$433,175
September	45	30	33	24	\$20,638,940	\$14,314,100	\$12,643,180	\$12,552,692	\$458,643	\$477,137	\$383,127	\$523,029
October	0	28	41	34	\$0	\$10,707,400	\$16,142,900	\$14,146,300	\$0	\$382,407	\$393,729	\$416,068
November	0	28	30	28	\$0	\$11,057,300	\$13,520,950	\$10,675,000	\$0	\$394,904	\$450,698	\$381,250
December	0	45	39	28	\$0	\$17,933,901	\$18,319,800	\$13,693,599	\$0	\$398,531	\$469,738	\$489,057
TOTAL	354	237	297	301	\$163,471,266	\$102,603,725	\$122,293,798	\$129,393,487				
MON AVG	39.3	26.3	33.0	33.4	\$18,163,474	\$11,400,414	\$13,588,200	\$14,377,054	\$460,199	\$426,626	\$411,181	\$430,667
% CHANGE-YTD	49.4%	-20.2%	-1.3%	-19.7%	59.3%	-16.1%	-5.5%	-10.8%	7.9%	3.8%	-4.5%	11.7%

% Change calculated (This Year - Last Year)/Last Year

Percent calculation only includes YTD figures in black.

Monthly Active Leasing Report 2021 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	% Leased Last Year	% Change	Total Renewals	Total Expirations
2021	January	13	12	196	1,498	1,719	1,708	28.2	28.0	0.2	0	31
2021	February	16	11	220	1,478	1,725	1,715	28.3	28.1	0.2	47	34
2021	March	14	15	239	1,453	1,721	1,714	28.2	28.1	0.1	114	68
2021	April	11	15	272	1,405	1,703	1,690	27.9	27.7	0.2	116	62
2021	May	14	14	302	1,359	1,689	1,683	27.7	27.6	0.1	91	73
2021	June	15	16	319	1,312	1,662	1,700	27.2	27.9	-0.7	124	67
2021	July	14	19	344	1,262	1,639	1,706	26.9	28.0	-1.1	119	74
2021	August	13	20	357	1,207	1,597	1,713	26.2	28.1	-1.9	91	91
2021	September	13	17	367	1,147	1,544	1,714	25.3	28.1	-2.8	114	75
2021	October						1,715					
2021	November						1,721					
2021	December						1,723					

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OPEN MEETING

**REGULAR OPEN MEETING OF THE THIRD LAGUNA WOODS MUTUAL
ARCHITECTURAL CONTROL AND STANDARDS COMMITTEE**

Monday, September 27 2021: 9:30AM-11:30AM
Laguna Woods Village Community Center (Zoom)
24351 El Toro Road, Laguna Woods, CA 92637

REPORT

COMMITTEE MEMBERS PRESENT: Robert Mutchnick, John Frankel, Ralph Engdahl, Reza Karimi,

DIRECTORS PRESENT:

COMMITTEE MEMBERS ABSENT: Steve Parsons

ADVISORS PRESENT: Michael Plean, Michael Butler

STAFF PRESENT: Robbi Doncost, Lauryn Varnum, Gavin Fogg, Richard DeLaFuentes

1. Call to Order

Chair Engdahl called the meeting to order at 9:32 AM.

2. Acknowledgement of Media

Zoom recording.

3. Approval of Agenda

Agenda was approved by consensus.

4. Approval of Meeting Report for July 26, 2021

The committee approved the meeting report as presented with the exception of a minor edit regarding meeting attendants.

5. Chair's Remarks

None.

6. Member Comments - (Items Not on the Agenda)

None.

7. Manor Alterations Division Update



Mr. Doncost updated the current status of the Manor Alterations (“MA”) office, with the staff regaining two new full-time employees as of September 28. As these staff members are transfers from other departments, the training period is expected to be reduced, and the MA front counter is now open for appointments. Residents can make an appointment via the concierge, and MA has dedicated a single staff member exclusively to answering phone calls throughout the day.

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. Monthly Mutual Consent Report

Mr. Doncost discussed the decrease in applications being reviewed/processed, owing to the reduction in staffing. Chair Engdahl and Advisor Plean both asked if the ratio of tickets being released had decreased or if simply the overall quantity of tickets being reviewed had decreased. Mr. Doncost confirmed that at the request of committee members, tickets were generated upon receipt, regardless of their status. The approval process was based upon an “assembly line” format. Director Bastani inquired if this was the best method, and Mr. Doncost confirmed that when fully staffed, the format is effective. He further clarified that MA has dedicated a staff member to handle “escalations” as needed in order to keep a continual flow of processing.

Items for Discussion:

9. ACM Comparison Report

Mr. Doncost explained that MA was asked to create an organizational chart to understand the requirements from each involved party regarding ACM; VMS, City of Laguna Woods, AQMD. Discussion ensued regarding the different obligations of MA regarding ACM reports, clearances, and review. Mr. Doncost clarified that the level of review is due to the policies enacted by prior committees, but that the current committee has the ability to change this policy. Both Director Bastani and Advisor Plean discussed the perceived overreach by MA to maintain these policies, and posed the idea of adjusting to mirror the policies of the City. This would offset the responsibility for appropriate testing and results for review by the City, rather than MA.

Chair Engdahl posed the question of the HOA potentially bearing partial responsibility, as they have a stake in the ownership. Mr. Doncost confirmed that this was a complicated issue, and MA is willing to explore the route the committee desires. Director Mutchnick inquired what would happen to oversight within the community regarding ACM, if members could be trusted to obey all rules. Director Bastani discussed that this was a conversation regarding illegal activity, and if members violate rules they must be held responsible. Director Mutchnick pledged to connect with the Mutual’s lawyer to discussed the legal implications of either decision.



10. Contractor Violation Policy

The committee questioned if the Contractor Violation Policy (“CVP”) was being voted upon at this meeting, and MR. Doncost stated that while United has approved the policy, it is not necessary to vote on the policy at this time. Director Mutchnick inquired what would occur if a contractor is in violation but still is involved in many other jobs? Would the other members suffer from delays? Can the number of applications be reduced?

Mr. Doncost confirmed that members utilizing the contractor can still apply for a continuance, and that the goal of the CVP is to provide a path to compliance for contractors while eliminating the contractors who refuse to comply. Director Mutchnick noted that it was primarily a single contractor with many violations. Mr. Doncost confirmed that this contractor was willing to have a discussion with MA, and Staff Officer Varnum confirmed that a single Project Manager had been assigned to VMS who had disregarded rules. Director Mutchnick requested the CVP be slightly edited to reflect the verbiage more applicable to Third Mutual regarding the use of the term “member” as opposed to “shareholder”, and that it would be discussed again at the upcoming ACSC.

11. Demolition Permits

Ms. Varnum confirmed that this agenda item was requested by Steve Parsons. It was decided to table this item until the next ACSC.

12. 5236 Elvira Handrail

At the request of the M&C Committee, the Third ACSC agreed to add an additional item for discussion to the agenda. Director Mutchnick reminded the committee that there was a previously denied variance request for a handrail installation at 5236 Elvira. Discussion ensued regarding the potential for a precedent to be set regarding requests within common areas, and whether these requests would still be reviewed on a case-by-case basis.

Director Mutchnick read the itemized list of requirements in order to approve the request, and Chair Engdahl brought a motion forward. The motion was approved by consensus, and Director Mutchnick asked Staff Officer DeLaFuente to contact the members of 5236 Elvira regarding the approval.

Items for Future Agendas:

- Contractor Violation Policy
- Water Heater Enclosure Alternatives
- Alternative Wood Flooring Material
- Demolition Permits
- 3083-C Handrail Requests

Concluding Business:

13. Committee Member Comments:

None.



14. Date of Next Meeting – October 25, 2021

15. Adjournment at 11:11 AM

DRAFT

X _____

Ralph Engdahl, Acting Chair

Robbi Doncost, Staff Officer

Telephone: (949) 268-2281



OPEN MEETING

REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL GARDEN VILLA RECREATION ROOM SUB-COMMITTEE

**Wednesday, September 29, 2021 – 1:30 PM
Virtual On-Line Meeting**

MEMBERS PRESENT: Lynn Jarrett- Chair, Theresa Keegan, Sharon Molineri

STAFF PRESENT: Moe Boctor- Interim Staff Officer, Koh Shida, Chontelle Crite

1. Call to Order

Chair Jarrett called the meeting to order at 1:30pm

2. Acknowledgement of Media

Chair Jarrett noted no members of the media were present.

3. Approval of the Agenda

The agenda was approved as written.

4. Approval of Meeting Report for June 8, 2021

The Meeting Report of June 8, 2021, was approved as written.

5. Chair's Remarks

Chair Jarrett informed that the Rec Room inspections resumed once Moe returned. Four cervitors in the kitchens were replaced, all Rec Room chairs have been replaced, repair work completed, and three Rec Rooms had carpet replaced.

Chair Jarrett requested to be notified after Recreation Room locks are changed to help facilitate members are provided a key per the Third recreation room rules. Chair Jarrett also suggested the Third Board include the Rec Room rules be posted in each Recreation Room.

Chair Jarrett informed the committee she will be showing slides of the Rec Room renovations at the Third Annual Board meeting on October 7, 2021. The slides will showcase photos of the improvements made in the Garden Villa Rec Rooms, the laundry rooms, kitchens, and ladies' restrooms.

Member Comments - (*Items Not on the Agenda*)

No member comments were received.

Items for Discussion:

6. GV Rec Room Budget Reserves Fund

Chair Jarrett advised staff to confirm with finance that a total of \$13,867 will be placed into the reserves fund.

7. 2021 GV Rec Room Budget

Staff reported, renovations for 2021 are completed to date; out of \$71,831 in the budget, \$70,332 was spent.

Chair Jarrett confirmed the reserve budget in the Garden Villa Recreation Room Fund is the only budget in Third Mutual restricted for the GVA Rec Room use.

8. Water Heater and Epoxy Flooring Budget Summary

Staff provided an overview of the budget summary and answered questions from the Sub-committee.

During the Recreation Room inspections, water heaters are reported for necessary maintenance as needed. Based off a 10-year lifecycle, replacements are completed by the Plumbing Department.

Flooring is inspected at the end of every year and is then upgraded to epoxy or repairs to the epoxy is done as needed. 31 out of the 53 total recreation rooms are remaining to be upgraded from vinyl to epoxy flooring. Epoxy flooring in the laundry and recreation room kitchens are budgeted through Third Mutual Board.

9. 2021 GV Rec Room Expenditures Summary with Pictures

Staff provided visuals of the completed renovations for 2021.

Completed renovations consisted chair replacements in all the Rec Room, resurfacing of the ladies restroom countertops, kitchen renovations, and carpet replacements.

Visuals of carpet replacements will be included in the Third Board meeting annual presentation.

10. Epoxy Countertops (Oral Discussion)

Chair Jarrett requested staff to have the countertop epoxy resurfacing 10-year lifecycle to be reevaluated. The new epoxy countertops have the potential to provide a longer lifecycle based on less frequent amount of use.

11. Refrigerators (Oral Discussion)

Staff provided clarification for replacing personal refrigerators.

There are a total of 9 personal refrigerators. Personal refrigerators are not included in recreation room inspections. If replacement is required, members can purchase from the warehouse.

12. Window Coverings (Oral Discussion)

Staff provided an update and clarification on window coverings.

A total of 10 rooms currently have metal blinds and 9 rooms have vertical coverings that require upgrading.

If not reported during the Rec Room inspections, any damaged window coverings are reported to resident services. Resident services will then direct the request to Maintenance Department to attempt to repair.

13. Billiard Table (Oral Discussion)

Sub-committee opened the discussion for changing billiard table for ping pong tables.

Chair Jarrett requested to create a discussion for the GV Board to start moving out the billiard tables in 2022.

Staff confirmed 53 recreation rooms has Billiard tables. Only a few ping pong tables remain and may have been brought in by members.

14. Toilet Replacement (Oral Discussion)

Sub-committee opened the discussion of replacement of toilets.

Chair Jarrett requested staff to provide a report to determine the number of toilets that still need to be replaced to efficient water conservation models. To date, only 8-10 toilets may not have been upgraded. Moe Bactor will inspect and clarify.

15. Exit Signs and Smoke Detectors (Oral Discussion)

Sub-committee opened the discussion on exit signs and smoke detector safety.

Chair Jarrett requested the Recreation Room exit signs be inspected to determine how many are still electric operated versus the newer battery-operated models. A possible 10 exit signs need to be changed from electric to battery operated.

Staff confirmed smoke detectors are tested during inspections. In future reports, the expiration dates will be provided.

16. Rec Room Component Replacement List

An overview and explanation of the component replacement list was made.

Discussion ensued regarding the components listed and their lifespan; monthly contributions; reserves; projected funds balance and replacement factors; the overall appearance of the Recreation Rooms; usage factors of the rooms; a hypothetical contribution increase and how that relates to future component replacements.

Items for Future Agendas:

- Decision will be made on providing the history of each Rec Room items and the year of replacements.

Concluding Business:

Sub-Committee Member Comments

Sub-committee thanks staff for creating the meeting reports and agenda packets.

Date of Next Meeting: Wednesday Feb 23RD 1:30PM

Adjournment

The meeting was adjourned at 2:41pm

A handwritten signature in black ink, appearing to read "L. Jarrett", is written in a cursive style.

**REPORT OF THE REGULAR MEETING OF THE GOLDEN RAIN
FOUNDATION DISASTER PREPAREDNESS TASK FORCE**

TUESDAY, September 28 2021 9:30AM

HYBRID MODEL MEETING

MEMBERS PRESENT: Carlos Rojas, Juanita Skillman, Bruce Bonbright, John Frankel, Maggie Blackwell, Sandy Benson, Jim Riedel, Grace Stencel, Sue Stephens, Tom Siviglia, Diane Casey, Annie McCary

OTHERS PRESENT: “Jonathan,” Bunny Carpenter, “Wellt”

STAFF PRESENT: Jayanna Hendley

THE MEETING WAS CALLED TO ORDER: 9:30 AM

ACKNOWLEDGEMENT OF THE PRESS: None present.

APPROVAL OF THE AGENDA: Juanita Skillman made a motion to approve the agenda. By consensus, the motion passed.

APPROVAL OF MEETING REPORT:

Bruce Bonbright made the motion to approve the meeting report from July 27, 2021. Judith Troutman seconded the motion.

CHAIRS REMARKS: Chief Carlos Rojas reported that Security Staff has been working to coordinate the Great California Shakeout Earthquake Drill event for the community. Chief Rojas stated he would discuss in greater detail later in the meeting.

MEMBER COMMENTS: One comment from Joan Grampp on behalf of the Foundation was sent via email to Jayanna Hendley. Jayanna explained that Ms. Grampp is concerned about AT&T getting rid of landlines due to communication securities if the power grid shuts down. Chief Rojas suggested that Staff conduct further research on this topic and bring it back to the committee at the next meeting. No objections were heard.

REPORTS:

RADIO & COMMUNICATIONS: Bruce Bonbright reported that 12 out of 15 Disaster Prep radios responded during his drill for September. Bruce also stated that he is tracking down the 3 who have not been reporting to ease their technical issues.

OFFICE MANAGER/ADVISOR: Tom Soule was not present. Chief Rojas reported that the office is open and making sales. Judith Troutman added that she is working through their binders of Good Neighbor Captains and cold-calling to determine whether or not volunteers are still active. Judith also stated that she will be placing an add in the Globe regarding the office being open, and she will be on TV6 to promote the office and emergency merchandise available.

RECRUITMENT / RETENTION / TRAINING: Juanita Skillman reported that she obtained some training information and material from Kathleen Mathews. Juanita stated that some volunteers she knows were never contacted via email by Security. Juanita also stated that recruiting is out of her hands, but she is grateful for Judith Troutman stepping-up. Chief discussed the revamping of the Good Neighbor Captain role and having a clear delineation stating that the additional training, like CPR and First Aid, are not required. Juanita Skillman stated that generally, during the month of the Shakeout Drill, Disaster Prep uses a display case in the Village Library to display supplies that are sold in the Disaster Prep Office.

GRF BOARD: Maggie Blackwell did not have anything specific to report.

UNITED BOARD: Diane Casey did not have anything specific to report.

THIRD BOARD: Annie McCary did not have anything specific to report.

TOWERS: Sue Stephens stated that the Towers has multiple floor captains, as well as co-captains. Sue asked questions about the Tower's involvement with the Shakeout Drill. Members made comments.

PET EVACUATION SUBMIT COMMITTEE: Sandy Benson reported that they have completed their supply inventory. Sandy also stated they delivered three binders containing their Pet Evacuation Plan. Sandy also stated that they have been invited to a meeting on October 5th to speak about the evacuation plan to the Gate 11 Club. Sandy mentioned that their next step would be to train volunteers on the operations of the plan.

FIRE AVERT: Tom Siviglia reported that he has completed his first installation of the Fire Avert pilot program, and that the installation took 9 minutes and 50 seconds to complete. Chief Rojas commended the Disaster Prep Committee for implementing the pilot program.

GREAT CA SHAKEOUT – Chief Rojas announced that we will be exercising a more involved drill this year. Chief stated that Good Neighbor Captains, Radio Teams, EOC, and Reporting Centers will be activated. Chief stated that Code Red will be sent to the volunteers as well. Rojas expressed that this is a great opportunity to practice our systems, and see what works and what doesn't work. Chief informed the group to email a Security Staff member if they would like to be added to the Code Red Alert. Tom Siviglia mentioned that Code Red will be deployed shortly after the initial beginning of the drill. Jayanna Hendley invited the committee to attend a Zoom training on October 6th that will be hosted by herself and Grace Stencil regarding Physical Injury Report Forms. Jayanna also stated that they have updated the Physical injury Report Form to allow for more efficiencies, and it will be featured on October 6th.

ECA COMMUNITY ENGAGEMENT WEBINAR DISCUSSION – Judith Troutman stated that this webinar is where we obtained our Good Neighbor Captain model. Grace Stencil mentioned that you are able to re-watch the webinar through the website any time.

DISCUSSIONS & CONSIDERATIONS:

MEMBER COMMENTS: Grace Stencil asked Diane Casey for her phone number.

NEXT MEETING: November 30, 2021 at 9:30 AM

ADJOURNMENT: 10:20 AM

Submitted By:



Carlos Rojas (Sep 30, 2021 13:31 EDT)

Sep 30, 2021

Carlos Rojas, Committee Chair

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