



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

**Tuesday, November 16, 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 Bhada**
- 3. Acknowledge Media**
- 4. Approval of Agenda**
- 5. Approval of Minutes**
 - a. October 1, 2021 – Tabulation Meeting
 - b. October 7, 2021 – Organizational Meeting
 - c. October 8, 2021 – Agenda Prep Meeting
 - d. October 19, 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

a. Employee Recognition of Excellence Video

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 Landscape Revision Request: 3428-A Bahia Blanca W.
- (2) Recommend to Approve Tree Removal Request: 3143-Q Via Vista – One Carrotwood tree
- (3) Recommend to Deny Tree Removal Request: 3244-3A San Amadeo – One Canary Island Pine tree

c. Approve a Resolution to Update Committee Appointments

12. Unfinished Business

- a.** Entertain a Motion to Approve a Resolution for the 2022 Collection and Lien Enforcement Policy **(OCTOBER Initial Notification—28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied)**
- b.** Entertain a Motion to Approve a Resolution for a Stepping Stones Policy and Guidelines **(OCTOBER Initial Notification—28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied)**
- c.** Entertain a Motion to Provide a Company Cell-phone for Board President

13. New Business

- a.** Entertain a Motion to Introduce the Alteration Fee Schedule Revision **(NOVEMBER Initial Notification—Must postpone 28-days for Member review and comment to comply with Civil Code §4360)**

- b. Entertain a Motion to Introduce the Contractor Violation Policy (NOVEMBER Initial Notification—Must postpone 28-days for Member review and comment to comply with Civil Code §4360)**

14. Committee Reports

- a. Report of the Finance Committee / Financial Report – Director Rane-Szostak.** The committee met on November 2, 2021; next meeting December 7, 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 Mutchnick.** The committee met on October 25, 2021; next meeting November 22, 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. The next meeting is January 12, 2022 at 1:30 p.m. as a virtual meeting.
- d. Report of the Maintenance and Construction Committee – Director Engdahl.** The committee met on November 1, 2021; next meeting January 3, 2022 at 1:30 p.m. in the board room and as a virtual meeting.
 - (1) Report of the Parking and Golf Cart Subcommittee – Director Bhada. The subcommittee met on August 18, 2021; next meeting TBA.
 - (2) Garden Villa Rec. Room Subcommittee – Director Jarrett. The subcommittee met on November 10, 2021; next meeting February 23, 2021 at 1:30 p.m.
- e. Report of the Landscape Committee – Director McCary.** The committee met on November 4, 2021; next meeting December 2, 2021 at 9:30 a.m. as a in the board room and as a virtual meeting
- f. Report of the Water Committee – Director Rane-Szostak.** The committee met on November 9, 2021; next meeting January 27, 2022 at 2:00 p.m. in the board room and 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 November 8, 2021; next meeting December 9, 2021 at 1:30 p.m. as a virtual meeting.

(1) Equestrian Center Ad Hoc Committee – Director Bhada. The committee met on November 4, 2021; next meeting, January 26, 2022, at 1:00 p.m. in the board room and as a virtual meeting.

- b. GRF Finance Committee – Director Rane-Szostak. The committee met on October 20, 2021; next meeting December 15, 2021, at 1:30 p.m. in the board room and as a virtual meeting.
- c. GRF Landscape Committee – Director McCary. The committee met on November 10, 2021; next meeting November 18, 2021, at 1:30 p.m. in the board room and as a virtual meeting.
- d. GRF Maintenance & Construction Committee – Director Engdahl – The committee met on October 13, 2021; next meeting December 8, 2021, at 9:30 in the board room and as a virtual meeting.

(1) Clubhouse Facilities Renovation Ad Hoc Committee – Director Engdahl. The committee met on July 9, 2021; next meeting TBA.

- e. Media and Communications Committee – Director McCary. The committee met on October 18, 2021; next meeting November 17, 2021, at 1:30 p.m. in the board room and as a virtual meeting.
- f. Mobility and Vehicles Committee – Director Cook – The committee met on October 6, 2021; next meeting December 1, 2021, at 1:30 p.m. in the board room and as a virtual meeting
- g. Security and Community Access Committee – Director McCary. The committee met on October 25, 2021; next meeting December 27, 2021 at 1:30 p.m. in the board room and 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. in the board room and as a virtual meeting.

- h. Report of the Laguna Woods Village Traffic Hearings – Director Frankel. The hearings were held on October 20, 2021; next meeting November 17, 2021 at 9:00 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
- k. Information Technology Advisory Committee – Director Laws

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

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) October 19, 2021—Regular Closed Session

Discuss and Consider Member Matters

Discuss Personnel Matters

Discuss and Consider Contractual Matters

Discuss and Consider Litigation Matters

19. Adjourn

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OPEN MEETING

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

**Friday, October 1, 2021, at 1:30 p.m.
24351 El Toro Road, Laguna Woods, California
VIRTUAL MEETING**

The purpose of this meeting is tabulate the ballots for the United Annual Election to elect three board members: three terms ending in 2024 at the annual election in accordance with Civil Code §5110

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

Directors Absent: Donna Rane-Szostak

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

Others Present: Catherine and Andrew Burkhart, Inspectors of Election
Candidates: Jim Cook, Karen Shore,

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

President Parsons called the meeting to order at 2:00 p.m. and established that a quorum was present.

2. State Purpose of Meeting – President Parsons

President Parsons indicated the purpose of the meeting is to count the ballot for the Third Board Annual Election to elect three board members for three terms ending in 2024 at the annual meeting.

By consensus, the agenda was approved without objection.

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

President Parsons introduced the Inspectors of Elections. Catherine and Andrew Burkhart, UniLect Election Services explained the counting of the ballot process.

Catherine Burkhart announced the 5,943 ballots were sent to Third Mutual residents. 2,926 ballots were returned. 37 ballots were not signed, 1 ballot was returned with no envelop, 51 ballots was returned in the secret ballot envelope only and there were 2 duplicate ballots received.

4. Counting of the 2021 Ballots for the Third Board Openings (three 3-year terms ending in 2024 at the annual meeting)

At 2:13 p.m. the Inspector of Elections started counting the ballots for Third Mutual. The counting of the ballot process could be watched live through the Laguna Woods Village website and Zoom webinar.

At 4:15 p.m. the Inspector of Elections announced some ballots were not filled in correctly and were damaged. Those ballots were recreated so they could be counted by the ballot counting machine.

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

Andrew Burkhart, Inspector of Elections, explained the accuracy and logistic test.

Catherine Burkhart, Inspector of Elections, announced that there was 1 envelop with no ballots inside; therefore, only 2,923 ballots were counted.

At 5:32 p.m. the Inspector of Election announced the results of the Third Board of Directors election:

Jim Cook	2,186	24.93%
Mark Laws	2,158	24.61%
Nathaniel Lewis	2,045	23.32%
Lynn Jarrett	693	7.90%
Karen Shore	583	6.66%
Reza Karimi	488	5.57%

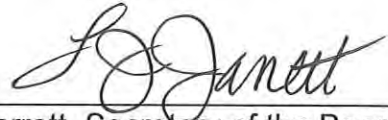
2,923 ballots counted

6. Member Comments

- A member thanked the outgoing board members.
- President Parsons thanked the Inspector of Elections and the board members.

7. Adjournment

The meeting was adjourned at 5:45 p.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

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OPEN SESSION

**MINUTES OF THE 51st ANNUAL MEETING OF THE THIRD LAGUNA HILLS MUTUAL
BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT
CORPORATION**

**Thursday, October 7, 2021 - 9:30 a.m.
Laguna Woods Village
24351 El Toro Road
Laguna Woods, California**

The Annual Meeting of the Members of the Third Laguna Hills Mutual, a California non-profit mutual benefit corporation, was held on Thursday, October 7, 2021, at 9:30 a.m., in accordance with the Third Bylaws Section 5.2

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

New Directors: Jim Cook, Mark Laws, Nathaniel Lewis

Directors Absent: None

Staff Present: Jeff Parker, Siobhan Foster, Cheryl Silva, Grant Schultz and Cindy Shoffeitt

Others Present: Joan Milliman, Bunny Carpenter

1. Call meeting to Order / Establish Quorum - President Parsons

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

2. Pledge of Allegiance to the Flag

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

3. Approval of the Agenda

Director Engdahl made a motion to approve the agenda. Director Bhada seconded the motion and the motion passed without objection.

4. Approval of the Meeting Minutes

a. November 5, 2020, 50th Annual Meeting of Members

Director Bhada made a motion to approve the minutes of November 5, 2020, 50th Annual Meeting of the Members. Director Jarrett seconded the motion and the motion passed without objection.

5. Acknowledge Media

The Village Television camera crew was acknowledged.

6. Chair's Remarks - President Parsons

President Parsons commented it has been a challenging year for everyone He thanked the Board, the CEO and staff for all their hard work and accomplishments this year. We have a presentation highlighting Third Mutual accomplishments in 2021.

7. Year-in-Review-Board Accomplishments

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

- Communications Committee—Annie McCary
- Maintenance and Construction—Ralph Engdahl/Cush Bhada
- Golf Cart and Parking Task Force—Cush Bhada
- Landscape Committee—Lynn Jarrett
- Resale & Leasing—Steve Parsons
- Financials—Donna Rane-Szostak
- Property Insurance Renewal—Craig Wayne
- Water Conservation—Donna Rane-Szostak
- Traffic Hearings—John Frankel
- Compliance—Annie McCary
- Garden Villa Recreation Room Subcommittee—Lynn Jarrett
- Governance—Reza Karimi

8. Acknowledge Directors with Expiring Term - President Parsons

President Parsons thanked the Directors with expiring terms:

- Reza Karimi
- Lynn Jarrett

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

9. Election Results of Directors- President Parsons

President Parsons congratulated the newly elected board members:

- Jim Cook (*term expires 2024*)
- Mark Laws (*term expires 2024*)
- Nathaniel Lewis (*term expires 2024*)

10. Acknowledgement of Inspector of Elections, Catherine Burkhart of UniLect Election Services - President Parsons

President Parsons acknowledged Catherine and Andrew Burkhardt of UniLect Election Services as the Inspector of Elections.

11. Invite New Directors to the Dais -- President Parsons

President Parsons welcomed the new board members who were elected on October 1, 2021, and invited them to take a seat at the dais.

President Parsons introduced the three new board members and gave them an opportunity to introduce themselves and give a brief statement.

12. Introduction of Continuing Directors - President Parsons

- Steve Parsons (*term expires 2022*)
- Cush Bhada (*term expires 2022*)
- Ralph Engdahl (*term expires 2022*)
- Craig Wayne (*term expires 2022*)
- John Frankel (*term expires 2023*)
- Annie McCary (*term expires 2023*)
- Robert Mutchnick (*term expires 2023*)
- Donna Rane-Szostak (*term expires 2023*)

13. Member and Director Comments

- A Member commented about the election and the increase in ballots returned by the residents. He asked for a task force to revise the CC&Rs.
- A Member commented about lawyer fees and election rules.
- Director Jarrett thanked the hard work of the board members, committee staff officers and their service to the community.
- A Member welcomed the new board members. She commented that seniors have a right to live out their years comfortably in this community.
- Director Karimi commented about the challenges the Third Board faced this year and thanked the board for their service.
- Several Directors welcomed the new directors.
- Several Directors thanked the outgoing directors for their service on the board.
- Directors Cook, Laws and Lewis thanked everyone that voted for them.

14. Adjournment

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

ORGANIZATIONAL MEETING: Immediately following the Annual Meeting



Lynn Jarrett, Secretary of the Board
Third Mutual Laguna Hills

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OPEN SESSION

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

**Friday, October 8, 2021 - 9:30 a.m.
Willow Room/Virtual Meeting
24351 El Toro Road
Laguna Woods, California**

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

Directors present: Annie McCary, John Frankel, Ralph Engdahl, Craig Wayne, Cush Bhada, Donna Rane-Szostak, Jim Cook, Mark Laws, Nathaniel Lewis

Directors absent: Steve Parsons, Robert Mutchnick

Staff present: Jeff Parker-CEO, Cheryl Silva, Grant Schultz and Cindy Shoffeitt

Others present: Lynn Jarrett

1. Call Meeting to Order / Establish Quorum

Vice President McCary called the meeting to order at 9:30 a.m. and establish that a quorum was present. She welcomed the new Third Board directors.

2. Approval of the Agenda

Director Frankel made a motion to approve the agenda. Director Wayne and the agenda was approved as presented.

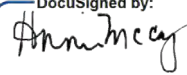
3. Discuss and Consider Items to be placed on the Third Board Regular Meeting Agenda (open & closed session) on October 19, 2021

4. Director Comments

- The new directors asked question about board procedures
- Jeff Parker-CEO commented there will be a board training on November 15

5. Adjournment

The meeting was adjourned at 10:30 a.m.

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Annie McCary, First Vice President
Third Mutual Laguna Hills

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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, October 19, 2021 - 9:30 a.m.
Laguna Woods Village Community Center
24351 El Toro Road
Laguna Woods, California**

Directors Present: Robert Mutchnick, Steve Parsons, Annie McCary, Craig Wayne, Ralph Engdahl, John Frankel, Cush Bhada, Jim Cook, Mark Laws, Nathaniel Lewis, Donna Rane-Szostak

Directors Absent: None

Staff Present: Jeff Parker-CEO, Siobhan Foster-COO, Connie Habal, Eileen Paulin, Manuel Gomez, Robbi Doncost, Kurt Wiemann, Bart Mejia, Richard de la Fuente, Cheryl Silva and Grant Schultz

Others Present: Rosemarie diLorenzo (VMS), Wei-Ming Tao (VMS), Pat English (United), Yvonne Horton (GRF)

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

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

2. Pledge of Allegiance

Director Rane-Szostak led the Pledge of Allegiance.

3. Acknowledge Media

The media was acknowledged online and through Village Television.

4. Approval of Agenda

President Mutchnick asked for a motion to approve the agenda.

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

President Mutchnick requested to remove agenda item 11d. Committee Appointment from the Consent Calendar for discussion under New Business. Agenda item 13f. can be eliminated if the board chooses to open nominations for the vacancy.

President Mutchnick called for the vote on the agenda as amended and the motion passed without objection.

5. Approval of Minutes

- 5a.** June 2, 2021 – Special Open Meeting (Budget M&C Review)
- 5b.** June 3, 2021 – Special Open Meeting (Budget Landscape Review)
- 5c.** July 16, 2021 – Special Open Meeting (Budget)
- 5d.** August 13, 2021 – Special Open Meeting (Budget)
- 5e.** September 10, 2021 – Agenda Prep Meeting
- 5f.** September 10, 2021 – Meet the Candidates
- 5g.** September 21, 2021 – Regular Board Meeting

President Mutchnick asked for a motion to approve the minutes.

Director Engdahl made a motion to approve the minutes of June 2, 2021—Special Open Meeting (Budget M&C Review). Director Wayne seconded the motion and the motion passed without objection.

Director McCary made a motion to approve the minutes of June 3, 2021---Special Open Meeting (Budget Landscape Review). Director Engdahl seconded the motion and the motion passed without objection.

Director Wayne made a motion to approve the minutes of July 16, 2021---Special Open Meeting (Budget). Director Rane-Szostak seconded the motion and the motion passed without objection.

Director McCary made a motion to approve the minutes of August 13, 2021—Special Open Meeting (Budget). Director Wayne seconded the motion and the motion passed without objection.

Director Engdahl made a motion to approve the minutes of September 10, 2021---Agenda Prep Meeting. Director Wayne seconded the motion and the motion passed without objection.

Director McCary made a motion to approve the minutes of September 10, 2021---Meet the Candidates. Director Rane-Szostak seconded the motion and the motion passed without objection.

Director Wayne made a motion to approve the minutes of September 21, 2021---Regular Board Meeting. Director Engdahl seconded the motion and the motion passed without objection.

6. Report of the Chair

President Mutchnick welcomed everyone in attendance in person and online. He commented that a personal secretary was not the intent of the Board. The Board is asking for a Corporate Secretary for Third Mutual. VMS does not do the training of the board of directors. VMS only organizes the training. Jeff Beaumont, Esq. will be conducting the training. The first Town Hall Meeting will be Wednesday, October 27 at Clubhouse 2. Town Hall Meetings will be held monthly.

7. Update from the VMS Board

VMS Director diLorenzo gave an update from the last VMS Board Meeting accompanied with a presentation:

- Key Performance Indicators – KPI's
- Operational Enhancements
- VMS Election Schedule
- All Boards Training
- Contact Information

VMS Directors diLorenzo and 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 commented there is no rule prohibiting mentioning names during member comments. Every resident needs to be heard.
- A member requested the Board terminate the contract of the Third Board attorney.
- A member asked why the Third Board needs their own Corporate Secretary, asked why the Board President needs a cell phone paid by the community and asked why the attorney fees are so high.
- A member recommended electing Mark Laws as Secretary of the Board.
- A member commented the number of committees is excessive, the increase in assessments because of insurance is excessive and the community is falling apart.
- A member commented that the vacancy should not be appointed today and requested the vacancy be posted for all members to apply. She encouraged the board welcome member participation.
- A member commented about the purpose of the Laguna Woods Foundation.
- A member commented about a work request for rodent and rat control that has not been addressed.
- A member commented about the increase in HOA dues and the decrease in services.
- A member commented about the need to provide accurate information and the attorney fee costs. Requested the board govern not manage the community. He requested the vacancy be opened up to the community.
- A member commented about the increase in HOA fees and legal fees. The additional cost for another corporate secretary and cell phone for the Board President. Feels it is important to have the vacancy be open to the community.

- A member commented it is time to streamline services. She asked that reasonable accommodations be accepted. Opposes hiring a corporate secretary for the Third Board. Asked for positive change.
- A member commented Laguna Woods Village is no longer affordable for seniors.

Eileen Paulin read the written member comments:

- Several members requested a new attorney be hired because legal fees are too high.
- Several members requested the board vacancy be posted so members in the community can apply.
- Several members opposed a personal cell phone for the Board president.
- Several members opposed having another corporate secretary for Third Board.
- Several members requested GRF conduct the training of the Board members.
- Several members commented that the HOA fees are too high and expenditures are out of control.
- A member requested more transparency.
- A member commented about the long wait time for Manor Alterations requests.

The board took a 10-minute break at 11:14 a.m.

Ellyce Rothrock continued reading the written comments from members:

- Several members requested a new attorney be hired because legal fees are too high.
- Several members requested the Board vacancy be posted so members in the community can apply.
- Several members opposed a personal cell phone for the Board president.
- Several members opposed having another corporate secretary for Third Board.
- Several members requested GRF conduct the training of the Board members.
- A member commented they are unhappy with the vote that increased HOA assessments because of insurance.
- A member commented more staff is needed in Manor Alterations.
- A member commented that the president of the Board should have a cell phone because they get a lot of calls.
- A member commented that only owner-occupied members should be allowed to run for the Board.
- Several members commented that door hangers should be allowed in Laguna Woods Village.
- A member commented that door hangers should not be allowed.
- A member asked how often are dry-rot and termite inspections conducted.

9. Responses to Open Forum Speakers

- Jeff Parker-CEO commented the upcoming All Boards All Directors training will be recorded and will be available to residents to view. He commented about the role of the Corporate Secretary. He commented that Dan Yost, Risk Manager has been very involved in the insurance for Third, United and GRF and his role was moved to the

Human Resources Department because he is very involved with Workman's Compensation insurance in addition to mutual insurance. The residents with attic issues and tree trimming issues will be contacted by staff. Effective January 1, 2022, the new legislation requires an increase in trash disposal of food waste. He commented that dry rot and termite inspections are done as part of the prior-to-paint program.

- Director Frankel asked about the cost of food waste disposal.
- President Mutchnick responded the board has patiently listened to all resident comments. The Good Governance Coalition sent out an email that was misleading. The attorney fees this year were less than last year. The Third Board did not ask for a personal secretary for the Board President. The VMS staff is organizing the Board Training, but it will be delivered by a Board attorney. The request for a cell phone will be discussed under New Business. Residents do not understand the volume of calls the Board President must handle. He encouraged residents to read Third Bylaw 6.4.6.2 regarding replacing vacancies on the board.

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

- Staff will be working with City Manager Chris Macon on the new trash requirements.
- COVID Update: COVID cases continue to decrease.
- The annual room reservation lottery is underway. Please pick up lottery cards in the Recreation Department. Lottery cards must be submitted by Friday, October 29.
- Thursday is the Great Shake-out at 10:21 a.m. on October 21

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 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.

11b. Recommendation from the Landscape Committee:

- (1) Recommend to Approve the Tree Removal Request: 2151-C Rhonda Granada – One Indian Laurel Fig

RESOLUTION 03-21-68

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.

- (2) Recommend to Approve Tree Removal Request: 5348-Q Algarrobo – One Indian Laurel Fig tree

RESOLUTION 03-21-69

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.

- (3) Recommend to Deny Tree Removal Request: 3316-C San Amadeo – One Carrotwood Tree

RESOLUTION 03-21-70
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.

- (4) Recommend to Deny Tree Removal Request: 4007-2G Calle Sonora Oeste – One Rusty Leaf Fig

RESOLUTION 03-21-71
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.

11c. Recommendation from the Finance Committee:

- (1) Recommendation to Approve a Resolution for Recording of Lien Against Member ID#931-580-71

RESOLUTION 03-21-72
Recording of a Lien

WHEREAS, Member ID 931-580-71; is currently delinquent to Third LagunaHills 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.

- (2) Recommendation to Approve a Resolution for Recording of Lien Against Member ID #933-200-32

RESOLUTION 03-21-73
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.

This item was removed from the Consent Calendar and moved to New Business.

11d. Approve a Resolution to Update Committee Appointments:

11e. Recommendation from the Architectural Control and Standards Committee:

- (1) Recommend to Approve a Variance Request for a Handrail at 5236 Elvira

RESOLUTION 03-21-74
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.

President Mutchnick asked for a motion to approve the Consent Calendar.

Director Rane-Szostak made a motion to approve the Consent Calendar. Director Wayne seconded the motion and the motion passed without objection.

12. Unfinished Business

12a. Entertain a Motion to Approve a Resolution for Alterations Fee Schedule Revisions

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 increases 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 purpose of this resolution.

SEPTEMBER Initial Notification—October Referred Back to Committee

Staff recommends the board approve the Alterations Fee Schedule Revisions.

Director Cook made a motion to refer this item back to committee for reconsideration. Director Laws seconded that motion.

Discussion ensued among the directors.

A member had a comment about the increase in fees.

President Mutchnick called for the vote and the motion passed by unanimous consent.

- 12b.** Entertain a Motion to Approve a Resolution to Revise the Pest Control for Termite Policy to Allow for Unscheduled Fumigation of Single-Unit Buildings, at Member Expense

RESOLUTION 03-21-75
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, 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 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—28-day notification for member review and comment to comply with Civil Code §4360 has been satisfied.

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

Discussion ensued among the directors.

President Mutchnick called for the vote and the motion passed by unanimous consent.

13. New Business

13a. Entertain a Motion to Introduce a Resolution for the 2022 Collection and Lien Enforcement Policy

Director Mutchnick, President of the Board, read the following resolution:

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.

President Mutchnick commented this item will be placed on 28-day review for member review and comment.

13b. Entertain a Motion to Provide a Company Cell-phone for Board President (Oral Report by CEO Parker)

Jeff Parker-CEO commented about the monthly service fee to provide a cell-phone for the Board President.

Director McCary made a motion to approve a company cell-phone for the Board President. Director Wayne seconded the motion.

Discussion ensued among the directors.

A member commented that data should not be included in the cost.

Director Rane-Szostak made a motion to table this vote until next month. Director Bhada seconded the motion.

President Mutchnick called for the vote to table the motion and the motion passed by a vote of 10-0-0.

13c. Discuss Continuing Training and Education for Board

The All-Boards All-Directors Training session will be held on Monday, November 15, from 9 a.m. to 2 p.m. at Clubhouse 7.

President Mutchnick discussed the agenda for the training session.

Discussion ensued among the directors. A member commented about the Board member training and asked how residents can report unethical behavior of Board members.

Siobhan Foster-COO commented that harassment training will take place online.

13d. Entertain a Motion to Update 2022 Reserve Study Funding Plans

Director Mutchnick, President of the Board, read the following resolution:

RESOLUTION 03-21-76
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.

Director Cook made a motion to approve a resolution to update the 2022 Reserve Study. Director Rane-Szostak seconded the motion.

Discussion ensued among the directors.

President Mutchnick called for the vote and the motion passed by a vote of 9-1-0 (Director Lewis opposed).

13e. Entertain a Motion to Introduce a Resolution for a Stepping Stones Policy and Guidelines

Director Mutchnick, President of the Board, read the following resolution:

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], 2021, 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.

President Mutchnick commented that this item is on 28-day review for member review and comment.

Discussion ensued among the directors.

A Member spoke in favor of this item.

13f. Board review of Board member Resignation and appointment of a replacement Director pursuant to By-laws Section 6.4.6.2—President Mutchnick

President Mutchnick read the resignation letter from Steve Parsons under the condition that Lynn Jarrett be appointed to replace his vacancy.

President Mutchnick commented his resignation is conditional in accordance with Third Mutual Bylaw §6.4.6.2

Director McCary made a motion to accept Steve Parsons resignation and appoint Lynn Jarrett as a director on the board. Director Wayne seconded the motion.

Discussion ensued among the directors.

A member spoke against this conditional resignation.

President Mutchnick called for the vote and the motion passed by a vote of 7-4-0 (Directors Laws, Lewis, Bhada and Cook opposed).

President Mutchnick thanked Steve Parsons for his service and invited Lynn Jarrett to take

Director Frankel nominated Lynn Jarrett as Secretary of the Board. Director Jarrett accepted the nomination.

Director Bhada nominated Mark Laws as Secretary of the Board. Director Laws declined the nomination.

RESOLUTION 03-21-77 **APPOINTMENT OF OFFICERS**

RESOLVED, on October 19, 2021, pursuant to Third Laguna Hills Mutual Bylaws Article 9 which sets guidelines, terms and responsibilities for the election of Officers to this Corporation the following persons are hereby elected to the office indicated next to their names to serve:

Robert Mutchnick	President
Annie McCary	1 st Vice President

Ralph Engdahl 2nd Vice President

Lynn Jarrett Secretary

Donna Rane-Szostak Treasurer

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

Jeff Parker Vice President ex Officio

Siobhan Foster Assistant Secretary ex Officio

Steve Hormuth Assistant Treasurer ex Officio

RESOLVED FURTHER, that Resolution 03-21-67, adopted October 7, 2021, is hereby superseded and cancelled; and

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

President Mutchnick called for the vote and the motion passed unanimously.

This item was removed from the Consent Calendar for discussion.

13g. Approve a Resolution to Update Committee Appointments:

RESOLUTION 03-21-78
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

Landscape Committee

Lynn Jarrett

~~Steve Parsons, 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 03-21-79
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

~~Gush Bhada~~

~~Steve Parsons, Alternate~~

~~Customer Experience Subcommittee~~

~~Gush Bhada~~

~~Robert Mutchnick~~

~~Facilities Subcommittee~~

~~Gush 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.

Director Cook made a motion to approve the revised resolutions to update the committee appointments. Director Laws seconded the motion.

Discussion ensued among the directors.

President Mutchnick called for the vote and the motion passed by unanimous consent.

14. Committee Reports

- 14a.** Report of the Finance Committee / Financial Report – Director Rane-Szostak gave the Treasurer's Report. 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) Resale/Leasing Reports
- 14b.** Report of the Architectural Controls and Standards Committee – Director Engdahl gave an update from the last committee meeting. 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.
- 14c.** Report of the Communications Committee – Director McCary gave an update from the committee. The next meeting is scheduled for January 12, 2022 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 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 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 Rane-Szostak gave an update from the subcommittee. The Garden Villas Rec. Room Subcommittee met on September 29, 2021; next meeting. February 23, 2021, at 9:30 a.m. in the Board Room.
- 14e.** Report of the Landscape Committee – Director McCary gave an update from the Landscape Committee. The committee met on September 29, 2021; next meeting November 4, 2021, at 9:30 a.m. as a virtual meeting.
- 14f.** Report of the Water Committee – Director Rane-Szostak gave a presentation on Water Conservation. 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 – Director Mutchnick. The committee met on August 24, 2021; next meeting TBA.

15. GRF Committee Highlights

- 15a.** Community Activities Committee – Director McCary shared highlights from the last Community Activities Committee. 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 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 – 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 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 shared highlights from the last committee meeting. The committee met on September 22, 2021; next meeting TBA.
- 15e.** Media and Communications Committee – Director McCary shared highlights from the last committee meeting. The committee met on September 20, 2021; next meeting November 17, 2021, at 2:30 p.m. as a virtual meeting.
- 15f.** Mobility and Vehicles Committee – Director Wayne shared highlights from the last committee meeting. He commented that Chris Laugenour is resigning and we are recruiting for a replacement to his position. The committee met on October 6, 2021; next meeting December 1, 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 September 28, 2021; next meeting November 30, 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 about the increase in trash fees. 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 actions on these items at a future board meeting.*

16a. Resolution for Manor Alteration Requests for Modifications

17. Director's Comments

- Director Lewis commented everyone needs to work hard to do things more efficiently to save money for the residents.
- Director Laws commented about working together to save money.
- Director Cooks commented about simplifying the process.
- Director Engdahl welcomed the new board members and thanked the members that attending the meeting.
- Director Jarrett thanked the board for their support.
- Director Bhada commented we need to save before we spend.
- Director Wayne commented we are getting off to a good start.
- President Mutchnick thanked Steve Parsons for his contribution on the board. He thanked the three new members on the board. He thanked the members for attending the meeting today and invited everyone to attend the Town Hall on October 27. He shared his email address.

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 1:53 p.m.

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

During the September 10, 2021, Emergency Closed Meeting, the board:

Stated the Purpose of the Meeting

Approval of the Agenda

Discussed Legal Matters

Director Comments

Adjournment

During the September 21, 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) August 6, 2021 – Emergency Closed Meeting

(b) August 17, 2021 – Regular Closed Session

Approve Notice of Sale against Member ID#931-630-83

Approve Notice of Sale against Member ID#934-902-51

Approve Notice of Sale against Member ID#932-310-40

Approve Notice of Sale against Member ID#932-200-13

Discuss and Consider Insurance Matters

Discuss Personnel Matters

Discuss COVID-19 Matters

Discussed Contractual Matters

Member Disciplinary Report

Director Comments

Adjournment

During the September 24, 2021, Special Closed Meeting, the board:

Stated the Purpose of the Meeting

Approval of the Agenda

Discussed Contractual Matters

Director Comments

Adjournment

During the September 28, 2021, Special Closed Meeting, the board:

Stated the Purpose of the Meeting

Approval of the Agenda

Discussed Contractual Matters

Director Comments

Adjournment

19. Adjournment

The meeting was adjourned at 5:00 p.m.


Lynn Jarrett, Secretary of the Board
Third Mutual Laguna Hills

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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.



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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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.”

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RESOLUTION 03-21-XX

Approve the Landscape Revisions Request 3428-A Bahia Blanca W.

WHEREAS, on November 4, 2021, the Landscape Committee reviewed a request from the Member at 3428-A for landscape revisions to the rear of her manor, at her 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 3428-A Bahia Blanca W., 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 3428-A.
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.
4. The alterations are limited to be within the seven foot by 30-foot area indicated in the submitted plan.
5. Mulch must be placed around the tree in front of her patio to avoid any gap there with grass that would be difficult to mow.
6. All potted plants within the mulched area shown on plan to be either planted into the ground or removed

NOW THEREFORE BE IT RESOLVED, November 16, 2021, the Board of Directors approves the request for a landscape revision, with the conditions stated above, at the Member's expense, at 3428-A;

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 Carrotwood Tree 3143-Q Via Vista

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 November 4, 2021, the Landscape Committee reviewed a request from the Member at 3143-Q to remove one Carrotwood tree. The Member cited the reasons as overgrown;

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 Carrotwood tree located at 3143-Q Via Vista.

NOW THEREFORE BE IT RESOLVED, November 16, 2021, the Board of Directors approves the request for the removal of one Carrotwood tree located at 3143-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 Canary Island Pine Tree 3244-3A 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 November 4, 2021, the Landscape Committee reviewed a request from the Member at 3244-3A to remove one Canary Island Pine tree. The Member cited the reasons as litter/debris, overgrown, and a fire hazard;

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 Canary Island Pine tree located at 3244-3A San Amadeo, however, during the next trim cycle in 2022, a clearance trim away from the roof line and manor patios will be performed.

NOW THEREFORE BE IT RESOLVED, November 16, 2021, the Board of Directors denies the request for the removal of one Canary Island Pine tree located at 3244-3A;

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
Third Mutual Committee Appointments

RESOLVED, November 16, 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~~

~~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

Cush Bhada, Alternate

Executive Hearing Committee

Annie McCary, Chair

Ralph Engdahl, Co-Chair

Robert Mutchnick

John Frankel, ~~Alternate~~

Mark Laws, ~~Alternate~~

Finance (Committee of the Whole)

~~Donna Rane-Szostak, Chair~~

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

Investment Ad Hoc Committee

Robert Mutchnick
Craig Wayne
Donna Rane-Szostak

Garden Villa Recreation Room Subcommittee (Quarterly)

~~Steve Parsons, Chair~~
Lynn Jarrett, Chair
Donna Rane-Szostak
Nathaniel Ira Lewis
Voting Advisors: Sharon Molineri, Stuart Hack, Randy Scott

Landscape Committee

~~Steve Parsons, Chair~~
Lynn Jarrett
Annie McCary, Chair
Ralph Engdahl
Donna Rane-Szostak
Nathaniel Ira Lewis
Cush Bhada, Alternate
Advisor: Cindy Baker

Maintenance and Construction Committee

Ralph Engdahl, Chair
Robert Mutchnick
John Frankel
Craig Wayne
James Cook
Cush Bhada, Alternate

New Resident Orientation

Everybody Participates on a Rotating Basis

Water Conservation Committee (Quarterly)

Donna Rane-Szostak, Chair
John Frankel
Cush Bhada
Nathaniel Ira Lewis
Lynn Jarrett
Advisor: Katheryn Freshley, Kay Havens

Parking & Golf Cart Task Force

~~Steve Parsons, Chair~~
John Frankel
Cush Bhada, Chair
Mark Laws, Alternate
Advisor: Hal Horne

Resident Policy and Compliance Committee

~~Steve Parsons, Chair~~

Robert Mutchnick, Chair

Cush Bhada

Annie McCary

Mark Laws

Nathaniel Ira Lewis, Alternate

Lynn Jarrett

Voting Advisors: Stuart Hack

Energy Research Group

Ralph Engdahl

John Frankel

Nathaniel Ira Lewis

Advisors: Sue Stephens, Bill Walsh

RESOLVED FURTHER, that Resolution 03-21-78, adopted October 19, 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, November 16, 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

Equestrian Center Ad Hoc Committee

Cush Bhada
Annie McCary

GRF Finance Committee

Donna Rane-Szostak
Mark Laws
Craig Wayne, Alternate

Purchasing Ad Hoc Committee

Donna Rane-Szostak
Ralph Engdahl
Robert Mutchnick, Alternate

GRF Landscape Committee

~~Steve Parsons~~
Nathaniel Ira Lewis
Annie McCary, Alternate
Lynn Jarrett

GRF Maintenance and Construction Committee

Ralph Engdahl
James Cook
Cush Bhada, Alternate
~~John Frankel~~
~~Reza Karimi, Alternate~~

Clubhouse Renovation Ad Hoc Committee

John Frankel
Ralph Engdahl
~~Cush Bhada, Alternate~~
John Frankel, Alternate

Media and Communication Committee

Annie McCary
James Cook
~~Steve Parsons, Alternate~~
Lynn Jarrett, Alternate

Broadband Ad Hoc Committee

Annie McCary

Lynn Jarrett

Mobility and Vehicles Committee

James Cook

Cush Bhada

Security and Community Access Committee

Annie McCary

Craig Wayne

Donna Rane-Szostak, Alternate

Disaster Preparedness

John Frankel

Donna Rane-Szostak

James Cook

Laguna Woods Village Traffic Hearings

John Frankel

Mark Laws

Strategic Planning Committee

Robert Mutchnick

Nathaniel Ira Lewis

Budget Ad Hoc Committee

Robert Mutchnick

Annie McCary

Donna Rane-Szostak, Alternate

Trash Task Force

Craig Wayne

John Frankel, Alternate

IT Technology Advisory Committee (ITAC)

Mark Laws

~~Steve Parsons~~

Lynn Jarrett

RESOLVED FURTHER, that Resolution 03-21-79, adopted October 19, 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

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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, November 16, 2021, 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

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 29, 2021
FOR: Landscape Committee
SUBJECT: Stepping Stone Approval Process and Guidelines

RECOMMENDATION

Approve the Stepping Stone Resolution and Guidelines.

BACKGROUND

Stepping stones in common area have long been a contentious subject in Third Mutual. There have been various resolutions adopted and revoked over the years (Attachment 1). The most recent Board action on the subject was Resolution 03-07-02 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. A sample of the form (Attachment 3) will be available on the website, once ratified by the Board.

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 3: Sample Landscape Request Form (Blank and Completed)

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

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, November 16, 2021, 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—

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

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THIRD LAGUNA HILLS MUTUAL

Stepping Stone Guidelines

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

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.

MUTUAL LANDSCAPE REQUEST FORM

PLEASE NOTE: THIS FORM IS NOT INTENDED FOR ROUTINE MAINTENANCE REQUESTS

For all non-routine requests, please fill out this form. Per the policy of your Mutual, if your request falls outside the scope of the managing agent's authority, it will be forwarded to the Mutual's Landscape Committee for review. If you are unsure whether your request falls into this category, first contact Resident Services at 597-4600 in order to make that determination.

PLEASE RETURN COMPLETED REQUEST FORM TO RESIDENT SERVICES.

Resident/Owner Information

You must be an owner to request non-routine Landscape requests.

Address

Today's Date

Resident's Name

Telephone Number

Non-Routine Request

Please checkmark the item that best describes your request. If none apply, please checkmark "Other" and explain.

☐ Tree Removal

☐ New Landscape

☐ Off-Schedule Trimming

☐ Other (explain): _____

Reason for Request

Please checkmark the item(s) that best explain the reason for your request.

☐ Structural Damage ☐ Sewer Damage ☐ Overgrown ☐ Poor Condition

☐ Litter/Debris ☐ Personal Preference

☐ Other (explain): _____

GUIDELINES:

- **Structural/Sewer Damage:** Damage to buildings, sidewalks, sewer pipes, or other facilities may justify removal if corrective measures are not practical.
- **Overgrown/Crowded:** Trees or plants that have outgrown the available space may justify removal.
- **Damaged/Declining Health:** Trees or plants that are declining in health will be evaluated for corrective action before removal/replacement is considered.
- **Litter and Debris:** Because all trees shed litter seasonally, generally this is not an adequate reason to justify removal. However, if granted, removal/replacement may be at the resident's expense.
- **Personal Preference:** Because one does not like the appearance or other characteristics of the tree or plant generally does not justify its removal. However, if granted, removal/replacement is usually at the resident's expense.

Description & Location of Request

Please briefly describe the situation and the exact location of the subject of the request (e.g., "roots of pine tree in front of manor XYZ are lifting the sidewalk"). Attach pictures as necessary.

Signatures of All Neighbors Affected By This Request

Because your request may affect one or more of your neighbors, it is imperative that you obtain their signatures, manor numbers, and whether they are for, undecided, or against this request.

Signature	Manor #	For	Undecided	Against

(Please attach a separate sheet if more signatures are necessary.)

Acknowledgement - Owner

By signing, you are acknowledging this request.

Owner's Signature

Owner's Name

OFFICE USE ONLY

MOVE-IN DATE: _____

DATE: _____ INITIALS: _____

530 _____ 540 _____

570 _____ LAST PRUNED: _____

RELANDSCAPED: _____

NEXT TIME: _____

TREE SPECIES: _____

COMMENTS: _____

TREE VALUE: _____ TREE REMOVAL COST: _____

**MUTUAL LANDSCAPE REQUEST FORM****PLEASE NOTE: THIS FORM IS NOT INTENDED FOR ROUTINE MAINTENANCE REQUESTS**

For all non-routine requests, please fill out this form. Per the policy of your Mutual, if your request falls outside the scope of the managing agent's authority, it will be forwarded to the Mutual's Landscape Committee for review. If you are unsure whether your request falls into this category, first contact Resident Services at 597-4600 in order to make that determination.

PLEASE RETURN COMPLETED REQUEST FORM TO RESIDENT SERVICES.**Resident/Owner Information***You must be an owner to request non-routine Landscape requests.*

5599 Ronda Granada
Address

11-15-2021
Today's Date

Elizabeth Smith
Resident's Name

[REDACTED]
Telephone Number

Non-Routine Request*Please checkmark the item that best describes your request. If none apply, please checkmark "Other" and explain.*☐ Tree Removal☐ New Landscape☐ Off-Schedule Trimming

☒ Other (explain): would like to place stepping stones to access
my hose bib

Reason for Request*Please checkmark the item(s) that best explain the reason for your request.*☐ Structural Damage☐ Sewer Damage☐ Overgrown☐ Poor Condition☐ Litter/Debris☐ Personal Preference☐ Other (explain): _____**GUIDELINES:**

- Structural/Sewer Damage: Damage to buildings, sidewalks, sewer pipes, or other facilities may justify removal if corrective measures are not practical.
- Overgrown/Crowded: Trees or plants that have outgrown the available space may justify removal.
- Damaged/Declining Health: Trees or plants that are declining in health will be evaluated for corrective action before removal/replacement is considered.
- Litter and Debris: Because all trees shed litter seasonally, generally this is not an adequate reason to justify removal. However, if granted, removal/replacement may be at the resident's expense.
- Personal Preference: Because one does not like the appearance or other characteristics of the tree or plant generally does not justify its removal. However, if granted, removal/replacement is usually at the resident's expense.

Description & Location of Request

Please briefly describe the situation and the exact location of the subject of the request (e.g., "roots of pine tree in front of manor XYZ are lifting the sidewalk"). Attach pictures as necessary.

Please indicate here exact location of where you would like to place stepping stones and attach a hand-drawn plan for Landscape Committee to review. Also indicate size and material of stepping stones.

Signatures of All Neighbors Affected By This Request

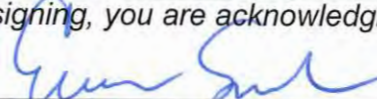
Because your request may affect one or more of your neighbors, it is imperative that you obtain their signatures, manor numbers, and whether they are for, undecided, or against this request.

Signature	Manor #	For	Undecided	Against

(Please attach a separate sheet if more signatures are necessary.)

Acknowledgement - Owner

By signing, you are acknowledging this request.


Owner's Signature

Elizabeth Smith
Owner's Name

OFFICE USE ONLY

MOVE-IN DATE: _____

DATE: _____ INITIALS: _____

530 _____ 540 _____

570 _____ LAST PRUNED: _____

RELANDSCAPED: _____

NEXT TIME: _____

TREE SPECIES: _____

COMMENTS: _____

TREE VALUE: _____ TREE REMOVAL COST: _____



STAFF REPORT

DATE: November 16, 2021
FOR: Board of Directors
SUBJECT: Provide a Company Cell Phone for the Board President

RECOMMENDATION

It is recommended that the President of Third Laguna Hills Mutual is provided a company cell phone to aid in conducting business on behalf of the Mutual.

BACKGROUND

At the Third Laguna Hills Mutual Board meeting on October 19, 2021, CEO Jeff Parker presented to the Board a request to furnish the President of Third with a company cell phone. The cell phone is secondhand, and is part of Village Management Services (VMS) equipment inventory that staff utilizes in the field.

At the meeting, the President of Third stated that he was requesting a company cell phone in order to keep Mutual related business separate from his personal calls and emails. The cell phone would help to channel Mutual matters to a specific device and away from his personal phone.

The original verbal report stated that the cell phone plan would cost \$75.00 a month. Members of the Third Board recognized the need to divide business from personal communications however, there was concern about the monthly cost of the service. The Board unanimously agreed to table the vote on this subject until staff investigated a more economical cell phone service plan.

DISCUSSION

A Board President is in constant contact with their constituents, staff and legal counsel while overseeing the management of the Mutual. As President, the volume of emails and phone calls that are received increases significantly, and occasionally occur at all hours of the night. A company cell phone will help the President keep a distinct division between the important daily communication required for Board volunteer work and his personal time.

Staff examined various cellular service plans in order to find a lower cost for service, as directed by the Third Board. The Information Services Director was able to renegotiate the rate with the company's current cell service provider. As a result, the entire organization's smartphones were transitioned to a new unlimited data plan which is \$35.00 per month, per phone.

FINANCIAL ANALYSIS

The cellular service plan for Third Mutual's President was originally identified at \$75.00 per month; \$900.00 per year.

With the renegotiation of the service plan, the company cell phone for Third's President will be \$35.00 per month; \$420.00 per year.

The company cell phone expense will be charged to the Board Relations Account which is currently budgeted at \$7,525.00 in 2022. The yearly average expense for the Board Relations Account is \$6,300.00; since 2018.

Staff recommends charging the President's company cell phone expense to the Board Relations Account through 2022. Then, the account will be reviewed for a possible reduction of budget for 2023, due to the actual yearly average as compared to the budget.

Prepared By: Catherine Laster, Management Analyst

Reviewed By:

ATTACHMENT(S)

None



STAFF REPORT

DATE: November 16, 2021
FOR: Third Mutual Board
SUBJECT: Alteration Fee Schedule Revision

RECOMMENDATION

The Third Architectural Control & Standards Committee on October 25, 2021 recommends the Third Mutual Board approve the new Alteration Fee Schedule, as provided in Attachment Two, 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 modified Financial Analysis factors in the cost to process Mutual Consents, Variances, Resale Inspections, and other submissions.

The revised Fee Schedule reflective of the analyzed costs is captured by the proposed fee increase (Attachment 2), while the alterations which do not require a Mutual Consent are captured on 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 Attachment 1: Financial Analysis indicates an estimated total increase in revenue of \$79,388. This total is due to increases in the following categories:

1. 40% Increase in Mutual Consent Fees,
2. Resale Report and Inspection Fees,
3. Variance Fee increase all from the 2017 adopted Fee Schedule

Prepared By: Robbi Doncost, Manor Alterations Manager

Reviewed By: Gavin Fogg, Manor Alterations Supervisor

ATTACHMENT(S)

Attachment 1 – Financial Analysis

Attachment 2 – Revised Fee Schedule

Attachment 3 - List of Alterations Not Requiring a Mutual Consent

Attachment 4 – Resolution 03-21-XX

Attachment 1 – Financial Analysis

Attachment 1 - Financial Analysis					
Fee Analysis					
<u>Mutual Consents</u>	Current Fees		Fee Increase Only		
MC Permit Fees Collected 2020	\$ 110,500	from Exh "A"			
	\$ 55,250	1/2 assoc. w/ Third	\$ 22,100	40% Increase	
<u>Resale Inspection & Report Fees</u>	Current Fees		Fee Increase Only		
Third Resale Insp Fees	\$ 37,375	from Exh "A"	\$ 45,000	increase by \$100	
<u>Variances</u>	Current Fees		Fee Increase Only		
AV 24 / year @ \$150	\$ 3,600		\$ 12,288	increase by \$512	
TOTAL FEE INCREASES			\$ 79,388		

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	
Resale Inspections in 2021		Fee Increase	
Third \$100 Fee Increase X 378 Insp't	\$ 45,000.00	Fee Increase only	
United \$100 Fee Increase X 389 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			

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	

Attachment 2 – Revised Fee Schedule

Laguna Woods Village® 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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CURRENT UNAUTHORIZED ALTERATION FEE = \$300

Variance Processing Fee	\$662
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*Variance Fee applies if no Mutual Standard exists.

CURRENT VARIANCE PROCESSING FEE = \$150

**CURRENT
ALTERATION
PROCESSING
FEE = \$50**

\$70 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 (Carport)	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

CURRENT VALUATION FEE LEGEND =

\$50

\$77

\$168

\$280

\$392

\$504

\$700

*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.

*In the event a member requires an "after the fact" (ATF) mutual consent ("MC") for work completed without prior appropriate authorization the following will apply as appropriate to the nature of the improvement work: Variance Fee, After the Fact Mutual Consent Fee, Mutual Consent Fee, Demolition Fee.

Third Mutual

- Floor replacement (so long as ACM is not disturbed) e.g. carpet like for like.
- Painting Interior walls
- Installing bookshelves
- Installing Mailbox
- Hanging picture frames/decorations interior
- Sink/ toilet replacements
- Doorbell replacement/installs
- Appliances change outs (e.g. Refrigerator, microwave, stove/oven, dishwasher)
- Change our faucets.
- Garbage disposals
- Cabinet/Vanity/Counter top replacements that do not disturb ACM or require City Compliance upgrades on electrical.
- Peepholes
- Interior Doors

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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;

WHEREAS, the Third ACSC approved to recommend on October 25, 2021 the attached revised Fee Schedule for Third Board consideration;

NOW THEREFORE BE IT RESOLVED, November 16, 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 \$70, the Unauthorized Alteration Fee will increase to \$350, the Revised Inspection Fee Schedule will be adopted; and

RESOLVED FURTHER, in the event that a member requires an “After the Fact” (ATF) Mutual Consent for work completed without prior appropriate authorization the following would apply as appropriate to the nature of the improvement work, defined as a member being responsible for: a Variance Fee if the work required variance approval; an ATF Mutual Consent Fee due to the work not having been applied for and permitted by Manor Alterations in advance of completion; a Mutual Consent Fee totaling the cost of an appropriate Mutual Consent Fee if the work had been properly approved; a Demolition Fee totaling the cost of the appropriate Demolition Fee if the work had been properly approved; and

RESOLVED FURTHER, that Resolution 03-17-120 adopted October 20, 2017 is hereby superseded and canceled; and

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

November 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: November 16, 2021
FOR: Third Mutual Board
SUBJECT: Contractor Violation Policy

RECOMMENDATION

The Third Laguna Woods Mutual Architectural Control and Standards Committee (ACSC) recommends the Third Mutual Board adopt the proposed Contractor Violation Policy (Attachment 1), Exhibit A - Contractor Rules & Obligations (Attachment 2) and Resolution 03-21-XX (Attachment 3) to provide additional protections to members and mutual property as a result of the members hiring contractors that continue to violate mutual construction rules and regulations.

BACKGROUND

Manor Alterations (MA) is seeing more frequent violations by member-hired contractors. Many violations are minimal; some are severe, causing additional time management required by MA and extensive additional member costs. These costs may include, but are not limited to, asbestos cleanups, removing mutual structural components (damage to the mutual) and starting work without MA or city permits.

Many contractors are repeat offenders. Currently, MA has no policy in place to manage contractor violations in this effort. As contractors are in direct contract with members and not the mutual, the mutual is limited in its deployment of contractor violations. Third's attorney advises limiting the course of action against contractors to suspension or total exclusion from future work in Third if the contractor has a proven track record justifying such action. MA has increased its presence in an ongoing effort to educate members, contractors and realtors with the addition of a biweekly news bulletin, additional staff to answer inquiries and guide applicants through the permit process, articles in the Village Breeze, additional new tools such as a process map and a frequently asked questions guide. In the past year, much more information has been provided; however, violations continue to increase.

DISCUSSION

MA is seeking to enact the Contractor Violation Policy as a method of leverage for enforcement of Third's current rules and regulations. This policy would only benefit Third Mutual members, as it would provide clarity on potential contractor conduct expectations. It would also provide clarity on current mutual rules and regulations. This policy would be incorporated within the mutual consent (Attachment 4) and demolition (Attachment 5) application verbiage as a method of acknowledgment for both contractors and applicants.

FINANCIAL ANALYSIS

No financial analysis is provided. It can be assumed that adopting this policy will result in a slight reduction in staff time, as less attention will be needed to respond to violating contractor behavior.

Even if the only reduction of staff responses to illegal asbestos releases is considered the following would apply:

Reduction in P-5 ACM Releases

P-5 Releases per year estimate: Two per month for 24 responses

Staff est. time/Response: 12 hours x AV. Fee of \$38.94 (2021 Bill Rate inclusive of burden) =

\$467.28 per event x 24 events yields a savings of **\$11,214.72.**

Prepared By: Robbi Doncost - MA Manager

Reviewed By: Gavin Fogg - MA Supervisor

ATTACHMENT(S)

Attachment 1 – Contractor Violation Policy 03-21-XX

Attachment 2 – Exhibit A – Construction Rules & Obligations

Attachment 3 – Contractor Violation Resolution 03-21-XX

Attachment 4 – Mutual Consent Application Revised Verbiage

Attachment 5 – Demolition Application Revised Verbiage

Attachment 1 – Contractor Violation Policy 03-21-XX

CONTRACTOR VIOLATION POLICY

It is crucial that contractors hired by members strictly follow mutual rules and restrictions related to construction, improvement and repair projects. Given the proximity between units and age of the buildings, among other related factors, any deviation from mutual rules or the member's approved scope of work has the potential to have a significant impact on the property as well as the adjacent neighbors. Staff has discovered a material increase in violations by member contractors who are either unfamiliar with or fail to abide by mutual rules and restrictions or who perform work outside of what was approved. Oftentimes this can lead to delays; increased project costs for members; increased noise, inconvenience and disturbance to neighbors; and unnecessary staff time and resources diverted to regulating and overseeing contractor violations and corrections.

This Contractor Violation Policy (policy) provides for penalties in the form of prohibiting offending contractors from performing work in Third in an effort to protect members and Third property and to encourage contractors to adhere to the rules and obligations governing the members and mutual.

Manor Alterations (MA) is the representative acting on behalf of the managing agent (VMS) for the mutual (Third). This policy classifies the noticing, violation severity, enforcement, ramifications of disciplinary actions and remedies relating to the offenses. MA would use the policy criteria listed herein to evaluate the contractors' behavior and administer notices and violations to member contractors.

The circumstances for providing a potential violation notice or notice of violation and issuing violation suspensions are based on the severity of the offense listed in two categories as defined below:

Moderate Violation

1. Any violation of Exhibit A – Conditions Rules & Obligations unless noted as a severe violation.

Severe Violations

1. Any violation by a contractor performing demolition or initiating renovation work without all appropriate governmental and MA approvals inclusive of mutual consents issued by MA and City of Laguna Woods approvals, and
2. Any contractor performing work contrary to the work specifically noted on the mutual consent (MC) issued by MA for the following:
 - a. Performing any structural removal or modification, including, but not limited to, the widening of an opening of a doorway, passageway or window or removal or modification of a structural building element (inclusive of columns, bearing walls, shear walls, foundations, exterior walls, any work that would have required a variance approval from the board or lapse of any insurance coverage so disclosed by the contractor on the mutual standard certificate of liability insurance (COLI).

Attachment 1 continued – Contractor Violation Policy 03-21-XX

- b. Performing any work that is beyond the scope of work as defined by the mutual consent (MC). This expanded work will include, but not be limited to, installing a larger quantity of materials, amending the parameters initially identified, revised layout, increased dimensions of an approved renovation or using differing materials as was indicated on the MC.
3. Any expansion of the MC description for demolition or improvement work previously issued without further authorization from MA. Any unauthorized asbestos release contrary to city code, SCAQMD or Cal/OSHA regulations, or
4. The reluctance to complete the approved MC scope of work within 90 calendar days of permit issuance, or such reasonable time for the work so described on the MC as agreed to with MA when the MC was initially issued, exempting therefrom, any reasonable extension of time for force majeure condition affecting the timely completion of the work. See Exhibit A – Construction Rules & Obligations Contractor, Item 17, for complete terms relating to time of completion. A force majeure event shall be defined as an event beyond the control of the contractor affecting the timely completion of the work. Allowable force majeure events shall be considered as an event(s) affecting the entire local contracting community that would include major material shortages, war, strike, riot, catastrophic weather event, labor disputes or governmental orders relating to a pandemic. The contractor's time shall only be extended for the duration of the force majeure event. Contractor shall notify MA within 3 business days of knowledge of such delay or the potential of a force majeure event to allow consideration of an appropriate extension of time.

MA is responsible for providing the following enforcement actions of this policy:

1. Substantiate violations with notices, notes and photographs; document and archive the violation events; and transmit violation material to contractor and member,
2. Maintain a log of violations recording at a minimum the contractor's name and address; detail of the violation circumstances; notes regarding the rules, regulations and obligations of violation; and other pertinent information of the event,
3. MA shall notify the manor member and contractor of all violations and potential consequences within seven working days from time of MA's knowledge of the violation,
4. Issuance of all violation notice documents are to be posted on the manor with a description of the violation(s). Contractor violations shall also be published in the biweekly news bulletin only after validation of the violation.
5. Maintain a master list of contractors who are ultimately determined to have engaged in violation of and/or have been suspended under this policy.

Contractor Violations

Also see the contractor violation description below:

1. Moderate first violations – Any violation of the Exhibit A – Construction Rules & Obligations unless noted as a severe violation. Contractor and member will be notified of the first violation. All subsequent violations in this category will then escalate to a severe violation as described below.

Attachment 1 continued – Contractor Violation Policy 03-21-XX

2. Severe violations – If the first violation is a severe first violation (or a second moderate violation) then MA shall issue a potential violation notice. MA shall allow the contractor the opportunity to explain the circumstances of the violation. Under special circumstances shall the contractor be allowed to continue work. MA shall then determine if the potential violation notice shall become a violation notice and invoke those actions described in the contractor violation description.
3. In the event a suspension is issued, the contractor will no longer be allowed to do work within Third. After the second suspension, board approval is necessary for contractor reinstatement. Thereafter, any violation would result in permanent suspension from Third.
 - a. The member is responsible for any supplemental cost to mitigate the actions of his/her contractor that might be attributable to the consequences of damage, including, but not limited to, remediation of emergency asbestos cleanup and mitigation, damage to mutual property and fines established by governmental agencies.
 - b. The member is responsible for any increased costs in replacing a suspended contractor from an existing project, subject to No. 4 below.
4. Upon issuance of a notice of severe violation, the contractor shall not be allowed to submit any new application(s), and existing applications will be refused and/or the contractor will not be allowed to perform any further work in the mutual. However, the member of the manor issued the offense and any member who is currently using this contractor shall be allowed, with consultation, under special circumstances and only with the express written approval of MA to continue to use the offending contractor to finish an existing contract at the discretion of MA and in consideration of code compliance.

Contractor Violation Description

Any violation or suspension due to a violation hereunder will be viewed in totality for any work performed by the contractor in the mutual, and not on a per-project/mutual basis.

Moderate Violation

1. First offense – Notice of moderate violation and no further action to be taken.
2. Second offense – Escalation to severe violation pending MA conference (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). If MA determines no further action is needed, it remains a moderate violation without suspension. If determined to be a second violation, MA will apply a 30-calendar-day suspension from working in the mutual.

Severe Violation

1. First offense – Notice of potential violation. Pending conference with MA (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). The result of this conference will be the basis a 30-calendar-day suspension.
2. Second offense – Notice of violation and mandatory 90-day suspension.
3. Third offense – Notice of violation and mandatory termination of contractor from all work within the mutual. Only board reinstatement can result in the contractor continuing to work in the mutual.

Attachment 1 continued – Contractor Violation Policy 03-21-XX

Suspensions resulting from the second and third offense violations will occur after a conference is held between MA and the contractor to determine if there was a violation or a misunderstanding. It shall also be determined if the member of the manor issued the offense and any member that is currently using this contractor, shall be allowed, under special circumstances, to continue to use the offending contractor to finish their existing contract at the discretion of MA and in consideration of code compliance.

Regardless of the violations levied as noted herein, contractor and member may be subject to other costs as a result of damages to mutual property.

Contractor Right to Dispute

The contractor's right to dispute the violation shall be as follows:

1. The contractor has the right to dispute the MA notice of violation by emailing a hearing request to alterations@vmsinc.org and copying the MA supervisor and MA manager within seven calendar days of the notice of violation issuance to contractor.
2. Said hearing request will be heard by Third's ACSC at its next appropriate hearing date.
3. Should the contractor make a hearing request, all conditions of the violation, including the suspension, will remain in effect until the ACSC provides a final determination.

Attachment 2 – Exhibit A – Construction Rules & Obligations

Exhibit A – Construction Rules & Obligations

Both member and contractor shall abide by Exhibit A – Construction Rules & Obligations, may be held responsible for damages and take responsibility for the violations as a result of not complying with Exhibit A – Construction Rules & Obligations. Contractor agrees to comply with all rules and regulations, and violation provisions as stated in Exhibit A – Construction Rules & Obligations and the Contractor Violation Policy.

1. Mutual consent (MC) approvals: No improvement shall be installed, constructed, modified or altered at any manor (property) within Third Laguna Woods Mutual (mutual) without obtaining the proper demolition and new improvement permits in the forms of MCs for alterations and demolitions made to and approved in writing by Village Management Services Inc. (VMS), Manor Alterations Division (MA) or, in the event of a variance from the mutual's alteration standards, the Architectural Control and Standards Committee (ACSC) and the Third board. In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the property, the 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. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the property's member and/or all future mutual members. Contractor may be held responsible to repair mutual property damaged and/or modified in the course of its work without having obtained the approval to do so via a duly executed MC.
3. 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.
4. A City of Laguna Woods permit may be required as well as a clearance requirement from the South Coast Air Quality Management District (SCAQMD) (asbestos hotline, 909-396-2336). Prior to the issuance of an MC for alterations and/or demolition, the appropriate City of Laguna Woods permit number(s) must be submitted to the MA office located in the Laguna Woods Village Community Center. The city permit must be approved within the prescribed time frame, and a copy of the final permit must be submitted to MA.
5. Member hereby consents and grants to the mutual, MA, the Maintenance and Construction Department and their representatives a right of property entry at any time to inspect said property and its improvements and for the mutual and the department, including its representatives and contractors, to remedy any violation upon the property, including, but not limited to, removing trash and/or any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.

Attachment 2 continued – Exhibit A – Construction Rules & Obligations

6. Subject to the Contractor Violation Policy, member and contractor shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents, any others who perform work on the property and 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; however, that does not relieve contractor from compliance with the rules due to ignorance or otherwise, as contractor will sign the MC for alterations and/or demolition as a condition to and requirement of any approval. Member shall be liable for any violation of the mutual's governing documents or for any damage caused by any invitee, including any fine, assessment or other charge levied in connection therewith; however, contractor is also responsible to repair all damage that was done in the execution of the alteration, consistent with item number two in this exhibit.
7. Member and contractor are responsible for following the gate clearance process in place to admit contractors and other invitees. See <http://www.lagunawoodsvillage.com>.
8. Member 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 Laguna Woods Village for performance of work in connection with the property.
9. All improvements must be installed in accordance with California State building code, and the published mutual architectural alterations standards, policies and guidelines. See <http://www.lagunawoodsvillage.com>.
10. 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. Except in an emergency, work hours from 8 a.m. to 5 p.m. on weekdays; no work is permitted on holidays and weekends.
11. During construction, both the MC for demolition, alterations and the city building permit must be on display for public view at all times in a location approved by MA.
12. No waste or materials associated with the construction may be dumped in Laguna Woods Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
13. Call the Security Services Department at 949-580-1400 to receive dumpster location approval. 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.

Attachment 2 continued – Exhibit A – Construction Rules & Obligations

14. Call Security at 949-580-1400 for portable bathroom placement approval.
15. The MC for alterations is expected to be completed within 90 calendar days after the date of approval, unless an application is submitted with fees and approved by MA for an extension or documentation is submitted with the MC that justifies the need for a period longer 90 days and MA has agreed to this extension in writing. If the MC has an established completion period of more than 90 days but less than 180 days, the date established by the MC shall govern. An extension for a maximum of an additional 90 calendar days beyond the maximum 180-day period may be granted at the request of the member prior to expiration and at the discretion of MA. The contractor shall not perform any work beyond this 180-day period or six months unless authorized by MA in writing.
16. 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 as presented in the Contractor Violation Policy.
17. Mutual member and his/her contractor shall indemnify, defend and hold harmless Third and its officers, directors, committee members, employees and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from the mutual shareholder's improvements and installation, construction, design and maintenance of same.

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Attachment 3 – Contractor Violation Resolution 03-21-XX

RESOLUTION 03-21-XX **Contractor Violation Policy**

WHEREAS, the purpose of the Contractor Violation Policy is to enact a unilateral and unambiguous matrix of penalties for contractors who violate current Mutual rules and obligations or exceed the scope of approval for a project; and

WHEREAS, this pending Resolution would make the Contractor Violation Policy permanent and provide a clear template for invoking penalties, inclusive of temporary or potentially permanent suspension from work within Laguna Woods Village, reduction of MC lifespan to ninety (90) days with the possibility for an approved timeline extension; and

WHEREAS, the Third ACSC and Manor Alterations agree that the Contractor Violation Policy will be effective and both recommend the approval by the Third ACSC.

NOW THEREFORE, BE IT RESOLVED, on November 16, 2021, the Third Mutual Board hereby approve the Contractor Violation Policy as attached to these minutes; 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.

November 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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Attachment 4 continued – Mutual Consent Application Verbiage

MEMBER & CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY

1. The Mutual's Alteration process requires the Mutual Member receive a copy of the Mutual Standard to which the requested Mutual Consent applies, where applicable. To ensure compliance, the Member's signature below indicates receipt of the Standard is necessary, and a Mutual Consent will not be issued without this required signature.

2. We (Member and Contractor) understand that we will be in non-conformance if we do not conform to Mutual Rules and Regulations, and that the Member may be subject to Member Disciplinary Procedures, including the possibility of a fine in accordance with the Schedule of Monetary Penalties.

3. We (Member and Contractor) also understand and agree that we are responsible for all risks in connection with all alteration(s) or improvement(s), including but not limited to, the costs of removing, altering, protecting, or replacing the same as may be necessary or appropriate to conduct Corporation business.

4. The Member understands and agrees that the Member is responsible for, and will bear all costs in connection with all alteration(s) or improvement(s), and remediation(s) required to complete the alteration(s) or improvement(s). The member and contractor will be responsible for any costs associated with remediation, clean-up or repair of mutual owned or controlled property, caused by or resulting from alteration(s) or improvement(s) or the installation thereof as a result of the contractor not following the protocols and policies outlined in the Mutual Rules and Regulations, Mutual Consent Form, and the Contractor Violation Policy.

By signing below, both Member and Contractor agree to adhere to the four directives listed above.

I certify that all items listed on this Mutual Consent will be represented on the City of Laguna Woods building and demolition permit, and no work shall be covered without inspection and approval by the City of Laguna Woods. I also understand that the Mutual Consent will EXPIRE within 90 CALENDAR DAYS unless extended in writing by Manor Alterations

► Signature of Member:

Date:

CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY

I have received, read, understand, and agree to follow and confirm to all current Mutual Standards regarding this alteration(s). In addition, I am a contractor licensed pursuant to the laws of the State of California and agree to perform the work subject to the terms and conditions printed on the reverse side of this application. I will ensure that items requiring inspections will not be covered WITHOUT INSPECTION AND APPROVAL by the CITY OF LAGUNA WOODS BUILDING INSPECTOR. I also understand that Mutual Consent will EXPIRE within 90 CALENDAR DAYS unless Manor Alterations approves a documented request for extension. For all work performed in the Mutual, the contractor acknowledges receipt of the Contractor Violation policy and will adhere to its terms and conditions.

► Signature of Contractor:

Date:

IMPORTANT NOTICE: ASBESTOS CONTAINING MATERIALS THAT ARE BASICALLY INERT AND HARMLESS IF NOT DISTURBED MAY BE PRESENT IN CEILINGS, FLOORS AND OTHER BUILDING COMPONENTS. LEAD-BASED PAINT MAY BE PRESENT. MEMBER AND CONTRACTOR ARE CAUTIONED TO TAKE ALL REASONABLE AND PRUDENT MEASURES TO PROTECT PERSONS AND PROPERTY BEFORE DISTURBING SUCH MATERIALS. MEMBER AND CONTRACTOR AGREE TO ABIDE BY ALL FEDERAL, STATE, AND LOCAL LAWS, ORDINANCES, CODES AND REGULATIONS RELATING TO DISTURBANCE, REMOVAL AND/OR DISPOSAL OF ALL REGULATED MATERIALS; AND UPON REQUEST, COPIES OF DISPOSAL MANIFESTS WILL BE PROVIDED TO THE CORPORATION.

FOR OFFICE USE ONLY

This application is approved and said member is hereby granted permission to make the above described alteration(s).

Alteration Code(s):

VMS, Inc.	Permit Fee	Penalty Fee (If Applicable)	Paid By	Date
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MUTUAL CONSENT FOR DEMOLITION

The undersigned, a member of United Laguna Woods Mutual or Third Laguna Hills Mutual, a California nonprofit corporation (hereafter referred to as the "Corporation"), requests permission of the Corporation to perform the demolition required to make the alteration described below to the dwelling. Said alteration (hereafter sometimes referred to as the "work") shall be performed subject to the terms and conditions printed on the reverse side hereof, which terms and conditions set out the responsibilities of the member and the below named contractor, if a, contractor is to perform said alteration; and which is incorporated herein and made a part hereof, and the latest revision Contractor Violation Policy, which terms and conditions set out the responsibilities of the member and the below named contractor.

Third Laguna Hills Mutual, hereby designates that the member of Third Mutual listed below is a representative of the Mutual exclusively for the purpose of obtaining a City of Laguna Woods building permit for the alteration proposed herein. By signing hereon below both member and contractor acknowledge receipt of the entire Contractor Violation Policy and will adhere to the terms and conditions.

Manor: _____
Street: _____
Demo Consent # _____
City Demo Permit # _____
Final Date: _____
City Permit # _____
Final Date: _____
NAF: _____
Expiration Date of Mutual Consent: _____

☐ WASTE LINE ☐ LANDSCAPE

MANOR MODEL NAME:

PLAN #:

APPLICANT INFORMATION

Name: _____ Phone: _____
Street Address: _____
City: _____ State: _____ Zip Code: _____
Email: _____

PROPERTY OWNER INFORMATION

Name: _____ Phone: _____
Street Address: _____
City: _____ State: _____ Zip Code: _____
Email: _____

CONTRACTOR INFORMATION

Company Name: _____ Phone: _____
Street Address: _____
City: _____ State: _____ Zip Code: _____
Email: _____ License#: _____ Class: _____ Expires: _____

DEMOLITION DESCRIPTION:

VALUATION: \$

IMPORTANT NOTICE: ASBESTOS CONTAINING MATERIALS MAY BE PRESENT IN ALL BUILDING COMPONENT, SUCH AS CEILINGS, FLOORS, AND MANY MORE. SUCH MATERIALS DO NOT IMPOSE RISK IF NOT DISTURBED. LEAD-BASED PAINT AND LEAD CONTAINING CERAMIC TILES MAY ALSO BE PRESENT. MEMBER AND CONTRACTOR ARE CAUTIONED TO TAKE ALL REASONABLE AND PRUDENT MEASURES TO PROTECT PERSONS AND PROPERTY BEFORE DISTURBING SUCH MATERIALS. MEMBER AND CONTRACTOR AGREE TO ABIDE BY ALL FEDERAL, STATE, AND LOCAL LAWS, ORDINANCES, CODES AND REGULATIONS RELATED TO PROPER TESTING, PERMITS & REQUIRED LICENCES DURING DISTURBANCE, REMOVAL AND/OR DISPOSAL OF ALL REGULATED MATERIALS. DISPOSAL MANIFESTS AND POST REMOVAL CLEARANCES MUST BE PROVIDED TO THE CORPORATION.

ALL DEMOLITION IS TO BE PERFORMED PER STATE, FEDERAL, CITY, AND MUTUAL REGULATIONS

Attachment 5 continued – Demolition Application Revised Verbiage

MEMBER & CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY

1. The Mutual's Alteration process requires the Mutual Member receive a copy of the Mutual Standard to which the requested Mutual Consent applies, where applicable. To ensure compliance, the Member's signature below indicates receipt of the Standard is necessary, and a Mutual Consent will not be issued without this required signature.
2. We (Member and Contractor) understand that we will be in non-conformance if we do not conform to Mutual Rules and Regulations, and that the Member may be subject to Member Disciplinary Procedures, including the possibility of a fine in accordance with the Schedule of Monetary Penalties.
3. We (Member and Contractor) also understand and agree that we are responsible for all risks in connection with all alteration(s) or improvement(s), including but not limited to, the costs of removing, altering, protecting, or replacing the same as may be necessary or appropriate to conduct Corporation business.
4. The Member understands and agrees that the Member is responsible for, and will bear all costs in connection with all alteration(s) or improvement(s), and remediation(s) required to complete the alteration(s) or improvement(s). The member and contractor will be responsible for any costs associated with remediation, clean-up or repair of mutual owned or controlled property, caused by or resulting from alteration(s) or improvement(s) or the installation thereof as a result of the contractor not following the protocols and policies outlined in the Mutual Rules and Regulations, Mutual Consent Form, and the Contractor Violation Policy.

By signing below, both Member and Contractor agree to adhere to the four directives listed above.

I certify that all items listed on this Mutual Consent will be represented on the City of Laguna Woods building and demolition permit, and no work shall be covered without inspection and approval by the City of Laguna Woods. I also understand that the Mutual Consent will EXPIRE within 90 CALENDAR DAYS unless extended in writing by Manor Alterations.

► Signature of Member:

Date:

CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY

I have received, read, understand, and agree to follow and confirm to all current Mutual Standards, Rules and Regulations. In addition, I certify that I am a contractor licensed pursuant to the laws of the state of California and agree to perform the work subject to the terms and conditions printed on the reverse side of this application. For all work performed in the Mutual, the contractor acknowledges receipt of the Contractor Violation Policy and will adhere to its terms and conditions.

► Signature of Contractor:

Date:

FOR OFFICE USE ONLY

Alteration Code(s):

Date: VMS, INC: Permit Fee: \$ Penalty Fee: \$

Financial Report

As of September 30, 2021



INCOME STATEMENT (in Thousands)	ACTUAL
Assessment Revenue	\$25,950
Non-assessment Revenue	\$1,223
Total Revenue	\$27,173
Total Expense	\$26,305
Net Revenue/(Expense)	\$868

Financial Report

As of September 30, 2021



OPERATING INCOME STATEMENT (in Thousands)	ACTUAL
Assessment Revenue	\$15,726
Non-assessment Revenue	\$1,140
Total Revenue	\$16,866
Total Expense ¹	\$17,242
Operating Deficit	(\$376)

1) excludes depreciation

Financial Report

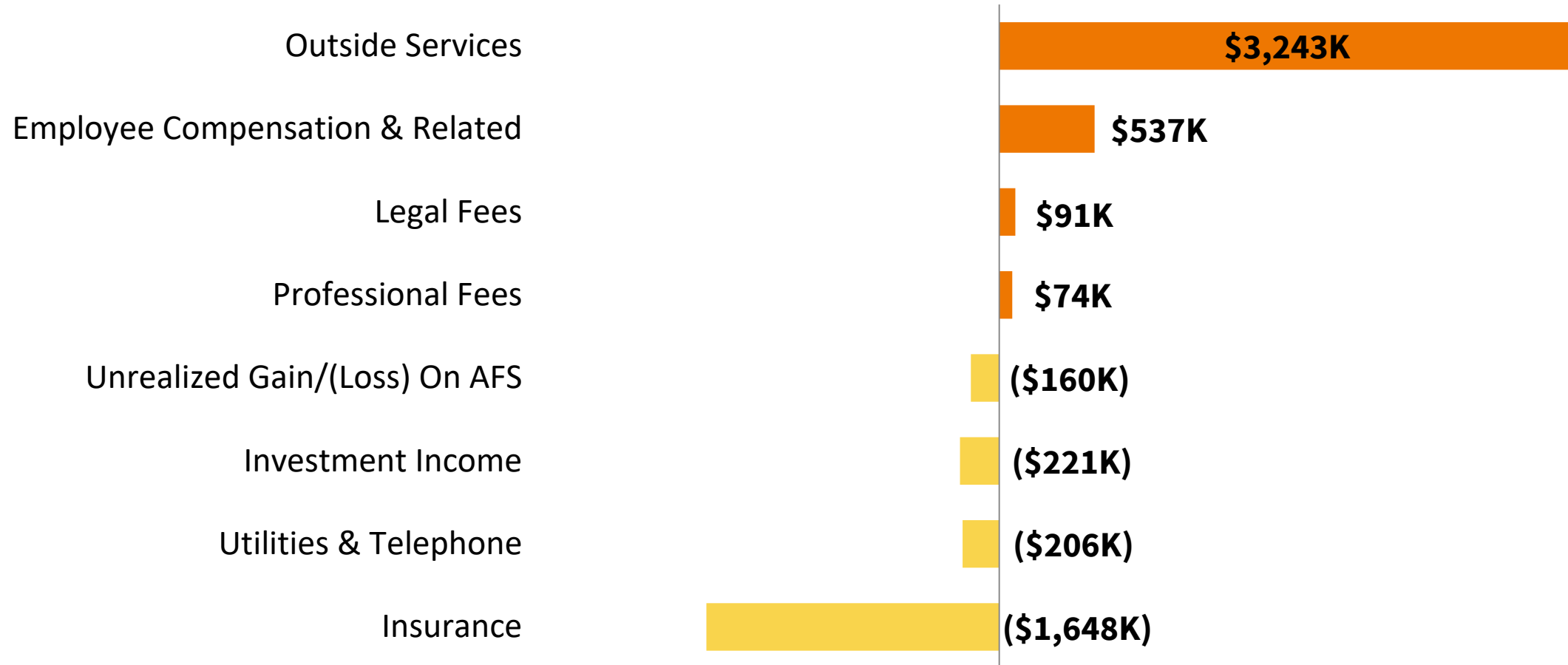
As of September 30, 2021



INCOME STATEMENT (in Thousands)	ACTUAL	BUDGET	VARIANCE
Assessment Revenue	\$25,950	\$25,950	\$0
Non-assessment Revenue	\$1,223	\$1,626	(\$403)
Total Revenue	\$27,173	\$27,576	(\$403)
Total Expense	\$26,305	\$28,578	\$2,273
Net Revenue/(Expense)	\$868	(\$1,002)	\$1,870

Financial Report

As of September 30, 2021



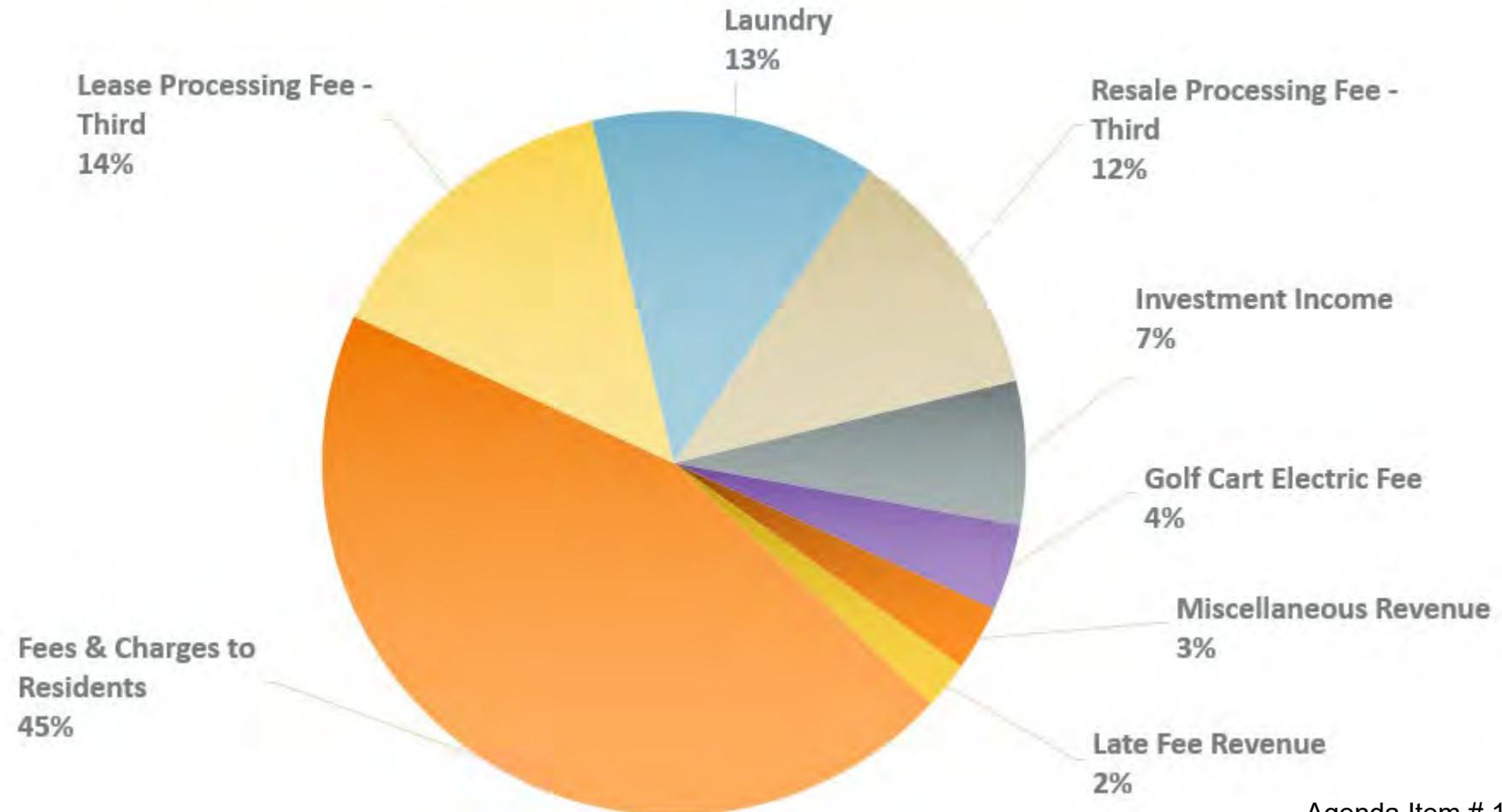
■ Unfavorable ■ Favorable

Financial Report

As of September 30, 2021



Total Non Assessment Revenues \$1,223,674

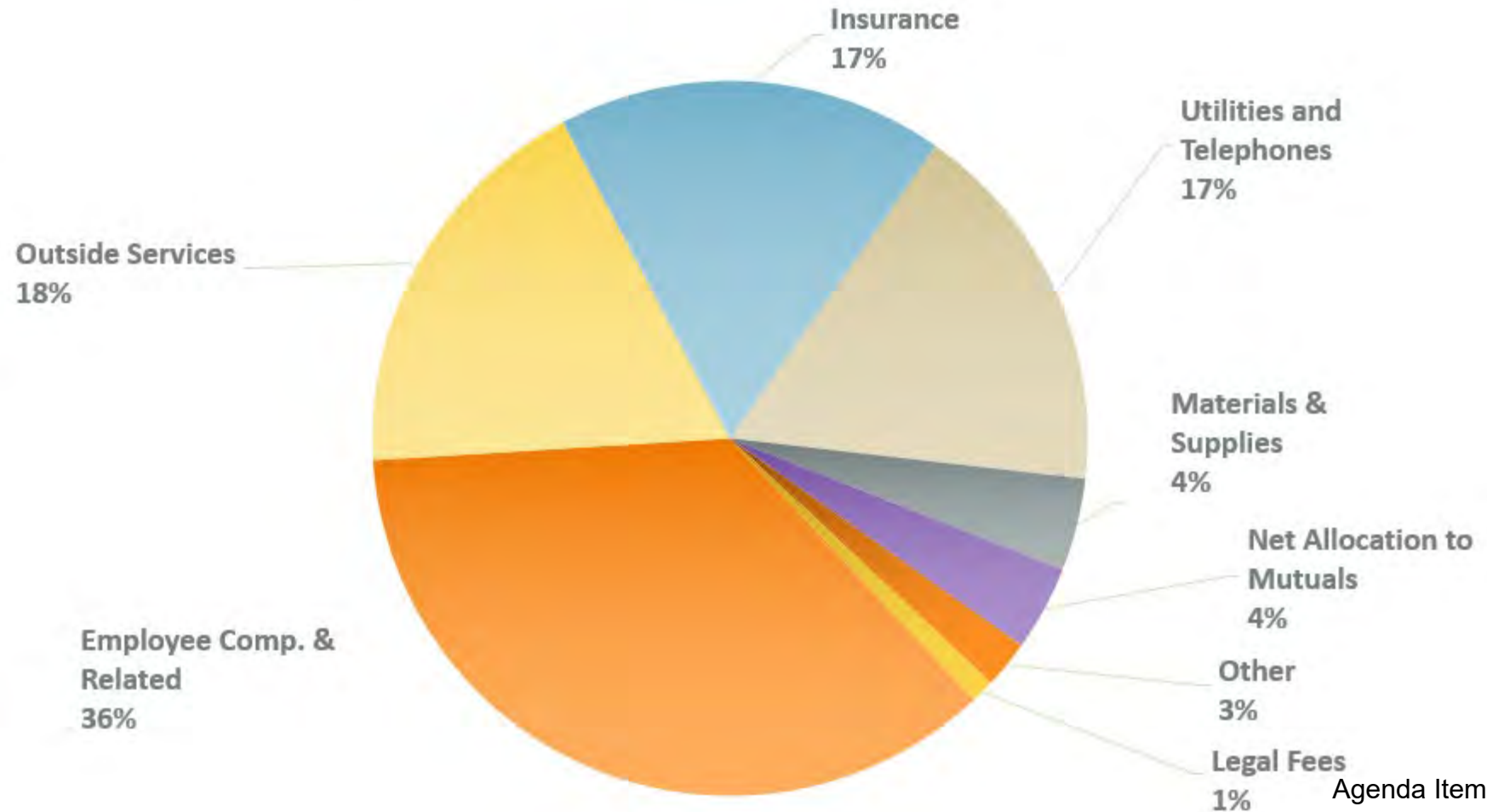


Financial Report

As of September 30, 2021



Total Expenses \$26,305,398



Financial Report

As of September 30, 2021



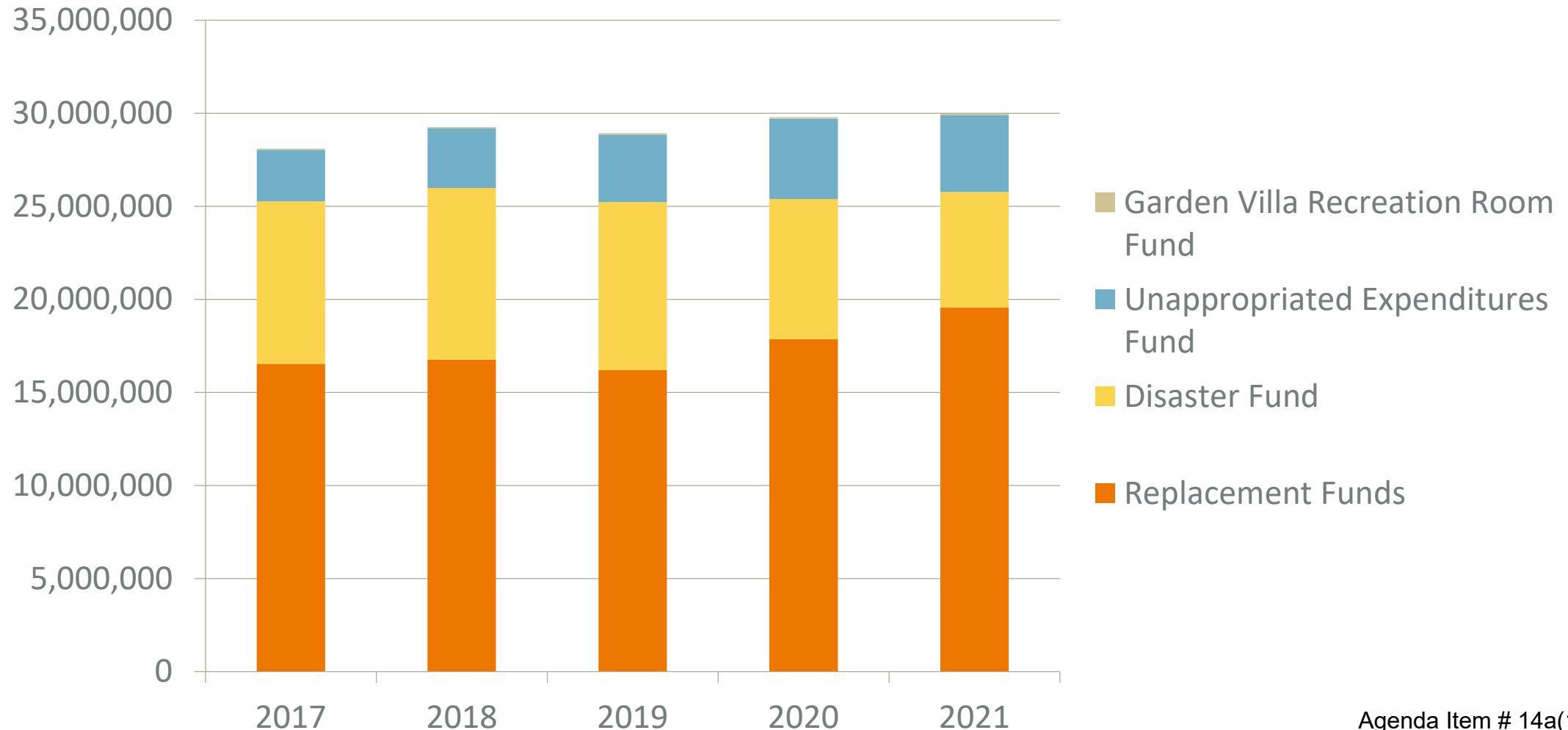
NON OPERATING FUND BALANCES (in Thousands)	Replacement Funds*	Disaster Fund	Unappropriated Expenditures Fund	Garden Villa Fund	TOTAL
Beginning Balances: 1/1/21	\$17,437	\$6,843	\$4,271	\$89	\$28,640
Contributions & Interest	8,396	1,398	450	64	10,308
Expenditures	6,254	2,050	588	71	8,963
Current Balances: 9/30/21	\$19,579	\$6,191	\$4,133	\$82	\$29,985

* Includes Elevator and Laundry Funds

Financial Report

As of September 30, 2021

FUND BALANCES – Third Mutual



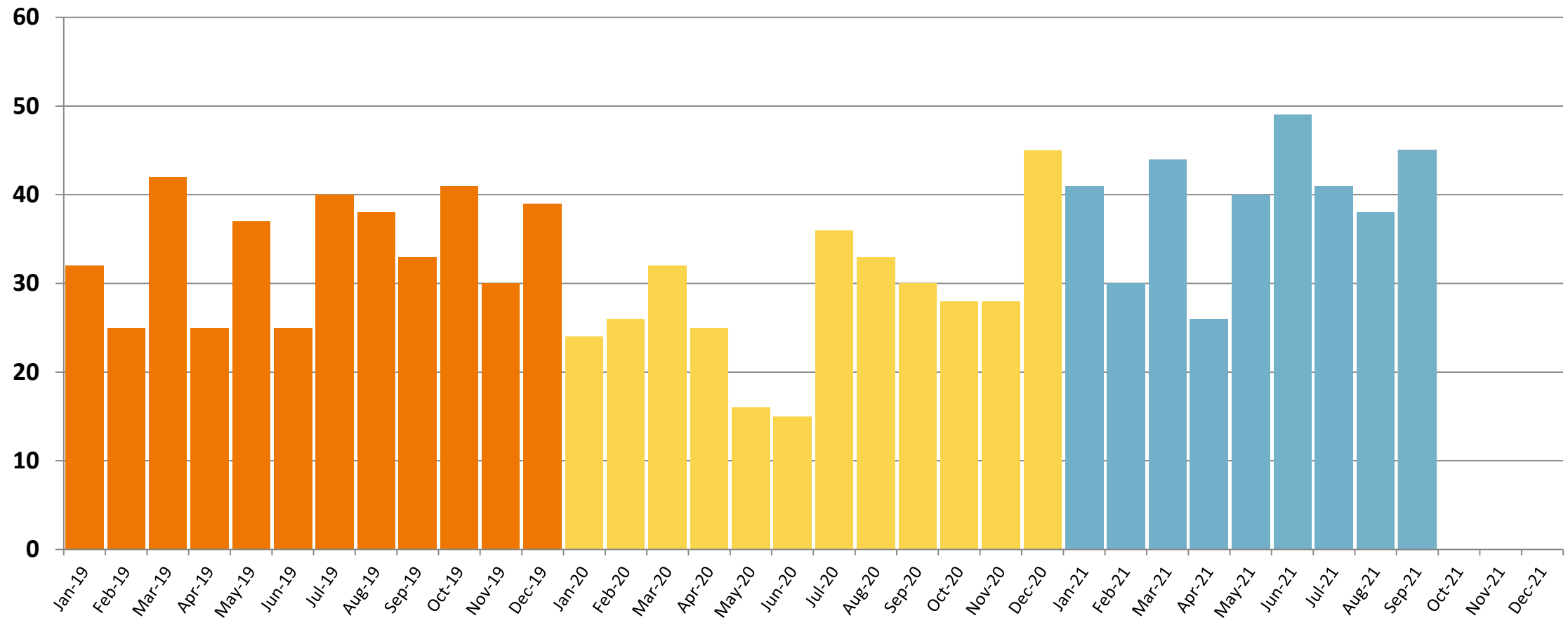
Financial Report

As of September 30, 2021

RESALE HISTORY – Third Mutual



	NO. OF RESALES	AVG. RESALE PRICE
YTD 2019	297	\$411,181
YTD 2020	237	\$426,626
YTD 2021	354	\$459,866



Financial Report

As of September 30, 2021

Highlights

- Paint Cycle Change





Gustavo De Los Santos
So. California Sales Manager
PPG Paints
8604 Miramar Rd Suite C.
San Diego California 92126

7/22/2020

Ernesto A. Munoz P.E.
Maintenance & Construction Director
VMS Inc.

Dear Ernesto:

On behalf of PPG Paints I would like to thank you for the continued opportunity to service Third Laguna Hills Mutual coatings needs.

PPG is confident the current specification of products and application method we currently have in place meet your need to extend your current warranty to a 15 year warranty. PPG would agree to extend your warranty to 15 years, starting with the 2020 paint program. Should you choose to approve a 15 year warranty, we would have a revised 15 year warranty for you to review. Thank you again for your continued partnership.

Please feel free to contact me with any questions or comments.

Sincerely,
Gustavo De Los Santos
PPG Paints
Southern California Sales Manager.



LIFE PAINT CORP.
12927 Sunshine Avenue
P.O. Box 2488
Santa Fe Springs, CA 90670-0488
(XXX) XXX-XXXX
Fax (XXX) XXX-XXXX
www.lifepaint.com



July 6, 2020

Ernesto A. Munoz, P.E.
Maintenance & Construction Director
VMS Inc.

Dear Ernesto:

Thank you for reaching out to us regarding the warranty for our Life Deck Acrylic Color Seal #10-774-WS-2G Beige with Skid-Tex Top Coat. I understand that you would like us to increase our warranty covering this product from 5 years to 7.5 years. Because our 10 Series Color Seal is manufactured using the most durable formulation and is applied by your experienced applicators we will be able to extend our warranty to 7.5 years for the normal application to balconies, decks and walkways.

As a matter of fact, we will offer this extended warranty to all Mutuals; United Laguna Woods, Third Laguna Hills and The Towers Mutual 50 since it is used by each.

Please be aware that the 10 Series coating is not a waterproofer on its own. It is however an integral part of some of our Life Deck waterproofing systems.

We are looking forward to the resumption of your painting program and are ready to assist. Feel free to contact Maury Jessner or me for any future needs.

Yours truly,
Michael S. de la Vega
Life Paint
VP Operations

Savings

Resulting from Paint Cycle Change from 10 Years to 15 Years



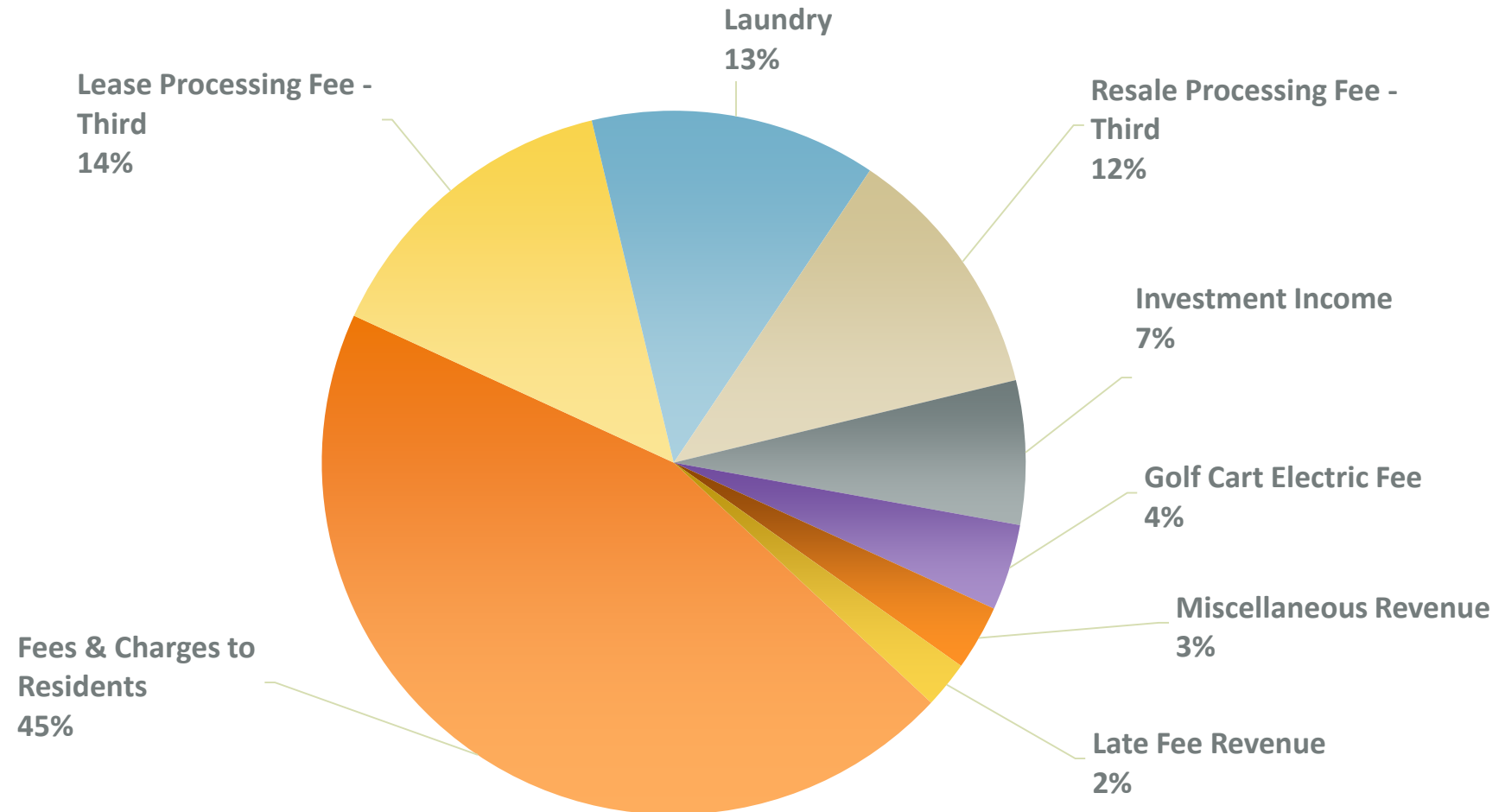
Reserve Funds	2020	2021	Savings
Paint Program	\$2,055,556	\$1,506,039	(\$549,517)
Prior to Paint	\$1,470,323	\$1,071,350	(\$398,974)
Total	\$3,525,880	\$2,577,389	(\$948,491)

Financial Report

As of September 30, 2021



Total Non Assessment Revenues \$1,223,674

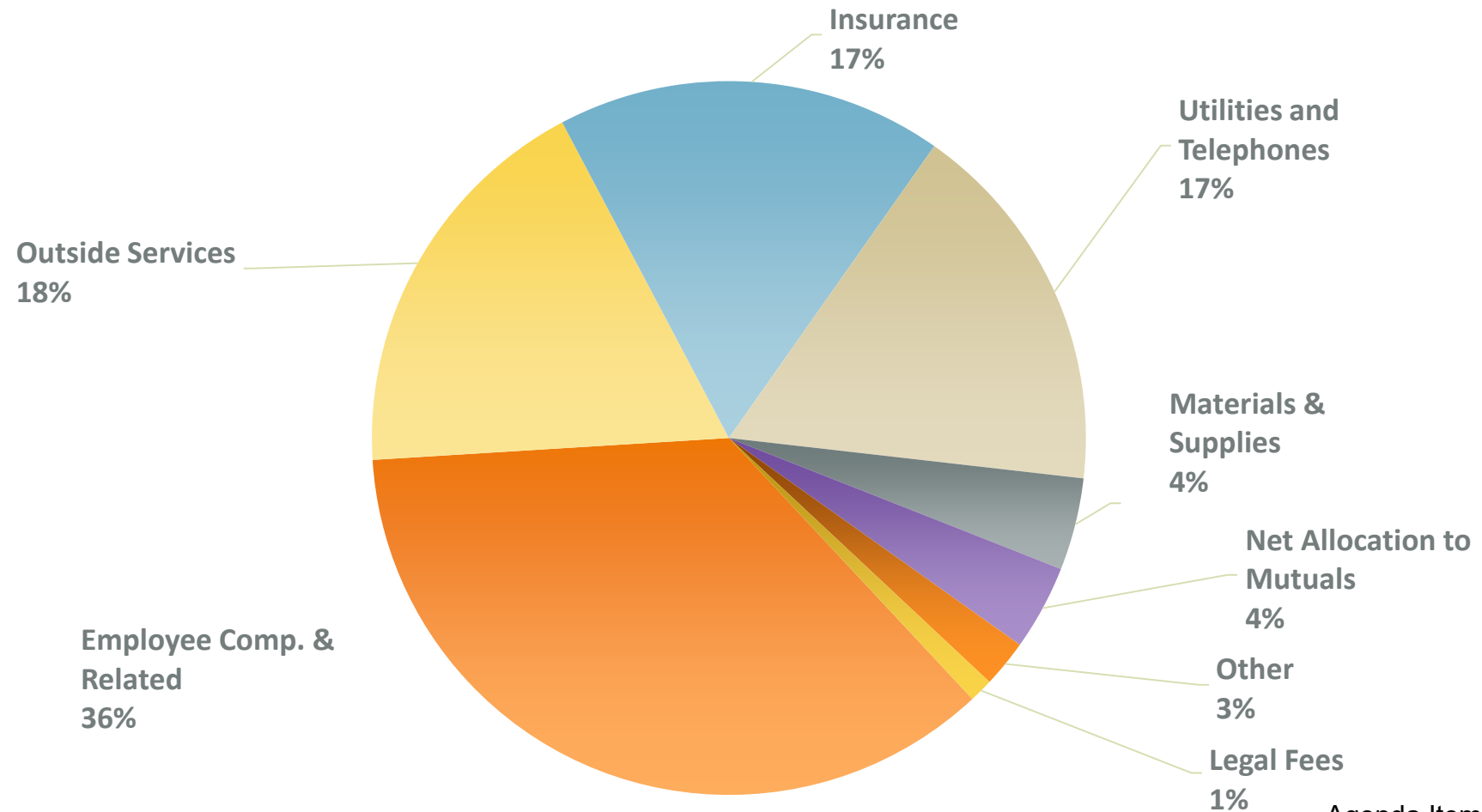


Financial Report

As of September 30, 2021



Total Expenses \$26,305,398



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Treasurer's Report for November 16, 2021 Board Meeting

SLIDE 1 – Through the reporting period of **September 30, 2021**, total revenue for Third was \$27,173K compared to expenses of \$26,305K, resulting in excess revenue over expenses of \$868K.

SLIDE 2 – In Finance, we keep a close eye on the operating portion of our financial results. The Operating Fund shows an operating deficit of (\$376K) through the reporting period. This chart shows how much of our revenue went into operations, with \$15,726K coming in from assessments and \$1,140K coming from non-assessment revenue. This is compared to operating expenditures of \$17,242K (without Depreciation).

SLIDE 3 – This next chart takes the full income statement and compares those results to budget. We can see that Third ended the period better than budget by \$1,870K when combining both operating and reserve savings.

SLIDE 4 – The most significant variances from budget were attributable to:

- **Outside Services \$3,243K**; Favorable variance due to late start and delays in processing invoices. Budgets are spread evenly for programs such as building structures, wasteline remediation, and roof replacement whereas expense are recorded as the work is completed.
- **Employee Compensation & Related \$537K**; 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.
- **Legal Fees \$91K**; 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 \$74K**; 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.
- **Unrealized Gain/(Loss) on AFS (\$160K)**; Unfavorable variance due to the current investment portfolio being sold off in favor of purchasing treasury bills. The current year-to-date actual unrealized loss was transferred to realized gains/losses along with offsetting prior year unrealized gain.



Treasurer's Report for November 16, 2021 Board Meeting

- **Investment Income (\$221K);** Unfavorable variance due to less revenue being generated from current portfolio of Discretionary investments as opposed to budgeted investment bonds.
- **Utilities & Telephone (\$206K);** Unfavorable variance due to less seasonal rainfall. Budget was based on a five-year average of water consumption, however, seasonal rainfall through September was 28% lower than 5-year average during the same period. Unfavorable variance was partially offset by electricity due to delays in SCE billing.
- **Insurance (\$1,648K);** 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.

SLIDE 5 – On this pie chart, we show non-assessment revenues received to date of \$1,224K by category, starting with our largest revenue generating category, Fees and Charges to Residents, followed by Lease Processing Fee, Laundry, Resale Processing Fee, Investment Income, and so forth.

SLIDE 6 – On this pie chart, we see the expenses to date of \$26,305K, showing that our largest categories of expense are for Employee Compensation and Outside Service, followed by Insurance, Utilities and Telephone, Materials and Supplies, and so forth.

SLIDE 7 – The non-operating balance on September 30, 2021 was \$29,985K. YTD contributions and interest were \$10,308K while YTD expenditures were \$8,963K.

SLIDE 8 – We compare this to historical fund balances for the past five years on this chart, which has averaged \$29 Million. Third Mutual has been committed to supporting reserve requirements while providing more contingency funds for unexpected events.

SLIDE 9 – We have a slide here to show resale history from 2019 - 2021. Through September 30, 2021, Third sales totaled 354, which is 117 higher than prior year for the same time period. The average YTD resale price for a Third Mutual was \$460K, which is \$33K higher than prior year for the same time period.



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

Tuesday, November 2, 2021 – 1:30 p.m.
Board Room/Virtual Meeting

MEMBERS PRESENT: Donna Rane-Szostak – Chair, Robert Mutchnick, Ralph Engdahl, Jim Cook, John Frankel, Craig Wayne, Mark Laws, Ira Lewis, Annie McCary, Cush Bhada, Lynn Jarrett, Advisors: Wei-Ming Tao, Advisor: John Hess

MEMBERS ABSENT: None

STAFF PRESENT: Jose Campos, Steve Hormuth, Erika Hernandez

Call to Order

Director Donna Rane-Szostak chaired and called the meeting to order at 1:33pm

Acknowledgement of Media

Director Donna Rane-Szostak acknowledged the media through Granicus.

Approval of Meeting Agenda

A motion was made and approved to add an item to the agenda:

- Sunwest Bank to presentation economic forecast after Member Comments.

Approval of Meeting Report for October 5, 2021

A motion was made and carried to approve the committee report with the following change:

- Remove Lynn Jarrett's name from the "Members Absent" list since she wasn't part of the committee at the time.
- Mark Laws, Ira Lewis, and Jim Cook abstained, since they were not committee members at the time of the meeting.

Chair Remarks

Donna Rane-Szostak informed the committee of the new agenda item titled "Highlights" that will be presented at each committee meeting. The first highlight item will be a change in the paint cycle.

Member Comments

None.

Economic Forecast

Eric Hovde, Sunwest Bank CEO, presented an economic forecast to the committee including possible outcomes if interest rates are to rise. Questions were addressed from committee members. No actions were taken.

Department Head Update

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

Preliminary Financial Statements dated September 30, 2021

Jose Campos presented the Preliminary Financial Statements dated September 30, 2021 and questions were addressed from the committee. No actions were taken.

Bank Fee Comparison

Steve Hormuth, Controller, presented the Bank Fee Comparison analysis. No action was taken.

Insurance Payment Schedule

Jose Campos presented a cashflow forecast for insurance payments including a comparison to the 2021 budget. Staff was asked to create and provide a 2022 insurance payment schedule to the committee.

Highlights

Donna Rane-Szostak gave a presentation to the committee and audience illustrating the year-over-year savings of \$948K resulting from the 10-year paint program changing to 15 years.

Future Agenda Items

None.

Committee Member Comments

Annie commented on the Sunwest Bank presentation.

Date of Next Meeting

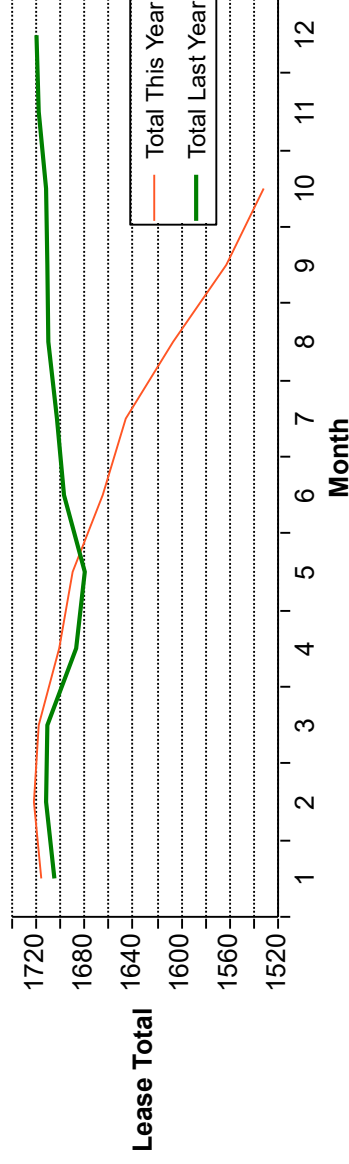
Tuesday, December 7, 2021 at 1:30 p.m.

Recess to Closed Session

The meeting recessed at 3:58 p.m.

Donna Rane-Szostak, Chair

Monthly Active Leasing Report 2021 Period 10 (Mutual 3)



Year	Month	1 to 3 Month	4 to 6 Month	7 to 12 Month	12+ Month	Total This Year	Total Last Year	% Leased Last Year	% Leased This Year	% Change	Total Renewals	Total Expirations
2021	January	13	12	179	1,512	1,716	1,705	28.1	27.9	0.2	0	31
2021	February	16	11	204	1,491	1,722	1,712	28.2	28.1	0.1	47	34
2021	March	14	15	223	1,466	1,718	1,711	28.2	28.0	0.2	114	67
2021	April	11	15	255	1,420	1,701	1,687	27.9	27.6	0.3	116	60
2021	May	13	13	289	1,375	1,690	1,680	27.7	27.5	0.2	91	71
2021	June	14	16	305	1,330	1,665	1,697	27.3	27.8	-0.5	124	64
2021	July	14	19	330	1,283	1,646	1,703	27.0	27.9	-0.9	119	70
2021	August	13	20	344	1,230	1,607	1,710	26.3	28.0	-1.7	91	82
2021	September	13	17	357	1,176	1,563	1,711	25.6	28.0	-2.4	114	66
2021	October	12	19	372	1,129	1,532	1,712	25.1	28.1	-3.0	97	82
2021	November						1,718					
2021	December						1,720					

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OPEN MEETING

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

Monday, October 25 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, James Cook

DIRECTORS PRESENT:

COMMITTEE MEMBERS ABSENT:

ADVISORS PRESENT: Michael Plean, Michael Butler

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

1. Call to Order

Chair Mutchnick called the meeting to order at 9:30 AM.

2. Acknowledgement of Media

Zoom recording.

3. Approval of Agenda

Agenda was approved by consensus with the addition of Staff Report - Policy and Procedures for Handrails.

4. Approval of Meeting Report for September 27, 2021

The committee approved the meeting report by consensus.

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, the loss of a senior staff member, and the addition of three new staff members. These staff members are actively being trained, the counter is open for appointments, the phones are being answered, and for future endeavors, Mr. Doncost pledged to ask for more clear direction from the committee for endeavors moving forward.

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 stated that MA is still recovering from the gap in staffing, and predicted that within October, the quantity will decline slightly. Mr. Doncost stated that MA has met with the VMS governance, and will soon be implementing new technologies within the department. These include online applications, updated software, and more streamlined portals for residents. Training is occurring and it will take approx. 3 months to achieve full effective staff operations.

Items for Discussion:

9. Water Heater Standard Revision

Mr. Doncost summarized how the Third Board tasked MA to explore new materials for water heater enclosures, with the goal being updating the current standard. Mr. Doncost discussed the details presented, including the consultation with the maintenance department, and the potential new slabs and Hardi-Panel usage. After summarizing the report, Mr. Doncost stated that in order to move forward, MA can generate a proposal inclusive of potential costs for design and estimate of construction comparison.

Director Frankel made a motion to proceed with a proposal, Director Engdahl seconded. The motion carried by consensus, and Mr. Doncost pledged to gather costs and details to create a proposal for the ACSC to review.

10. Contractor Violation Policy

Mr. Doncost explained that the Contractor Violation Policy (“CVP”) had been accepted by United Mutual and it would be beneficial for both Mutual’s to incorporate this policy into their regulations. The CVP provides a framework for violations, suspensions, and a clear code of conduct for vendors to follow. Chair Mutchnick inquired what would occur if a contractor is working with multiple clients simultaneously and a violation occurred, expressing concerns that members may be left without contractors.

Mr. Doncost highlighted that the standard timeline of 180 days would be reduced to 90 days, thereby reducing the quantity of jobs a contractor can take on simultaneously. In the event more time was



needed for longer construction completion, it would be evaluated and addressed at MC issuance. In addition, there is a mechanism within the CVP to allow members to continue working with a contractor, even if they have violated terms on a different project.

Director Cook expressed concern that with COVID extending delivery times and supply chains have been affected, stating that a reduction in timelines may negatively affect members. Mr. Doncost agreed that supplies and deliveries have been affected, however there is a force majeure clause built into the CVP for just such an event. Director Cook requested a clause be added to the CVP in which a contractor would have the ability to notify MA directly if they felt their project moving out of alignment with timing and/or policy before receiving a violation notice. Mr. Doncost agreed to include this verbiage within the CVP.

Motion was passed by consensus to recommend approval of the CVP to the Third Board inclusive of the previously discussed edits.

11. ACM Comparison Report: Legal Involvement Progress & Dual Mutual Involvement

Mr. Doncost summarized the chart circulated previously, and recommended that both mutuals chart the same path regarding asbestos, and he had previously recommended the United ACSC reach out to Third. Chair Mutchnick stated he had received no contact as of yet, and asked the chart be distributed to the new ACSC members. Staff Officer Lauryn Varnum pledged to do so.

12. Alternative Wood Flooring Material

Chair Mutchnick highlighted that this issue had been raised by to residents complaining within multi-story buildings. The Third ACSC was looking for recommendations to provide for residents looking to install new flooring and maintain sound deadening. Discussion ensued regarding the current standards, the method for evaluating subfloor materials, the evolution of flooring composites, and that this issue was not prevalent but still warranted review. Mr. Doncost stated that this was an ongoing process, and likely would be able to provide a few different options for review. These would be presented at future meetings. MA was tasked to explore material options and potential evaluation criteria.

13. Alteration Fee Schedule

Chair Mutchnick explained that this proposal was sent back to the ACSC from the Board, and Director Cook had provided additional materials for review. Director Cook stated there was a need to simplify the variance process and reduce the staff hours necessary to review these proposals. Director Cook stated that since the City of Laguna Woods reviews all necessary codes, and each variance creates a precedent, so the goal should be to create more extensive standards.

Advisor Butler stated that prior to December 2016, the ACSC was a subcommittee under maintenance. Once created, the new order of business was to create new/review standards. Since this time, the volume of variance requests has reduced dramatically. Chair Mutchnick reminded the ACSC that there is also often confusion surrounding Common Area and Exclusive-Use Common Area, and why previous alterations were allowed. Advisor Butler stated that many alterations have been grandfathered in, and regulations have changed over time.



Discussion ensued regarding the staff hours necessary to process variances, the volume of requests, the last time the fees were adjusted in 2017, and that only three fees were affected: Unauthorized Alteration Fee; Variance Fee; Permit Valuation Fees. The committee requested that a revision be incorporated to note, “If a Standard does not apply to the request then a Variance procedure must apply.”

A motion was passed by consensus to recommend the Board adopt the Revised Fee Schedule.

14. Staff Report - Policy and Procedures for Handrails

Mr. Doncost detailed the report, highlighting that the specific items for approval were generated in prior meetings, and the goal of the report is to streamline variances review regarding handrails. Director Cook asked to potentially move to a Standard and away from a Variance application. Director Mutchnick would further consider legal review, and either the approach to a Variance or and approval by Standard of handrails by MC over the counter issuance. After discussion regarding ADA code, the rules from the CA Fair Housing Act, and the necessary licensing for vendors, it was decided unanimously to table the Staff Report until a later date.

Chair Mutchnick read major points from Mr. Cook’s “Third Mutual Members First” memorandum and emphasized certain points including: Variance considerations, more standards for consideration, and Fee Schedule considerations. Discussion was made regarding the pros and cons of how these types of revisions might be addressed.

Items for Future Agendas:

- Manor Alterations News Bulletin
- Flooring Material
- Handrail Staff Report

Concluding Business:

15. Committee Member Comments:

Advisor Butler commented on the benefit of the informative “decision tree” displayed within the Handrail Staff Report.

16. Date of Next Meeting – November 22, 2021

17. Adjournment at 12:12PM

X _____

Robert Mutchnick, 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 Boctor 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


Lynn Jarrett, Chair



OPEN MEETING

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL
LANDSCAPE COMMITTEE**

Thursday, November 4, 2021 – 9:30 a.m.

BOARD ROOM AND VIRTUAL MEETING

Laguna Woods Village Community Center 24351 El Toro Road

REPORT

COMMITTEE MEMBERS PRESENT: Chair - Annie McCary, Lynn Jarrett, Ralph Engdahl, Ira Lewis, Donna Rane-Szostak

COMMITTEE MEMBERS ABSENT

OTHERS PRESENT:

ADVISORS PRESENT:

STAFF PRESENT: Kurt Wiemann, Eve Morton

1. Call to Order

Chair McCary called the meeting to order at 9:31 a.m.

2. Acknowledgement of Media

No media was present.

3. Approval of the Agenda

Chair McCary requested that the Member Comments be moved in the agenda to be heard after the Committee Chair remarks. The modified agenda was approved by consensus.

4. Approval of the September 29, 2021 Report

The report was approved by consensus.

5. Committee Chair Remarks

Chair McCary welcomed Director Lewis to the committee.

6. Member Comments (Items Not on the Agenda)

Member comment that weeds get very high before being cut. He heard that they only weed four times a year. Four times a year is not enough.

When he calls for weeding, they come and zip through everything. They take out flowering areas and now there are dead spaces. Nothing was replanted. He always has to call.

Concrete blocks around flower beds by elevator are askew. And they are full of algae.

Planters were taken out in Clubhouse 6 and now water flows out of beds and onto the driveway...a lot of runoff.

A member commented about the Village Breeze article regarding irrigation. He felt that the overlap of sprinklers uses too much water and there is too much water as is being use. He said he sinks into the ground because it is so soggy. Kikuyu grass doesn't need this much water.

Plant material was changed at Clubhouse 6 and he doesn't know why. He doesn't think the new plants are drought tolerant.

Member asked why her request, from a former committee meeting, to remove Rusty Leaf Fig was denied. Mr. Wiemann stated that the arborist will go out and meet with her.

7. Response to Member Comments

Mr. Wiemann stated that weeding is done four times a year. That is budgeted by Board. Staff does over trim to compensate for the fact that they are only there four times a year. Flowers are sometimes cut because they will be dead by the next time weeding is done. In summer, the weeds grow quickly.

He will look into the runoff and changes at Clubhouse 6.

8. Department Head Update

Mr. Wiemann reported that Landscape staff is now mowing every two weeks, instead of every nine days.

When dealing with bees, if staff is able to save the queen and hive, they relocate the hive out at the mulch yard.

6a. Project Log

Mr. Wiemann reviewed the Project Log information with the committee and answered some questions.

Member stated that there was no label on truck on who was working on the slopes. They were eating lunch for four hours. No one was supervising. Please check on them.

Member stated that an area underneath a Garden Villa building is a breeding ground for rodents. Mulch that was put down had a lot of thistles in it. Mr. Wiemann stated that he will have someone go out today to look at their area.

6b. Tree Work Status Report

Mr. Wiemann reviewed this report with the committee.

Unfinished Business:

7. Landscape Revision Request: 3428-A Bahia Blanca W.

Director Jarrett made a motion to accept staff recommendation and approve this request. Director Rane-Szostak seconded.

Discussion ensued.

Committee requires that the seven feet from end of the patio includes the border Member will be putting in.

Committee requires that mulch be placed around the base of the tree in front of the patio to avoid any gap there with grass that would be difficult to mow.

Committee requires that any potted plants be put into the ground or removed.

The committee was in unanimous support.

Items for Discussion and Consideration

8. Tree Removal Request: 3143-Q Via Vista – One Carrotwood tree

Director Rane-Szostak made a motion to accept staff recommendation and approve this request. Director Jarrett seconded. The committee was in unanimous support.

9. Tree Removal Request: 3244-3A San Amadeo – One Canary Island Pine tree

Director Engdahl made a motion to accept staff recommendation and deny this request. Director Lewis seconded. The committee was in unanimous support.

10. Tree Removal Request: 5473-C Paseo Del Lago East – One Red Iron Bark tree

This Member was present. She stated there were cracks in the stucco on the entrance to her unit. The drain in her courtyard gets clogged. It was repaired at one point and is working now. She said the litter and branches are year-round. Neighbor is in a wheel chair. The crown of tree is so high, that it sheds into courtyard.

The committee voted unanimous to table this item and to have the arborist go out to look at this tree and the area again to look at the cracks in the wall and the heaving of the sidewalk. Member said Unit O also has a crack inside garage.

Future Agenda Items

11. Tree Replacement Program

12.Members Converting Turf Campaign

Member stated she is working on getting information out to Members about water reduction; she is behind this idea. Mr. Wiemann let her know to fill out a Landscape Request Form if she would like to replace her turf with drought tolerant plantings.

Concluding Business:

13.Committee Member Comments

Director Rane-Szostak encouraged people to attend the Water Conservation Committee meeting.

Director Jarrett told the Member who was on the Concerned Citizens committee that committee could use her help getting out the word about turf reduction.

Director Lewis stated that they are looking for volunteers to serve on the committees.

14.Date of Next Meeting – Thursday, December 2, 2021 at 9:30 a.m.

15.Adjournment at 11:01 a.m.

Annie McCary

Annie McCary (Nov 9, 2021 09:27 PST)

Annie McCary, Chair
Kurt Wiemann, Staff Officer
Eve Morton, Landscape Coordinator – 268-2565