



November, 2023

Dear Owner(s):

Enclosed are the **annual budget report** and the **annual policy statement** required pursuant to California Civil Code Sections 5300 and 5310, commonly referred to as the Davis-Stirling Act.

The **annual budget report includes** the 2024 business and reserves plans, related disclosures and the insurance summary for United Laguna Woods Mutual and the Golden Rain Foundation and Trust.

The **annual policy statement includes** additional disclosures regarding collection and lien enforcement policies, dispute resolution procedures, the architectural review process and many others.

Please see the attached table of contents for a listing of all reports and disclosures included herein. Should you have any questions concerning the enclosed materials, please contact Financial Services at 949-597-4201.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Hormuth", with a long, sweeping horizontal line extending to the right.

Steve Hormuth, Director of Financial Services

ENCLOSURES

P. O. BOX 2220 LAGUNA HILLS, CALIFORNIA 92654-2220



2024 Annual Disclosures & Notices

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ANNUAL BUDGET REPORT

ASSESSMENT DEFINITIONS

The **total monthly assessment** for members of United Laguna Woods Mutual (mutual) is comprised of the following:

- (1) **UNITED OPERATING:** Non-assessment revenues, generated from items such as chargeable services, late fees, electric cart fees and carport rental fees; and expenses, for which a housing mutual is directly responsible, such as maintenance programs, utilities and property insurance. Also, expenses that are accumulated communitywide and then allocated to each of the housing mutuals, such as administration, materials and supplies, and liability insurance.
- (2) **UNITED OPERATING SURPLUS RECOVERY:** Prior years' revenues that exceed expenses within the United operating fund.
- (3) **UNITED RESERVE & RESTRICTED CONTRIBUTIONS:** Contributions to funds used for reserve components, preventive maintenance and contingency expenditures not included in the operating budget:
Reserve Fund – Provides for the repair, replacement or restoration of structural elements and mechanical equipment within the mutual including, but not limited to, designated appliances, roofs, paving, laundry equipment, walls, vertical lifts, waste lines and water lines. The title of this fund was changed via resolution number 01-15-88.
Contingency Fund – Used for repairing or replacing mutual assets damaged by uninsured or unexpected disasters, for providing for unanticipated significant expenditures not otherwise identified in the business plan and possibly for write-offs of uncollectible accounts.
- (4) **GRF CONTRIBUTIONS (GRF):** Provides for the operation of the Golden Rain Foundation and Trust-owned facilities and equipment, including broadband, clubhouses, recreational programs, security and transportation services. Includes reserve contributions for the improvement and/or replacement of facilities and equipment. These costs are assessed equally to all units in the community.
- (5) **GRF OPERATING SURPLUS RECOVERY:** Prior years' revenues that exceed expenses within the GRF operating fund.
- (6) **PROPERTY TAXES:** Assessed by the County of Orange, based on the county's calculation of assessed value for each manor.
(A) Property Tax Fund – Used for property taxes, which are generally based on the most recent purchase price of the individual manor. Expenses vary by manor. The fund was established in 2021 and is not required by civil code or included in the reserve plan calculations.

(B) Supplemental property taxes: Additional taxes assessed for changes in property value caused by either 1) a change in ownership/title or 2) a property improvement.

- (7) **MUTUAL PROPERTY INSURANCE:** Property insurance premiums for basic mutual coverage are allocated on the basis of the original value of your manor.



2024 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2020	2021	2022	2023	2024	ASSESSMENT		
	ACTUAL***	ACTUAL***	ACTUAL	PLAN	PLAN	Per Manor Per Month		
						2023	2024	Change
REVENUES								
Non-Assessment Revenues								
Merchandise Sales	\$1,245	\$4,910	\$4,300	\$4,573	\$2,858	\$0.06	\$0.04	\$0.02
Fees and Charges to Residents	373,419	607,598	752,596	819,587	1,928,858	10.80	25.42	(14.62)
Laundry	243,779	244,083	233,760	270,000	249,000	3.56	3.28	0.28
Miscellaneous	480,928	617,321	636,379	687,276	789,555	9.06	10.41	(1.35)
Total Revenue	\$1,099,371	\$1,473,912	\$1,627,035	\$1,781,436	\$2,970,271	\$23.48	\$39.15	(\$15.67)
EXPENSES								
Employee Compensation	\$6,825,158	\$7,174,365	\$7,196,317	\$8,269,202	\$8,686,509	\$108.98	\$114.48	\$5.50
Expenses Related to Compensation	2,827,770	2,886,042	2,930,141	3,440,129	3,531,672	45.34	46.55	1.21
Material and Supplies	618,146	855,418	831,175	823,417	882,415	10.85	11.63	0.78
Electricity	68,478	91,483	198,886	137,760	161,117	1.82	2.12	0.30
Sewer	1,746,512	1,911,413	1,611,769	1,542,000	1,625,400	20.32	21.42	1.10
Water	1,940,632	2,119,249	1,960,741	2,014,664	2,154,860	26.55	28.40	1.85
Trash	431,734	448,509	501,908	810,652	1,172,918	10.68	15.46	4.78
Telephone	642	676	592	633	780	0.01	0.01	0.00
Legal Fees	267,853	170,799	184,179	183,325	183,325	2.42	2.42	0.00
Professional Fees	77,833	55,905	126,900	101,932	146,548	1.34	1.93	0.59
Equipment Rental	6,996	10,010	7,144	8,688	9,540	0.11	0.13	0.02
Outside Services	1,216,177	2,236,325	3,210,571	2,172,103	2,185,613	28.63	28.81	0.18
Repairs and Maintenance	26,861	34,842	29,964	41,433	41,671	0.55	0.55	0.00
Other Operating	107,017	114,556	111,086	158,654	157,045	2.09	2.07	(0.02)
Income Taxes	(265)	8,166	1,116	0	0	0.00	0.00	0.00
Property Tax*	11,899,352	0	0	0	0	**	**	**
Property Insurance**	1,817,403	3,178,761	3,159,482	3,559,064	5,250,240	**	**	**
Insurance	698,111	888,271	860,348	1,042,349	1,164,662	13.74	15.35	1.61
Cost Allocations	1,303,774	1,109,819	1,160,621	1,178,364	1,296,490	15.53	17.09	1.56
Uncollectible Accounts	1,462	(16,942)	34,714	15,000	20,000	0.20	0.26	0.06
(Gain)/Loss on Sale	(6,325)	(87)	(86)	0	(90)	0.00	0.00	0.00
Total Expense	\$31,875,321	\$23,277,580	\$24,117,568	\$25,499,369	\$28,670,715	\$289.16	\$308.68	\$19.52
Operating Surplus Recovery	\$0	\$0	\$0	\$0	(\$531,132)	\$0.00	(\$7.00)	(\$7.00)
Net Operating Expense	\$30,775,950	\$21,803,668	\$22,490,533	\$23,717,933	\$25,169,312	\$265.68	\$262.53	(\$3.15)
FUND CONTRIBUTIONS								
Reserve Fund	\$11,534,670	\$10,775,910	\$10,775,910	\$11,853,864	\$12,992,247	\$156.23	\$171.23	\$15.00
Contingency Fund	758,760	758,760	0	75,876	151,752	1.00	2.00	1.00
Property Tax Fund	0	12,217,207	12,634,138	12,649,183	12,902,167	**	**	**
Total Fund Contribution	\$12,293,430	\$23,751,877	\$23,410,048	\$24,578,923	\$26,046,166	\$157.23	\$173.23	\$16.00
TOTAL MUTUAL	\$43,069,380	\$45,555,545	\$45,900,581	\$48,296,856	\$51,215,478	\$422.91	\$435.76	\$12.85
GOLDEN RAIN FOUNDATION								
GRF Operating	\$13,779,082	\$14,158,462	\$14,833,758	\$15,502,302	16,026,530	\$204.31	\$211.22	\$6.91
GRF Reserve Contributions	1,441,644	1,441,644	1,289,892	1,289,892	1,289,892	17.00	17.00	0.00
GRF Contingency Contributions	379,380	0	379,380	0	0	0.00	0.00	0.00
Total GRF	\$15,600,106	\$15,600,106	\$16,503,030	\$16,792,194	\$17,316,422	\$221.31	\$228.22	\$6.91
TOTAL BASIC ASSESSMENT	\$58,669,486	\$61,155,651	\$62,403,611	\$65,089,050	\$68,531,900	\$644.22	\$663.98	\$19.76

*Item was moved to "Property Tax Fund" in August 2021.

**Indicates an assessment that varies per manor.

***2020 and 2021 Actuals were affected by Covid-19 Pandemic.



2024 RESERVES PLAN

Summary & Disclosures

California Civil Code §5300 requires that homeowner associations maintain a reserve study, a plan by which the mutual anticipates and prepares for inevitable future expenses of major components. Ideally, all such expenditures to repair, replace or restore components will be covered by those funds set aside in segregated accounts as reserves. A summary of the reserves plan prepared by Association Reserves™ is included herein.

The study identifies estimated current replacement costs of just under \$91.3 million. The fully funded balance (based on formula defined in Civil Code §5570(b)(4)) is \$44 million as of January 1, 2024. Projected reserve fund balances are estimated to be just under \$15.6 million, or 35.5% funded. These figures shall not be construed to require the board to fund reserves in accordance with this calculation.

The reserve receives monies through assessments and through interest earned on invested fund balances. In 2024, the basic monthly assessment for the reserve is set at \$171.23 per manor per month.

Contact the Financial Services Department at 949-597-4201 visit the community website at www.lagunawoodsvillage.com to obtain the full reserves study.

United Laguna Woods Mutual has no outstanding loans.

Assessment and Reserve Funding Disclosure Summary

United Laguna Woods Mutual, Laguna Woods

For Fiscal Year Beginning: 1/1/2024

of units: 6323

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Contributions:	\$12,992,247.00	\$2,054.76
Total Assessment Income:	\$68,531,900.00	\$10,838.51

per: Year

- 2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Year	Total Amount Per Unit*	Purpose
Total: \$0.00		

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**
- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*

Total: \$0.00

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2024
Fully Funded Balance (based on formula defined in 5570(b)4):	\$44,047,307
Projected Reserve Fund Balance:	\$15,641,049
Percent Funded:	35.5 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$4,493

From the 8/2/2023 Reserve Study by Association Reserves and any minor changes since that date.

* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

- 7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Sean Andersen

Date: 10/6/2023

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.

United Laguna Woods Mutual - 36560-4a

30 - yr Summary

						Interest: 4.0%		Inflation: 3.0%		
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)						Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	% Increase In Annual Reserve Contribs.	Reserve Contribs	Loan or Special Assmt	Interest Income	Reserve Expenses
2024	\$15,641,049	\$44,047,307	35.5%		Medium	9.6%	\$12,992,247	\$0	\$603,319	\$14,657,453
2025	\$14,579,162	\$46,478,370	31.4%		Medium	8.76%	\$14,130,387	\$0	\$571,167	\$15,250,171
2026	\$14,030,545	\$48,842,070	28.7%		High	8.05%	\$15,268,527	\$0	\$546,113	\$16,520,946
2027	\$13,324,239	\$50,437,637	26.4%		High	7.45%	\$16,406,667	\$0	\$564,527	\$15,342,568
2028	\$14,952,865	\$53,705,517	27.8%		High	2.75%	\$16,857,850	\$0	\$632,737	\$15,702,554
2029	\$16,740,898	\$56,842,975	29.5%		High	2.75%	\$17,321,441	\$0	\$718,476	\$15,533,270
2030	\$19,247,546	\$60,280,083	31.9%		Medium	2.75%	\$17,797,781	\$0	\$830,352	\$15,530,940
2031	\$22,344,739	\$64,354,636	34.7%		Medium	2.75%	\$18,287,220	\$0	\$964,830	\$15,613,251
2032	\$25,983,537	\$69,027,396	37.6%		Medium	2.75%	\$18,790,118	\$0	\$1,104,653	\$16,529,854
2033	\$29,348,455	\$73,457,677	40.0%		Medium	2.75%	\$19,306,847	\$0	\$1,243,721	\$16,949,582
2034	\$32,949,441	\$78,170,103	42.2%		Medium	2.75%	\$19,837,785	\$0	\$1,347,831	\$19,571,714
2035	\$34,563,343	\$80,902,099	42.7%		Medium	2.75%	\$20,383,324	\$0	\$1,422,285	\$19,690,130
2036	\$36,678,822	\$81,002,497	45.3%		Medium	2.75%	\$20,943,865	\$0	\$1,556,823	\$17,877,138
2037	\$41,302,372	\$83,533,141	49.4%		Medium	2.75%	\$21,519,822	\$0	\$1,733,440	\$19,030,087
2038	\$45,525,548	\$85,507,588	53.2%		Medium	2.75%	\$22,111,617	\$0	\$1,883,069	\$20,722,951
2039	\$48,797,282	\$86,369,702	56.5%		Medium	2.75%	\$22,719,686	\$0	\$2,030,723	\$20,626,199
2040	\$52,921,493	\$87,946,579	60.2%		Medium	2.75%	\$23,344,478	\$0	\$2,220,624	\$20,177,152
2041	\$58,309,442	\$90,640,205	64.3%		Medium	2.75%	\$23,986,451	\$0	\$2,401,545	\$22,713,611
2042	\$61,983,828	\$91,427,217	67.8%		Medium	2.75%	\$24,646,078	\$0	\$2,556,972	\$23,092,114
2043	\$66,094,765	\$92,491,867	71.5%		Low	2.75%	\$25,323,845	\$0	\$2,737,798	\$23,115,048
2044	\$71,041,360	\$94,228,034	75.4%		Low	2.75%	\$26,020,251	\$0	\$2,913,934	\$25,058,110
2045	\$74,917,435	\$94,671,140	79.1%		Low	2.75%	\$26,735,808	\$0	\$3,134,224	\$22,711,803
2046	\$82,075,664	\$98,247,019	83.5%		Low	2.75%	\$27,471,043	\$0	\$3,208,065	\$34,138,640
2047	\$78,616,132	\$90,884,400	86.5%		Low	0.00%	\$27,471,043	\$0	\$3,186,198	\$28,293,048
2048	\$80,980,325	\$90,681,256	89.3%		Low	0.00%	\$27,471,043	\$0	\$3,212,250	\$31,742,531
2049	\$79,921,086	\$87,705,416	91.1%		Low	0.00%	\$27,471,043	\$0	\$3,191,677	\$30,633,992
2050	\$79,949,814	\$86,592,052	92.3%		Low	0.00%	\$27,471,043	\$0	\$3,186,000	\$30,970,132
2051	\$79,636,724	\$85,933,317	92.7%		Low	0.00%	\$27,471,043	\$0	\$3,139,453	\$32,628,914
2052	\$77,618,306	\$84,405,557	92.0%		Low	0.00%	\$27,471,043	\$0	\$3,079,072	\$31,556,201
2053	\$76,612,219	\$84,821,918	90.3%		Low	0.00%	\$27,471,043	\$0	\$3,059,047	\$30,527,039

**United Laguna Woods Mutual**

Laguna Woods, CA

Level of Service: **Update "No-Site-Visit"**Report #: **36560-4**

of Units: 6,323

January 1, 2024 through December 31, 2024**Findings & Recommendations****as of January 1, 2024**

Projected Starting Reserve Balance	\$15,641,049
Current Full Funding Reserve Balance	\$44,047,307
Average Reserve Deficit (Surplus) Per Unit	\$4,493
Percent Funded	35.5 %
Recommended 2024 "Annual Full Funding Contributions"	\$14,250,000
Alternate minimum contributions to keep Reserve above \$0	\$12,992,247
Most Recent Reserve Contribution Rate	\$11,853,864
Annual Deterioration Rate	\$16,301,067

Reserve Fund Strength: 35.5%**Weak****Fair****Strong**

< 30%

< 70%

> 130%

**Risk of Special Assessment:****High****Medium****Low****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **2.50 %**Annual Inflation Rate **3.00 %**

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

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

The Association is a Mutual.

The Reserve Fund is between the 30% funded level and the 70% funded level at 35.5 % 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 Fully Fund Reserves and ultimately achieve a position of strength in the fund, where the Mutual will enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$16,301,067.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$14,250,000.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is \$12,992,247.

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



Budget Summary

Report # 36560-4
No-Site-Visit

	Useful Life		2024 Rem. Useful Life		Estimated Replacement Cost in 2024	2024 Expenditures	01/01/2024 Current Fund Balance	01/01/2024 Fully Funded Balance	Remaining Bal. to be Funded	Recommended 2024 Contributions
	Min	Max	Min	Max						
Paving	1	25	0	25	\$5,829,363	\$244,207	\$442,569	\$3,262,972	\$5,386,794	\$241,706
Asphalt & Concrete Repair/Replace	1	20	0	20	\$804,807	\$205,434	\$205,894	\$376,599	\$598,913	\$159,747
Roofs - Built-Up	0	25	0	29	\$35,154,343	\$1,068,468	\$1,575,775	\$11,256,530	\$33,578,568	\$1,271,791
Roofs - Comp Shingle	40	40	0	29	\$25,399,140	\$250,000	\$516,217	\$11,181,703	\$24,882,923	\$555,083
Roofs - Tile	40	40	20	30	\$5,975,741	\$0	\$0	\$2,200,030	\$5,975,741	\$130,596
Infrastructure/Buildings	1	20	0	14	\$3,146,786	\$1,004,286	\$1,004,286	\$2,384,403	\$2,142,500	\$947,531
Carport Siding Renovation	6	6	3	9	\$109,200	\$0	\$0	\$4,333	\$109,200	\$15,910
Manor Components	1	1	0	1	\$4,074,071	\$3,239,960	\$3,239,960	\$3,239,960	\$834,111	\$3,561,455
Lighting & Electrical	1	50	0	24	\$2,185,025	\$579,760	\$579,760	\$1,815,928	\$1,605,265	\$389,981
Laundry Rooms	1	25	0	24	\$194,882	\$162,630	\$162,630	\$163,514	\$32,252	\$141,621
Off Cycle Decking	1	1	0	0	\$144,053	\$144,053	\$144,053	\$144,053	\$0	\$125,928
Prior To Painting	1	1	0	0	\$900,295	\$900,295	\$900,295	\$900,295	\$0	\$787,016
Interior & Exterior Painting	1	1	0	0	\$1,749,510	\$1,749,510	\$1,749,510	\$1,749,510	\$0	\$1,529,380
Walls, Fencing, Railings & Gates	1	1	0	0	\$50,400	\$50,400	\$50,400	\$50,400	\$0	\$44,058
Grounds & Miscellaneous	1	4	0	2	\$1,400,926	\$1,370,926	\$1,382,176	\$1,389,676	\$18,750	\$1,204,987
Building Structures	1	10	0	2	\$1,376,659	\$942,014	\$942,014	\$1,181,890	\$434,645	\$699,443
Plumbing	1	1	0	12	\$2,795,510	\$2,745,510	\$2,745,510	\$2,745,510	\$50,000	\$2,443,768
					\$91,290,711	\$14,657,453	\$15,641,049	\$44,047,307	\$75,649,662	\$14,250,000

Percent Funded: 35.5%



ANNUAL INSURANCE DISCLOSURE AND POLICY SUMMARY - October 1, 2023

PROPERTY INSURANCE

Blanket property insurance for fire and special form with Travelers Property Casualty Company of America and various other insurance companies insures residential, common and community buildings and business property owned by the Mutual (no coverage for improvements, alterations, additions or other member or tenant property).

Policy Limit: \$225,000,000 per occurrence

Deductible: \$50,000 per occurrence

Key Exclusions: Earthquake, landslide, (and others)

COMMERCIAL GENERAL LIABILITY INSURANCE

The commercial general liability insurance for the Housing Mutuals and Golden Rain Foundation (GRF) is with Philadelphia Insurance Companies, insuring against liability arising out of the ownership and use of common areas.

Policy Limits: \$1,000,000 per occurrence
\$2,000,000 aggregate

Deductible: None for bodily injury claims

There is also an Umbrella Liability policy with Great American and AXA XL Insurance Company.

Policy Limit: \$25,000,000 per occurrence

Deductible: Excess over General Liability insurance policy

CRIME/FIDELITY INSURANCE

United Mutual & GRF have a crime/fidelity policy with Beazley and Berkley Insurance.

Policy limits: \$20,000,000 Employee Theft, Computer & Fund Transfer Fraud
\$5,000,000 Theft, Robbery & Depositor Forgery

Deductible: \$25,000

EARTHQUAKE INSURANCE

United Laguna Woods Mutual has a Difference in Conditions insurance policy with Insurance Company of the West for earthquake insurance on residential and common area buildings.

Policy limit: \$5,000,000 Deductible for earthquake: 15% of the building value, \$50,000 minimum

GRF has a Difference In Conditions (DIC) insurance policy with Arrowhead General Insurance Company including earthquake and flood for GRF facilities such as clubhouses, streets and the cable system.

Policy limit: \$15,000,000

Deductible: \$25,000 per occurrence except earthquake and flood

Deductible for flood: \$50,000

Deductible for earthquake: 5% of the building value, \$50,000 minimum

This summary of the Association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association member may, upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

The total amount of insurance was discussed with the insurance broker and the Board followed their guidance.

For questions regarding proof of property insurance coverage have your escrow company or trust contact:

- Lenders/residents can retrieve a copy online www.eoidirect.com or by phone (877) 456-3643
- Or by contacting the USI Certificate Processing Team: usi.certrequest@usi.com at no fee.
- Questions about certificates: Contact Jennifer Delcid; Jennifer.Delcid@usi.com or by phone (571) 369-5167

If you have questions about the Mutual's insurance policies, please call Risk Management 949-597-4202

The following insurance information should be discussed with your personal insurance agent.

UNITED LAGUNA WOODS MUTUAL INSURANCE DISCLOSURE AND POLICY SUMMARY

THE INSURANCE CARRIED BY UNITED MUTUAL AND GRF DOES NOT COVER YOUR PERSONAL LIABILITY OR ITEMS THAT ARE YOUR PERSONAL RESPONSIBILITY such as additions and alterations, personal property, or loss of use. **MEMBERS SHOULD PURCHASE “CONDOMINIUM OWNERS” (HO-6) INSURANCE POLICY** to protect against unexpected expense in the event a loss occurs. This is also a requirement for many lenders. **Please remind tenants/lessees that they should purchase “renters” insurance** for their personal liability, personal property, and loss of use.

SOME* ITEMS YOU SHOULD CONSIDER WHEN REVIEWING YOUR OWN PERSONAL INSURANCE:

- ◆ **Members are responsible for damage to improvements, alterations and additions** (custom built-ins, wall or window coverings, wood or other upgraded floor coverings, heat pumps, air conditioners, patio or balcony enclosures, etc.) whether they were installed by you or previous members or residents. These should be insured as unit owners building items. **Repair of damage to such items, or other member or tenant property, including personal property, from a loss, such as a plumbing failure in your manor or an adjacent manor, is the responsibility of the member or tenant.** The Mutual's property insurer does not accept claims for damage to such items.
- ◆ **Members are responsible for damage to Mutual property** caused by the Members' misuse or neglect, by additions or alterations, or by guests or lessees. If the damage is your responsibility, United Mutual can charge you for the repairs (Occupancy Agreement-Article 5 & 11). If the repair costs exceed the deductible on the Mutual's insurance, currently \$50,000, a claim will be submitted to the Mutual's property insurer. In such cases, both the Mutual and its property insurer reserve the right to charge the Member to recover the costs, including the Mutual's deductible. Your own insurance may help cover your obligations, although some homeowner's insurance companies will not cover the Mutual's deductible. Consult with your agent about your insurer's practices and increasing your policy limits accordingly.
- ◆ **Personal Property/Contents insurance** for items such as appliances, furniture, clothing, household goods and for special property like jewelry, coins, artwork, antiques, furs, silver and collectibles.
- ◆ **Personal Liability insurance** for your actions and responsibilities both inside and outside your manor. Everyone should have liability insurance to protect their equity and retirement savings.
- ◆ **Loss of Use or Additional Living Expense insurance** if your manor/building is damaged and cannot be lived in until repaired, in accordance with the Davis-Stirling Act Civil Code §4775(b) members, residents and lessees are responsible for paying to live elsewhere while work is done. Monthly assessments must still be paid during this time.
- ◆ **Loss Assessment insurance** to protect against a special assessment from your Mutual for damage. While there has not yet been this type of assessment in Laguna Woods Village, we are required to tell you that there is this possibility. (Show your agent/broker the limits listed in this disclosure.)
- ◆ **Earthquake and/or Flood insurance** for additions, alterations, personal property and loss of use.
- ◆ **Earthquake Loss Assessment insurance** to protect against a special assessment from the Mutual for damage caused by an earthquake.
- ◆ **Automobile insurance** on your car, truck, van, motorcycle or motor home.
- ◆ **Liability and Physical Damage insurance** for your golf cart.

Please report building damage to:

Resident Services (Monday-Friday, 8:00 AM to 5:00 PM)
Resident Services e-mail address:

phone: (949) 597-4600
residentservices@vmsinc.org

After business hours, or to report personal injury, please call:

Security Dispatch: phone: (949) 580-1400

In an emergency: CALL 911

* The above list is not exhaustive. Please discuss insurance questions with your agent or broker.

UNITED LAGUNA WOODS MUTUAL INSURANCE DISCLOSURE AND POLICY SUMMARY

PROPERTY INSURANCE - Continued

Primary \$50,000,000

Travelers Property Casualty Company of America, Limit: \$50,000,000

Part of \$25,000,000 Excess of \$50,000,000

Princeton Excess & Surplus Lines Insurance Company, Limit: \$12,500,000

\$50,000,000 Excess of \$75,000,000

Starr Surplus Lines Insurance Company, Limit: \$18,500,000

Indian Harbor Insurance Company, Limit: \$6,500,000

Part of \$75,000,000 Excess of \$50,000,000

Landmark American Insurance Company, Limit: \$25,000,000

Evanston Insurance Company, Limit: \$5,000,000

Kinsale, Limit: \$7,500,000

Part of \$100,000,000 Excess of \$125,000,000

Landmark American Insurance Company, Limit: \$25,000,000

Princeton Excess & Surplus Lines Insurance Company, Limit: \$50,000,000

Lloyds of London, Limit: \$25,000,000



Charges for Documents Provided as Required by Section 4525*

Property address _____

Property owner (owner of stock certificate entitling owner to occupy property)

Owner mailing address (if different from above) _____

Provider of the Section 4525 items

Print name _____

Position or title _____

Association or agent _____

Date form completed _____

Please complete applicable column(s) below:

Document	Civil Code Section	Included	Not Available (N/A) or Not Applicable (N/App)
Articles of incorporation or statement that not incorporated	Section 4525(a)(1)	Included	
Occupancy agreement	Section 4525(a)(1)	Included	
Bylaws	Section 4525(a)(1)	Included	
Operating rules	Section 4525(a)(1)	Included	
Age restrictions, if any	Section 4525(a)(2)	Included	
Rental restrictions, if any	Section 4525(a)(9)	Included	
Pro forma operating budget or summary, including reserve study	Sections 5300 and 4525(a)(3)	Included	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	Included	
Financial statement review	Sections 5305 and 4525(a)(3)	Included	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	Included	



Document	Civil Code Section	Included	Not Available(N/A) or Not Applicable (N/App)
Insurance summary	Sections 5300 and 4525(a)(3)	Included	
Regular assessment	Section 4525(a)(4)	Included	
Special assessment	Section 4525(a)(4)		N/App
Emergency assessment	Section 4525(a)(4)		N/App
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	Included	
Approved changes to assessments	Section 5300 and 4525(a)(4),(8)	Included	
Settlement notice regarding common area defects	Sections 4525(a)(6),(7) and 6100		N/App
Preliminary list of defects	Sections 4525(a)(6), 6000 and 6100		N/App
Notice(s) of violation	Sections 5855 and 4525(a)(5)	Included	
Required statement of fees	Section 4525	Included	
Most recent 12 months of minutes	Section 4525(a)(10)	Included	

Total fees for these documents: \$200

*The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately.

Note:

1. Additional documents and fees may be applicable during the purchase or transfer, such as first and final inspections (\$90 and \$60, respectively), administration fee to transfer all membership information (\$350) and the facilities fee (\$7,500). Notation of these fees in this form is being provided as an additional notice to the prospective buyer.
2. Many of the documents noted on the statutory form above can be found free of charge at lagunawoodsvillage.com.



ANNUAL BUDGET REPORT ASSESSMENT DEFINITIONS

RESOLUTION 90-16-52

WHEREAS, the Board determines assessments in an amount meeting operational and reserve expenditures; and

WHEREAS, expenditures from the funds are authorized by the Board through the annual business plan or supplemental appropriations;

NOW THEREFORE BE IT RESOLVED, the Board hereby adopts the following definitions to define the purpose and use of each of the restricted funds:

Operating Fund – The Operating Fund accounts for all revenues and expenditures related to the services and operations of the Golden Rain Foundation, including but not limited to security, transportation, broadband services, recreation services, administration, insurance and taxes, utilities, and professional services.

Equipment Reserve Fund – The Equipment Reserve Fund is used for the purchase of new and replacement equipment, including but not limited to vehicles, machinery, office equipment, and furniture. This fund receives monies through assessments, interest earnings, and a transfer of operating surplus if directed by the Board. Balances are used to fund the 30-year reserves plan.

Facilities Reserve Fund – The Facilities Reserve Fund is used for the acquisition, addition, replacement or improvement of Foundation and Trust facilities and their components. This fund receives monies through assessments, interest earnings, and a transfer of operating surplus if directed by the Board. Balances are used to fund the 30-year reserves plan.

Trust Facilities Fee Fund – The Trust Facilities Fee Fund was established in 2012 to maintain and improve the recreational and other amenities available to all residents of Laguna Woods Village. A fee, allowed under Civil Code §4580, is imposed on all transactions involving the purchase of a separate interest in any of the Community's common interest developments (United Mutual, Third Mutual, and Mutual Fifty). The Trust Facilities Fee is a fixed amount, as determined from time to time by the Trustee of the Golden Rain Foundation Trust. This fund receives monies through the aforementioned fee and interest earnings. Although this is not a required fund, the Board shall determine the appropriate allocation to meet reserve expenditures.

Contingency Fund – The Contingency Fund provides for unanticipated expenditures not otherwise identified in the operating budget or reserves plan and provides funding for uninsured damages to property. This fund receives monies through assessments, interest earnings, and a transfer of operating surplus if directed by the Board.

Trust Improvement Fund – Established in 1974, this fund was established in the Trust to provide funding for improvement to certain existing community facilities. Contributions to this fund were discontinued in 1985 and improvements to GRF and Trust assets are funded through the funds mentioned above.



2024 BUSINESS PLAN - BY ACCOUNT

DESCRIPTION	2020 ACTUAL*	2021 ACTUAL*	2022 ACTUAL	2023 PLAN	2024 PLAN	ASSESSMENT		
						Per Manor Per Month		
						2023	2024	Change
Revenues:								
Golf Greens Fees	\$1,241,594	\$1,656,161	\$1,777,020	\$1,744,500	\$1,814,600	\$11.41	\$11.87	(\$0.46)
Golf Operations	273,504	318,827	363,750	379,300	377,400	2.48	2.47	0.01
Merchandise Sales	269,630	522,651	618,929	609,006	643,147	3.98	4.21	(0.23)
Clubhouse Rentals and Event Fees	123,440	113,331	565,790	653,971	695,493	4.28	4.55	(0.27)
Rentals	142,958	140,779	144,674	197,500	198,064	1.29	1.30	(0.01)
Broadband Services	5,186,355	5,038,208	5,277,634	5,554,800	6,423,300	36.35	42.03	(5.68)
Miscellaneous	655,785	659,087	1,021,743	1,217,629	1,171,790	7.97	7.67	0.30
Total Revenue	\$7,893,266	\$8,449,044	\$9,769,540	\$10,356,706	\$11,323,794	\$67.76	\$74.10	(\$6.34)
Expenses:								
Employee Compensation	\$16,656,527	\$17,060,816	\$18,221,733	\$20,123,612	\$20,108,764	\$131.67	\$131.58	(\$0.09)
Exp. Related to Compensation	4,913,404	5,058,750	5,405,108	6,331,723	5,965,952	41.43	39.05	(2.38)
Materials and Supplies	1,564,387	1,570,108	2,189,516	1,801,729	2,048,209	11.79	13.40	1.61
Cost of Merchandise Sold	192,232	431,568	477,382	440,638	467,066	2.88	3.06	0.18
Community Events	125,189	45,229	408,472	410,910	432,956	2.69	2.83	0.14
Electricity	705,598	881,645	1,161,822	918,102	1,015,216	6.01	6.64	0.63
Sewer	67,047	75,868	94,167	126,163	125,568	0.82	0.82	0.00
Water	645,378	762,448	783,105	723,350	709,660	4.73	4.64	(0.09)
Trash	191,847	128,609	86,161	148,815	139,544	0.97	0.91	(0.06)
Natural Gas	164,840	237,215	397,074	334,415	405,425	2.19	2.65	0.46
Telephone	316,676	308,599	281,881	342,957	303,338	2.24	1.98	(0.26)
Fuel & Oil for Vehicles	370,940	489,252	723,392	628,490	627,894	4.11	4.11	0.00
Legal Fees	336,669	737,723	92,364	245,850	248,350	1.61	1.62	0.01
Professional Fees	571,281	416,867	629,637	829,009	759,457	5.42	4.97	(0.45)
Rentals	200,704	258,816	272,854	289,655	328,042	1.90	2.15	0.25
Outside Services	2,252,750	2,829,913	2,886,946	2,900,604	3,216,787	18.98	21.05	2.07
Repairs and Maintenance	954,116	886,507	1,192,186	999,673	1,045,997	6.54	6.84	0.30
Other Operating Expense	443,005	647,885	734,620	938,280	1,036,567	6.14	6.78	0.64
Income, Property, and Sales Tax	718,919	(505,305)	35,300	35,991	37,892	0.24	0.25	0.01
Insurance	2,008,550	2,658,323	2,783,674	2,987,766	3,277,996	19.55	21.45	1.90
Cable TV Programming	3,792,055	3,966,508	4,196,413	4,415,500	5,143,360	28.89	33.65	4.76
Uncollectible Accounts	1,416	12,184	4,144	12,100	13,000	0.08	0.09	0.01
(Gain)/Loss on Sale or Trade	(56,922)	(180,899)	17,743	0	(810)	0.00	(0.01)	(0.01)
Cost Allocations	(2,900,667)	(2,775,314)	(2,988,482)	(2,875,047)	(3,087,099)	(18.81)	(20.19)	(1.38)
Total Expense	\$34,235,941	\$36,003,315	\$40,087,212	\$43,110,285	\$44,369,131	\$282.07	\$290.32	\$8.25
(Surplus)/Deficit Recovery	\$0	\$0	\$0	(\$1,528,320)	(\$764,160)	(\$10.00)	(\$5.00)	\$5.00
Net Operating	\$26,342,675	\$27,554,271	\$30,317,672	\$31,225,259	\$32,281,177	\$204.31	\$211.22	\$6.91
Fund Contributions:								
Reserve Funds	\$2,903,808	\$2,903,808	\$2,598,144	\$2,598,144	\$2,598,144	\$17.00	\$17.00	\$0.00
Contingency Fund	764,160	0	764,160	0	0	0.00	0.00	0.00
Total Fund Contribution	\$3,667,968	\$2,903,808	\$3,362,304	\$2,598,144	\$2,598,144	\$17.00	\$17.00	\$0.00
TOTAL BASIC ASSESSMENT	\$30,010,643	\$30,458,079	\$33,679,976	\$33,823,403	\$34,879,321	\$221.31	\$228.22	\$6.91

*2020 and 2021 actuals were affected by COVID-19 Pandemic.



2024 RESERVES PLAN

Summary & Disclosures

California Civil Code §5300 requires that homeowner associations maintain a reserve study, a plan by which the mutual anticipates and prepares for inevitable future expenses of major components. Ideally, all such expenditures to repair, replace or restore will be covered by those funds set aside each year and accounted for separately as reserves. A summary of the reserves plan prepared by Association Reserves™ is included herein.

The study identifies estimated current replacement costs at nearly \$107 million. The fully funded balance (based on the formula defined in Civil Code §5570(b)(4)) is \$53 million as of January 1, 2024. Projected reserve fund balances are estimated to be \$35.2 million, or 66.5% funded. These figures shall not be construed as a basis to require the board to fund reserves in accordance with this calculation.

The reserves receive monies through assessments and through interest earned on invested fund balances. Additionally, the reserve funds receive periodic transfers, approved by the GRF Board of Directors, from the Trust Facilities Fee Fund. This revenue is derived through a fee charged at the close of each escrow, where applicable, per Resolution 90-21-38, currently set at \$7,500. In 2024, the monthly assessment for GRF reserves is set at \$17 per manor per month.

Contact the Financial Services Department at 949-597-4201 or visit the community website at www.lagunawoodsvillage.com to obtain the full reserves study.

GRF has no outstanding loans.

Assessment and Reserve Funding Disclosure Summary

Golden Rain Foundation of Laguna Woods - Laguna Woods

For Fiscal Year Beginning: 1/1/2024

of units: 12736

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Contributions:	\$8,700,000.00	\$683.10
Total Assessment Income:	\$34,879,321.00	\$2,738.64

per: Year

- 2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Year	Total Amount Per Unit*	Purpose
Total: \$0.00		

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**
- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*

Total: \$0.00

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2024
Fully Funded Balance (based on formula defined in 5570(b)4):	\$52,952,911
Projected Reserve Fund Balance:	\$35,235,830
Percent Funded:	66.5 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$1,391

From the 8/30/2023 Reserve Study by Association Reserves and any minor changes since that date.

* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

- 7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Sean Andersen

Date: 10/12/2023

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.



Contracted Reserve Study Dated August 30, 2023
Combination of Equipment and Facilities

Year	Starting Reserve Balance	Fully Funded Balance	Avg. Percent Funded		Special Assmt Risk	Reserve Funding	Interest Income	Reserve Expenses	Ending Balance
2024	\$35,235,830	\$52,952,911	67%		Medium	\$8,700,000	\$813,994	\$14,794,900	\$29,954,924
2025	\$29,954,924	\$54,531,437	55%		Medium	\$9,280,287	\$751,814	\$9,731,028	\$30,255,997
2026	\$30,255,998	\$59,462,923	51%		Medium	\$9,900,574	\$679,767	\$16,651,462	\$24,184,877
2027	\$24,184,877	\$56,721,135	43%		Medium	\$10,563,706	\$568,617	\$13,962,975	\$21,354,225
2028	\$21,354,225	\$54,886,833	39%		Medium	\$10,999,695	\$482,500	\$15,548,454	\$17,287,966
2029	\$17,287,966	\$50,436,369	34%		Medium	\$11,456,049	\$494,885	\$6,892,754	\$22,346,146
2030	\$22,346,147	\$54,960,222	41%		Medium	\$11,714,148	\$590,971	\$9,668,062	\$24,983,204
2031	\$24,983,203	\$57,145,704	44%		Medium	\$11,978,147	\$655,957	\$10,066,518	\$27,550,789
2032	\$27,550,790	\$59,301,184	46%		Medium	\$12,248,185	\$743,605	\$8,539,931	\$32,002,649
2033	\$32,002,649	\$63,418,001	50%		Medium	\$12,524,399	\$767,150	\$15,857,756	\$29,436,442
2034	\$29,436,441	\$60,454,981	49%		Medium	\$12,806,935	\$765,832	\$11,112,172	\$31,897,036
2035	\$31,897,036	\$62,635,058	51%		Medium	\$13,095,939	\$815,195	\$12,418,308	\$33,389,862
2036	\$33,389,862	\$63,889,578	52%		Medium	\$13,391,562	\$811,010	\$16,030,543	\$31,561,891
2037	\$31,561,891	\$61,826,120	51%		Medium	\$13,693,956	\$868,091	\$8,162,551	\$37,961,387
2038	\$37,961,388	\$68,180,730	56%		Medium	\$13,958,748	\$933,957	\$16,017,266	\$36,836,827
2039	\$36,836,826	\$67,022,840	55%		Medium	\$14,127,271	\$952,115	\$12,500,586	\$39,415,626
2040	\$39,415,626	\$69,851,228	56%		Medium	\$14,300,091	\$1,027,168	\$11,895,208	\$42,847,677
2041	\$42,847,678	\$73,798,807	58%		Medium	\$14,477,318	\$1,083,693	\$14,466,135	\$43,942,554
2042	\$43,942,554	\$75,476,447	58%		Medium	\$14,659,065	\$1,157,452	\$11,004,272	\$48,754,799
2043	\$48,754,799	\$81,350,681	60%		Medium	\$14,845,446	\$1,246,762	\$13,751,783	\$51,095,224
2044	\$51,095,223	\$85,003,581	60%		Medium	\$15,036,580	\$1,283,422	\$15,724,456	\$51,690,769
2045	\$51,690,769	\$87,195,518	59%		Medium	\$15,232,588	\$1,274,225	\$17,838,830	\$50,358,752
2046	\$50,358,753	\$87,750,548	57%		Medium	\$15,433,594	\$1,213,554	\$20,174,174	\$46,831,727
2047	\$46,831,728	\$86,406,219	54%		Medium	\$15,639,726	\$1,144,550	\$18,783,609	\$44,832,395
2048	\$44,832,393	\$86,957,920	52%		Medium	\$15,851,114	\$1,080,315	\$20,076,484	\$41,687,338
2049	\$41,687,338	\$86,713,708	48%		Medium	\$16,214,892	\$1,101,774	\$12,453,059	\$46,550,945
2050	\$46,550,946	\$94,849,074	49%		Medium	\$16,587,138	\$1,161,377	\$17,838,676	\$46,460,785
2051	\$46,460,785	\$98,232,132	47%		Medium	\$16,968,052	\$1,107,174	\$22,326,065	\$42,209,946
2052	\$42,209,946	\$97,662,015	43%		Medium	\$17,357,838	\$1,101,872	\$14,633,471	\$46,036,185
2053	\$46,036,184	\$105,582,529	44%		Medium	\$17,756,706	\$1,145,151	\$19,261,977	\$45,676,064



30-Year Reserve Plan Summary (Alternate Funding Plan) Equipment

Report # 43604-1
No-Site-Visit

Fiscal Year Start: 2024

Interest:

2.50 %

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 Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	\$10,420,652	\$15,133,662	68.9 %		Medium	\$3,977,000	\$0	\$277,428	\$2,877,200
2025	\$11,797,880	\$15,910,240	74.2 %		Low	\$4,295,160	\$0	\$322,504	\$2,384,862
2026	\$14,030,683	\$19,192,362	73.1 %		Low	\$4,638,773	\$0	\$328,218	\$6,742,179
2027	\$12,255,495	\$18,242,748	67.2 %		Medium	\$5,009,875	\$0	\$305,444	\$5,364,088
2028	\$12,206,726	\$18,798,818	64.9 %		Medium	\$5,137,626	\$0	\$307,787	\$5,209,024
2029	\$12,443,116	\$19,494,426	63.8 %		Medium	\$5,268,636	\$0	\$327,182	\$4,278,881
2030	\$13,760,053	\$21,228,781	64.8 %		Medium	\$5,402,986	\$0	\$352,106	\$5,075,916
2031	\$14,439,229	\$22,442,095	64.3 %		Medium	\$5,540,762	\$0	\$367,118	\$5,384,757
2032	\$14,962,352	\$23,547,842	63.5 %		Medium	\$5,682,052	\$0	\$383,010	\$5,315,494
2033	\$15,711,920	\$24,937,465	63.0 %		Medium	\$5,826,944	\$0	\$372,179	\$7,816,113
2034	\$14,094,929	\$23,977,884	58.8 %		Medium	\$5,975,531	\$0	\$353,239	\$6,228,649
2035	\$14,195,050	\$24,814,890	57.2 %		Medium	\$6,127,907	\$0	\$332,022	\$8,259,239
2036	\$12,395,740	\$23,781,494	52.1 %		Medium	\$6,284,169	\$0	\$306,606	\$6,826,971
2037	\$12,159,543	\$24,394,207	49.8 %		Medium	\$6,444,415	\$0	\$325,309	\$5,035,602
2038	\$13,893,666	\$27,078,343	51.3 %		Medium	\$6,608,748	\$0	\$350,626	\$6,665,983
2039	\$14,187,056	\$28,377,881	50.0 %		Medium	\$6,777,271	\$0	\$334,507	\$8,696,107
2040	\$12,602,727	\$27,845,971	45.3 %		Medium	\$6,950,091	\$0	\$314,087	\$7,315,215
2041	\$12,551,690	\$28,947,636	43.4 %		Medium	\$7,127,318	\$0	\$311,073	\$7,628,718
2042	\$12,361,363	\$29,830,037	41.4 %		Medium	\$7,309,065	\$0	\$329,834	\$5,946,088
2043	\$14,054,174	\$32,857,798	42.8 %		Medium	\$7,495,446	\$0	\$345,329	\$8,292,593
2044	\$13,602,356	\$33,791,257	40.3 %		Medium	\$7,686,580	\$0	\$332,390	\$8,603,411
2045	\$13,017,915	\$34,687,251	37.5 %		Medium	\$7,882,588	\$0	\$327,452	\$8,021,032
2046	\$13,206,923	\$36,472,288	36.2 %		Medium	\$8,083,594	\$0	\$309,293	\$10,036,262
2047	\$11,563,548	\$36,505,371	31.7 %		Medium	\$8,289,726	\$0	\$224,606	\$13,653,271
2048	\$6,424,608	\$33,092,216	19.4 %		High	\$8,501,114	\$0	\$135,919	\$10,600,818
2049	\$4,460,823	\$33,007,329	13.5 %		High	\$8,717,892	\$0	\$129,783	\$7,375,333
2050	\$5,933,165	\$36,537,382	16.2 %		High	\$8,940,198	\$0	\$142,384	\$9,545,720
2051	\$5,470,028	\$38,241,929	14.3 %		High	\$9,168,173	\$0	\$104,631	\$11,833,251
2052	\$2,909,581	\$37,954,672	7.7 %		High	\$9,401,962	\$0	\$76,940	\$9,136,153
2053	\$3,252,329	\$40,759,421	8.0 %		High	\$9,641,712	\$0	\$70,585	\$10,564,012

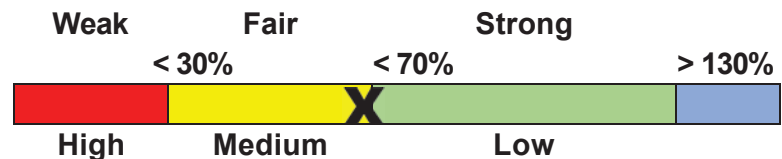
**Golden Rain Foundation of Laguna Woods - Equipment**Report #: **43604-1**

Laguna Woods, CA

of Units: 12,736

Level of Service: **Update "No-Site-Visit"****January 1, 2024 through December 31, 2024****Findings & Recommendations****as of January 1, 2024**

Projected Starting Reserve Balance	\$10,420,652
Current Full Funding Reserve Balance	\$15,133,662
Average Reserve Deficit (Surplus) Per Unit	\$370
Percent Funded	68.9 %
Recommended 2024 "Annual Full Funding Contributions"	\$4,535,000
Alternate minimum contributions to keep Reserve above \$2,900,000	\$3,977,000
Most Recent Reserve Contribution Rate	\$2,598,144
Annual Deterioration Rate	\$4,996,207

Reserve Fund Strength: 68.9%**Risk of Special Assessment:****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **2.50 %**Annual Inflation Rate **3.00 %**

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

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

The Association is Master Association

The Reserve Fund is between the 30% funded level and the 70% funded level at 68.9 % funded, which is a fair position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently medium. The objective of this multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$4,996,207.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$4,535,000.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$2,900,000. This figure for your association is \$3,977,000.

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



Budget Summary - Equipment

Report # 43604-1
No-Site-Visit

	Useful Life		2024 Rem. Useful Life		Estimated Replacement Cost in 2024	2024 Expenditures	01/01/2024 Current Fund Balance	01/01/2024 Fully Funded Balance	Remaining Bal. to be Funded	Recommended 2024 Contributions
	Min	Max	Min	Max						
Vehicles/Equip	1	30	0	26	\$18,652,150	\$1,493,000	\$6,665,030	\$9,929,753	\$11,987,120	\$1,262,090
Aquatics	6	15	0	14	\$91,700	\$41,700	\$41,700	\$45,867	\$50,000	\$9,485
Broadband Facility	1	30	0	23	\$987,000	\$450,000	\$557,843	\$632,843	\$429,157	\$380,736
Clubhouses	8	20	0	19	\$230,000	\$194,000	\$194,000	\$197,100	\$36,000	\$19,835
Computer System Equipment & Software	1	15	0	9	\$4,904,400	\$0	\$784,860	\$1,247,110	\$4,119,540	\$1,882,634
Equestrian Center	3	15	0	0	\$53,500	\$53,500	\$53,500	\$53,500	\$0	\$8,926
Fitness	6	10	0	0	\$22,700	\$22,700	\$22,700	\$22,700	\$0	\$3,041
Golf Course Equipment: Mowers	7	7	0	6	\$1,064,800	\$150,300	\$767,014	\$767,014	\$297,786	\$138,072
Golf Course Equipment : Other	6	40	0	11	\$976,650	\$82,000	\$694,964	\$721,900	\$281,686	\$78,319
Landscape & Irrigation	1	30	0	11	\$2,882,000	\$260,000	\$260,000	\$476,267	\$2,622,000	\$558,017
Miscellaneous Equipment	1	30	0	16	\$1,031,200	\$130,000	\$157,167	\$804,967	\$874,033	\$147,772
Entry Areas	8	20	3	18	\$436,000	\$0	\$221,875	\$234,642	\$214,125	\$46,073
					\$31,332,100	\$2,877,200	\$10,420,652	\$15,133,662	\$20,911,448	\$4,535,000

Percent Funded: 68.9%



30-Year Reserve Plan Summary (Alternate Funding Plan) Facilities

Report # 43604-1
No-Site-Visit

Fiscal Year Start: 2024

Interest:

2.50 %

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 Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	\$24,815,178	\$37,819,249	65.6 %		Medium	\$4,723,000	\$0	\$536,566	\$11,917,700
2025	\$18,157,044	\$38,621,197	47.0 %		Medium	\$4,985,127	\$0	\$429,310	\$7,346,166
2026	\$16,225,315	\$40,270,561	40.3 %		Medium	\$5,261,801	\$0	\$351,549	\$9,909,283
2027	\$11,929,382	\$38,478,387	31.0 %		Medium	\$5,553,831	\$0	\$263,173	\$8,598,887
2028	\$9,147,499	\$36,088,015	25.3 %		High	\$5,862,069	\$0	\$174,713	\$10,339,430
2029	\$4,844,850	\$30,941,943	15.7 %		High	\$6,187,413	\$0	\$167,703	\$2,613,873
2030	\$8,586,094	\$33,731,441	25.5 %		High	\$6,311,162	\$0	\$238,865	\$4,592,146
2031	\$10,543,974	\$34,703,609	30.4 %		Medium	\$6,437,385	\$0	\$288,839	\$4,681,761
2032	\$12,588,438	\$35,753,342	35.2 %		Medium	\$6,566,133	\$0	\$360,595	\$3,224,437
2033	\$16,290,729	\$38,480,536	42.3 %		Medium	\$6,697,455	\$0	\$394,971	\$8,041,643
2034	\$15,341,512	\$36,477,097	42.1 %		Medium	\$6,831,404	\$0	\$412,593	\$4,883,523
2035	\$17,701,986	\$37,820,168	46.8 %		Medium	\$6,968,032	\$0	\$483,173	\$4,159,069
2036	\$20,994,122	\$40,108,084	52.3 %		Medium	\$7,107,393	\$0	\$504,404	\$9,203,572
2037	\$19,402,348	\$37,431,913	51.8 %		Medium	\$7,249,541	\$0	\$542,782	\$3,126,949
2038	\$24,067,722	\$41,102,387	58.6 %		Medium	\$7,350,000	\$0	\$583,331	\$9,351,283
2039	\$22,649,770	\$38,644,959	58.6 %		Medium	\$7,350,000	\$0	\$617,608	\$3,804,479
2040	\$26,812,899	\$42,005,257	63.8 %		Medium	\$7,350,000	\$0	\$713,081	\$4,579,993
2041	\$30,295,988	\$44,851,171	67.5 %		Medium	\$7,350,000	\$0	\$772,620	\$6,837,417
2042	\$31,581,191	\$45,646,410	69.2 %		Medium	\$7,350,000	\$0	\$827,618	\$5,058,184
2043	\$34,700,625	\$48,492,883	71.6 %		Low	\$7,350,000	\$0	\$901,433	\$5,459,190
2044	\$37,492,867	\$51,212,324	73.2 %		Low	\$7,350,000	\$0	\$951,032	\$7,121,045
2045	\$38,672,854	\$52,508,267	73.7 %		Low	\$7,350,000	\$0	\$946,773	\$9,817,798
2046	\$37,151,830	\$51,278,260	72.5 %		Low	\$7,350,000	\$0	\$904,261	\$10,137,912
2047	\$35,268,180	\$49,900,848	70.7 %		Low	\$7,350,000	\$0	\$919,944	\$5,130,338
2048	\$38,407,785	\$53,865,704	71.3 %		Low	\$7,350,000	\$0	\$944,396	\$9,475,666
2049	\$37,226,515	\$53,706,379	69.3 %		Medium	\$7,497,000	\$0	\$971,991	\$5,077,726
2050	\$40,617,781	\$58,311,692	69.7 %		Medium	\$7,646,940	\$0	\$1,018,993	\$8,292,956
2051	\$40,990,757	\$59,990,203	68.3 %		Medium	\$7,799,879	\$0	\$1,002,543	\$10,492,814
2052	\$39,300,365	\$59,707,343	65.8 %		Medium	\$7,955,876	\$0	\$1,024,932	\$5,497,318
2053	\$42,783,855	\$64,823,108	66.0 %		Medium	\$8,114,994	\$0	\$1,074,566	\$8,697,965

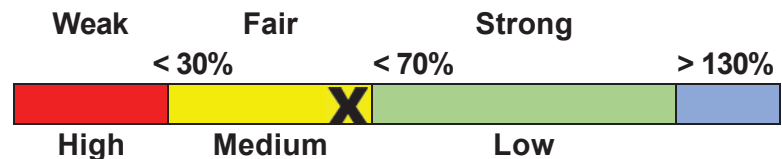
**Golden Rain Foundation of Laguna Woods - Facilities**Report #: **43604-1**

Laguna Woods, CA

of Units: 12,736

Level of Service: **Update "No-Site-Visit"****January 1, 2024 through December 31, 2024****Findings & Recommendations****as of January 1, 2024**

Projected Starting Reserve Balance	\$24,815,178
Current Full Funding Reserve Balance	\$37,819,249
Average Reserve Deficit (Surplus) Per Unit	\$1,021
Percent Funded	65.6 %
Recommended 2024 "Annual Full Funding Contributions"	\$5,600,000
Alternate minimum contributions to keep Reserve above \$4,800,000	\$4,723,000
Most Recent Reserve Contribution Rate	\$6,111,000
Annual Deterioration Rate	\$21,038,759

Reserve Fund Strength: 65.6%**Risk of Special Assessment:****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **2.50 %**Annual Inflation Rate **3.00 %**

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

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

The Association is a Master Association

The Reserve Fund is at 65.6 % Funded, which is a fair position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and maintain a position of strength in the fund, where associations 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".

The Annual Deterioration rate for your Reserve Components is \$21,038,759.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is make Reserve contributions at \$5,600,000.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$4,800,000. This figure for your association is \$4,723,000.

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



Budget Summary - Facilities

Report # 43604-1
No-Site-Visit

	Useful Life		2024 Rem. Useful Life		Estimated Replacement Cost in 2024	2024 Expenditures	01/01/2024 Current Fund Balance	01/01/2024 Fully Funded Balance	Remaining Bal. to be Funded	Recommended 2024 Contributions
	Min	Max	Min	Max						
Paving & Pavers	1	30	0	28	\$17,138,300	\$783,500	\$3,848,115	\$8,801,293	\$13,290,185	\$345,828
Roofing Projects	20	40	0	38	\$2,922,150	\$47,500	\$521,733	\$1,623,393	\$2,400,418	\$24,872
HVAC Equipment	1	20	1	17	\$2,741,550	\$0	\$607,303	\$1,099,880	\$2,134,247	\$51,747
Gatehouses	20	20	1	18	\$856,000	\$0	\$496,850	\$540,200	\$359,150	\$11,392
Library & History Center	10	30	4	14	\$423,700	\$0	\$172,790	\$230,967	\$250,910	\$7,883
Community Center	4	30	1	22	\$2,702,500	\$0	\$1,203,568	\$1,818,432	\$1,498,933	\$53,174
CH 1 Facilities	1	50	0	14	\$2,968,650	\$65,500	\$736,095	\$1,920,612	\$2,232,555	\$44,114
CH2 Facilities	1	50	1	19	\$2,730,400	\$0	\$624,862	\$1,753,479	\$2,105,538	\$51,748
CH3 Facilities	10	30	0	19	\$2,377,100	\$622,000	\$1,451,940	\$1,816,240	\$925,160	\$39,326
CH4 Facilities	1	30	1	24	\$2,087,450	\$0	\$1,035,227	\$1,286,959	\$1,052,223	\$37,181
CH5 Facilities	1	40	0	15	\$1,818,200	\$63,500	\$1,099,389	\$1,358,671	\$718,811	\$31,954
CH6 Facilities	1	30	1	18	\$836,800	\$0	\$102,748	\$477,906	\$734,052	\$14,343
CH7 Facilities	1	40	0	19	\$1,118,600	\$161,700	\$443,865	\$718,462	\$674,735	\$55,417
CH7 Tennis Center	4	40	1	19	\$343,950	\$0	\$97,450	\$199,243	\$246,500	\$6,595
Village Green - Golf Building	3	30	0	19	\$1,526,550	\$57,000	\$290,249	\$784,075	\$1,236,301	\$22,011
Village Green Golf Courses	3	30	2	21	\$3,699,650	\$0	\$1,412,183	\$1,805,443	\$2,287,467	\$63,101
Village Green Pickleball Courts	6	30	3	27	\$118,050	\$0	\$23,525	\$33,163	\$94,525	\$2,319
Equestrian Center	1	40	1	24	\$599,500	\$0	\$69,985	\$166,173	\$529,515	\$15,598
Garden Center 1	10	30	0	19	\$113,450	\$50,000	\$50,000	\$70,382	\$63,450	\$2,187
Garden Center 2	5	30	2	27	\$120,800	\$0	\$9,600	\$27,502	\$111,200	\$2,201
Maintenance Buildings	2	30	1	25	\$554,650	\$0	\$169,601	\$324,536	\$385,049	\$10,976
Lighting & Electrical Projects	5	25	1	19	\$368,000	\$0	\$86,650	\$192,335	\$281,350	\$8,494
Other GRF Facilities	1	10	0	10	\$25,075,000	\$9,125,000	\$9,125,000	\$9,125,000	\$15,950,000	\$4,518,660
Walls, Fencing, Railings & Gates	1	35	1	29	\$1,178,650	\$0	\$153,000	\$540,180	\$1,025,650	\$35,194
Grounds & Miscellaneous	1	20	0	14	\$1,282,000	\$942,000	\$983,450	\$1,104,725	\$298,550	\$143,684
					\$75,701,650	\$11,917,700	\$24,815,178	\$37,819,249	\$50,886,472	\$5,600,000

Percent Funded: 65.6%



ANNUAL POLICY STATEMENT

OFFICIAL ASSOCIATION CONTACT

Your board of directors is required by California Civil Code §4035 to provide members with the name and address of the person designated to receive official communications to the association. Communications can be sent by email, fax or other electronic means or by personal delivery to:

Catherine Laster
Community Center
24351 El Toro Road
Laguna Woods, CA 92637
GeneralManager@vmsinc.org
949-587-1915 (fax)

or

Addressed to a director by name at the address listed above

SECONDARY ADDRESS

Your board of directors is required by California Civil Code §4040(b) to notify members of the right to submit secondary addresses to the association for the purpose of receiving notices. Upon receipt of a written request by an owner identifying a secondary address, the association must send additional copies of any notices required by Section 4040(b) of the California Civil Code to the secondary address, commencing upon the date that the written request was received.

The owner's request must be in writing and must be mailed to the association in a manner that establishes whether the association has received it, such as certified or registered mail.

If you have questions regarding the above information, please contact the Community Services Manager during regular business hours at 949-268-2337.

P. O. BOX 2220 LAGUNA HILLS, CALIFORNIA 92654-2220

GENERAL NOTICE LOCATIONS

Pursuant to §4045(a)(3), the following locations are hereby designated for the purpose of meeting general notice posting requirements by Board Resolution 01-13-186:

Community website at www.lagunawoodsvillage.com
Residents > United Laguna Woods Mutual > Documents

INDIVIDUAL DELIVERY

Pursuant to §4045(b), notice must be given of a member's option to receive general notices by individual delivery. Notices shall be delivered by one of the following methods:

- (1) First-class mail, postage prepaid, registered or certified mail, express mail or overnight delivery by an express service carrier.
- (2) Email, fax or other electronic means, if the recipient has consented in writing to that method of delivery.

BOARD MINUTES

Pursuant to §4950(a), minutes of any open meeting of the board are available to members within 30 days of the meeting. The minutes, proposed minutes or summary minutes may be obtained at 24351 El Toro Road, Laguna Woods, CA 92637 by contacting the Corporate Secretary at 949-268-2295. In addition, the minutes, proposed minutes or summary will be distributed to any member of the association upon request and upon reimbursement of the association's costs for making that distribution.

OVERNIGHT PAYMENT MAILING ADDRESS

Pursuant to §5655(c), the following mailing address is provided for overnight payment of assessments:

United Laguna Woods Mutual
Attn: Assessments
24351 El Toro Road
Laguna Woods, CA 92637

P. O. BOX 2220 LAGUNA HILLS, CALIFORNIA 92654-2220



MEMBER DISCIPLINARY PROCESS

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

Resolution 01-04-80, adopted July 13, 2004, by the United Laguna Woods Mutual (United) board of directors (board), established a member discipline process for the purposes of holding disciplinary hearings in a timely manner and ensuring progressive discipline. The board of directors is obligated to evaluate and impose if appropriate, member discipline under its bylaws and Civil Code §5855.

Each member of United is obligated to comply with the rules, terms and conditions as set forth in United's governing documents. Following is the disciplinary process adopted by the board of directors when violations occur:

- Upon notice of alleged violation, staff investigates and files an incident report (IR) and/or notice of clutter violation (NOV).
- By way of the initial investigation, should staff identify objective evidence of a violation by a member or their guests, staff will send a letter to the offending party describing the allegation(s) and the disciplinary action that may ensue if not corrected. Depending on the seriousness of the matter, the board has the authority to schedule a disciplinary hearing as reasonably possible.
- Staff will monitor the situation, and if compliance with the request is not evident, an additional IR and/or NOV is filed, and a letter is sent to the offending party advising that a disciplinary hearing may be scheduled with the board of directors to determine if member discipline is merited. If the alleged violation has been resolved, no further action is required.
- If a disciplinary hearing is merited, staff will proceed with noticing the member for a hearing. Hearings are noticed based on United's bylaws, Article IV, Section 2, Discipline.
- During a member disciplinary hearing, the member has the right to meet before the board of directors in executive session. If the board finds the member to be in violation with the mutual's governing documents, the board may impose a fine based on the monetary fee schedule, suspend member privileges and/or consider legal action.

Violations include but are not limited to abandoned/inoperable vehicles, unauthorized alterations, alteration maintenance, animal nuisance, balcony clutter, breezeway clutter, carport clutter; common area clutter, interior clutter, patio clutter, unauthorized occupancy, unauthorized caregiver occupancy, landscape maintenance, nuisance, harassment, smoking

nuisance, excessive traffic citations, real estate signage, and nonpayment (assessments, chargeable services, monetary penalties, traffic citations, etc.).

The member disciplinary process is coordinated by the Compliance Division. Register a complaint by calling the Department of Security Services at 949-580-1400 or the Compliance Division at 949-268-CALL, or by emailing compliance@vmsinc.org.



MEMBER DISCIPLINARY PROCESS

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

Resolution 90-23-53, adopted October 3, 2023, by the Golden Rain Foundation (GRF) board of directors (board), established a member discipline process for the purposes of holding disciplinary hearings in a timely manner and ensuring progressive discipline. The board of directors is obligated to evaluate and impose, if appropriate, member discipline under its bylaws and Civil Code §5855.

Each member of GRF is obligated to comply with the rules, terms and conditions as set forth in the governing documents. Following is the disciplinary process adopted by the board of directors when violations occur:

- Upon notice of alleged violation, staff investigates and files an incident report (IR) and/or notice of clutter violation (NOV).
- By way of the initial investigation, should staff identify objective evidence of a violation by a member or their guests, staff will send a letter to the offending party describing the allegation(s) and the disciplinary action that may ensue if not corrected. Depending on the seriousness of the matter, the board has the authority to schedule a disciplinary hearing as reasonably possible.
- Staff will monitor the situation, and if compliance with the request is not evident, an additional IR and/or NOV is filed, and a letter is sent to the offending party advising that a disciplinary hearing may be scheduled with the board of directors to determine if member discipline is merited. If the alleged violation has been resolved, no further action is required.
- If a disciplinary hearing is merited, staff will proceed with noticing the member for a hearing. Hearings are noticed based on GRF bylaws, Section 4.5, Discipline or Suspension.
- During a member disciplinary hearing the member has the right to meet before the board of directors in executive session. If the board finds the member to be in violation with the governing documents, the board may impose a fine based on the monetary fee schedule, suspend member privileges and/or consider legal action.

Violations include but are not limited to abandoned/inoperable vehicles, nuisance, harassment, abuse, intimidation, amenity operating rules (equestrian center, garden center, etc.), the golf course, recreational vehicles and Department of Recreation policies, etc.

The member disciplinary process is coordinated by the Compliance Division. Register a complaint by calling the Department of Security Services at 949-580-1400 or the Compliance Division at 949-268-CALL, or by emailing compliance@vmsinc.org.



SCHEDULE OF MONETARY PENALTIES

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

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

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

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

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

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

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

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

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



SCHEDULE OF MONETARY PENALTIES

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

The following schedules identify the violations and potential monetary penalties that may be imposed upon a member. Such penalties may be imposed following a hearing by the Golden Rain Foundation (GRF) Board of Directors (board) for a violation of those governing documents and rules and regulations by the member, co-occupant, guest or lessee.

Type of Violation	Penalty Ranges
Golf Course Restrictions	
According to Operating Rules Golf Facilities	\$25 - \$200
Nonpayment	
Examples: Nonpayment of chargeable services, disciplinary penalties, facilities or services use charges, traffic citations, etc.	\$25 - \$500
Harassment/Abuse/Intimidation Restrictions	
Harassment, abuse, intimidation	\$25 - \$500
Behavior/Disturbances: Assault, theft, trespassing, yelling, etc.	\$25 - \$500
Nuisance Restrictions	
Behavior/Disturbances: Assault, theft, trespassing, yelling, etc.	\$25 - \$500
Noise: Activities that interfere with quiet enjoyment of another person such as playing music or television too loud, loud conversation, etc.	\$25 - \$500
Violation of laws: Violation of federal, state or local ordinances. Examples include public nudity, resident engaged in drug dealings, etc.	\$25 - \$500
Other	
Illegal business, nonsmoking policy, improper use of GRF property	\$25 - \$500
Pet Restrictions	
Examples: Unleashed dog, dog not under control, unreasonable noise (barking), not picking up and disposing of feces, etc.	\$25 - \$500
Recreation Services and Special Events Policy	
Examples: Operating rules, soliciting without a permit, unauthorized advertisement, room reservation, etc.	\$25 - \$500
Traffic Rules and Regulations	
Examples: Abandoned vehicle, commercial vehicle, excessive vehicle, vehicle oil, recreational vehicle policy, etc.	\$25 - \$500
Any violation of the governing documents or rules and regulations not specifically identified in this schedule.	\$25 - \$500
Second or Subsequent Violations of the Same Rule	
Ongoing violation of the same event may result in a daily fine in accordance with current monetary penalty schedule until compliance is achieved and/or double of fines imposed.	

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

1. Suspension of the right to use any facilities owned, operated or managed by GRF for a period not to exceed 90 days for each breach.
2. GRF may also make an application to a court of competent jurisdiction for legal or equitable relief.
3. GRF may recommend that United Laguna Woods Mutual (United) or Third Laguna Hills Mutual (Third) or Mutual No. Fifty take disciplinary action against a resident member of GRF, to the extent possible under United's/Third's/Mutual No. Fifty's governing documents.

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

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

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

Schedule of Traffic Monetary Penalties

MOVING VIOLATIONS	FIRST	SECOND	THIRD	FOURTH (OR MORE)
600 - Speeding (6 - 10 MPH)	\$25	\$50		
601 - Speeding (11 - 15 MPH)	\$50	\$100		
602 - Speeding (16 MPH and over)	\$100	\$200		
610 - Failure to stop	\$50	\$100	\$200	
620 - Right of way	\$25	\$50		
630 - Turn signal	\$25	\$50		
640 - Left of center	\$25	\$50		
* 650 - Hit and run	\$200	\$400		
* 660 - Valid driver's license not produced	\$200	\$400		
* 680 - Reckless	\$150	\$300	\$300	\$300
* 690 - Headlight violation	\$25	\$25	\$25	\$25
691 - Riding a bicycle on sidewalk	\$25	\$25	\$50	\$50
695 - Other moving	\$25	\$50		
PARKING VIOLATIONS	FIRST	SECOND	THIRD	FOURTH (OR MORE)
* 010 - Abandoned vehicle	\$25	\$25	\$50	\$50
* 700 - No parking zone	\$25	\$50	\$75	\$100
* 714 - Unpermitted electric plug-in (EV)	\$240	\$480	\$480	\$480
* 715 - Unpermitted electric plug-in (golf cart)	\$100	\$150	\$200	\$250
* 716 - Unattended extension cords and battery charger	\$50	\$100	\$150	\$150
* 720 - Limited time parking	\$25	\$25	\$50	\$75
* 721 - Recreational vehicle parked over six-hour limit	\$25	\$25	\$50	\$75
* 722 - Advertising on vehicle parked overnight	\$25	\$25	\$50	\$75
* 723 - Vehicle used for storage	\$50	\$100	\$150	\$200
* 724 - Parked on sidewalk or grass	\$25	\$25	\$50	\$75
* 725 - Expired vehicle registration	\$50	\$100	\$150	\$150
* 726 - Parked obstructing access	\$25	\$25	\$50	\$75
* 727 - No valid decal or parking permit displayed	\$25	\$25	\$50	\$75
* 730 - Other parking violations	\$25	\$25	\$50	\$75
* 800 - Fire hydrant	\$25	\$50	\$50	\$50
* 810 - Handicapped parking with placard and handicap ID verification	\$0	\$25	\$50	\$75
* 811 - Handicapped parking with no placard or handicap ID verification	\$150	\$200	\$250	\$275
PEDESTRIAN VIOLATIONS	FIRST	SECOND	THIRD	FOURTH (OR MORE)
* 750 - Pedestrian violations	\$25	\$25	\$50	\$50
RV PARKING VIOLATIONS	FIRST	SECOND	THIRD	FOURTH (OR MORE)
* 820 - Hazardous material	\$75	\$100	\$150	
* 830 - Wheel block	\$25	\$50	\$75	\$100
* 840 - Jack support (R&R Section "W" violation)	\$25	\$50	\$75	\$100
* 850 - Maintenance or repair	\$25	\$50	\$75	\$100
* 860 - Miscellaneous (Minor)	\$25	\$50	\$75	
* 870 - Miscellaneous (Major)	\$50	\$100	\$150	
Miscellaneous (Minor): Flat tires; failure to provide paperwork				
Miscellaneous (Major): Expired registration, living in RV, clutter, storage outside of vehicle, wash-rack violation, unauthorized vehicle, vehicle used for storage, unattended generator in use, portable sheds/tents erected, illegal jack				
Make check payable to: GRF and reference the case number on the check Mail check to: Security Services Division, 24351 El Toro Road, Laguna Woods, CA 92637 In person: Payment can be dropped off in the payment box located in the Laguna Woods Village Community Center and in the Security Services Building				

* Violation ineligible for traffic school

Last Updated: 9/29/21



YEAR 2024 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

The following is a statement (the "Policy Statement") of the specific procedures, policies and practices employed by United Laguna Woods Mutual, a California nonprofit mutual benefit corporation ("United") in enforcing lien rights or other legal remedies for default in payment of assessments against its members ("Shareholders"). This Policy Statement is provided pursuant to the requirements of California Civil Code Section 5310(a)(7) and incorporates by reference the disclosure provided by United pursuant to California Civil Code Section 5730.

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

Assessments are the separate debt of shareholders. United may employ single collection recourses or combinations thereof as allowed by law. In addition to any other rights provided for by law or described in the governing documents, including, but not limited to the Articles of Incorporation, Bylaws and each Shareholder's Occupancy Agreement ("Governing Documents"), the Board has the right to collect delinquent assessments as stated herein.

WE SINCERELY TRUST THAT ALL SHAREHOLDERS, IN THE SPIRIT OF COOPERATION AND IN RECOGNITION OF THEIR LEGAL OBLIGATIONS, WILL MAKE TIMELY PAYMENTS AND AVOID THE IMPOSITION OF LATE CHARGES AND POSSIBLE RESULTANT LEGAL ACTION, AND REIMBURSEMENT FOR THE COSTS OF SUCH LEGAL ACTION. IT IS IN YOUR BEST INTEREST AND THE BEST INTEREST OF THE COMMUNITY AS A WHOLE TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

REGARDLESS OF WHETHER A LIEN IS RECORDED AGAINST YOUR LEASEHOLD INTEREST DURING THE COLLECTION OF PAST-DUE ASSESSMENTS, ALL SHAREHOLDERS HAVE A PERSONAL AND ONGOING OBLIGATION TO PAY ASSESSMENTS AND CHARGES.

BASIC POLICIES AND PROCEDURES

Delinquency reports are made available monthly by United's managing agent to the Board of United, identifying the delinquent Shareholder, the delinquent amount and the length of time the assessments have been in arrears. Additionally, to ensure the prompt payment of monthly assessments United employs the following collection and lien enforcement procedures. The policies and practices outlined herein shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of United's Board of Directors.

Pursuant to United's Governing Documents, as well as the California Civil Code, the following are United's collection and lien enforcement policies and procedures for assessment delinquencies. Also following, pursuant to Paragraphs 3, 16 and 22, are United's collection policies and procedures for the collection of fines, fees, and chargeable services charged against Shareholders pursuant to the Governing Documents and current law:

1. Assessments; Assessments Due Date. "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "assessments" in United's Bylaws, are referred to throughout this Policy Statement as "assessments." Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1st) day of each month. **It is each Shareholder'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 of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein. Note that the obligation to pay assessments shall not be relieved or modified by the temporary closure and/or modified availability of common area facilities and amenities, absent a moratorium or mandate from state officials, or as otherwise determined at the discretion of the Board of Directors.

2. Reminder Notice; Administrative Collection Fee. If Assessments are not received by United on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by United on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the Shareholder. PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY UNITED WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT. It is the policy of United not to waive any duly imposed late charges, interest, or collection fees and costs. Each delinquent account shall incur an administrative

collection fee, in the amount of Two Hundred Dollars (\$200) (the “Administrative Collection Fee”), which is charged by United’s managing agent to cover staff’s costs to prepare the files for delivery to United’s collection agent in order to carry out collection activities authorized hereunder, as well as direct costs incurred in recording and/or forwarding documents in connection with the collection process. This Administrative Collection Fee may be increased by majority vote of United’s Board, and may be collected by United’s collection agent on United’s behalf, and remitted to United’s managing agent, or may be directly collected by United’s managing agent. IT IS THE SHAREHOLDER’S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE. All notices or invoices for assessments will be sent to Shareholders by first-class mail addressed to the Shareholder or the Shareholder’s designee at his or her address as shown on the books and records of United unless otherwise required by law. However, it is the Shareholder’s responsibility to be aware of the assessment payment due dates and to advise United of any changes in the Shareholder’s mailing address.

3. Late Charges; Interest. Assessments not received by the sixteenth (16th) day of the month will incur a late fee in the amount of Fifty Dollars (\$50.00), which amount is consistent with statutory authority. Further, both state law and United’s governing documents provide for interest on the delinquent assessment, late charges and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed Twelve Percent (12%), consistent with Civil Code Section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Shareholder’s delinquent account is referred to United’s collection agent for collections. Non-assessment fines, fees and chargeable services are also subject to late charges and interest.

4. Thirty-Day Pre-Lien Letter Notice to Delinquent Shareholder. If full payment of the delinquent amount is not received by the close of business on the thirtieth (30th) day after the date of the Reminder Notice, United’s managing agent will send a pre-lien letter (also referred to as a final demand for payment letter) to the Shareholder as required by Civil Code Section 5660 by certified and regular first class mail, to the Shareholder’s mailing address of record in United’s books and records advising of, among other things required by law, the delinquent status of the account, including an itemized statement of the charges owed by the shareholder, impending collection action and the Shareholder’s rights including a statement that the shareholder will not be liable to pay charges, interest and costs of collection if it is determined the assessment was paid on time to United, and the right to request a meeting with the Board of Directors of United pursuant to Civil Code Section 5665, the right to dispute the assessment debt by submitting a written request for dispute resolution pursuant to Civil Code pursuant to Article 2 (commencing with Section 5900) of Chapter 10 (“IDR”), the right to request alternative dispute resolution pursuant to Article 3 (commencing with Section 5925) of Chapter 10 (“ADR”) and the right to request debt validation. Notwithstanding the provisions of this paragraph, United may cause a pre-lien

letter to be sent to a delinquent Shareholder at any time when there is an open escrow involving the Shareholder's leasehold interest, may cause a pre-lien letter to be sent to a delinquent Shareholder if any special assessment becomes delinquent, and/or may turn the delinquent account over to United's collection agent to send a pre-lien letter to a delinquent Shareholder.

5. Recordation of a Lien Against a Delinquent Shareholder's Leasehold Interest. If a Shareholder does not pay the amounts set forth in the pre-lien letter and does not request IDR or ADR within thirty (30) days of the date of the pre-lien letter, or, otherwise, requests to validate the debt in which case the collection process will be placed on hold in order to validate the debt, the delinquent account will be turned over to United's collection agent for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize United's collection agent to record a lien for the amount of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys' fees against the Shareholder's leasehold interest. If United authorizes United's collection agent to record a lien against the Shareholder's leasehold interest, the Shareholder will incur additional fees and costs for preparing and recording the lien. The lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).

6. Enforcement of a Lien. United's collection agent may be authorized to enforce the lien thirty (30) days after recordation of the lien, in any manner permitted by law, which may include recording a Notice of Default. United may foreclose the lien by judicial or non-judicial foreclosure when either (a) the delinquent assessment amount totals One Thousand Eight Hundred Dollars (\$1,800.00) or more, excluding accelerated assessments, late charges, interest, and collection fees and costs or (b) the assessments are delinquent for more than twelve (12) months. **YOU COULD LOSE YOUR LEASEHOLD INTEREST AT UNITED IF A FORECLOSURE ACTION IS COMPLETED.** A non-judicial foreclosure sale by United to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which your leasehold interest may be redeemed ends ninety (90) days after United's foreclosure sale, per California Civil Code Section 5715(b). The Shareholder will incur significant additional fees and costs if a Notice of Default is recorded and a foreclosure action is commenced against the Shareholder's leasehold interest. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent Shareholder(s) by identifying the matter in the minutes by only the parcel number of the property in which the Shareholder has a leasehold interest. Prior to initiating any foreclosure sale on a recorded lien, United shall offer delinquent Shareholders the option of participating in IDR, ADR, or both IDR and ADR as requested by the Shareholder.

United may commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure against the owner's separate interest for the delinquent assessment. In any action to collect delinquent assessments, late charges, or interest, the prevailing party will be entitled to costs and reasonable attorney's fees.

7. Inspection of Books and Records. A Shareholder is entitled to inspect United's accounting books and records to verify the amounts owed pursuant to Civil Code Section 5200, *et seq.*

8. Application of Payments. Any payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, shall such payment be applied to late charges, interest, and collection fees and costs, including attorneys' fees.

9. Account Sent to United's Collection Agent In Error. In the event it is determined that the Shareholder has paid the assessments on time, the Shareholder will not be liable to pay the charges, interests, and fees and costs of collection associated with collection of those assessments. If it is determined that a lien was recorded in error, a release of lien shall be recorded within twenty-one (21) calendar days and the owner of the separate interest will be provided with a copy of the release of lien. If the lien was recorded in error, United shall promptly reverse all late charges, fees, interest, attorney's fees, and costs of collection.

10. Payment Under Protest. A Shareholder may but is not obligated to, pay under protest any disputed charge or sum levied by United, 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.

11. Right to Dispute the Debt. A Shareholder has the right to dispute the assessment debt by submitting a written request for dispute resolution to the collection agent for delivery to United pursuant to Civil Code Section 5900 *et seq.* A dispute, by itself, will not impede United's ability to record a lien.

12. Right to Request Internal Dispute Resolution ("IDR"). Pursuant to Civil Code Section 5670, prior to recording a lien, United offers to Shareholders, and if so, requested by a Shareholder, participation in internal dispute resolution ("IDR") pursuant to United's "meet and confer" program.

13. Right to Request Alternative Dispute Resolution ("ADR"). A Shareholder has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925 *et seq.* before United may initiate foreclosure against the Shareholder's leasehold interest, except that binding arbitration shall not be available if United intends to initiate a judicial foreclosure.

14. Right to Request Debt Validation. Under the Fair Debt Collection Practices Act ("FDCPA"), a Shareholder may request that United and/or its collection agent send the Shareholder proof that the debt sought to be recovered is valid, that the Shareholder lawfully owes the debt, and that United and/or its collection agent has the right to collect the debt.

15. Payment Plan Requests. Any Shareholder who is unable to pay assessments will be entitled to make a written request for a payment plan to United, or United's collection agent, as applicable, to be considered by the Board of Directors. A Shareholder 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 letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with United's ability to record a lien on a Shareholder's separate interest to secure payment for the Shareholder's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period in addition to a \$50 one-time setup fee. If a payment plan is approved by the Board, additional late charges from the Shareholder will not accrue while the Shareholder remains current under the terms of the payment plan. If the Shareholder breaches an approved payment plan, United may resume its collection action from the time the payment plan was approved.

16. Termination of Shareholder's Rights under Occupancy Agreement. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United (such as duly levied and imposed assessments, fines, fees and chargeable services, and any associated late charges and interest), or to pursue any other discipline set forth in United's governing documents, including but not limited to a termination of the Shareholder's rights under the Occupancy Agreement pursuant to Article 14 therein and pursuant to the procedures set forth in Article IV, Section 3 of the Bylaws and pursuing an unlawful detainer action or other proceeding which may apply to the eviction of tenants.

17. Release of Lien. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and fees and costs of collection, including attorneys' fees, must be paid in full to United.

18. No Right of Offset. There is no right of offset. Shareholder may not withhold assessments owed to United on the alleged grounds that the Shareholder is entitled to recover money or damages from United for some other obligation.

19. Returned Checks. United may charge the Shareholder a Twenty-Five Dollar (\$25.00) fee for the first check tendered to United that is returned unpaid by the Shareholder's bank and Thirty-Five Dollars (\$35.00) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, United may also

seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) pursuant to Civil Code Section 1719.

20. Additional Mailing Addresses. Shareholders have the right to provide a secondary address to United for mailing of an additional copy of notices and other correspondence related to collection of delinquent assessments. The Shareholder's request shall be in writing and shall be mailed to United in a way that shall indicate that United has received it. A Shareholder may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, United shall only be required to send notices to the indicated secondary address from the point United receives the request.

21. Charges Subject to Change. All charges listed herein are subject to change upon thirty (30) days prior written notice. After a delinquent account has been turned over to United's collection agent, United's collection agent's charges may vary from United's and are subject to change without prior written notice. Shareholders in collections should rely on United collection agent's charges and statement of account.

22. Notice and Hearing Prior to Suspension of Shareholder Privileges. Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, and duly imposed fines, fees and chargeable services, and associated late charges and interest, the Board of Directors may suspend the Shareholder's right to vote, and suspend the Shareholder's right to use United's recreational facilities and/or the facilities or services provided by the Golden Rain Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 5855. However, any suspension imposed shall not prevent the delinquent Shareholder from the use, benefit and pleasure of the Shareholder's leasehold interest (i.e., the manor).

When the Board is to meet in executive session to consider or impose a monetary charge as a means of reimbursing United for costs incurred by it in the repair of damage to common area and facilities caused by a member or the member's guest or tenant, the Board shall notify the member in writing, by either personal delivery or individual delivery pursuant to Section 4040, at least 10 days prior to the meeting. (Civil Code Section 5855(a).) The notice shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined or the nature of the damage to the common area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the board at the meeting.

23. Overnight Payments. The mailing address for overnight payment of assessments is:

United Laguna Woods Mutual
Attn: Assessments
24351 El Toro Road
Laguna Woods, CA 92637

24. Annual Notice to Members. United shall distribute its collection policy to each member during the 60-day period immediately preceding the beginning of United's fiscal year.

25. No limitations. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United.

**BOARD OF DIRECTORS
UNITED LAGUNA WOODS MUTUAL**



NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of the shareholders (as holders of leasehold interests in a Unit located within United Laguna Woods Mutual, a stock cooperative), as shareholders with an entitlement to the exclusive right to occupy a unit, which is property in a common interest development (as defined by California Civil Code), and the corporation that manages 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.

For purposes of this notice, “association” shall refer to “United Laguna Woods Mutual,” also referred to as “United” or the “Association.”

Any and all references to “shareholders” in this notice refer to holders of membership certificates issued by United, who are also holders of leasehold interests in a Unit, (or “Members,” as such term is defined in the Bylaws of United Laguna Woods Mutual).

Any and all references to a “Unit” in this notice shall refer to a dwelling unit owned by United.

Any and all references to “property” and “shareholder’s separate interest” in this notice refer to a leasehold interest and the right to exclusively occupy a Unit pursuant to an Occupancy Agreement and a membership certificate.

Any and all references to a “membership certificate” or “stock certificate” refer to a certificate for membership issued by United, which conveys to the holder a leasehold interest in and the right to exclusively occupy a Unit and membership in United.

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 (United) assessments may result in the loss of a shareholder's property (leasehold interest in a Unit as evidenced by a stock certificate) 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. If a shareholder defaults under his or her Occupancy Agreement by failing to pay assessments when due, United also has the right, but not the obligation, to terminate the shareholder's stock certificate, which may result in the eviction of the occupants of the Unit.

For liens recorded on and after January 1, 2006, the Association (United) may not use judicial or nonjudicial foreclosure to enforce the 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 carrying charges in excess of One Thousand Eight Hundred Dollars (\$1,800) or more than 12 months delinquent, the Association (United) 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 (United) records a lien against the shareholder's separate interest. The shareholder's separate interest (a leasehold interest in a Unit as evidenced by a stock certificate) 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) If a shareholder defaults under his or her Occupancy Agreement by failing to pay assessments when due, United also has the right but not the obligation to terminate the shareholder's stock certificate pursuant to the procedures set forth in the governing documents, including without limitation, the Bylaws and Occupancy Agreement, which may result in the eviction of the occupants of the Unit by an unlawful detainer action or other proceedings which may apply to the eviction of tenants.

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

The Association (United) 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 (United) fails to follow these requirements, it may not record a lien against the shareholder's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the Association (United) (Section 5675 of the Civil Code).

At least 30 days prior to recording a lien on a shareholder's separate interest (the leasehold interest in a Unit as evidenced by a stock certificate), the Association (United) must provide the shareholder 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 shareholder. A shareholder has a right to review the Association's (United's) records to verify the debt (Section 5660 of the Civil Code).

If a lien is recorded against a shareholder's separate interest (the leasehold interest in a Unit as evidenced by a stock certificate) in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide a shareholder with certain documents in this regard (Section 5685 of the Civil Code).

The collection practices of the Association (United) 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 a shareholder makes a payment, he or she may request a receipt, and the Association (United) is required to provide it. On the receipt, the Association (United) must indicate the date of payment and the person who received it. The Association (United) must inform shareholders of a mailing address for overnight payments (Section 5655 of the Civil Code).

A shareholder may, but is not obligated to, pay under protest any disputed charge or sum levied by the Association (United), including, but not limited to, a monthly carrying charge, 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.

A shareholder may dispute an assessment debt by submitting a written request for dispute resolution to the Association (United) 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 (United) 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 shareholder. Binding arbitration shall not be available if the Association (United) intends to initiate a judicial foreclosure.

A shareholder 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

A shareholder of a separate interest (the leasehold interest in a Unit as evidenced by a stock certificate) that is not a timeshare may request the Association (United) to consider a payment plan to satisfy a delinquent assessment. The Association (United) must inform shareholders of the standards for payment plans, if any exist (Section 5665 of the Civil Code).

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



NOTICE TO MEMBERS
November 1, 2023

ALTERNATIVE DISPUTE RESOLUTION
Summary of Civil Code §§ 5925-5965

Sections 5925 to 5965 of the civil code require that before owners and associations file lawsuits against each other for declaratory, injunctive or writ relief or such relief in connection with a claim for money damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure, the parties endeavor to submit their dispute to alternative dispute resolution (ADR).

Pursuant to Sections 116.220 and 116.221 of the Code of Civil Procedure, the demand for monetary damages cannot exceed \$10,000 if brought by a natural person, and if brought by an entity other than a natural person, the demand for monetary damages cannot exceed \$5,000. This section does not apply to a small claims action. Except as otherwise provided by law; this section does not apply to an assessment dispute.

“Declaratory relief” means that a party seeks a judicial determination of rights, even though no monetary damages are sought.

“Injunctive relief” means that a party seeks a court order prohibiting someone from doing some specified act.

“Alternative dispute resolution” basically means that instead of litigation, the parties will pursue an alternative such as mediation or arbitration, which may be either binding or non-binding at the option of the parties. In mediation, a mediator attempts to resolve the differences between the parties by enabling them to agree to a compromise. In arbitration, an arbitrator (usually a retired judge or lawyer or other individual with special expertise in a relevant field) listens to both parties and makes a decision much like a judge would in a court of law.

Attached is the form for a request for resolution, which the Laguna Woods Village corporations will use, and which members of any of the mutuals may use to comply with the statute.

The ADR process is initiated by one party serving a request for resolution upon the other parties to the dispute. The request must include (i) a brief description of the dispute, (ii) a request for ADR, (iii) a notice that a response must be received within 30 days or it will be deemed rejected and (iv) a copy of Civil Code Sections 5925 to 5965.

UNITED LAGUNA WOODS MUTUAL ALTERNATIVE DISPUTE RESOLUTION

If the individual receiving the request agrees to ADR, the process must be completed within 90 days unless otherwise extended by agreement. The cost of ADR is to be paid by the participating parties. If a civil suit is filed, the filing party must submit to the court a certificate of compliance indicating the party has complied with the requirements of Sections 5925 to 5965. Failing to do so would be grounds for challenging the lawsuit.

Although the prevailing party is entitled to reasonable attorneys' fees and costs, the court may consider a party's refusal to participate in ADR when making the award.

A description of the association's internal dispute resolution process, as required by Civil Code Section 5920, is attached.

Note: Failure by any member of the association to comply with the alternative dispute resolution requirements of Civil Code §5930 may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

DESCRIPTION OF INTERNAL DISPUTE RESOLUTION PROCEDURE

Civil Code Section 5900

1. This policy applies to a dispute between the association and a member involving their rights, duties, or liabilities under the Davis-Stirling Act, under the provisions of the corporations code relating to mutual benefit corporations (commencing with Corporations Code Section 7110), or under the association's governing documents.
2. Either party to a dispute within the scope of this article may invoke the following procedure:
 - a. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
 - b. A member of the association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
 - c. The association's board of directors shall designate a member of the board to meet and confer.
 - d. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
 - e. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.
3. A member of the association will not be charged a fee to participate in the process.



REQUEST FOR ALTERNATIVE DISPUTE RESOLUTION

Date	
Requesting party	
Address	
Responding party	
Address	
Nature of dispute	

This request for alternative dispute resolution (ADR) is being made in accordance with the provisions of California Civil Code §§ 5925-5965 (a copy accompanies this request). Costs will be shared equally between the parties. You are required to respond within 30 days or this request will be deemed rejected. If accepted, ADR must be completed within 90 days from the date of acceptance, unless extended by written stipulation signed by both parties.

This request for resolution is made for declaratory relief or injunctive relief, or for declaratory relief or injunctive relief in conjunction with a claim for monetary damages (other than association assessments). The demand for monetary damages cannot exceed jurisdictional limits stated in Sections 116.220 and 116.221 of Code of Civil Procedure.

TYPE OF ADR REQUESTED

- ☐ Mediation
☐ Arbitration, nonbinding
☐ Arbitration, binding (not an option if association intends to initiate a judicial foreclosure)

FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF § 5930 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHT TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OF THE APPLICABLE LAW.

NOTE: THIS REQUEST FOR RESOLUTION MUST BE SERVED IN THE SAME MANNER AS PRESCRIBED FOR SERVICE IN A SMALL CLAIMS ACTION AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE 116.340.



NOTICE TO MEMBERS
October 10, 2023

ARCHITECTURAL REVIEW PROCEDURES
Summary of Civil Code §4765

Section a) of Civil Code §4765 requires that this section applies if the association's governing documents require association approval before an owner of a separate interest may make a physical change to the owner's separate interest or the common area, the association shall satisfy (specific) requirements.

Civil Code §4765 applies to United Laguna Woods Mutual and references Article 12 - Alterations and Additions of the United Laguna Woods Mutual Occupancy Agreement, which states:

"The Member shall not make any structural alterations to the interior or exterior of the dwelling unit or to any pipes, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements, or fixtures from the dwelling unit without prior written consent of the Corporation. The Member shall not install or use in the dwelling unit, any air conditioning equipment, washing machine, clothes dryer, electric heater, or power tools without prior written consent of the Corporation. The Member shall remove any such equipment promptly upon request of the Corporation.

"Any alterations, additions, fixtures or improvements installed by the Member or any predecessor of the Member, whether within or without the dwelling unit, shall be repaired or maintained by the Member at its own expense and in a manner satisfactory to the Corporation. If the Member should fail to do so, such repairs or maintenance may be performed by the Corporation and upon demand by the Corporation the Member shall reimburse the Corporation therefor forthwith."

Further to the requirements provided by Civil Code §4765, the mutual makes available to all its members the United Laguna Woods Mutual alterations standards. The standards are available upon request at the Laguna Woods Village Community Center and available on the Laguna Woods Village website. These standards identify established alterations that have been previously approved by the mutual's board of directors. The alterations standards are reviewed and updated as needed by the mutual's Architectural Control and Standards Committee (ACSC) and the board. Typically, a proposed alteration that meets the alterations standards requirements can be permitted without board review.

STANDARD ALTERATIONS SUBMITTAL GUIDELINES

1. An application for mutual consent must be submitted to the Manor Alterations Division to perform previously approved standard plan alterations or alterations conforming in all aspects to board-approved mutual alteration standards.
2. A mutual consent is required for all alterations to the building. A City of Laguna Woods permit may be required. All fees for both mutual and city permits shall be paid for by the member and/or the member's contractor. Member and/or the member's contractor must supply the Manor Alterations Division with city permit numbers prior to beginning work.
3. The member applying for a mutual consent shall provide to the Alterations Division a completed mutual consent application, detailed plan(s), for approval, indicating all work to be done, i.e., size, location, description and specifications.
4. Prior to the issuance of a mutual consent, the member contractor and member's signature are required to indicate that the member and the member contractor has received, read, understands and agrees to follow and adhere to all current mutual standards, rules and regulations regarding the alteration.
5. A signed mutual consent form is required in order to allow the Manor Alterations Division to review the proposed work and allow the potential issuance of a mutual consent.
6. A neighbor awareness notification (NAN) may be required in order to obtain a mutual consent.
7. Mutual consent fees are to be collected from the contractor or member prior to issuance of the mutual consent. Mutual consent fees may include other inspection or service fees depending on the scope of work requested by the member. The alteration fee schedule is published on the mutual website.

In order that a member may propose an alteration that is not an established alteration standard, the mutual provides the member the opportunity to submit a request for variance. Guidelines for submittals for variance requests and submittals for standard alteration applications follow:

VARIANCE REQUESTS SUBMITTAL GUIDELINES

1. Variance requests are submitted to obtain approval for a variance to construct a nonstandard alteration that is different from the mutual's alteration standards and/or standard plans. Variance requests are submitted to the Manor Alterations

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Division for consideration by the mutual's ACSC and the board. A variance fee per the current fee schedule, paid via credit card, is required at time of submittal.

2. The submitted proposal for a variance request must be legible, clear and concise and should not require assumptions on the part of the reviewing agent.
3. The variance request must include a variance application form signed by the mutual member that describes the proposed alteration(s). The submittal must also include conceptual drawings, details, specifications and plans of the proposed variance alteration.
4. The plans must represent a true replication of both the existing floor plan (label all rooms) and proposed floor plan modifications, inclusive of specific dimensional details of each. If the plans include any common area improvement, details of the exterior and surrounding areas are also required.
5. The plans must identify the precise location of the proposed alteration *and* any related alterations/installations. For example, if the proposal is for a room expansion, the relocation of doors, if necessary, should be identified.
6. The plans must provide specific details of how the proposed alteration would be constructed. For example, if a window is being installed, information detailing its size and whether it would be constructed of white-vinyl, dual-pane glass, etc., should be included.
7. Where a variance request is for an alteration that is visible from the outside of a manor (room expansion, window installation, door relocation, etc.), an exterior elevation must be submitted, inclusive of the alteration's proposed roofline. If a modification to the existing roofline is to be considered, include a minimal of one section through the new area to depict the roof slope, slab elevations and interior usable space.
8. All plans must be site specific and original. Plans submitted for another manor for a similar requested alteration would not be considered.
9. Do not change or alter standard plans; if an alteration will differ slightly from a standard plan, provide written documentation with a new manor plan indicating how the proposed alteration would vary from the standard plan.
10. The Manor Alterations Division must be informed in writing, prior to making any field changes, of any deviations from an approved alteration that is being performed. Any deviations from an approved plan must be approved by the Manor Alterations Division before it is made to the manor. Deviations from approved plans may require board approval of an additional variance, thus a waiting period may result.

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Further to the requirements provided by Civil Code §4765, pursuant to the occupancy agreement, Article 12, and the bylaws, the ACSC is a standing committee of this corporation, and that the board of directors of this corporation assigns the duties and responsibilities of the ACSC of the corporation as follows:

The ACSC shall have the responsibility to recommend approval or denial of all requests for nonstandard alterations and modifications, or alterations that have generated neighbor objection. Final determinations are approved by the board.

Variance requests are processed as follows:

Variance requests and all required documentation shall be submitted, and deemed complete by the Manor Alterations Division, a minimum of 30 days prior to the next regularly scheduled ACSC meeting in order to be considered.

Staff will prepare a variance request matrix for all proposed alterations that includes; a summary, recommendation, and any recommended conditions of approval.

Using the matrix and documentation, the committee considers the variance request based on the following criteria:

- Compliance with existing standards
- Aesthetic effect
- Cost impact on the mutual
- Value impact
- Potential maintenance impact

By a counted vote of committee members present at the meeting, the ACSC makes a recommendation to the board for approval or denial of the request.

The recommendation of the committee and the variance request matrix is considered at the next regularly scheduled board meeting, and by a counted vote of board members present at the meeting, the board either approves or denies the request and passes a resolution of the board's decision.

Members may appeal decisions made by the ACSC or the board as per Resolution 01-20-27.

The member is notified in writing explaining the board's decision, which may include, in the case of approval, required conditions of approval. The member is notified that, in the case the member wants to appeal a decision, in accordance with Resolution 01-20-27, the member may appeal the board's decision within 30 days to the ACSC. The board will make a final decision upon review of a recommendation from the ACSC.

Should the mutual member decide to appeal, the member submits a request for appeal in writing to the board via the Manor Alterations Division.

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A memorandum regarding the appeal is prepared by staff and presented to the ACSC for review, and by a counted vote of committee members present at the meeting, the ACSC makes a recommendation to the board for approval or denial of the original proposed alteration.

By a counted vote of board members present at the meeting, the board either approves or denies the request and passes a resolution of the board's decision.

The member is notified in writing explaining the board's final decision, which may include, in the case of approval, required conditions of approval. The member is notified that, in the case that the board upholds its original denial of the proposed alteration that per 01-20-27, no further appeals will be granted for a 12-month period from the date of the board's decision on your appeal. This 12-month period shall apply to both the original requesting mutual member and the subsequent member(s) if any.

UNAUTHORIZED ALTERATIONS

With respect to a member's disregard for the rules on alterations, such as the installation of an alteration that is not in compliance with the board's determination, the member may ultimately be brought forth for a member disciplinary hearing.

Upon the discovery of an unauthorized alteration, the Manor Alterations Division provides the member with a notice of unauthorized alteration, which includes the requirements under which an alteration may be permitted. The member is advised that the failure to gain proper approval prior to starting construction on an alteration will result in member disciplinary action in the form of a hearing before the board of directors.

Upon receipt of a notice of unauthorized alteration, all work must cease immediately and the member must obtain all required mutual consents and city permit before performing additional work.

A second inspection is performed 30 days after the date of the notification and should the inspection reveal that the member's alteration continues to be in violation after the previous requests to comply have gone unheeded, then the member is notified via certified and first-class mail of a member disciplinary hearing. This notification includes background information regarding the subject violation, the reasons for a hearing, the time and place of the hearing, and possibility of any and/or all of the following: suspension, discipline and fines. The member is provided a copy of the mutual's bylaws with respect to discipline:

UNITED – ARTICLE IV, SECTIONS 2 AND 3 OF THE BYLAWS

SECTION 2. DISCIPLINE

(a) The Board of Directors may take disciplinary action against any Member, Qualifying Resident, Co-Occupant, Lessee or guest for breach of these Bylaws, any Rules or Regulations of the Corporation or any obligation of the Member under his or her

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Occupancy Agreement on the part of the Member, a Qualifying Resident, Co-Occupant, Lessee or guest of any of the aforementioned parties who may use the facilities of the Corporation or the GRF. Any disciplinary action authorized hereunder shall not act as a bar to the exercise of any other right or remedy available to the Corporation against any other party for any such breach. Members shall be required to include in any lease with a Lessee of their Manor a provision whereby the Lessee shall be bound by these Bylaws and the Rules and Regulations of the Corporation.

(b) Disciplinary action authorized hereunder may consist of any or all of the following: (1) a fine with an amount determined by the Board of Directors not to exceed \$500.00 for each such breach; (2) suspension of the right to vote, whether by voice, ballot or written consent, on any or all matters brought before the Members for a period not to exceed one (1) year; and (3) suspension of the right to use any of the facilities of the Corporation for thirty (30) days for each such breach. The Corporation may also make an application to a court of competent jurisdiction for legal or equitable relief.

(c) Except with respect to traffic violations governed by paragraph (d) of this Section 2 and Section 3 of Article VII, and other than the exercise of the remedy provided in the Common Interest Development Law for collection of delinquent assessments, before any disciplinary action is taken, as authorized in Paragraph (b) above, a Member, Qualifying Resident, Co-occupant, Lessee or guest of Member, shall be entitled to a hearing pursuant to the provisions of paragraph (b) of Section 3 of this Article.

(d) Except when a hearing is required by the traffic enforcement program approved by the Board of Directors of this Corporation, a Member, Qualifying Resident, Co-occupant, Lessee or guest who is cited for a traffic violation of any type may, in certain instances specified in the traffic rules enforcement program as revised and approved by the Board of Directors from time to time, elect to waive his/her right to a hearing and commit to a traffic violation disciplinary action alternative as specified in the traffic rules enforcement program then in effect.

(e) In addition to the remedies specified herein, a Member found to be in violation shall be liable to the Corporation for costs of suit and a reasonable sum for attorneys' fees incurred in enforcing these Bylaws, any rule or regulation of the Corporation, or any obligation of a Member under the Occupancy Agreement.

SECTION 3. TERMINATION OF MEMBERSHIP; DISCIPLINARY HEARINGS

(a) Termination of Membership for Cause. A Membership may be proposed for termination for a violation of the Articles of Incorporation, these Bylaws, Rules or Regulations, or the Occupancy Agreement by the Board of Directors at any regularly scheduled meeting or special meeting of the Board at which a quorum is present, by the affirmative vote of the majority of the total number of Directors then holding office.

(b) Procedure for Termination and Discipline. After the determination that a Membership should be proposed for a termination under paragraph (a) above, or that disciplinary action should be taken by the Corporation against a Member, Qualifying Resident, Co-Occupant, Lessee or guest or invitee of Member pursuant to Section 2 of

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this Article, other than the disciplinary measures set forth in Section 2, paragraphs (c) and (d), the procedure below shall be followed.

(i) A notice shall be sent by prepaid, first class and certified mail to the most recent address of the Member as shown on the Corporation's records, setting forth the nature of the proposed termination and/or discipline and the reasons therefore. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the termination or discipline.

(ii) The Member being proposed for a termination or disciplined shall be given an opportunity to be heard and to present evidence in his or her behalf, either in person, by counsel, or by both, or in writing, at a hearing before the Board of Directors to be held not less than five (5) days before the effective date of the proposed termination or discipline. The notice to the Member of his or her proposed termination or discipline shall state the date, time, and place of the hearing.

(iii) Following the hearing, the Board shall decide by the affirmative vote of the majority of the total number of Directors, in good faith and in a fair and reasonable manner, whether the Membership should be terminated or whether the Member should be disciplined in some other way. The decision of the Board shall be final.

(iv) Following any Disciplinary Hearing, the Board may impose any fines or penalties pursuant to a previously adopted schedule of fines or penalties distributed to each Member.

(c) Effect of Termination. In the event of a termination of Membership under Section 3, the terminated Member shall promptly deliver his or her Membership Certificate to the Corporation, endorsed in a manner satisfactory to the Corporation. The Corporation, at its election, thereupon shall either: (1) repurchase said Membership at its market value as defined in Article III, Section 6(d); or (2) proceed with reasonable diligence to affect a sale of the Membership to a purchaser at a sales price acceptable to the Corporation. If, for any reason, the terminated Member should fail to deliver his or her endorsed Membership Certificates to the Corporation within ten (10) days after demand, said certificates shall be deemed to be canceled forthwith and new Membership Certificates may be reissued by the Corporation to a purchaser.



TO VMS EMPLOYEES, CONTRACTORS EMPLOYED BY THE LAGUNA WOODS VILLAGE ASSOCIATIONS, MEMBERS AND PROSPECTIVE PURCHASERS OF DWELLING UNITS AT LAGUNA WOODS VILLAGE, LAGUNA WOODS

FROM SIOBHAN FOSTER, CEO/GENERAL MANAGER

SUBJECT DISCLOSURE NOTICE: LAGUNA WOODS VILLAGE BUILDINGS CONSTRUCTED WITH ASBESTOS-CONTAINING CONSTRUCTION MATERIALS

Health & Safety Code 25915.2 and 25915.5 require the mutual to provide annual notice about the existence of asbestos-containing materials (ACM) in nonresidential “public” buildings in the mutual to all employees and contractors performing work within said buildings, and to all members of the mutual.

In addition, the mutual is required to disclose to new owners, within 15 days of acquiring title to a manor, the existence of asbestos-containing material in nonresidential “public” buildings within the mutual.

Village Management Services Inc., as employer, and as agent, for the associations that own or manage the buildings at Laguna Woods Village for their members, hereby notifies all its employees, contractors and all mutual members and transferees, that some buildings within Laguna Woods Village have been surveyed and found to contain asbestos. The analytical method used to determine asbestos content was polarized light microscopy/dispersion staining. As the community has an active asbestos operations and maintenance program, testing is ongoing. Because of the high cost to conduct a complete asbestos survey and analysis of all buildings, surveys are conducted only upon repair, remodel, addition to or removal of a building or part of a building suspected to contain asbestos materials, as required by Labor codes. The certificates of analysis for any testing received to date are available to employees, contractors, owners and tenants and transferees for review and photocopying from the Laguna Woods Village Human Resources/Safety Office, 24351 El Toro Road, Laguna Woods, CA, 92637 between 9 a.m. and 5 p.m., Monday through Friday.

The following buildings in Laguna Woods Village were constructed prior to 1979 and thus *may* contain asbestos in one or more construction materials: All community facilities buildings (with the exception of clubhouse 7, the mini-gym at clubhouse 1, the Broadband Services bldg., the Laguna Woods Village community center bldg., the vehicle maintenance bldg., Village Greens, gatehouses 1 and 7, and a portion of the warehouse — all constructed after 1979), including clubhouses and outbuildings, library, maintenance warehouse bldg., stables, gatehouses (with the exception of gatehouses 1 and 7), garden center buildings, all detached laundry buildings, and residential buildings No. 1 through 5543 inclusive.

At the time most of the buildings in Laguna Woods Village were constructed, ACM met local codes as well as state and federal regulations and were extensively used in many building products including but not limited to: ceiling tile, floor tile/linoleum and mastic, textured wall surfaces, sprayed acoustical ceilings, fire doors, structural fireproofing, pipe/boiler insulation, attic insulation, and heating duct material/insulation.

According to the National Cancer Institute and the Environmental Protection Agency, any asbestos in these materials does not present a threat to health so long as the asbestos is not disturbed and does not become airborne.

However, because breathing asbestos has been known in some instances to cause cancer and other forms of lung disease, sanding, scraping, drilling, sawing, crushing, tearing/breaking up, or otherwise disturbing asbestos-containing materials presents a potential health risk. Therefore, you are directed not to perform such tasks in areas with ACM present or suspected unless the area/materials have been tested and found not to contain asbestos or if specifically assigned or contracted to do such work and it is in accordance with all federal, state and local laws as well as internal guidelines called for in the asbestos operations and maintenance plan and other company safety and environmental policies and procedures.

VMS employees whose work orders require them to construct, repair, maintain or otherwise disturb construction materials that may contain asbestos are hereby directed to follow the current regulations and policies noted above and to wear the required protective equipment, prior to performing such work. Direct questions concerning instructions and equipment to the HR safety officer at 949-268-2034.

It is illegal to place asbestos materials or debris in Laguna Woods Village trash dumpsters. Such materials must be disposed of separately in accordance with state and county regulations to avoid fines. Contact the HR safety officer at 949-268-2034 for details.

If you become aware of any ACM becoming damaged or otherwise disturbed, please contact Laguna Woods Village customer service at 949-268-2034, or the HR safety officer at 949-268-2034.

October 2, 2023

Sincerely,

A handwritten signature in cursive script that reads "Siobhan Foster".

Siobhan Foster, CEO/General Manager



Opt-Out Authorization Form

Disregard this notice if you have previously opted out or completed this form.

California Civil Code Section 5220 provides an opt-out provision for members of the association who wish to make their contact information inaccessible by the general membership.

An association member may opt out of the sharing of his or her name, property address and mailing address by notifying the association in writing.

Please provide your name, address and signature. Your signature below authorizes the managing agent to avoid sharing your name, property address and mailing address.

Date _____

Member name _____

Member ID _____

Unit address _____

Mailing address (if different from above) _____

Telephone _____

Email _____

Signature _____

THIS OPT-OUT DESIGNATION SHALL REMAIN IN EFFECT UNTIL CHANGED BY THE MEMBER.

Mail: Laguna Woods Village Community Center
Attn: Community Services
P.O. Box 2220
Laguna Hills, CA 92654-2220

Delivery: Laguna Woods Village Community Center
Concierge Desk
24351 El Toro Road
Laguna Woods, CA 92637

Online: Opt out via the resident portal at <http://lagunawoodsvillage.com>.



If we can't reach you, we can't notify you!



CodeRED is the community notification system used to call, text and/or email Laguna Woods Village residents with time-sensitive and/or emergency information. This system is separate from the regular email information you may be receiving from the Media and Communications Division and requires a specific, unique enrollment.

The Security Services Department and the Laguna Woods Village Disaster Preparedness Task Force encourage you to take a few minutes to ensure we have accurate contact information for you so you are informed in the event of an emergency or threat to the Village. Safety is a two-way street. Be sure to register today to receive the information you need, when it matters, regarding events such as:

- Critical power outages
- Earthquake emergency procedures
- Evacuation
- Gate or road closures
- Safety threats
- Fire

Please fill out the form on the reverse side of this paper and return it in person the Laguna Woods Community Center front desk at 24351 El Toro Road, or mail it to Media and Communications, Village Management Services Inc., 24351 El Toro Road, Laguna Woods, CA 92637. You may also complete the form online through the Laguna Woods Village website. Go to www.lagunawoodsvillage.com, and look for the link at the top of the home page that says CodeRED.

All information provided for your CodeRED notification is confidential and will only be used to contact you in the event of an emergency.



Contact Information Form and **CodeRED** Emergency Notification Record

If we can't reach you, we can't notify you!

Manor is ☐ Leased ☐ Owner occupied ☐ Vacant

Date _____

Your Information

Resident ID #	Manor #	Name	
Email		Home phone	Cell phone
Non-occupant owner address		City, state, zip	

Emergency Contact(s)

Name	Relationship	Home number
Email	Work number	Cell number
Address	City, state, zip	
Name	Relationship	Home number
Email	Work number	Cell number
Address	City, state, zip	

Additional Information

Attorney's name	Phone
Power of Attorney/Trustee's name	Phone
Pet care contact name	Phone
Doctor's name	Phone

Special Circumstances (Check the conditions that apply to you.)

- ☐ Dementia
 ☐ Visually impaired
 ☐ Hearing impaired
 ☐ Nonambulatory
☐ Life-support system (equipment that requires electricity)
 ☐ Do you have a caregiver?

**Do you have an approved caregiver application on file? For assistance contact Resident Services at 949-597-4600.*

Note: California Civil Code Section 4041 requires owners to provide annual written notice to the association of the following. This includes contact information of the legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of an emergency or extended absence from the manor. Emergency contact information may be given to hospital personnel upon request.



Laguna Woods Village Communications, dwellingLIVE and the Resident Portal

Village Communications: Know What's Happening in Your Community!

The Laguna Woods Village Media and Communications Division brings all the news, events and activities residents want and need to know about their dynamic community.

Receive Current Messaging Through Diverse Mediums

- **VILLAGE BREEZE:** Bimonthly publication covers updates from the Golden Rain Foundation, Third Laguna Hills Mutual and United Laguna Woods Mutual and select Village news. This publication, paid for through a partnership with MemorialCare, is delivered to your door via the United States Postal Service's Every Door Direct program. See the reverse of this form to learn where you can pick up a copy if delivery is missed.
- **WHAT'S UP IN THE VILLAGE:** This weekly e-blast highlights the most current news, events, schedules and more. It contains the information you need to know!
- **TARGETED NEWS, ALERTS AND INFORMATION:** Real-time alerts concerning closures, openings, schedule adjustments and more, including special emails from your housing mutual president or the president of the Golden Rain Foundation.

NAME _____

MANOR NUMBER _____

PHONE _____

EMAIL _____

LET US KNOW WHAT VILLAGE COMMUNICATIONS YOU WISH TO RECEIVE!

☐ What's Up in the Village Weekly E-Blast ☐ Targeted News and Alerts

PLEASE RETURN THIS FORM IN PERSON OR VIA US MAIL TO
COMMUNITY CENTER CONCIERGE, 24351 EL TORO ROAD, LAGUNA WOODS CA 92637

Use dwellingLIVE for Faster Guest Access

DwellingLIVE is the easiest, fastest way for your friends and family to access the Village. Register guests online and print passes 24 hours a day, seven days a week using a computer, tablet or smartphone. Simply visit the Laguna Woods Village website, click on **Guest Passes** in the top right-hand corner, and click on the **DwellingLive** link to register or log in. Residents who have an email address on file should have received an email with login instructions. If you do not know what email address you have on file, please contact Resident Services at residentservices@vmsinc.org or **949-597-4600**.

Download the dwellingLIVE app at the App Store or at Google Play.

View a comprehensive dwellingLIVE tutorial at bit.ly/3EFqTSh, watch a Village YouTube channel video tutorial at bit.ly/39u9fCR or check out the DwellingLive video tutorial at lagunawoodsvillage.com > **Residents** > **Resident Services** > **At Your Service** > **DwellingLive Video**.

Resident Portal: Go Online to Save Effort and Time!

Skip lines in person or on the phone for many services—use the Village resident portal instead! Process credit card payments, submit service requests, check account balances, print account statements, update emergency contacts and review resident and vehicle information at portal.lagunawoodsvillage.com. Visit <https://bit.ly/3ksCvA4> to view a step-by-step tutorial on how to use the resident portal.

Where to Find the Village Breeze Throughout the Community

The Village Breeze is delivered to every manor via the United States Postal Service's Every Door Direct program. However, if delivery misses its mark at your door, you can call the regional postmaster to inform them of missed delivery at **949 837-1848** or find copies available throughout the Village:

Clubhouse 1 fitness center • Clubhouse 1, 2, 4, 5, 6, 7 offices
Community Center concierge desk, fitness center, Recreation office • Equestrian Center office
Garden Center 2 office • Golf pro shop, par 3 office • Tennis clubhouse • Village Library

JOIN US ON FACEBOOK

GOT (the Right) INFO?



Questions or curiosity about something you heard that doesn't sound quite right? Village Management Services has answers—in person, online, via email, on Village Television, in the Village Breeze and more!

GET FACTS

- Email **info@lagunawoodsvillage.com**, which is monitored and answered daily by staff.
- Read the every-Friday “What’s Up in the Village,” a digital newsletter containing news, event information, updates and much more. Email **info@lagunawoodsvillage.com** if you would like these messages sent directly to your inbox. Include “Subscribe me to ‘What’s Up in the Village’” in the subject line.
- Read the bimonthly Village Breeze. The Village Breeze is delivered to every manor via the United States Postal Service’s Every Door Direct program. Call the regional postmaster to inform them of missed delivery at **949 837-1848**. Copies are available throughout the Village at Clubhouse 1 fitness; clubhouse offices 1, 2, 4 and 5; Community Center concierge desk; Community Center fitness; Community Center Recreation office; Equestrian Center office; Garden Center 2 office; Golf pro shop; Par 3 office; Tennis clubhouse; and Village Library.
- Check out the latest news at **lagunawoodsvillage.com > News > News Home (lagunawoodsvillage.com/news)**.
- Watch “**This Day**” on TV6 Monday through Saturday at 9 a.m. (rebroadcast at 12:30 and 5 p.m. daily).

ATTEND OPEN MEETINGS

- At **lagunawoodsvillage.com** under **Calendars**, go to **Calendars Home** and **select All**

Governance Boards, GRF, Third or United.

- Clicking the Calendars Home button also will take you to a landing page from which you can select the governing board calendar of your choice. Click on the meeting of interest.
- Meeting information and agenda packets can be found by clicking on the meeting of interest on the calendar.

GET ANSWERS TO FAQs

- Click **How Do I?** at the top main menu of the Village website for a list of answers to frequently asked questions regarding general information, sales and leasing, billing, decals and passes and more.

WHO CAN YOU CALL?

- Click **Contact Us** in the top right-hand corner of the Village website for general information, important phone numbers and more. A **What can we help you with?** online form (scroll to the bottom of the Contact Us landing page) allows you to make an inquiry to be answered by staff.
- Visit **https://bit.ly/3uJZF7h** to view the full phone list or click **View Full Phone List** at Contact Us.
- Visit **https://bit.ly/2PXD8VV** for a comprehensive list of frequently called numbers.





Preferred Delivery Method

Dear Mutual Member,

Senate Bill 392 mandates that an association deliver a document in accordance with the member's preferred delivery method. This means that under certain circumstances the mutual may use a valid email address as the default method when sending documents or notices to members via individual delivery. **There is no requirement to provide your email address.**

This letter is a request for your preferred individual delivery method for mutual documents. This method can be a valid email address and mailing address, two valid email addresses or two mailing addresses. **If you do not wish to change delivery method previously submitted, no action is required.**

Please return your delivery method preference via email to: info@lagunawoodsvillage.com

Mail or drop off to:

Laguna Woods Village Community Center
24351 El Toro Road, Laguna Woods, CA 92637
ATTN: General Manager's Office

Deliver mutual documents to me by my preference below:

Please print:

Member's Name: _____

Manor Number/Address _____

First preference email or mailing address: _____

Second preference email or mailing address: _____

Return this form no later than: **September 1, 2024.**

If you decide not to update the information requested above, the last preferred delivery method provided will be deemed the preferred delivery method next year.

ANNUAL LEGAL DOCUMENTS

The Village Media and Broadband Services Notification of Customer Rights Under the Cable Communications Policy Act of 1984 are provided here by law for resident use and review. Every year by law, as a common interest development, the managing agent, Village Management Services, must share with each owner in Laguna Woods Village important financial documents and disclosures, including the Annual Budget Report and the Annual Policy Statement. These items, mailed directly to each unit's owner on December 1, 2023, include a notification of the 2024 assessment. Other required documents include the Village Media Broadband Services customer (resident) notification of the Cable Communications Act of 1984.

NOTIFICATION OF CUSTOMER RIGHTS UNDER THE CABLE COMMUNICATIONS POLICY ACT OF 1984

Dear Cable and/or internet Customer:

As a customer of Golden Rain Foundation (GRF) Broadband Services subscribing to cable television services and/or other services provided over the cable system, you are entitled under the Cable Communications Policy Act of 1984 (the Cable Act) to know the limitation imposed upon cable operators in the collection and disclosure of PII (PII), the type of PII collected, how such information is used, under what conditions it is disclosed, the period during which it is maintained and the rights of customers concerning access to such information and its disclosure. The law relates only to PII. It also applies only to information that you have furnished to us, and certain information that is transmitted over our cable facilities. Some of our services may permit you to direct communications outside of our system and this law does not apply to these communications. For example, this law does not apply to anonymous aggregate customer information or information that you have directed to third parties over the facilities of online providers or over the internet. Aggregate information is what the cable system collects or assembles, which is devoid of all PII relating to our customers (i.e., it is anonymous) such as data relating to the use of internet access by groups or customers. GRF collects such information in order to provide and manage the quality of the services requested.

Collection and Use: To better provide you with reliable, high-caliber service, GRF keeps regular business records that may contain the following types of PII: name, service address, billing address, home and/or other telephone number(s), service information, customer correspondence and communications records. We also maintain information concerning billing, payment, security deposits, maintenance and repairs, as well as other service-related information. We collect, maintain and use this information, generally to conduct business activities related to providing you with cable television and other services, and to help us detect theft of service. Specifically, our detailed business records are used, and personal information contained in them disclosed, to help ensure you are being properly billed for the services you receive, to send you pertinent information regarding your cable services, to improve the quality of the services we provide to you, and for other service-related activities. This information is used for financial, legal, tax and accounting purposes, to sell, install, maintain and disconnect services, to bill and collect charges for the services that you receive, to gauge customer satisfaction and improve programming and marketing plans, for customer mailings and to answer questions from you concerning your bill and services provided to you. We take all reasonable precautions to identify you or your authorized representative as the inquirer on your account and to otherwise prevent unauthorized access to your account information. We are prohibited from using the cable system to collect your personal information without your written consent for any other purposes.

Disclosure: GRF considers the PII contained in our business records to be confidential and will not disclose it without your prior written or electronic consent except as provided in this notice. We may disclose this information, however, if the disclosure is necessary for rendering or conducting a legitimate business activity related to a cable service or other service GRF provides to you. For example, in order to provide and manage our services, we may periodically disclose information to our employees, attorneys, outside auditors and accountants as required, program guide distributors, collection agencies, construction and installation contractors, customer and market research companies, software vendors, and affiliated providers of internet access services or internet content services. GRF will not make PII about your video programming service records available to government entities unless we are required to do so by court order. Under subsection (b) of Section 631 of the Cable Act, before the court will order us to disclose PII about your video programming service records, the government entity seeking the information must offer clear and convincing evidence that the subject of the information is reasonably suspected of engaging in criminal activity and that the information sought would be material evidence in the case. If a government entity is seeking PII about you under these circumstances, the court must afford you the opportunity to appear and contest the government entity's claim prior to issuing an order to GRF to produce the records.

Under the recently enacted USA Patriot Act, GRF may be required to make certain PII about its high-speed internet and video customers (excluding video programming service records as discussed above and the contents of your internet communications) available to government entities upon receipt of a valid subpoena and you are not entitled to receive advance notice of the disclosure. Disclosure of the contents of your internet communications through installation or use of a pen register or a trap and trace device can only occur upon issuance by a court or an order pursuant to 18 U.S.C. §§ 3121, 3123. In addition, under the USA Patriot Act, GRF may disclose voluntarily and without prior notice to the subscriber internet information, including the contents of subscriber communications, to law enforcement if GRF reasonably believes that an emergency involving immediate danger of death or serious physical injury to any person requires disclosure of the information immediately.

Retention: GRF maintains the information in our regular business records as long as you are a customer and for a period of time thereafter if necessary for our business or legal purposes. Unless there is a legitimate request or order to inspect the information outstanding, we will destroy the information once it is no longer necessary for our legal or business purposes.

Subscriber Rights: GRF will make available for your examination any PII about you collected and maintained in our business records within a reasonable period of time. You shall be responsible for the cost of copying any documents you request. We will make this information available during normal business hours at the GRF office listed on the front cover of this notice or on your billing statement,

and will give you an opportunity to correct any error in the information we maintain. Section 631 of the Cable Act gives you specific rights if these provisions are violated. If you believe that a violation of these provisions of the Cable Act have caused you harm, you may bring a civil action for damages in a U.S. District Court.

TELEVISION EQUIPMENT COMPATIBILITY NOTICE

Q: Do I need a cable converter and where can I get one?

A: If you have a high-definition TV you may not need a converter; however, some TV models—especially older sets that are not “cable ready”—may not be able to receive all of the channels offered by the cable system when connected directly to the cable system. If your TV is not able to receive all of the channels offered by the cable system when connected directly, you can obtain a set-top channel converter or other equipment from GRF to enable your TV to receive all cable channels.

TELEVISION PICTURE QUALITY RESOLUTION NOTIFICATION

Q: What should I do if I have poor picture quality on my TV?

A: Upon experiencing problems with the quality of television signals that you receive, call Broadband Services at 949-837-2670. A fully trained customer service representative will attempt to resolve your problem over the telephone. If this cannot be done, an appointment will be scheduled for a skilled technician visit your home to resolve your reception problem. If, in your opinion, the service technician fails to correct the reception problem, call us again and we will review the actions taken. Should we continue to be unable to resolve the problem to your satisfaction, we will inform you of our determination, and the reasons we cannot solve the problem.

Q: What if GRF cannot resolve my problem?

A: GRF serves a franchised area. If you believe GRF has not properly resolved your issue, please contact the applicable franchise authority at City of Laguna Woods, 24264 El Toro Road, Laguna Woods, CA 92637; 949-639-0500.

TERMS AND CONDITIONS OF SERVICE

GRF, through its Broadband Services Division, shall provide services requested upon the following terms and conditions:

GRF's Obligations:

1. Install in a workmanlike manner and in locations mutually acceptable to GRF and the Customer, equipment and materials necessary to furnish the services to the Customer.
2. Maintain and repair its equipment to minimize interruptions or degradation of services.
3. At the request of the Customer and upon payment of the appropriate fee, install, maintain, repair and replace the internal wiring inside the Customer's premises. Otherwise, GRF shall have no responsibility for the maintenance of the internal wiring.

Customer Obligations:

Pay all installation, service or other charges upon receipt of GRF's bill. Charges will be according to GRF rate schedule or tariff applicable at the time services are rendered. Some fees and charges are payable in advance. If Customer terminates services prior to the end of a prepaid period, GRF shall refund Customer the prorated unused portion of the fees and charges; provided, however, if such prorated unused portion is less than \$5.00, GRF shall make the refund only upon request of Customer. Upon the Customer's failure to make timely payment on or before the bill's due date, GRF may terminate service, remove its equipment, and impose late fees. The late fees protect timely paying Customers who would otherwise be required to subsidize the additional costs caused by late-paying Customers. It is impossible for GRF to predict the precise costs that an individual Customer will cause GRF to incur because of such delinquencies; however, such costs may include the lost use of funds, collection efforts by collection agencies and personnel costs. Payment of a late fee constitutes an acknowledgment by the Customer that the fee is reasonable estimate of the average costs caused by late payers. A Customer may, of course, avoid any late fees by paying his or her bills before the specified date.

The Customer also agrees that GRF shall have the right to charge interest on any uncollected account and agrees to pay all costs of collection including attorney's fees. Provide GRF employees and representatives with a safe working environment. Assume complete responsibility for the improper use, damage, or loss of any equipment furnished by GRF.

Allow GRF reasonable access into the Customer's premise for the purpose of installing, inspection, maintenance, repair and removal of the equipment in the Customer's premise. If a Customer is not at home at the time of the service call, the Customer authorizes any other resident or guest of the Customer at the residence to grant GRF access. If the Customer is not the owner of the premises: (i) the Customer represents to GRF that all necessary permission and authority has been obtained from the Owner to install GRF equipment at the premises, including without limitation, equipment that may be attached to the outside of the premises: and the Customer will indemnify GRF from any and all claims of the owner of the premise in connection with the installation and provision of the services by GRF.

Leakage: Pursuant of the rules of the Federal Communications Commission, GRF is responsible for any excessive signal leakage while providing service over the system. Should such excessive leakage originate from a Customer's internal wiring, GRF obligation shall be to make the required repairs to all wiring installed by GRF or its agents. Leakage as a result of the Customers installed wiring or equipment will be the responsibility of the Customer to be repaired. GRF reserves the right to discontinue service until such leakage has been corrected.

Equipment: GRF may lease to you certain equipment including, without limitation, converters, remote controls, set-top boxes, and DVRs for your use in connection with the Services. Internal Wiring shall not be considered equipment and shall become your property upon initiation of Service. All equipment leased to you by GRF or a GRF agent, is, and shall remain the sole property of GRF, and you agree that such leased equipment will not become a fixture of your or any premises. GRF shall have the unrestricted right, but not the obligation, to install, update, or upgrade the software in any equipment that GRF provides to you. GRF shall also have the unrestricted right, but not the obligation, and you hereby grant permission to GRF, to install, update, or upgrade the software in any non-GRF provided equipment that you are using to receive or use the Services.

With respect to equipment leased to you by GRF or a GRF agent, you agree:

1. To use equipment only for the purpose of receiving Services ordered from GRF and for no other purpose.
2. To prevent any connections to the equipment which are not expressly authorized in writing by GRF.
3. To prevent tampering, altering or repair of the equipment by any person other than GRF's authorized personnel.
4. To assume complete responsibility for improper use, damage or loss of such equipment regardless of cause.
5. To promptly return the equipment to GRF in good condition and without any encumbrances, except ordinary wear and tear resulting from proper use, immediately upon discontinuance of service by GRF or you, or at GRF's request. The equipment is and shall remain the property of GRF at all times, even if you pay all or part of the Unreturned Equipment Charges described below. You may not sell, resell, or transfer the equipment to any third party at any time. If you do not promptly return the equipment to GRF in good condition immediately upon termination of this agreement or at GRF's request, without any encumbrances, or if the equipment is lost, stolen, substantially damaged, sold transferred, leased encumbered or assigned (collectively, "Unreturned Equipment"), the damages GRF will incur will be difficult to ascertain. Therefore, you agree to pay, and GRF may charge your account, a liquidated damages amount, which may include a reasonable estimate of the replacement costs for such equipment and a reasonable estimate of any incidental costs that GRF incurs due to your failure to return equipment or if the equipment is substantially damaged or encumbered; provided, however, that such amount will not exceed the maximum amount permitted by law ("Unreturned Equipment Charge"). Unreturned Equipment Charges are \$350 for the 6 Tuner DVR, \$275 for the 2 Tuner DVR, \$100 for the HD Standard & Qi3, and \$60 for the HD Converter. GRF will update Unreturned Equipment Charges from time-to-time. Unreturned Equipment charges are GRF's attempt to recoup certain costs that GRF incurs due to Unreturned Equipment. GRF's object is to recoup these costs without increasing rates and other charges to all. GRF customers. This subsection 5 shall survive the termination or expiration of this Agreement.
6. To pay a deposit equal to the Unreturned Equipment Charge prior to the issuance of GRF Equipment if the Customer is not an owner of the premises. Not to sell, advertise or offer to sell any GRF equipment or move it to another location. State laws may prohibit the sale of such equipment by Service subscribers and if you violate these laws, you may be subject to civil and/or criminal penalties. Unless GRF informs you otherwise, or unless it is required by law, other cable, internet or telecommunications providers may be unable to provide their services through GRF equipment.
7. You have personally inspected the equipment to be installed in your home by the GRF representative and agree there is no visible damage to the equipment and it is in good working condition.

Limitation of Warranties and Liability: GRF makes no warranties, expressed or implied, as to the equipment furnished by Customer and assumes no responsibility for its condition. GRF shall not be liable for damages for failure to furnish or the degradation, or interruption of any services, for any lost data or content, identity theft, for any TV screen burn-in, pin misalignment, uneven TV screen wear, stuck pixels, phosphor burn, files or software damage, regardless of cause. Nor shall GRF be responsible for damages for failure to transmit or errors in the transmission of two-way interactive transactional data, regardless of cause. GRF shall not be liable for damage to property or for injury to any person arising from the installation, maintenance, or removal of equipment, software, wiring or the provision of services. Nor shall GRF be liable for failure to provide service if the cause is due to the act of an unaffiliated third party. The Customer hereby indemnifies and holds harmless GRF from any claims, actions, proceedings, damages, and liabilities, including attorney's fees, arising out of (I) such damage or injury resulting from any claim that your use of the service infringes on the patent, copyright, trademark or other intellectual property right of any third party, (II) any breach or alleged breach by you of this agreement; or injury to person or property resulting from your gross negligence. Under no circumstances will GRF be liable for special or consequential damages. GRF maximum total liability to you arising under this agreement shall be limited to the amount actually paid by you for the prior month of service.

Breach of Agreement: In the event a Customer fails to abide by the terms of this agreement or the rules of GRF, GRF shall have the right to terminate this agreement and enter the Customer's premise to remove its equipment. The failure of GRF to require customer's strict performance of any term or condition of this agreement shall not be a waiver of GRF's right to require strict performance of any other term or condition herein.

Theft of Service: Theft of cable and/or telecommunications service is a violation of Federal and California Law and is punishable by fines and/or imprisonment.

Entire Agreement: This agreement, any applicable tariffs and other agreements specifically referenced herein constitutes the entire agreement between GRF and the Customer for the services and equipment. The invalidity or unenforceability of any term of this agreement shall not affect the validity of enforceability of any other provision. No statement, representation or warranty made by any agent or representative of GRF regarding the service or equipment to be provided or the rates therefore shall be binding upon GRF unless expressly included herein.

For more information regarding Broadband Services and to view the channel listings visit www.lagunawoodsvillage.com/amenities/media-services/cable or call Broadband Services at 949-837-2670.