



OPEN MEETING

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

**Tuesday, November 08, 2022- 9:30 a.m.
Board Room/Virtual Meeting
24351 El Toro Road, Laguna Woods, California**

Directors Present: Lenny Ross, Thomas Tuning, Anthony Liberatore, Pearl Lee, Diane Casey, Maggie Blackwell, Cash Achrekar, Azar Asgari

Directors Absent: Reza Bastani, Mary Simon (Excused)

Staff Present: CEO Siobhan Foster, Makayla Schwietert, Paul Nguyen, Carlos Rojas, Abraham Ballesteros, Eric Nunez, Robert Carroll, Steve Hormuth, Bart Mejia, Kurt Wiemann

Others Present: GRF: None
Third: None
VMS: Cynthia Rupert

1. Call Meeting to Order/Establish Quorum

President Ross called the meeting to order at 9:32 a.m. and acknowledged that a quorum was present.

2. Pledge of Allegiance to the Flag

Director Achrekar led the pledge of allegiance.

3. Acknowledge Media

The Village Television Camera Crew, by way of remote cameras, was acknowledged as present.

4. Approval of Agenda

President Ross asked if there were any changes to the agenda.

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

5. Approval of Minutes

- a. September 13, 2022 – Regular Open Session
- b. September 23, 2022 – Special Open Meeting
- c. October 6, 2022 – Special Open Meeting
- d. October 21, 2022 – Special Open Meeting
- e. October 27, 2022 – Agenda Prep Meeting

Director Casey requested that she be marked as absent from the October 27, 2022 Agenda Prep meeting minutes.

Hearing no objections, the amended minutes were approved by unanimous consent.

6. Report of the Chair

President Ross commented on the following items:

- Announced that the professionalism of the United Board meetings will be enhanced, to ensure problems are solved for residents. New meeting rules have been set in place for United Directors.
- An Investment Ad-Hoc Committee has been created to maintain the safety position with United's finance investment regarding their reserves.

7. Open Forum (Three Minutes per Speaker)

At this time Members addressed the Board of Directors regarding items not on the agenda

The following members made comments:

- A member commented on the Foundation of the Laguna Woods Village.
- A member asked if there could be an update on the Solar equipment installed on the laundry room patios, and also thanked the new United President who is striving for improved decorum.
- Assistant Corporate Secretary, Paul Nguyen, read an email from a member who is requesting for an apology from the United Board and VMS Staff for taking legal action against this member.

Director Asgari entered the meeting at 9:44 a.m.

8. Responses to Open Forum Speakers

- Director Liberatore provided clarification regarding what the member stated in reference to the legal action, and provided clarification that it was in fact a TRO.
- Director Tunning thanked the member who spoke on the Foundation of Laguna Woods Village.
- President Ross additionally thanked the member who spoke on the Foundation of Laguna Woods Village, also stated that a Solar Update will be provided at the next Board Meeting, and informed the residents that the Board will be providing a formal response to the allegations made from the member.
- Director Blackwell commented that this is the Season of Giving, and informed those that the Foundation accepts donated gifts.

9. VMS Board Update

VMS Director Rupert provided an updated on the following items:

- Successful Contractor Open House
- Focus Groups – Resident Communications
- Employee Excellence Awards
- Employee Excellence Awards Recipients
- Resident Services – October Performance
- Call Center – Resident Services October
- Call Center – Broadband Services October
- Walk-in Services – October
- Work Order Satisfaction Survey Results
- Best Times to Call Resident Services
- Resident Services 2023 Priorities
- Key Performance Indicators (KPIs)
- Board Director Training Coordinator

VMS Director Rupert answered questions and discussion ensued among the Board.

10. CEO Report

CEO Siobhan Foster discussed the following items:

- A law was passed in 2019 that requires HOA's to inspect the exteriors of condominium buildings which includes walkways, stairs, handrails, etc. The mutuals hired consultant, Cardoso and Associates to conduct the state mandated inspections to comply with the new law. Inspections recently started in United Mutual. Inspections must be completed from both Mutuals by January 1, 2025. The inspector may require access to certain balconies from inside units. The schedule of accessing certain units can be found on the website.
- The Key File Program – Resident Services maintains keys to manors within the community for the convenience of residents. Members are encouraged to file manor keys or keyless access codes with resident services to ensure that authorized personnel may gain access to their manor to perform necessary maintenance repairs in the event of an emergency or residing members can obtain their keys to gain manor access when and if the need arises.
- Veterans Day is held on Friday, November 11, 2022. Residents are encouraged to honor our veterans this veteran's day from 10 a.m. – 11 a.m. at Clubhouse 2.

CEO Foster answered questions from the board.

11. Consent Calendar

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

- a. Consistent with its statutory obligations under Civil Code §5501, a subcommittee of the board consisting of the Treasurer and at least one other board member reviewed the United Laguna Woods Mutual preliminary financials for the month of August and September 2022, such review is hereby ratified.**

b. Recommendation from the Landscape Committee

- (1) Recommendation to Deny the Request for the Removal of One Brazilian Pepper Tree Located at 74-E Calle Aragon

RESOLUTION 01-22-64

**Deny Removal of One Brazilian Pepper Tree
74-E Calle Aragon**

WHEREAS, February 12, 2013, that the Board of Directors adopted Resolution 01- 13-17, Tree Removal Guidelines:

- Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents' personal preferences concerning shape, color, size, or fragrance.
- Trees should not be removed because of view obstruction.
- Trees on slopes should not be removed if the removal will contribute to the destabilization of that slope.
- Trees which are damaging or will damage a structure, pose a hazard, in failing health or interfering with neighboring trees, will be considered for removal.

WHEREAS, on September 26, 2022, the Landscape Committee reviewed a request from the Member at 74-E, to remove one Brazilian Pepper tree, the reasons cited are overgrown and serious decline; and

WHEREAS, staff inspected the condition of the tree and found the tree to be in fair health; and

WHEREAS, the committee determined that the tree does not meet the guidelines established in Resolution 01-13-17, and thereby recommends denying the request for the removal of one Brazilian Pepper tree located at 74-E Calle Aragon;

NOW THEREFORE BE IT RESOLVED, November 8, 2022, the Board of Directors denies the request for the removal of one Brazilian Pepper tree located at 74-E; and

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

- (2) Recommendation to Approve the Removal of One Canary Island Pine Tree Located at 82-A Calle Aragon

RESOLUTION 01-22-65

**Approve Removal of One Canary Island Pine Tree
82-A Calle Aragon**

WHEREAS, February 12, 2013, that the Board of Directors adopted Resolution 01- 13-17, Tree Removal Guidelines:

- Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents' personal preferences concerning shape, color, size, or fragrance.
- Trees should not be removed because of view obstruction.
- Trees on slopes should not be removed if the removal will contribute to the destabilization of that slope.
- Trees which are damaging or will damage a structure, pose a hazard, in failing health or interfering with neighboring trees, will be considered for removal.

WHEREAS, on October 20, 2022, the Landscape Tree Ad Hoc Committee reviewed a request from the Member at 82-A, to remove one Canary Island Pine tree, the reasons cited are overgrow, poor condition, structural damage to roof, view obstruction, and litter and debris; and

WHEREAS, on October 24, 2022, the Landscape Committee reviewed the request and received the recommendation to approve the removal of the tree from the Landscape Tree Ad Hoc Committee; and

WHEREAS, staff inspected the condition of the tree and found the tree to be showing signs of previous pest infestation, and a close proximity to the roof which would require a large amount of limb removal that could cause decline and tree failure; and

WHEREAS, the committee determined that the tree does meet the guidelines established in Resolution 01-13-17, and thereby recommends approving the request for the removal of one Canary Island Pine tree located at 82-A Calle Aragon;

NOW THEREFORE BE IT RESOLVED, November 8, 2022, the Board of Directors approves the request for the removal of one Canary Island Pine tree located at 82-A; and

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

(3) Recommendation to Approve the Removal of One Brazilian Pepper Tree
Located at 463-N Avenida Sevilla

RESOLUTION 01-22-66

Approve Removal of One Brazilian Pepper Tree 463-N Avenida Sevilla

WHEREAS, February 12, 2013, that the Board of Directors adopted Resolution 01- 13-17, Tree Removal Guidelines:

- Unless there is a purposeful reason, trees should not be removed merely because they are messy, or because of residents' personal preferences

concerning shape, color, size, or fragrance.

- Trees should not be removed because of view obstruction.
- Trees on slopes should not be removed if the removal will contribute to the destabilization of that slope.
- Trees which are damaging or will damage a structure, pose a hazard, in failing health or interfering with neighboring trees, will be considered for removal.

WHEREAS, on October 24, 2022, the Landscape Committee reviewed a request from the Member at 463-N, to remove one Brazilian Pepper tree, the reasons cited are makes the manor dark; and

WHEREAS, staff inspected the condition of the tree and found the tree to be in poor health with an unbalanced canopy due to necessary frequent clearance trimming; and

WHEREAS, the committee determined that the tree does meet the guidelines established in Resolution 01-13-17, and thereby recommends approving the request for the removal of one Brazilian Pepper tree located at 463-N Avenida Sevilla;

NOW THEREFORE BE IT RESOLVED, November 8, 2022, the Board of Directors approves the request for the removal of one Brazilian Pepper tree located at 463-N; and

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

c. Recommendation from the Architectural Control and Standards Committee

- (1) Variance Request – 773-C (Cordoba) Approve Non-Standard Wrought Iron Entry Gate

RESOLUTION 01-22-67

Variance Request

WHEREAS, Mrs. Bonnie Maningo of 773-C Calle Aragon, a Cordoba style manor, requests Board approval of a variance for non-standard wrought iron entry gate; and,

WHEREAS, a Neighborhood Awareness Notice was sent to Members of affected units notifying them that an application to make an alteration to a neighboring unit has been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee (ACSC) or in person at the ACSC Meeting on October 20, 2022; and,

WHEREAS, the ACSC reviewed the variance and moved a recommendation for approval to the Board;

NOW THEREFORE BE IT RESOLVED, November 8, 2022, the Board of Directors hereby approves the request for non-standard wrought iron gate; and

RESOLVED FURTHER, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the property's member at 773-C Calle Aragon and all future mutual members at 773-C Calle Aragon; and

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

d. **Approve the Review of the United Sub-Leasing and Transfer of Trust Documents Approved in September and October 2022, and such review is hereby ratified.**

e. **Recommendation from the Finance Committee**

- (1) Approve a Resolution for Recording a Lien against Member ID # 947-425-65

RESOLUTION 01-22-68

Recording of a Lien

WHEREAS, Member ID 947-425-65; is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 8, 2022, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-425-65 and;

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

- (2) Approve a Resolution for Recording a Lien against Member ID # 947-358-40

RESOLUTION 01-22-69

Recording of a Lien

WHEREAS, Member ID 947-358-40; is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon

adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, November 8, 2022, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-358-40 and;

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

- (3) Approve a Resolution for Recording a Lien against Member ID # 947-364-54

RESOLUTION 01-22-70

Recording of a Lien

WHEREAS, Member ID 947-364-54; is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 8, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-364-54 and;

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

- (4) Approve a Resolution for Recording a Lien against Member ID # 947-420-87

RESOLUTION 01-22-71

Recording of a Lien

WHEREAS, Member ID 947-420-87; is currently delinquent to United Laguna Woods Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 8, 2022 that the Board of Directors hereby approves the recording of a Lien for Member ID 947-420-87 and;

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

- f. Entertain a Motion to Approve 2023 Collection & Lien Enforcement Policy

RESOLUTION 01-22-72

2023 Collection and Lien Enforcement Policy

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

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

NOW THEREFORE BE IT RESOLVED, November 8, 2022, that the Board of Directors hereby adopts the 2023 United Laguna Woods Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; and

RESOLVED FURTHER, the policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2021 as part of the Annual Policy Statement;

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

Director Tunning made a motion to approve the Consent Calendar. Director Casey seconded.

Hearing no changes or objections, the Consent Calendar was approved unanimously.

12. Unfinished Business

- a. Inter-Board Anti-Harassment, Anti-Abuse, and Anti-Intimidation Policy and Formation of Joint Hearing Body (**MAY Initial Notification – revised September – postpone 28-day notification for member review and comment to comply with Civil Code §4360 has been satisfied**)

Director Blackwell read the following resolution:

RESOLUTION 01-22-73

**Inter-Board Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy
and Charter of the Joint Hearing Body Committee**

WHEREAS, the Board of Directors of United Laguna Woods Mutual (“United”) and Golden Rain Foundation (“GRF”), and Third Laguna Hills Mutual (“Third”) require a clear and consistent policy to address claims of harassment, abuse and intimidation by directors to staff of Village Management Services, Inc., fellow directors and residents, as well as claims involving harassment, abuse and intimidation by residents to staff of VMS, directors and other residents; and

WHEREAS, this Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy (“Policy”) is intended to provide guidance relative to such behavior and issue a mechanism for addressing same by the Anti-Harassment, Anti-Abuse and Anti-Intimidation Joint Hearing Body Committee; and

WHEREAS, this Policy is being adopted by the Board of Directors of United and GRF, in the exercise of their respective duties to maintain, protect and enhance the value and desirability of Laguna Woods Village and the interests of all of its members.

NOW THEREFORE BE IT RESOLVED, November 8, 2022, that the Board of Directors of this Corporation hereby adopts the Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy and Charter of the Joint Hearing Body Committee, as attached to the official minutes of this meeting; and

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

Director Casey made a motion to approve Resolution 01-22-73. Director Liberatore seconded.

Discussion ensued among the board.

Francis Gomez, Operations Manager, entered the meeting at 10:30 a.m. and provided an overview of the Inter-Board Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy and Charter of the Joint Hearing Body Committee

A few members provided their stance on this item in discussion.

Director Liberatore made a motion to end the debate. Director Casey seconded.

Hearing no changes, the motion to end debate was passed 6-1-1. Director Asgari opposed. Director Tunning abstained.

Hearing no changes or objections, the motion was called to a vote and passed 5-2. Directors Tuning and Asgari were opposed. President Ross did not vote.

b. Strategic Planning Update – President Ross (Oral Discussion)

President Ross made a motion to hold a Special Meeting to discuss Strategic Planning Update. Director Asgari seconded.

Discussion ensued among the board.

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

c. Discuss and Consider 2021 Operating Deficit Transfer (September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied).

Director of Financial Services, Steve Hormuth, provided an overview of the 2021 Operating Deficit Transfer.

Director Blackwell made a motion to approve the 2021 Operating Deficit Transfer without legal input. Director Casey seconded.

Discussion ensued among the board.

Hearing no changes or objections, the motion to approve the 2021 Operating Deficit Transfer without legal input was called to a vote and passed unanimously.

d. Entertain a Motion to Approve Disabled Child/ Grandchild Application (September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied).

RESOLUTION 01-22-74

**DISABLED CHILD/GRANDCHILD
APPLICATIONS**

WHEREAS, United Laguna Woods Mutual (ULWM) is a non-profit mutual benefit corporation which is authorized, through its Board of Directors, to adopt, amend or repeal necessary or desirable rules and regulations; and

WHEREAS, a primary purpose of the common interest development is to promote the health, safety and welfare of the residents within the Development; and

WHEREAS, California Civil Code Section 51.3, which establishes and

preserves accessible housing for senior citizens, provides that a child or grandchild of a senior citizen may be considered a “qualified permanent resident” so long as he has a disabling illness or injury and needs to live with the senior citizen because of the disabling condition, illness or injury; and

WHEREAS, ULWM has found it necessary to amend the Disabled Child/Grandchild Health Certification Application and integrate it with the Co-occupancy Permit Application to ensure a more complete application process; and

WHEREAS, authorization for co-occupancy is effective only when approved in writing by ULWM and issued in writing by an authorized VMS staff member(s);

NOW THEREFORE BE IT RESOLVED, November 8, 2022, the Board of Directors of this Corporation hereby adopts amendments to the Disabled Child/Grandchild Health Certification and the Co-occupancy Application; and

RESOLVED FURTHER, that this resolution supersedes all prior Disabled Child/Grandchild Health Certification forms and the Co-occupancy Application; and

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

Director Blackwell made a motion to approve Resolution 01-22-74. Director Casey seconded.

Discussion ensued among the Board.

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

- e. Recommendation to Approve a Resolution for Personal Items in Common Areas (**September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied**).

RESOLUTION 01-22-75

Personal Items in Common Areas

WHEREAS, all land outside the unit walls is considered common area, including the planting beds immediately adjacent to the units. The Board of Directors of this Corporation is concerned about the placement of privately-owned objects in the common areas, the possible safety hazards to persons, and maintenance problems caused by such placement; and

WHEREAS, the placement of privately-owned objects including plants, potted plants, statuary, and solar lights has become prevalent and unrestrained causing concerns about clutter, safety, and an obstruction to Mutual maintenance

activities; and

WHEREAS, the Compliance Division and Landscape Committee receives numerous concerns from residents regarding the proliferation of privately-owned objects;

NOW THEREFORE BE IT RESOLVED, November 8, 2022 that placement of privately- owned objects in the common areas, including planting beds, shall permit personal/non- standard landscape, within the following guidelines:

- Residents may not enlarge foundation planters.
- Residents may place decorative items, garden décor, statuary, potted plants, or freestanding solar lights within one single 36 square foot area immediately adjacent to their unit.
- Residents shall be responsible for the maintenance of this area including weeding, pruning and clean up. These items should be kept in good repair and potted plants should be well-maintained and any empty pots, gardening supplies or tools removed.
- Items placed in this area shall not impede the regular maintenance of the landscape and building, nor shall they block or interfere with Mutual irrigation systems.
- Residents understand that the area shall remain common area, subject to the use and passage of all residents.
- Upon sale of the unit, the Member or the estate will be financially responsible for the removal of all personal items and the re-landscaping of this area.
- If the personal plantings and/or decorative items in the common area directly adjacent to the manor are not maintained in a satisfactory manner may result in disciplinary action, including monetary penalties, suspension of member privileges and/or legal action.
- Members are responsible for ensuring that the rules, regulations and policies are followed by anyone they allow into the Community.
- Residents seeking a larger area or alteration of the Mutual owned landscape shall seek and obtain permission from the Board of Directors prior to any changes through the Landscape Request Form process.

RESOLVED FURTHER, that Resolution 01-05-63, adopted June 14, 2005 is hereby superseded and cancelled; and

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

Director Blackwell made a motion to approve Resolution 01-22-75. Director Casey seconded.

Discussion ensued among the Board.

Hearing no changes or objections, the motion was called to a vote and passed 5-2. Directors Achrekar and Asgari opposed. President Ross did not vote.

- f. Recommendation to Approve a Resolution for Restrictions on Outside Plant Watering (**September initial notification – 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied**).

RESOLUTION 01-22-76

Outside Plant Watering Restrictions

WHEREAS, August 22, 2022, the United Landscape Committee recognized that the State of California is experiencing record drought conditions requiring parts of Southern California to reduce exterior irrigation water use; and

WHEREAS, exterior water sources available to residents in United Mutual are potable water, accessed through hose bibs on the exterior of the units; and

WHEREAS, at this time, state and local mandates apply to potable water; and

WHEREAS, the United Landscape Committee determined that members and residents in United Mutual must limit exterior watering of outside plants with potable water from exterior mounted hose bibs using a hose or other methods;

NOW THEREFORE BE IT RESOLVED, on November 8, 2022, that members and residents within United Mutual must limit the exterior watering of outside personal plants using potable water from exterior mounted hose bibs using a hose or other methods to Wednesdays and Sundays only, and no watering of common area plant material is permitted at any time from exterior mounted hose bibs; and

RESOLVED FURTHER, this resolution shall become in full force and effect on November 8, 2022; and

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

Director Blackwell made a motion to approve Resolution 01-22-76. Director Casey seconded.

Discussion ensued among the Board.

Hearing no changes or objections, the motion was called to a vote and passed 5-2. Directors Asgari and Tuning opposed. President Ross did not

vote.

g. Consider Investment Ad Hoc Committee Member(s) (Oral Discussion)

Director Asgari provided an update regarding the creation of the Investment Ad Hoc Committee, which the purpose was to obtain experienced finance advisors as members.

Director Asgari requested to add Ken Benson and Michael Dalek as members to the Investment Ad Hoc Committee. President Ross seconded.

Discussion ensued among the board.

Hearing no changes or objections, the motion was called to a vote and passed 6-0-1. Director Achrekar abstained.

h. Town Hall (Oral Discussion)

President Ross discussed the upcoming Town Hall Meeting with the Board on December 9, 2022.

Director Casey made a motion to work with Dan Yost to hold a Town Hall Meeting regarding Insurance. Director Blackwell seconded.

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

Director Tuning made a motion to move the Town Hall to the month of January. Director Blackwell seconded.

Director Tuning withdrew the motion.

Director Lee made a motion to hold a meeting on December 9, 2022 for residents to have discussion with the United Board.

Hearing no changes or objections, the motion was called to a vote and passed. 6-1. Director Blackwell was opposed.

Director Tuning made a motion to formally hold a Town Hall meeting on December 9, 2022. Director Blackwell seconded.

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

i. Update Committee Appointments

RESOLUTION 01-22-77

Golden Rain Foundation Committee Appointments

RESOLVED, November 8, 2022, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, adopted September 29, 2014, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

GRF Strategic Planning Committee

~~Cash Achrekar~~
~~Diane Casey~~
~~Anthony Liberatore, Alternate~~
Mary Simon
Reza Bastani

GRF Community Activities Committee

~~Maggie Blackwell~~
Diane Casey
Pearl Lee

GRF Finance

Azar Asgari
Pat English
~~Diane Casey, Alternate~~
Thomas Tuning

GRF Landscape Committee

~~Maggie Blackwell~~
Diane Casey
Lenny Ross

GRF Maintenance & Construction

~~Cash Achrekar~~
~~Lenny Ross~~
Reza Bastani
Mary Simon

Clubhouses & Facilities Renovation Ad Hoc Committee

~~Diane Casey~~
~~Pat English~~
Reza Bastani
Mary Simon

GRF Media and Communications Committee

~~Neda Ardani~~
Maggie Blackwell
Anthony Liberatore

GRF Mobility and Vehicles Committee

~~Maggie Blackwell~~
~~Pearl Lee~~
Azar Asgari
Pat English

GRF Security and Community Access

Maggie Blackwell
Cash Achrekar

Disaster Preparedness Task Force

~~Diane Casey~~
Anthony
Liberatore

~~Cash Achrekar, Alternate~~
~~Pat English~~

Laguna Woods Village Traffic Hearings

~~Neda Ardani~~
~~Anthony Liberatore, Alternate~~
Cash Achrekar
Pearl Lee

Purchasing Ad Hoc Committee

~~Diane Casey~~
~~Neda Ardani~~
Thomas Tuning
Lenny Ross

Information Technology Advisory Committee

Diane Casey
~~Cash Achrekar~~
Thomas Tuning

Broadband Ad Hoc Committee

Diane Casey
Maggie Blackwell

Insurance Ad Hoc Committee

Anthony Liberatore
~~Cash Achrekar~~
Lenny Ross

Website Ad Hoc Committee

Anthony Liberatore
~~Pearl Lee~~
Azar Asgari

Compliance Ad Hoc Committee

Maggie Blackwell
Pearl Lee

RESOLVED FURTHER, that Resolution 01-22-59, adopted September 13, 2022, is hereby superseded and cancelled.

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

RESOLUTION 01-22-78

United Laguna Woods Mutual Committee Appointments

RESOLVED, November 8, 2022, that the following persons are hereby appointed to serve the Corporation in the following capacities:

Architectural Controls and Standards Committee

Anthony Liberatore (Chair)

~~Reza Bastani~~

~~Gash Achrekar~~

~~Pat English~~

Maggie Blackwell

Finance Committee

Azar Asgari, Chair

~~Pat English~~

~~Lenny Ross~~

Thomas Tuning

Mary Simon

Governing Documents Review Committee

Maggie Blackwell (Chair)

~~Diane Casey~~

~~Pearl Lee~~

Mary Simon

Azar Asgari

Landscape Committee

Diane Casey (Chair)

~~Maggie Blackwell~~

Lenny Ross

Anthony Liberatore

Landscape Tree Ad Hoc

Diane Casey (Chair)

Maintenance and Construction Committee

~~Pat English (Chair)~~

Reza Bastani (Chair)

Pearl Lee

Lenny Ross

Members Hearing Committee

~~Neda Ardani (Chair)~~

Pearl Lee (Chair)

~~Maggie Blackwell~~

Thomas Tuning

Pat English

New Resident Orientation

Maggie Blackwell (~~Chair~~)

Cash Achrekar (~~Chair~~)

Resident Advisory Committee

Anthony Liberatore (~~Chair~~)

Pearl Lee (~~Chair~~)

~~Diane Casey~~

Cash Achrekar

Investment Ad Hoc Committee

Azar Asgari, Chair

RESOLVE FURTHER that all directors are considered alternate members of each committee "Alternate." Each Alternate may serve as a substitute for another director that is unable to attend a meeting ("Substitute"). Committee Member Alternates cannot substitute for more than two (2) consecutive meetings. This will allow any director to ask any other director to sit in their stead during a temporary absence or unavailability. Of course, we can modify this and structure this any way the Board feels is best. However, the concept is that the Board, in advance, will approve any director sitting on a committee on a temporary basis when necessary to fill in for another director.

RESOLVED FURTHER Resolution 01-22-44, adopted July 12, 2022, is hereby superseded and canceled.

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

Director Asgari made a motion to approve Resolution 01-22-77 and Resolution 01-22-78. Director Tuning seconded.

Hearing no changes or objections, the motion was called to a vote and passed 7-0-1. Director Achrekar abstained.

13. New Business

- a. **Hearing – Smoke-Free Building Designation for Building 582 Avenida Majorca**
Discussion ensued among the Board.

Director Asgari made a motion to approve the Smoke-Free Building designation for Building 582 Avenida Majorca. Director Tuning seconded.

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

- b. Entertain a Motion to Approve Proposed Revision to Land Use Policy (**November initial notification – 28-day notification for member review and comments to comply with Civil Code §4360**).

Maintenance and Construction Assistant Director, Bart Mejia, entered the meeting at 1:09 p.m. and provided an overview of the proposed revision to land use policy.

RESOLUTION 01-22-XX

Land Use Alteration Policy

WHEREAS, the Board of Directors of United Laguna Woods Mutual (“Board”) established policies and procedures for the construction of any alterations, additions and expansions; and

WHEREAS, the Board, through Resolutions U-02-46, U-02-155, 01-04-54, 01-07-45, 01-08-73, 01-17-94 and 01-19-12 (collectively referred to as the “Land Use Policy”) adopted and implemented the Land Use Alteration Policy, some of which allowed members, in limited circumstances, to make exclusive use of certain portions of the common area to expand the footprint of their unit; and

WHEREAS, members have expressed concern over the Land Use Policy and, in general, the Board’s policy to allow members to use common area for their exclusive use by making alterations to units that expand the improvements beyond the original footprint; and

WHEREAS, the original footprint shall be defined as the unit, original patios, courtyards and atriums as shown on the original floorplans; and

WHEREAS, members have been permitted to construct alterations on previously approved or grandfathered expansions of the original footprint; and

WHEREAS, the Board has consulted with staff, legal counsel and having previously terminated the Land Use Policy that allowed members to make exclusive use of common area through such alterations;

NOW THEREFORE BE IT RESOLVED, December 13, 2022, that the Board hereby introduces the Revised Land Use Policy; and

NOW THEREFORE BE IT RESOLVED, that California Civil Code Section 4600 states that “...the affirmative vote of members owning at least 67 percent of the separate interests in the common interest development shall be required before the board may grant exclusive use of any portion of the common area to a member”; and

RESOLVED FURTHER, that the Board of Directors determines that there are no exclusive use common areas outside of the original footprint of the manor and therefore, California Civil Code Section 4600 (b) (3) (E) is not applicable to variance requests; and

RESOLVED FURTHER, that the Board of Directors acknowledges that current and active standards that allows improvements in common areas such as the installation of solar panels, lifts, ramps, etc. will continue to be in effect; and

RESOLVED FURTHER, that the Board of Directors shall not approve any alterations expanding the original footprint of units (some examples include the installation of new sliding doors that lead into common areas which require the installation of a landing in common area, and the installation of pads in common areas for golf cart parking), but that all such alterations currently in place, which have already been approved under the Land Use Policy, are grandfathered; and

RESOLVED FURTHER, that no further alteration may be approved or constructed on any previously approved, permitted or grandfathered alteration that encroaches upon common area, other than like for equivalent, that augments, enlarges, or changes the construction, purpose, or use of the previously approved, permitted or grandfathered alteration; and

RESOLVED FURTHER, that no new exclusive use improvement, room extension, or room addition may be constructed in common areas or on any previously approved or grandfathered expanded footprint area; and

RESOLVED FURTHER, that the determination of whether a proposed alteration is like- for-equivalent shall be made by Staff, in consultation with the Architectural Controls and Standards Committee, and subject to appeal to the Board, whose decision shall be final and made in the Board's sole and absolute discretion; and

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

Director Tuning made a motion to approve the Resolution for discussion purposes and to postpone the final vote for 28-days per Civil Code §4360. Director Casey seconded the motion.

There being no objections, the motion was approved 6-1. Director Asgari opposed. (NOVEMBER Initial Notification - postpone 28-days for Member review and comment to comply with Civil Code §4360).

- c. Entertain a Motion to Discuss and Consider Criminal Background Qualifications Policy (**November initial notification – 28-day notification for member review and comments to comply with Civil Code §4360**).

RESOLUTION 01-22-XX

Criminal Background Qualifications Policy

WHEREAS, the Governing Documents Review Committee is tasked to review policy and processes for consistency; and

WHEREAS, the Board recognized the need to establish a Criminal Background Qualifications Policy;

NOW THEREFORE BE IT RESOLVED; December 13, 2022 that the Board of Directors of this Corporation hereby approves the Criminal Background Qualifications Policy, as attached to the official minutes of this meeting; and

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

Director Blackwell made a motion to approve the Resolution for discussion purposes and to postpone the final vote for 28-days per Civil Code §4360. Director Casey seconded the motion.

There being no objections, the motion was approved unanimously. (NOVEMBER Initial Notification - postpone 28-days for Member review and comment to comply with Civil Code §4360).

14. Director Comments (Two minutes per director)

- Director Asgari thanked President Ross for a calm meeting.

Director Tuning made a motion to recess and convene into Closed session. President Ross seconded.

Hearing no changes or objections, the motion was approved unanimously.

THIS ITEM WAS NOT DISCUSSED AT THE MEETING

15. Committee Reports

- a. Report of the Finance Committee / Financial Report – Director Asgari. The

Committee met on October 25, 2022; next meeting November 29, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.

- (1) Treasurer's Report
 - (2) United Finance Committee Report
 - (3) Resales/Leasing Reports
- b. Report of the Architectural Control and Standards Committee – Director Blackwell. The Committee met on October 20, 2022; next meeting November 17, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.
- c. Report of Member Hearings Committee – Director Lee. The Committee met on October 27, 2022; next meeting November 24, 2022, 9:00 a.m. in the Board Room and as a virtual meeting.
- d. Report of the Governing Documents Review Committee – Director Blackwell. The Committee met on October 20, 2022; next meeting November 17, 2022, 1:30 p.m. in the Board Room and as a virtual meeting.
- e. Report of the Landscape Committee – Director Casey. The Committee met on October 24, 2022; next meeting November 28, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.
- f. Report of the Maintenance & Construction Committee – Director Bastani. The Committee met on October 26, 2022; next meeting December 28, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.
- g. Report of the United Resident Advisory Committee – Director Liberatore. The committee met on October 13, 2022; next meeting November 10, 2022, at 4:00 p.m. in the Elm Room and as a virtual meeting.
- h. Report of the Investment Ad Hoc Committee – Director Asgari. The Committee met on October 28, 2022; next meeting November 3, 2022 at 4:00 p.m. in the Sycamore Room and as a virtual meeting.

THIS ITEM WAS NOT DISCUSSED AT THE MEETING

16. GRF Committee Highlights

- a. Report of the GRF Finance Committee – Director Asgari. The committee met on October 19, 2022; next meeting December 21, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- b. Report of the GRF Strategic Planning Committee— Director Casey. The committee met on October 3, 2022; next meeting December 5, 2022, at

9:30 a.m. in the Board Room and as virtual meeting.

- c. Report of the Community Activities Committee – Director Casey. The committee met on October 13, 2022; next meeting November 10, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- d. Report of the GRF Landscape Committee – Director Casey. The committee met on September 14, 2022; next meeting December 14, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- e. Report of the GRF Maintenance & Construction Committee – Director Simon. The committee met on October 12, 2022; next meeting December 14, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.
 - (1) Clubhouse (Facilities) Ad Hoc Committee – Director Simon. The Ad Hoc Committee met June 24, 2022; next meeting TBA.
- f. Report of the Media and Communication Committee – Director Blackwell. The committee met on October 17, 2022; next meeting November 21, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
 - (1) Website Ad-Hoc Committee – Director Liberatore. The committee met on September 14, 2022; Next meeting TBA
 - (2) Broadband Ad Hoc Committee – Director Casey. The committee met on October 25, 2022; next meeting November 21, 2022 at 10:00 a.m. in the Sycamore Room and as a virtual meeting.
- g. Report of the Mobility and Vehicles Committee – Director Blackwell. The Committee met on October 5, 2022; next meeting December 7, 2022, at 1:30 p.m. in the Board Room.
- h. Report of the Security and Community Access Committee – Director Blackwell. The Committee met on October 31, 2022; next meeting December 26, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- i. Laguna Woods Village Traffic Hearings – Director Achrekar. The Traffic Hearings were held on October 19, 2022; next hearings on November 16, 2022, at 9:00 a.m. as a virtual meeting.
- j. Report of the Disaster Preparedness Task Force – Director Liberatore. The Task Force met on September 27, 2022; next meeting November 29, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.
- k. Report of the Purchasing Task Force Ad Hoc Committee – President Ross. The Committee met on April 7, 2022; next meeting TBA.
- l. Report of the Information Technology Advisory Committee – Director Casey. The Committee met on October 28, 2022; next meeting November 25, 2022 as a virtual meeting.

- m. Report of the Insurance Ad Hoc Committee – Director Liberatore. The Committee met on July 25, 2022; next meeting TBA.
- n. Report of the Compliance Ad Hoc Committee – Director Blackwell. The Committee met on October 19, 2022; next meeting TBA.

17. Future Agenda Items – None

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

The meeting recessed at 1:36 p.m. into the Closed Session.

Summary of Previous Closed Session Meetings per Civil Code Section §4935

Approval of Agenda

Approval of the Following Meeting Minutes;

(a) August 9, 2022 – Regular Closed Session

Discuss and Consider Member Disciplinary Matters

Discuss Personnel Matters

Discuss and Consider Contractual Matters

Discuss and Consider Legal and Litigation Matters

19. Adjourn

The meeting was adjourned at 4:21 p.m.

DocuSigned by:

Lenny Ross

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Lenny Ross, President of the Board
United Laguna Woods Mutual

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2023 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

The following is a statement of the specific procedures, policies, and practices (“Policy Statement”) employed by Third Laguna Hills Mutual, a California nonprofit mutual benefit corporation (the “Mutual”) in enforcing lien rights or other legal remedies for default in payment of its assessments against its owners (“Members”). This Policy Statement is provided pursuant to the requirements of California Civil Code Section 5310(a)(7).

The collection of delinquent assessments is of vital concern to **all** Members of the Mutual. Such efforts ensure that all Members pay their fair share of the costs of services and facilities provided and maintained by the Mutual. Members’ failure to pay assessments when due creates a cash-flow problem for the Mutual and causes those Members who make timely payment of their assessments to bear a disproportionate share of the community’s financial obligations. Special assessments must be received in a timely fashion in order to finance the needs for which said special assessments are imposed.

Accordingly, in order to reduce the amount and duration of delinquencies and to encourage the prompt and full payment of all assessments, the Mutual has been vested with certain enforcement rights and remedies which are in addition to those which exist generally for creditors. These rights and remedies are described in this Policy Statement.

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

REGARDLESS OF WHETHER THE MUTUAL RECORDS A LIEN ON YOUR PROPERTY DURING THE COLLECTION OF PAST-DUE ASSESSMENTS, ALL MEMBERS HAVE A PERSONAL AND ONGOING OBLIGATION TO PAY ASSESSMENTS AND CHARGES.

BASIC POLICIES AND PROCEDURES

Delinquency reports are prepared monthly by the Mutual’s managing agent to the Mutual’s Board of Directors (“Board”), identifying the delinquent Member, and the amount and length of time the assessments have been in arrears. The policies and practices outlined in this Policy Statement shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board, or unless the applicable statutory scheme changes, in which event, this Policy Statement shall be construed so as to be consistent with any newly adopted statutes or court decisions. In accordance with the Mutual’s governing documents (including, without limitation, the Articles of

Incorporation, the Bylaws, the recorded CC&Rs, rules and regulations, and written policies) (collectively, the “Governing Documents”) and the Civil Code, to ensure the prompt payment of monthly assessments, the Mutual employs the following collection and lien enforcement policies and procedures, including for the collection of assessments, late charges, interest, fees, and chargeable services charged against Members pursuant to the Governing Documents and current law:

1. Assessment Due Date

Regular assessments (“Carrying Charges” as defined in Article 1, Section 8 of the CC&Rs) are due and payable to the Mutual, in advance, in equal monthly installments, on the first (1st) day of each month. It is each Member’s responsibility to pay assessments in full each month regardless of whether a billing statement is received. Special assessments shall be due and payable on the due date specified by the Board in the notice imposing the special assessment or in the ballot presenting the special assessment to the Members for approval. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed.

2. Reminder Notice

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

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

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

3. Administrative Collection Fee

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

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

4. Late Charge

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

A late payment charge for a delinquent assessment will be assessed in the amount of seventy-five dollars (\$75) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both Civil Code Section 5650 and the Mutual's Governing Documents provide for interest on all sums imposed in accordance with Section 5650, including on delinquent assessment, reasonable fees and costs of collection, and reasonable attorney's fees, which may be imposed thirty (30) days after the assessment is due, at an annual percentage rate of twelve percent (12%). Such interest may be imposed and collected regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel and/or collection agent for handling. Non-assessment fines, fees, and chargeable services are also subject to a late fee and interest, in an amount determined by Board resolution.

5. Demand Letter (aka Pre-Lien Notice)

If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of a reminder notice, as described in Section 2 above, or if no reminder notice was sent, then within thirty (30) days after the date when the delinquent amount became due, then a demand letter pursuant to Civil Code Section 5660 (a "Pre-Lien Notice"), as detailed below, will be sent to the Member by Certified Mail. The Mutual, through its managing agent, may also attempt to contact the Member by telephone to remind the Member of the delinquency and determine when payment will be made. However, no assurances can be given that the Mutual will in fact reach the Member by telephone, and the Member is responsible to pay off the delinquency whether or not a reminder notice or telephone reminder is actually received by the Member.

6. Alternate Means to Collect Delinquent Sums

If full payment of the delinquent amount (such as a duly levied and imposed assessment, fine, fee, or chargeable service including associated late charges and interest) is not received by the close of business on the thirtieth (30th) day after the date of a demand letter for payment of same (and with respect to recording a lien against a Member's separate interest in the condominium project ("Manor"), on the thirtieth (30th) day after receipt of a Pre-Lien Notice) the Mutual may, at its option, in accordance with the requirements and conditions herein and applicable law, and based on the circumstances of the delinquency, including but not limited to, the total delinquent amount owing and the Member's payment history, undertake to collect the delinquency by: (1) suspending a Member's right (and that of the Resident or Tenant of that Member's Manor) to use Mutual or Golden Rain Foundation of Laguna Woods ("GRF") facilities; (2) termination of the delinquent Member's Membership in the Mutual as a result of any foreclosure, (3) legal actions, discussed further below, or (4) other means permitted by law.

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

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

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

The Mutual may also take various legal actions to enforce the collection of delinquencies. **THESE ACTIONS MAY BE TAKEN SEPARATELY OR CONCURRENTLY.**

7. Small Claims Court

A civil action in small claims court may be filed, with a management company representative or bookkeeper appearing and participating on behalf of the Mutual.

PLEASE NOTE THAT A SMALL CLAIMS COURT ACTION MAY BE PURSUED BASED ON A BOARD RESOLUTION EITHER BEFORE OR AFTER RECORDING A NOTICE OF DELINQUENT ASSESSMENT (LIEN), AND/OR AFTER A WRITE-OFF.

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

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

8. Lien

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

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

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

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

9. Foreclosure/ADR

After thirty (30) days following the recording of a delinquent assessment lien, the lien may be enforced in any manner permitted by law. Once the amount of delinquent assessments (not including any late charges, fees, interest, or Costs of Collection), exceeds One Thousand Eight Hundred Dollars (\$1,800), OR any unpaid assessments are more than twelve (12) months delinquent, then, subject to the conditions specified below, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

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

Civil Code Section 5965 requires the following statement to be included in this Policy Statement:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

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

10. Board Decision to Initiate Foreclosure

The decision to initiate foreclosure of a validly recorded delinquent assessment lien shall be made **only** by the Board and may not be delegated to an agent of the Mutual. The Board shall approve the decision by a majority vote of the Board in an executive session. The vote must be recorded in the minutes of the next meeting of the Board open to all Members; however, the confidentiality of the delinquent Member shall be maintained by identifying the matter in the minutes only by the Parcel Number, and not by the name of the delinquent Member. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale or judicial foreclosure.

If the Board votes to foreclose upon an owner's Manor, the Board shall provide notice by personal service to an owner of a Manor if the owner occupies the Manor or to their legal representative. For a non-occupying owner, the Board shall provide written notice by first-class mail, postage prepaid, at the

most current address shown on the books of the Mutual. In the absence of written notification by a non-occupying owner to the Mutual, the address of the owner's Manor may be treated as the owner's mailing address.

11. Non-Judicial Foreclosure/Right of Redemption

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

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

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

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

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

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

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

13. Pre-Lien Notice

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

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

- (a) A general description of the collection and lien enforcement procedures of the Mutual and the method of calculation of the amount, a statement that the owner of the Manor has the right to inspect the association records pursuant to Section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed:

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

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

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

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

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

15. Payment Plan Requests

Any Member who is unable to timely pay regular or special assessments is entitled to make a written request for a payment plan to the Mutual's Board. A Member may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the Pre-Lien Notice. The Mutual's Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans may not impede the Mutual's ability to record a lien on the Member's Manor to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Member is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Mutual may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan. The Mutual reserves the right to impose reasonable conditions on any approvals for a payment plan and request that the delinquent Member provide disclosure of certain identifying information and other assets that may be used as additional security for the debt owed.

16. Application of Payments

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

17. Secondary Address

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

18. No Right of Offset

There is no right of offset. This means that a Member may not withhold assessments and related charges owed to the Mutual on the alleged grounds that the Member would be entitled to recover money or damages from the Mutual based on some other obligation or some claim of another obligation.

19. Returned Checks

The Mutual may charge the Member a twenty-five-dollar (\$25) fee for the first check tendered to the Mutual that is returned unpaid by the Member's bank, and thereafter, the Mutual may charge a thirty-five-dollar (\$35) fee for any subsequent check that is returned based on insufficient funds. If a Member's check cannot be negotiated for any reason, then the Mutual may also seek to recover damages of the greater of (a) one hundred dollars (\$100); or (b) three (3) times the amount of the check up to one thousand five hundred dollars (\$1,500) in accordance with Civil Code Section 1719.

20. Charges and Fees Subject to Change

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

21. Overnight Payments

The mailing address for overnight payment of assessments is:

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

22. Rights Reserved by Mutual

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

23. Attachments

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

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

BOARD OF DIRECTORS

THIRD LAGUNA HILLS MUTUAL

ATTACHMENT A
NOTICE OF
ASSESSMENTS AND FORECLOSURE

The following notice is provided pursuant to California Civil Code Section 5730

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

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

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

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

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

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

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

PAYMENTS

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

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

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

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

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

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

ATTACHMENT B

The following Disclosure is made pursuant to California Civil Code Sections 1812.700-1812.703.

“The State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov.”



**Golden Rain Foundation, United Laguna Woods Mutual and Third Laguna Hills Mutual
Joint Hearing Body Committee
Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy**

I. Purpose

Harassment, abuse and intimidation is strictly prohibited in the community. The boards of directors of Golden Rain Foundation ("GRF"), Third Laguna Hills Mutual ("Third"), United Laguna Woods Mutual ("United") and Village Management Services ("VMS") require a clear and consistent policy to address claims of harassment, abuse and intimidation. This Anti-Harassment, Anti-Abuse and Anti-Intimidation Policy ("policy") provides guidance relative to such behavior and guidelines for addressing same by the Anti-Harassment, Anti-Abuse and Anti-Intimidation Joint Hearing Body Committee.

This policy applies to:

- a. Members;
- b. Residents;
- c. GRF, United, Third and VMS board directors and advisors; and
- d. Member or resident guests.

The claims of harassment, abuse and/or intimidation may be against:

- a. Members;
- b. Residents;
- c. GRF, Third, United and VMS board of directors and advisors;
- d. Member or resident guests; and
- e. VMS employees.

VMS investigates incidents of harassment, abuse and/or intimidation from an employer's standpoint pursuant to the VMS anti-harassment policy, and by necessary implication, there will be overlap when an employee is harassed by any of the foregoing and vice-versa.

This policy has been adopted by the boards of directors of GRF, Third and United in the exercise of their respective duties to maintain, protect and enhance the value and desirability of Laguna Woods Village and the interests of all of its members.

II. Definitions

- a. Abuse - See details under Conditions for Abuse.
- b. Anti-Harassment, Anti-Abuse and Anti-Intimidation Joint Hearing Body Committee ("committee") - A hearing body formed via charter by the boards of directors of GRF, Third and United to address claims of harassment, abuse and intimidation by

- members; residents; GRF, Third, United and VMS boards of directors and advisors; and member or resident guests. Claims may involve members; residents; GRF, Third, United and VMS boards of directors and advisors; member or resident guests; and VMS employees.
- c. Community - Laguna Woods Village, including, but not limited to, the community center, gate houses, clubhouses and amenities.
 - d. Claimant - Member, resident, board member, advisor, member or resident guest who submits a claim of alleged harassment, abuse and/or intimidation ("claim") involving member, resident, board member, advisor, member or resident guest, and/or employee.
 - e. Director - A board member from GRF, Third, United or VMS boards of directors.
 - f. Governing documents - All of the following, collectively: articles of incorporation, bylaws, CC&Rs, rules and regulations, and resolutions or policies duly adopted by boards of directors of United (including occupancy agreement), GRF and Third; all as may be lawfully amended or modified from time to time.
 - g. Harassment - See details under Conditions for Harassment.
 - h. Intimidation - See details under Conditions for Intimidation.
 - i. Member - Any person who is an owner of a unit in Third's or United's development who has been approved for membership in Third or United in accordance with the governing documents.
 - j. Resident - An approved occupant of a residence in Laguna Woods Village.
 - k. Respondent - Member, resident, board member, advisor, member or resident guest, or employee who is the subject of harassment, abuse and/or intimidation claim.
 - l. Staff - Employees of VMS authorized to act on behalf of GRF, Third and United.

III. Conditions for Harassment

Below are various definitions and descriptions of harassment under both federal and California law:

- a. Federal law: Under federal law, "harassment" is defined to mean "a serious act or a course of conduct directed at a specific person that causes substantial emotional distress in such person and serves no legitimate purpose" (18 U.S.C.A. §1514[d][1][B]).
- b. California law: California Law: California defines "harassment" as unlawful violence, a credible threat of violence or a knowing and willful course of conduct directed at a specific person that seriously alarms, annoys or harasses that person, and that serves no legitimate purpose (Code of Civil Procedure §527.6[b][3]).
- c. Department of Housing and Urban Development (HUD) "Final Rule": Recent federal regulations/guidelines enacted by the Department of Housing and Urban Development (HUD) impose certain obligations on GRF, United and Third with regard to the investigation and treatment of reported harassment. The new guidelines, adopted in August 2016, were enacted in an effort to further define and address housing discrimination in the form of harassment. In that regard, HUD's new guidelines now deem any form of harassment in housing or within housing developments a form of illegal discrimination. Based on HUD's guidelines, homeowners' associations, including GRF, United and Third, are considered housing

providers, and as such are required to evaluate alleged harassment to investigate whether a resident is being subjected to harassment to the extent that it may amount to illegal housing discrimination. Pursuant to the guidelines, GRF, United and Third are required to investigate all reported claims of potential harassment of residents and, as appropriate, take all action permitted under the governing documents to address such harassing behavior (24 CFR 100.600).

IV. Conditions for Abuse

Below are various definitions and descriptions of abuse under both federal and California law:

- a. Federal law: Under federal law, “abuse” is defined to mean “the knowing infliction of physical or psychological harm or the knowing deprivation of goods or services that are necessary to meet essential needs or to avoid physical or psychological harm” (42 USC §1397[j]).
- b. California law: Under California law, “abuse” includes, but is not limited to, intentionally or recklessly causing or attempting to cause bodily injury, sexual assault and placing a person in reasonable apprehension of imminent serious bodily injury to that person or to another. Abuse is not limited to the actual infliction of physical injury or assault (Family Code §6203). For purposes of this policy, “abuse” also includes conduct that creates a hostile work environment as defined under California law.

V. Conditions for Intimidation

Below are various definitions and descriptions of intimidation under both federal and California law:

- a. Federal law: Under federal law, “intimidation” is defined to mean “a serious act or course of conduct directed at a specific person that (i) causes fear or apprehension in such person; and (ii) serves no legitimate purpose” (18 USC §1514[d][1]).
- b. California law: Under California law, the definition of “intimidation” was noted “to make timid or fearful; to inspire or affect with fear; to make fearful; to frighten ... to deter, as by threats. ...” (In re Bell, 19 Cal. 2d 488, 122 P.2d 22 [1942][dissent]).

VI. Examples of Harassment, Abuse and/or Intimidation

Examples of harassment, abuse and/or intimidation in community, subject to review and interpretation by committee, may include:

- a. Physical intimidation;
- b. Threatening bodily harm or to harm one’s property;
- c. Discriminatory shouting and yelling;
- d. Stalking, such as following someone around to intimidate or “make a point”;
- e. Disrupting organized activities in progress, including board and committee meetings;
- f. Entering the second floor of the community center without escort or pass with intent to disrupt operations;
- g. Interfering, instructing or otherwise disrupting the work of vendors or staff;
- h. Unreasonable, hostile and/or telephone calls and/or emails without a legitimate purpose to a resident, vendor or staff;

- i. Disparaging someone;
- j. Humiliating someone; and/or
- k. Other behavior that the ordinary person would find unreasonable and/or threatening.

VII. Reporting Harassment, Abuse and/or Intimidation Claims

To report a claim, members; residents; GRF, United, Third and VMS board directors and advisors; member and resident guests; and/or VMS employees may contact:

- a. Security Department
 - i. By telephone: 949-580-1400
- b. Compliance Division
 - i. By telephone: 949-268-2255; or
 - ii. Via email: compliance@vmsinc.org

Staff may inform the claimant to call the Security Department for documentation of the reported harassment, abuse and/or intimidation. Staff may also inform the claimant to call the Orange County Sheriff's Department if harassment, abuse and/or intimidation occur.

VIII. Assessment of Harassment, Abuse, and/or Intimidation Claims

Upon receipt of claim by Security Department or Compliance Division, the following steps will occur:

- a. Security director informs CEO/general manager ("CEO") and human resources ("HR") director of claim.
- b. CEO confers with security director and HR director to determine if claim may involve harassment, abuse and/or intimidation and requires further action;
 - i. If claim does not meet definition of harassment, abuse and/or intimidation, no further action is taken.
 - ii. If claim meets definition of harassment, abuse and/or intimidation, claim will be investigated by third party or internally by security director or designee.
- c. CEO may implement interim administrative actions to prevent employee harassment, abuse and/or intimidation during investigation depending on facts/governing documents. Actions must not interfere with resident's rights.

IX. Investigation of Harassment, Abuse and/or Intimidation Claims

- a. If claim involves member, resident, board member, advisor, member or resident guest, investigator at direction of security director gathers sufficient evidence to determine whether prohibited conduct occurred (harassment, abuse and/or intimidation);
- b. If claim involves employee, investigator at direction of HR director gathers sufficient evidence to determine whether prohibited conduct occurred (harassment, abuse and/or intimidation). VMS investigates claims from an employer's standpoint pursuant to federal and state laws regarding employees and the VMS anti-harassment policy and confirmed cases of harassment, abuse and intimidation by necessary implication, there will be overlap when an employee is harassed by a member, board member and/or advisor. VMS will investigate harassment to

determine what action must be taken to protect employee while investigation results will be shared with the committee to determine what action to take against the member, board member or advisor. VMS and the committee must be able to share information and the sharing of such information is therefore expressly authorized for this purpose.

- c. Legal counsel reviews investigative report to confirm findings meet legal definition(s) of harassment, abuse and/or intimidation. If claim does not meet the definition(s), no further action is taken.

X. If Harassment, Abuse and/or Intimidation Claim Substantiated by Investigation – Member, Resident, Board Member, Advisor, Member or Resident Guest

- a. Pursuant to Civil Code §5855 and applicable governing documents, Compliance Division issues notice of hearing with committee to respondent, including summary of evidence;
 - i. When respondent is board member or advisor, any committee members from defendant's board do not participate in hearing. Four committee members from other boards hear and render decision on case.
- b. During disciplinary hearing, respondent has right to meet before committee in executive session.
- c. If committee finds respondent in violation of policy, committee may impose fine, suspend member privileges and/or consider legal action.
- d. Any respondent found to have violated policy may be removed as officer of their board, if serving as such, or from any committee they serve by their respective board (e.g., GRF, Third, United and VMS).

XI. Appeal of Committee Decision - Member, Resident, Board Member, Advisor, Member or Resident Guest

- a. Committee disciplinary decisions against respondent are subject to appeal to their respective corporation's board. If VMS board member is respondent, appeal would be to mutual board in which respondent resides.
 - i. When defendant is board member or advisor, any committee members from board who did not participate in committee hearing would participate in appeal hearing with respondent's full board.

XII. If Harassment, Abuse and/or Intimidation Claim Substantiated by Investigation – Employee

- a. Pursuant to VMS Anti-Harassment Policy, when employee has engaged in prohibited conduct (harassment, abuse and/or intimidation), investigation results presented to CEO, and HR director and legal counsel.
- b. CEO, HR director and legal counsel review investigative findings and determine discipline to impose including suspension, demotion final warning and/or termination.