

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

November 15, 2011

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, November 15, 2011 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Sy Wellikson, Mike Straziuso, Won Chang (9:30 A.M. – 9:54 A.M.), Isabel Muennichow, Rae Tso, Carol Moore, John Paulus, Kathryn Freshley, Dick Palmer, Denny Welch, Lucy Shimon

Directors Absent: None

Others Present: Jerry Storage, Patty Kurzet

Executive Session: Jerry Storage, Patty Kurzet, Luis Rosas

CALL TO ORDER

Director Sy Wellikson, President of the Corporation, chaired the meeting and stated that it was a regular meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 9:30 A.M.

A moment of silence was held to honor the US Troops serving our country and those placed in harm's way.

PLEDGE OF ALLEGIANCE

Director Carol Moore led the Membership in the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF MEDIA

The Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present.

APPROVAL OF AGENDA

Director Straziuso made a motion to remove Agenda Items 12 (b) – (e). Director Tso seconded the motion and discussion ensued.

President Wellikson ruled the motion out of order. Director Straziuso challenged the decision of the Chair.

President Wellikson relinquished the Chair to 2nd Vice President Chang.

By a vote of 3-7-0 (Directors Tso, Straziuso, and Welch voted in favor), the motion to challenge the decision of the Chair failed.

Director Chang relinquished the Chair back to President Wellikson and left the meeting at 9:54 A.M.

Without objection, the Board approved the agenda as submitted.

CHAIR'S REMARKS--Sy Wellikson

President Wellikson reported on the Board's goal to meet the needs of the Community to the best of its ability.

APPROVAL OF THE MINUTES

Without objection the Board approved the minutes of the October 18, 2011.

CONSENT CALENDAR

Without objection, the Board approved the Consent Calendar as presented, and the Board took the following actions:

Maintenance & Construction Committee Recommendations:

- | | |
|--------|--|
| 2135-D | Approval of request to reverse charge of \$26.05 for Trim Kit installed by Mutual |
| 3044-P | Approval of request to perform door and window modification/additions, with contingencies |
| 3067-B | Approval to reimburse 2011 average cost to remove roots from plumbing lines totaling \$92.40 |
| 3503-A | Approval of request to retain Chem Link solar panel roof jack mountings, with contingencies |
| 5008 | Approval of request to perform door and window modifications, with contingencies |
| 5246 | Approval of request to remove window in kitchen nook, with contingencies |
| 5338-C | Approval of request to retain window to sliding glass modification, with contingencies |
| 5541-A | Approval of request to retain security doors over sliding glass doors, with contingencies |

Landscape Committee Recommendations

- | | |
|---------|---|
| 3123-N | Approval of appeal request for tree removal and replacement on schedule at the Mutual's expense or off-schedule at the Mutual member's expense |
| 3107-Q | Denial of request for tree removal |
| 3489-C | Approval of request for tree removal and plant replacements at Mutual member's expense |
| 5307 | Conditional approval of request for new lawn at Mutual member's expense |
| 5500-2F | Denial of request for tree removal |

Finance Committee Recommendations

RESOLUTION 03-11-184

Recording of Lien for Member ID 930-764-37

WHEREAS, Member ID 930-764-37 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 930-764-37; 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.

RESOLUTION 03-11-185

Recording of Lien for Member ID 930-764-56

WHEREAS, Member ID 930-764-56 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 930-764-56; 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.

RESOLUTION 03-11-186

Recording of Lien for Member ID 931-360-96

WHEREAS, Member ID 931-360-96 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-360-96; 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.

RESOLUTION 03-11-187

Recording of Lien for Member ID 931-370-88

WHEREAS, Member ID 931-370-88 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-370-88; 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.

RESOLUTION 03-11-188

Recording of Lien for Member ID 931-480-59

WHEREAS, Member ID 931-480-59 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-480-59; 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.

RESOLUTION 03-11-189

Recording of Lien for Member ID 931-510-79

WHEREAS, Member ID 931-510-79 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-510-79; 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.

RESOLUTION 03-11-190

Recording of Lien for Member ID 931-590-28

WHEREAS, Member ID 931-590-28 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-590-28; 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.

RESOLUTION 03-11-191

Recording of Lien for Member ID 931-680-63

WHEREAS, Member ID 931-680-63 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-680-63; 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.

RESOLUTION 03-11-192

Recording of Lien for Member ID 931-681-51

WHEREAS, Member ID 931-681-51 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-681-51; 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.

RESOLUTION 03-11-193

Recording of Lien for Member ID 932-201-54

WHEREAS, Member ID 932-201-54 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-201-54; 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.

RESOLUTION 03-11-194

Recording of Lien for Member ID 932-450-71

WHEREAS, Member ID 932-450-71 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-450-71; 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.

RESOLUTION 03-11-195

Recording of Lien for Member ID 932-720-70

WHEREAS, Member ID 932-720-70 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-720-70; 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.

RESOLUTION 03-11-196

Recording of Lien for Member ID 934-900-45

WHEREAS, Member ID 934-900-45 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors hereby approves the recording of a Lien for Member ID 934-900-45; 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.

GENERAL MANAGER'S REPORT

Mr. Storage updated the membership on the ongoing GRF projects within the Community.

Mr. Storage also updated the Board on Third Mutual projects including the replacement of beams at various buildings; the elevator hydraulic replacement project; the three-story fire alarm system upgrades; the waterline epoxy piping program; the Water Conservation Pilot project; the flood mitigation in cul-de-sacs 371 and 378 and watershed in cul-de-sacs 203, 219, 221, 222; electrical upgrades for water heaters; and slope repairs.

President Wellikson described the Board decorum for Member Comments.

THIRD MUTUAL MEMBER COMMENTS and PUBLIC FORUM

- Art Harris (3244-1G) commented on the division of the Board.

- Bud Nesvig (2392-3H) commented on GRF's Trust Facilities Fee and to the health of President Wellikson and Director Straziuso.
- Harlie Lunke (3371-3D) commented on the Board's leadership and block voting.
- Ruby Barkmeyer (3172-B) spoke to the elimination of non-emergency chargeable services.
- Lucie Falk (3377-A) spoke to the elimination of non-emergency chargeable services and the Board's leadership.
- Edward Tao (2306-B) commented on the Cost Reduction Committee and the removal of his wife as one of the Finance Committee advisors.
- Dalene Bacus (4023-A) spoke to a moisture intrusion issue.
- Kay Margason (510-C) spoke to an issue in United.
- Harry Curtis (5371-2A) spoke to improvements to the mailroom and other issues in the Community.
- Mary Pat Toups (3467-B) commented on the need to continue chargeable maintenance services.
- Margaret Klein (3487-A) spoke to the newly elected Board members and the rescindment of actions taken by the previous Board.

DIRECTORS' RESPONSES TO MEMBER COMMENTS

- Directors Moore, Paulus, Welch, and Shimon spoke to the six-month moratorium placed on the elimination of non-emergency chargeable services.
- Director Freshley spoke to the mailroom improvements, the Cost Reduction Committee, and Finance Committee advisors.
- Director Palmer spoke to Ms. Bacus' moisture intrusion issue.
- Director Tso spoke to the Board's review of the non-emergency chargeable services.
- Director Straziuso commented on maintaining the mailrooms and the Board's review of the non-emergency chargeable services.
- President Wellikson commented on the Board's duty to support all actions taken by the Board.
- Director Welch responded to comments made by Mr. Curtis, Mr. Tao, and Ms. Margason.
- Director Paulus responded to comments made by Mr. Curtis and Ms. Bacus.

OLD BUSINESS

The Secretary of the Corporation, Director Isabel Muennichow, read the following proposed changes to the Mutual committee appointment resolution:

RESOLUTION 03-11-

Mutual Committee Appointments

RESOLVED, November 15, 2011, that the following persons are hereby appointed to serve on the committees and services of this Corporation; and

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

Board Operating Rules Committee (Committee of the Whole)

Isabel Muennichow, Chair

Kathryn Freshley, Vice Chair

Non-Voting Advisors: Carol Skydell, Pat Feeney

Community Revitalization (Committee of the Whole)

Carol Moore, Chair

Lucy Shimon, Vice Chair

Non-Voting Advisors: Carol Skydell

Finance (Committee of the Whole)

Rae Tso, Chair

Mike Straziuso, Vice Chair

Non-Voting Advisors: Jim Hart

Landscape (Committee of the Whole)

Mike Straziuso, Chair

Lucy Shimon, Vice Chair

Non-Voting Advisors: John Dudley, Barbara Marsh, Judith Troutman, Harriet Arnest, Mike Matzenbacher

Maintenance and Construction (Committee of the Whole)

Denise Welch, Chair

Won Chang, Vice Chair

Non-Voting Advisors: Joseph Heller, Richard Moren, Shari Horne

Management Agreement Ad Hoc Committee (Committee of the Whole)

Meet and Confer

John Paulus

Kathryn Freshley

Mike Straziuso

New Resident Orientation

Per Rotation List

Resident Problem Resolution Services

John Paulus, Chair

Denise Welch, Vice-Chair

Smoking Nuisance Ad Hoc Committee

Carol Moore

Isabel Muennichow
Kathryn Freshley

Traffic

Dick Palmer, Chair
Carol Moore, Vice Chair
3rd Person Per Rotation List

Laguna Canyon Foundation

Carol Moore

RESOLVED FURTHER, Resolution 03-11-172, adopted October 18, 2011 is hereby superseded and canceled.

Director Welch moved to approve the resolution. Director Tso seconded the motion and discussion ensued.

Director Muennichow moved to amend the motion to change the composition of the Board Operating Rules by eliminating it as a Committee of the Whole. Director Shimon seconded the motion and discussion ensued.

By a vote of 8-0-1 (Director Moore did not vote and Director Chang was absent from the meeting), the amendment carried.

Director Moore amended the motion to add Carol Skydell to the Community Revitalization Committee as a non-voting advisor. Director Welch seconded the motion.

By a vote of 8-0-1 (Director Straziuso did not vote), the amendment carried.

Discussion ensued on the main motion as amended.

Member Carol Skydell (3070-B) commented on the Landscape Committee advisors.

By a vote of 4-5-0 (Directors Welch, Muennichow, Tso and Straziuso voted in favor) the main motion as amended failed.

The Secretary read a proposed resolution requiring that prior to the date any record fee title to a Manor is transferred, a Manor Owner must replace all non-compliant toilets within their Manor, which was postponed from the previous month to satisfy the 30-day notification requirement. Director Muennichow moved to approve the resolution. Director Shimon seconded the motion and discussion ensued on the enforceability of the resolution.

Member Harry Curtis (5371-2A) commented on the motion.

By a vote of 8-1-0 (Director Straziuso opposed), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-197

Non-Compliant Toilets Policy

WHEREAS, Third Mutual pays out of the Collected Assessments, also known as Carrying Charges, the cost of commonly metered water services for the Manors, which payment by Third Mutual includes the increasingly expensive cost of the water used to flush all toilets within each such Manor; and

WHEREAS, two consulting firms have become the clearinghouse for all toilet manufacturers by establishing the test procedures for 1900 toilets; and

WHEREAS, most manufacturers have sought the approval of these test procedures and have redesigned their toilets to meet the stated criteria; and

WHEREAS, that testing and that compliance has been accepted by the California Urban Water Conservation Council as well as cities throughout the country; and

WHEREAS, MaP (Maximum Toilet Performance) testing shows efficient toilets must not exceed 1.6 gallons and be able to flush 1000 grams (2.2 pounds) of solid waste as outlined in the MaP Standards, and have a 3-inch tank drain outlet:

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors of this Corporation hereby requires that prior to the date any record fee title to a Manor is transferred, the Manor Owner must replace all non-compliant toilets within their Manor with toilets which meet or exceed the MaP Standard for 1.6 gallon toilets; 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, effective January 1, 2012.

Director Freshley left the meeting at 11:28 A.M.

The Secretary of the Corporation read a proposed resolution approving the Mutual's Collection and Lien Enforcement Policy, which was postponed from the previous month to satisfy the 30-day notification requirement. Director Muennichow moved to approve the resolution. Director Welch seconded the motion.

By a vote of 8-0-0 (Director Freshley was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-198

Collection and Lien Enforcement Policy

WHEREAS, Section 1365 of the California Civil Code requires that homeowner associations have a specific policy relating to collection of delinquent assessment accounts and enforcement of liens placed upon such delinquent properties; and

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors of this Corporation hereby approves the attached Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies, effective January 1, 2012; and

RESOLVED FURTHER, that Resolution 03-10-141, adopted September 21, 2010 is hereby superseded and cancelled; and

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

The Secretary of the Corporation read a proposed resolution increasing the annual common area golf cart electric charge, which was postponed from the previous month to satisfy the 30-day notification requirement. Director Muennichow moved to approve the resolution. Director Tso seconded the motion.

By a vote of 8-0-0 (Director Freshley was absent from the meeting), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-199

Common Area Golf Cart Electric Charge

WHEREAS, as a convenience to the residents, Third Mutual allows rechargeable battery powered vehicles to be recharged in Mutual-owned charging stations as well as other common areas; and

WHEREAS, to recover the electricity expense incurred, residents recharging rechargeable battery powered vehicles pay an annual fee designed to reimburse the Mutual for the cost of the used electricity;

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that due to escalating electricity rates, the Board of Directors of this Corporation hereby authorizes and directs its managing agent to increase the annual common area golf cart electric charge from \$80 to \$100 per year; and

RESOLVED FURTHER, that the increase shall be effective January 1, 2012;
and

RESOLVED FURTHER, that Resolution 03-08-105 adopted October 21, 2008
is hereby superseded and cancelled; and

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

NEW BUSINESS

The Secretary of the Corporation read a proposed resolution approving a Rain Event Action Plan. Director Welch moved to approve the resolution. Director Tso seconded the motion and discussion ensued.

Director Freshley returned to the meeting at 11:32 A.M.

Landscape Manger, Jerry Rathje, answered questions on the Action Plan.

Director Muennichow amended the motion to revise the statement on page 11 to say: "**At no time shall Staff enter an area that is flooded in such a way that would present a danger to Staff.**" Director Welch seconded the motion and discussion ensued.

The amendment carried by a vote of 7-2-0 (Directors Palmer and Moore opposed).

Members Bud Nesvig (2392-3H), Margaret Klein (3487-A), and Shari Horne (2354-3C) commented on the proposed Plan.

By a vote of 5-4-0 (Directors Welch, Muennichow, Tso, Straziuso, and Paulus voted in favor), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-200

Rain Action Event Plan

WHEREAS, in an effort to prepare Laguna Woods Village for the upcoming and future rain seasons, procedures and safety policies have been compiled that identify tasks and responsibilities for the Security, Landscape, and Maintenance Divisions during a rain event;

WHEREAS, when a severe storm is forecasted, the Corporation authorizes an unbudgeted operating expenditure of no more than \$16,000 per rain event to add one additional team of two Landscaping Staff for drain monitoring in the high priority areas off Via Mariposa West;

WHEREAS, the following amendment will be added to the Rain Action Event Plan under the Landscape Division responsibilities when a severe storm is forecasted:

- A total of two dedicated teams of two Landscaping Staff shall be scheduled to monitor the drains at the Third Mutual high priority location off of Via Mariposa West, one dedicated team of two to monitor the drains off of Calle Pico and Paseo Del Lago and one team of two to respond to emergency calls from Security throughout the Community, in all Mutuels.

WHEREAS, when a severe storm is forecasted, the Corporation authorizes a phone tree for reverse 911 calls for all high priority locations in Third Mutual;

WHEREAS, the following amendment will be added to the Rain Action Event Plan under the Maintenance Division responsibilities when a severe storm is forecasted:

- The Landscape Division shall be responsible for issuing broadcasts during normal working hours and Security shall be responsible for issuing broadcasts after normal working hours, using the automated telephone broadcasting system to contact residents in high priority locations;

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors of this Corporation hereby adopts the Laguna Woods Village Rain Event Action Plan as attached to the official minutes of this meeting with the addition of the amendments outlined above; and

WHEREAS, if the Laguna Woods Village Disaster Plan is activated, as a result of flooding during a severe storm, the procedures outlined in the Rain Event Action Plan will be superseded; 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 Moore led a discussion on the budget process and Director Freshley stated that the action the Board took yesterday to maintain existing service levels and staffing assignments in the area of General Management was an inappropriate use of reserves and not in the best interest of the Community.

Director Moore led a discussion on the Landscape Budget and stated that the action taken yesterday to maintain existing service levels and to authorize the Landscape Division to

exceed the 2012 Operating Budget by up to \$500,000 will decrease the Mutual's reserves. Director Shimon spoke to the yearly cost increases in Landscape.

Landscape Director, Kurt Rahn, answered questions of the Board.

Director Moore commented on the \$500,000 in expense that was added, by six board members in attendance at the Special Third Mutual Board Meeting held on November 14, 2011, to the currently approved 2012 budget that had already been mailed to the membership. Director Moore made a motion to impose a \$15.00 per manor per month special assessment to cover the increased Operating Expenses that was approved at the November 14th Special Meeting in order to prevent Reserves being used for normal operating expenses. Director Freshley seconded the motion and discussion ensued.

Members Lucie Falk (3377-A) and Margaret Klein (3487-A) commented on the motion.

By a vote of 5-5-0 (Directors Moore, Shimon, Paulus, Freshley and Palmer voted in favor; Directors Welch, Muennichow, Tso, Straziuso opposed and President Wellikson opposed to make the tie), the motion failed.

Director Moore made a motion to establish an Investment Review Committee. Director Freshley seconded the motion and discussion ensued.

By a vote of 5-5-0 (Directors Moore, Shimon, Paulus, Freshley and Palmer voted in favor; Directors Welch, Muennichow, Tso, Straziuso opposed and President Wellikson opposed to make the tie), the motion failed.

FINANCE REPORT

Director Rae Tso gave the Treasurer's and the Finance Committee Reports, and commented on the Resale & Lease Activities.

Due to time constraints the Board agreed without objection to defer the following agenda items to the December Meeting:

- (a) Entertain Motion to Dissolve Select Audit Committee and Rescind Charter (Resolution 03-11-15)
- (b) Entertain Motion to Approve Committee Charter – Resolution
- (c) Consider Request for Third Mutual Financial Records for 2009 and 2011

COMMITTEE REPORTS

Director Mike Straziuso reported from the Landscape Committee.

Director Denny Welch reported from the Maintenance and Construction Committee.

The Secretary of the Corporation read the following proposed resolution approving a revised Open House Policy:

RESOLUTION 03-11

Third Laguna Hills Mutual Open House Policy

WHEREAS, the GRF Board has passed a Resolution allowing Open House directional signage to be posted on GRF property with the intention of improving the marketability of cooperatives and condominiums in Laguna Woods Village; and

WHEREAS, providing directional signage to a particular cul-de-sac to a scheduled Open House will help guide traffic to the cooperative or condominium for sale or rent; and

NOW THEREFORE BE IT RESOLVED, December 20, 2011, that open houses in Third Mutual are hereby authorized to be held every Saturday and Sunday, between the hours of 11:00 A.M. and 4:00 P.M.; and

RESOLVED FURTHER, that a maximum of three signs with a maximum size of 24" x 24" may be displayed, in accordance with Section 713 of the California Civil Code; and signs shall be placed only at the entrance to, and within the cul-de-sacs in which the manor is located; and

RESOLVED FURTHER, directional signs shall be placed at street intersections to direct traffic to a specific cul-de-sac. There shall be one sign per direction with a maximum of four signs per intersection; and

RESOLVED FURTHER, directional signs shall be with 24" x 9" corrugated plastic with vinyl lettering and adhere to the GRF approved colors, font and logo; and

RESOLVED FURTHER, realtors shall be responsible for providing the signs and shall adhere to the specifications in accordance with this resolution; and

RESOLVED FURTHER, non-conformance to this policy shall result in removal of sign from premises; and

RESOLVED FURTHER, that signs may be posted on the day of the open house no earlier than 10:00 A.M., and must be removed no later than 5:00 P.M. on the same day; and

RESOLVED FURTHER, that non-residents wishing to visit the open house must be either accompanied by a licensed real estate agent who has been

approved for Laguna Woods Village entry, or granted Gate access by the Seller/Resident of the property; and

RESOLVED FURTHER, that members selling their properties "For Sale By Owner" shall be required to comply with the same guidelines as Realtors; and

RESOLVED FURTHER, that Resolution M3-02-12, adopted February 19, 2002 is hereby superseded and cancelled; and

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

Director Muennichow moved to approve the resolution. Director Welch seconded the motion.

Director Welch moved to postpone the resolution to the December meeting to satisfy the 30-day notification requirements. Director Straziuso seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read the following proposed resolution approving the revised Alteration Standard Section 34 – Windows and Window Attachments:

RESOLUTION 03-11

Alteration Standard Section 34 Windows and Window Attachments

WHEREAS, the Board of Directors of this Corporation adopted Resolution M3-96-28 on May 21, 1996, which approved the Third Laguna Hills Mutual Alteration Standards; and

WHEREAS, the Maintenance & Construction Committee of this Corporation recognizes the need to further amend a portion of the Standards with regard to *Section 34 Windows and Window Attachments*;

NOW THEREFORE BE IT RESOLVED, December 20, 2011, that Mutual Alteration Standard Section *34 Windows and Window Attachments* is hereby amended as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution M3-96-28, adopted May 21, 1996 is hereby amended and Resolution 03-11-51, adopted April 19, 2011 is superseded and cancelled; and

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

Director Muennichow moved to approve the resolution. Director Welch seconded the motion.

Director Welch moved to postpone the resolution to the December meeting to satisfy the 30-day notification requirements. Director Straziuso seconded the motion and the motion carried unanimously.

The Secretary of the Corporation read a proposed resolution authorizing a supplemental appropriation to replace the chandeliers in 52 Garden Villa lobbies. Director Muennichow moved to approve the resolution. Director Welch seconded the motion.

By a vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-201

Replace Chandeliers in 52 Garden Villa Lobbies

WHEREAS, in 2010, the Board evaluated alternatives for replacing the existing chandeliers in all of the 53 Garden Villa building lobbies; and as a result of a pilot program one particular chandelier fixture style was chosen to be used as the standard replacement fixture for all of the Garden Villa lobbies;

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors of this Corporation hereby authorizes a supplemental appropriation in the amount of \$59,800 to be funded from the Unappropriated Expenditures Fund to replace the chandeliers in 52 Garden Villa lobbies in 2012 using the Sylvan Park Nine-Light Chandelier manufactured by Dolan Designs as the standard replacement fixture; 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.

The Secretary of the Corporation read a proposed resolution authorizing an unbudgeted operating expenditure for removal and disposal of existing asbestos containing flooring materials from the Recreation Room kitchens and restrooms at five Garden Villa buildings. Director Muennichow moved to approve the resolution. Director Welch seconded the motion.

By a vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-202

Removal of Asbestos at Five Garden Villa Buildings

WHEREAS, the Garden Villa Recreation Room Ad Hoc Committee has determined that replacement of the vinyl flooring in the Recreation Room kitchens and restrooms at Buildings 2387, 2401, 3242, 5500, and 5519 is necessary; and

WHEREAS, the replacement of the vinyl flooring requires removal of original asbestos containing flooring materials to facilitate installation of new flooring; and

WHEREAS, removal of asbestos containing materials requires the services of an appropriately qualified contractor;

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors of this Corporation hereby authorizes an unbudgeted operating expenditure from the General Maintenance Operating Fund of \$7,726 to obtain services of a qualified contractor for removal and disposal of existing asbestos containing flooring materials from the Recreation Room kitchens and restrooms at Buildings 2387, 2401, 3242, 5500, and 5519; 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.

The Secretary of the Corporation read a proposed resolution approving upgrading the storm drain inlet covers located at Buildings 5517 and 5519. Director Muennichow moved to approve the resolution. Director Welch seconded the motion.

By a vote of 9-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 03-11-203

Upgrade Storm Drain Inlet Covers at Buildings 5517 and 5519

WHEREAS, by way of Resolution 03-10-156, the Board of Directors appropriated funds to provide storm drain improvements in CDS 371 which included replacing the storm drain inlet cover and installing a new inlet structure in the golf course area; and

WHEREAS, by way of Resolution 03-11-103, the Board of Directors appropriated additional funds to provide storm drain improvements in CDS 371; and

WHEREAS, the Maintenance and Construction Committee inquired about the inlet covers at Buildings 5517 and 5519 and recommended upgrading the storm drain inlet covers, and;

NOW THEREFORE BE IT RESOLVED, November 15, 2011, that the Board of Directors of this Corporation hereby approves upgrading the storm drain inlet covers located at Buildings 5517 and 5519 at an estimated expense of \$1,000 to be funded from the available supplemental appropriations from the Disaster Fund remaining in Resolution 03-10-156 and Resolution 03-11-103; 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 Welch moved to establish a Non-Emergency Chargeable Services Ad Hoc Committee to be disbanded on July 1, 2012; and appoint Directors Tso, Paulus, Freshley, Palmer, Shimon, Welch and Advisor Joseph Heller. Director Muennichow seconded the motion.

Member Mary Pat Toups (3467-B) commented on the Ad Hoc Committee.

The motion carried unanimously.

Director Welch moved to establish a Garden Villa Recreation Room Subcommittee to fall under the purview of the Maintenance and Construction Committee, and appoint Directors Paulus, Welch and Chang. Director Tso seconded the motion and the motion carried unanimously.

Director Moore moved to establish a Water Conservation Subcommittee to fall under the purview of the Maintenance and Construction Committee, and appoint Directors Palmer, Moore, Straziuso, Welch and Advisors Carol Skydell and Leleng Isaacs. Director Tso seconded the motion and the motion carried unanimously.

Director Tso moved to approve holding Maintenance and Construction Coffee Meetings. Director Welch seconded the motion and discussion ensued.

Member Mary Pat Toups (3467-B) commented on the motion.

By a vote of 4-5-0 (Directors Welch, Muennichow, Tso, Straziuso voted in favor, and Directors Moore, Shimon, Paulus, Freshley and Palmer opposed), the motion failed.

Director Palmer reported on water conservation.

Director Paulus did not report from the Resident Problem Resolution Services.

Director Palmer reported from the Traffic Committee.

Director Moore reported from the Community Revitalization Committee.

Director Moore reported from the Smoking Ad Hoc Committee.

GRF Committee Reports

- None.

ADDITIONAL MEMBER COMMENTS

- None.

DIRECTORS' COMMENTS

- None.

The Board recessed at 1:30 P.M. and reconvened into Executive Session at 2:12 P.M.

Summary of Previous Closed Session Meetings per Civil Code Section §1363.05

During its Regular Executive Session meeting of October 18, 2011 the Board reviewed the minutes of the Regular Executive Session of September 20, 2011 and the Special Executive Session of October 3, 2011; heard one disciplinary hearing; approved filing six separate Small Claims Cases of \$2,500 (or less); approved 3 delinquent assessment write-offs; discussed the legal matters of Elliot Nesvig v. Third Mutual; Gladys Yacoubian v. Third Mutual; and Lee Childress v. Third Mutual; and discussed other member disciplinary and legal matters.

The Traffic Committee of the Board met in Executive Session on October 26, 2011 to discuss member disciplinary issues.

With no further business before the Board of Directors, the meeting was adjourned at 4:00 P.M.

Isabel Muennichow, Secretary

YEAR 2012 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 1365(e).

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.

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enforcement rights and remedies which are in addition to those which exist generally for creditors. These rights and remedies are described in this Policy Statement.

WE SINCERELY TRUST THAT ALL MEMBERS, IN THE SPIRIT OF COOPERATION AND RECOGNIZING THEIR LEGAL OBLIGATIONS, WILL MAKE TIMELY PAYMENTS AND AVOID THE IMPOSITION OF LATE CHARGES, POSSIBLE RESULTANT LEGAL ACTION, AND THE LEGAL OBLIGATION TO REIMBURSE THE MUTUAL FOR THE COSTS OF SUCH LEGAL ACTION. IT IS IN THE BEST INTEREST OF YOU AND EVERY OTHER MEMBER OF THE MUTUAL FOR EACH OF YOU TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

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

BASIC POLICIES AND PROCEDURES

Delinquency reports are made monthly by the Mutual's managing agent to the Board of the Mutual, identifying the delinquent Member, amount and the length of time the assessments have been in arrears. The policies and practices outlined in this Policy Statement shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Mutual's Board of Directors, 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&R's, and the California Civil Code), to ensure the prompt payment of monthly assessments, the Mutual employs the following collection and lien enforcement procedures:

Assessment Due Date

Regular assessments are due and payable to the Mutual, in advance, in equal monthly installments, on the first 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 of Directors 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.

Reminder Notice

If the current monthly assessment is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the Member.

PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY THE MUTUAL WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY

PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT.

Administrative Collection Fee

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

This Administrative Collection Fee may be increased by majority vote of the Mutual's Board, and may be collected by the Mutual's legal counsel on its behalf, and remitted to the Mutual's managing agent, or may be directly collected by the Mutual's managing agent.

Late Charge

IT IS THE MEMBER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE. All notices or invoices for assessments will be sent to Members by first-class mail addressed to the Member at his or her 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 due dates and to advise the Mutual of any changes in the Member's mailing address.

A late payment charge for a delinquent assessment will be assessed in the amount of Twenty Dollars (\$20.00) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both state law and the Mutual's governing documents provide for interest on the delinquent assessment and the late charge, and accordingly interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed twelve percent (12%) or the maximum interest rate allowed by law, whichever is less. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel for further handling.

Demand Letter (aka Pre-Lien Letter)

If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of the Reminder Notice, a Demand Letter (also known as a Pre-Lien Letter under California Civil Code section 1367.1(a)) will be sent to the Member by Certified Mail. The Mutual, through its managing agent, will 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 telephone reminder is actually received by the Member.

Alternate Means to Collect Delinquent Sums

If full payment of the delinquent amount is not received by the close of business on the thirtieth (30th) day after the date of the Demand Letter, the Mutual may, at its option, 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 to use Mutual or 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 appropriate means.

The Mutual may, after following appropriate procedures prescribed by law and the Mutual's governing documents, suspend a delinquent Member's right to vote on matters as to which the Member would otherwise be entitled to vote (based on applicable law and/or the Mutual's governing documents), or to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full, including interest, a late charge, and/or the Administrative Collection Fee, as may have been imposed or incurred in a particular instance. Failure to pay the assessments or failure to pay interest, a late fee, and/or the Administrative Collection Fee may also result in suspension of Membership in and the ability to use the facilities or services provided by the Golden Rain Foundation of Laguna Woods 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.**

Small Claims Court

A civil action in small claims court may be filed (and/or a lien recorded, as to which the Mutual is prohibited from foreclosing while the amount of the delinquent assessments, exclusive of any late charges, fees, attorney's fees, interest, and Costs of Collection is less than One Thousand Eight Hundred Dollars (\$1,800), or the delinquent assessments are not yet more than twelve (12) months delinquent), 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, AND/OR AFTER A WRITE-OFF.

The amount that may be recovered in small claims court may not exceed the jurisdictional limits of the small claims court, and shall be the sum of the following: (a) the amount owed as of the date of filing of the complaint in the small claims court proceeding; and (b) in the discretion of the court, an additional amount equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments and any reasonable late charges, fees and Costs of Collection (which costs shall, as stated above, include, without limitation, the Administrative Collection Fee), attorney's fees 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.

Foreclosure/ADR

Additionally, or alternatively, if the amount of delinquent assessments (again, not including any late charges, fees, attorney's 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 specified conditions, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

These conditions include that, prior to initiating a foreclosure, the Mutual shall offer the Member, and if so requested by the Member, the Mutual must 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.

Board Decision to Initiate Foreclosure

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

The Board must provide notice by personal service to an owner of a separate interest or their legal representative, if the Board votes to foreclose. For a non-occupying owner, the Board must 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 separate interest may be treated as the owner's mailing address.

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 separate interest may be redeemed from a foreclosure sale ends ninety (90) days after the sale, per California Civil Code Section 1367.4.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the Member may be seized or a lien may be placed on such assets to satisfy the judgment. Pursuant to the provisions of the Davis-Stirling Common Interest Development Act, applicable regulations, and the Covenants, Conditions and Restrictions (CC&R's), the delinquent amount, as well as late payment penalties for the delinquent assessments and/or

interest charges and/or charges for Costs of Collection that are incurred by the Mutual or its managing agent acting on behalf of the Mutual in its efforts to collect delinquent assessments (including, but not limited to, attorney's fees, title company and foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters (such as the Administrative Collection Fee), recording costs and costs associated with small claims court actions) may be enforced as a lien against the Member's Manor.

Moreover, pursuant to the Davis-Stirling Common Interest Development Act, 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.

Prerequisites to Recording a Lien: Offer of ADR and Thirty (30) Day Pre-Lien Notice to the Delinquent Member

Before a Notice of Delinquent Assessment can be recorded in the chain of title to the manor of a delinquent Member, the Mutual must offer the Member, and if so requested by the Member, the Mutual must participate in dispute resolution pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 5 commencing with Section 1363.810 of Chapter 4) or ADR as set forth in Article 2 (commencing with Section 1369.510 of Chapter 7), both in the California Civil Code.

Any choice by a Member to pursue 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 ADR, whether it is before a Notice of Delinquent Assessment 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 ADR.

THE DECISION TO PURSUE DISPUTE RESOLUTION 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.

Pre-Lien Notice

If the Member elects not to proceed with dispute resolution or any type of ADR, then 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.

This certified Pre-Lien Notice from the Mutual must include the following information:

- (a) A general description of the collection and lien enforcement procedures of the Mutual and the method of calculation of the amount that is claimed to be owed (this Policy Statement is intended to satisfy that disclosure requirement);
- (b) A statement that the notified Member has the right to inspect the Mutual's records pursuant to Section 8333 of the Corporations Code;
- (c) A statement in 14-point capital letters (or boldface type): "IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION";
- (d) An itemized statement of the charges owed by the Member, including items on the statement that indicate the amount of any delinquent assessments, the fees and Costs of Collection, reasonable attorney's fees, and late charges, and interest, if any;
- (e) A statement that the Member shall not be liable to pay the charges, interests and Costs of Collection if it is determined that the assessment was paid on time to the Mutual;
- (f) A statement that the notified Member has a right to meet with the Board to discuss a payment plan (further discussed below);
- (g) A statement that the Member has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Board pursuant to the Mutual's "meet and confer" program; and
- (h) A statement that the Member has the right to request ADR with a neutral third party before the Mutual may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure.

Member's Right to Request a Meeting with the Board, or Dispute Resolution or ADR.

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

- (a) The Member has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Mutual pursuant to the Mutual's "meet and confer" program, which is required by Civil Code Sections 1363.810-1363.850;
- (b) The noticed Member may exercise his or her right to participate in alternative dispute resolution with a neutral third party under Civil Code Sections 1369.510-1369.590 before the Mutual may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure.
- (c) The noticed Member has a right to submit a written request to meet with the Board of Directors to discuss a payment plan for the delinquent assessment, as long as the request for a meeting is made within fifteen (15) days following the postmark on the Mutual's Pre-Lien Notice to the Member. That meeting must take place within forty-five (45) days (calculated from the postmark on the

Member's request) and must be conducted in executive session. When a Member has made a timely request for a meeting to discuss a payment plan, the Mutual must provide the requesting Member with the Mutual's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the Board to delegate this meeting obligation to a property manager, but the Board may designate a committee of one or more directors to meet with the Member if there is no regularly scheduled Board meeting that will occur within forty-five (45) days of the Member's request.

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 Demand Letter (i.e., the Pre-Lien Letter). 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 separate interest 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.

Also, Civil Code Section 1369.590 requires the Mutual to include the following statement in this Policy Statement:

“Failure of a Member of the association to comply with the alternative dispute resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your right to sue the association or another Member of the association regarding enforcement of the governing documents 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 new statutory minimum as to the delinquent amount or duration of the delinquency had been met, a proceeding may be commenced to foreclose the lien against the Member's Manor and sell the Member's Manor at a private sale or by a judicial sale. If this occurs, the Member may lose his or her Manor.

Application of Payments

Additionally, in accordance with state law, payments received on delinquent assessments shall be applied to the Member's account in the following order of priority: first, to the principal owed; then to accrued interest and late charges; then to attorney's fees; then to title company and foreclosure service company charges and other Costs of Collection. 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 1366(e).

The Mutual is prohibited from recording a lien or initiating a foreclosure action without participating in dispute resolution or ADR procedures if so requested by the Member. If it is determined through dispute resolution or ADR that the Mutual has filed a lien for delinquent assessments in error, the Mutual is required to promptly reverse all late charges, fees, interest, attorney's fees, Costs of Collection, costs imposed for the Pre-Lien Notice, and costs of recordation and release of the lien, and pay all costs related to any dispute resolution or ADR that has been pursued.

Secondary Address

Members have a right to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to this Policy Statement, and upon receipt of a written request from a Member identifying a secondary address, the Mutual must send additional notices to this secondary address.

No Right of Offset

There is no right of offset. This means that a Member may not withhold assessments 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.

Returned Checks

The Mutual may charge the Member a twenty-five dollar (\$25.00) fee for the first check tendered to the Mutual that is returned unpaid by the Member's bank, and thereafter, the Mutual may charge a thirty-five dollar (\$35.00) fee for any subsequent check that is returned based on insufficient funds. If a Member's check cannot be negotiated for any reason, then the Mutual may also seek to recover damages of the greater of (a) one hundred dollars (\$100.00); or (b) three (3) times the amount of the check up to fifteen hundred dollars (\$1,500.00) in accordance with California Civil Code section 1719.

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.

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.

Rights Reserved by Mutual

Although the matters set forth above summarize the policies and practices ordinarily employed to collect delinquent monthly 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.

BOARD OF DIRECTORS

THIRD LAGUNA HILLS MUTUAL

Rain Event Action Plan

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Introduction

The Laguna Woods Village Rain Event Action Plan (Plan) was prepared to outline the rain event procedures that are in place. The Plan outlines procedures that are taken during:

- Rain Season Preparation
- Rain Season
- Severe Storm Forecasts
- Post Rain Event Clean-up

Flooding that may occur as a result of a severe storm event, would possibly qualify as a Disaster or if localized, an Incident as defined in the Laguna Woods Village Disaster Plan Manual.*

Location maps of the high priority locations areas are provided in Appendix A.

**Note: The Laguna Woods Village Disaster Plan addresses two scenarios – a Disaster and an Incident. Below is a definition for those items as presented in the Disaster Plan:*

- *Disaster: Defined as a natural or manmade catastrophic event that seriously threatens the safety and welfare of the residents in Laguna Woods Village, and/or results in widespread damage to property, injuries to residents or employees, or seriously disrupts the normal activities or functions with the Laguna Woods Village Community. The Incident Command Center would be activated in the event of a Disaster. Examples of natural disasters include earthquakes, floods, windstorms, tornados, etc. Manmade disasters include toxic spills, airplane crashes, terrorism and the like.*
- *Incident: Defined as any natural or manmade event that can be a significant episode, but the event is more localized in coverage or impact to the Laguna Woods Village Community. The Field Command Post would be activated in the event of an Incident. An Incident could potentially evolve into a Disaster requiring the activation of the Incident Command Center.*

If the Laguna Woods Disaster Plan is activated, then the procedures outlined in the Laguna Woods Disaster Plan will supersede all procedures outlined in this Rain Event Action Plan.

Abbreviations

Abbreviation	Description
NOV	Notice of Violation
Plan	Rain Action Event Plan
SEC	Storm Event Coordinator
WC	Work Center
WMC	Weather Monitoring Consultant

Work Centers

Work Center Number	Department	Division
WC 240	Community Services	Community Relations
WC 530	Ground Maintenance Crews	Landscape
WC 540	Irrigation Division	Landscape
WC 570	Tree Maintenance	Landscape
WC 910	Building Maintenance	Maintenance
WC 936	Paving	Maintenance
WC 950	Property Services	Maintenance

Rain Season Preparation

Procedures will be set in motion each year in an effort to prepare Laguna Woods Village for the upcoming rain season. The City of Laguna Woods Municipal Code defines the rain season from October 15 until April 15. Therefore the preparations will be done in September and early October. At Staff meetings prior to the rain season, Department Managers and/or Supervisors shall remind Staff of rain season preparation and safety policies that need to be upheld during a rain event. Below is the Statement of Procedures for each Division that summarizes the efforts that shall be taken for rain season preparation.

Security Division

Security Staff will monitor the carports and trash enclosures near the high priority locations for trash and debris. The date and time of the carport and trash enclosure inspections will be documented in the Security Dispatch Log. If excess debris is located in the trash enclosure, a work ticket will be submitted through WC 950 for the trash enclosure to be cleaned. If there are unauthorized loose items stored in any carport, Security shall:

- Post a NOV in the carport of question. The NOV will require the Member to remove the unauthorized contents within 7 days.
- Prepare a subject report and forward to WC 240, if the Member fails to comply with the NOV, then:
 - WC 240 will send a letter to the Member and give them a specific number of days to comply.
 - If the Member fails to comply, WC 240 will schedule them before the appropriate Board for member disciplinary action.

Landscape Division

WC 540 shall check and clear all landscape area drains and atrium weep hole outlets, logging the date of the check, repairs needed and when repairs are in effect (see Appendix B for Landscape Drain Inspection Log). WC 530 will clear concrete V-drains and submit a work ticket to WC 950 to coordinate repairs, if required. Pallets of sandbags are placed in key locations within the Community to accommodate emergency requests for small numbers of bags. Additional pallets of sandbags and plastic will be placed in close proximity to high priority locations. Materials such as polyethylene plastic (Visqueen), extra empty sandbags, slope retention materials and fencing for debris screens are stocked (see Appendix A for Material Storage Locations). Emergency equipment such as trash pumps are checked for operational readiness and secured for quick access.

WC 530 shall dedicate time to general clean-up such as leaf and debris removal to decrease the chance of drains becoming blocked during rains. Below are mulching guidelines for Landscape Staff:

- Mulch shall not be applied to the shrub beds in high priority locations prior to the rain season.
- At no time shall the amount of existing mulch in shrub beds adjacent to high priority locations exceed 1-inch.

The Landscape Manager shall coordinate updating the Plan prior to the rain season. An updated Plan shall be distributed each year to all relevant parties that reflects all changes.

Maintenance Division

WC 936 shall clear all catch basins and drains in the streets and cul-de-sacs, logging the date of the check, repairs needed and when repairs are in effect (see Appendix B for Catch Basin Inspection Log). The flood wall gate tracks at the intersection of Calle Aragon and Avenida Majorca and between the El Toro tunnel and Via Mariposa shall be cleared of any debris and checked for ease of functionality. The flood wall gates at Via Mariposa East near the El Toro tunnel shall also be inspected of any debris and checked for ease of functionality. A work ticket is submitted through WC 950 if any repairs are required for the flood wall gates.

WC 936 shall coordinate the building gutter cleaning program. All debris shall be cleared and the gutters shall be rinsed to check if the downspouts are flowing.

WC 936 Supervisor shall log all rain season preparations in the WC 936 Rain Season Preparation Checklist (see Appendix B).

WC 950 shall enter work tickets as requested for the rain season preparation. The work tickets will be assigned and coordinated to get the work complete.

Rain Season

During the rain season high priority locations will be monitored by Staff. The Laguna Woods Municipal Code defines the rain season from October 15 until April 15. Outlined are four courses of action during the rain season:

- No Rain Forecasted
- Rain Forecasted
- Severe Storm Forecasted
- Post Rain Event Clean-Up

During the rain season, the weather will be monitored daily by the contracted weather and hydrology monitoring service, California Weather & Earth (Weather Monitoring Consultant, WMC). Vendor notification as specified below, will guide Staff on the procedures of the Plan to follow:

- Initial Notice: The WMC shall notify Corporation identified personnel via email and/or fax five (5) days in advance when weather parameters are identified on model guidance revealing that potential strong storms are showing severe attributes for at least two model runs. Contact will be in the form of a written briefing in paragraph format describing storm system, intensity, direction, and estimated time of arrival and potential for flooding resulting from rainfall amounts depicted.

- 72 hour Notice: The WMC shall provide a 72 hour daily site specific storm event/flood forecast to Corporation identified personnel via email and/or fax in the form of a .pdf/rtf file giving a 72 hour breakdown of weather, rain intensities, wind, hourly rainfall totals, and potential for flooding in an easy-to-read profile format.
- 12 hour Notice: The WMC will provide radar and satellite monitoring within twelve (12) hours of the estimated time of arrival of the storm system. During the first six (6) hours the WMC will provide email and/or telephone updates to Corporation identified personnel on an hourly basis indicating the current weather parameters and changing conditions (if any). Should weather parameters suddenly change, the WMC will also send a notification.
- 6 hour Notice: The WMC will provide continuous monitoring of developing/ approaching storm system during the final six (6) hours to ground fall and will immediately advise Corporation identified personnel via email and/or telephone when radar depicts heavy rainfall and subsequent flooding.

No Rain Forecasted

During the rain season, Staff will monitor the preparation efforts taken prior to the rain season. At Staff meetings prior to the rain season, Department Managers and/or Supervisors shall remind Staff of rain season preparation and safety policies that need to be upheld during a rain event. Below is the Statement of Procedures for each Division that summarizes the efforts that shall be taken during the rain season when no rain is forecasted:

Security Division

Security Staff will continue to monitor the carports and trash enclosures near the high priority locations for debris. The date and time of the carport and trash enclosure inspections will be documented in the Security Dispatch Log. If excess debris is located in the trash enclosure a work ticket will be submitted through WC 950 for the trash enclosure to be cleaned. If there is unauthorized loose items stored in any carport, Security shall:

- Post a NOV in the carport of question. The NOV will require the Member to remove the contents within 7 days.
- Prepare a subject report and forward to WC 240, if the member fails to comply with the NOV, then:
 - WC 240 will send a letter to the member and give them a specific number of days to comply.
 - If the member fails to comply, WC 240 will schedule them before the appropriate Board for member disciplinary action.

Landscape Division

Landscape area drains adjacent to high priority locations will be monitored by WC 540. The inventory of materials such as polyethylene plastic (Visqueen), filled sand bags, extra empty

sandbags, slope retention materials and drain screens will be monitored (see Appendix A for Material Storage Locations).

WC 530 will continue general clean-up such as leaf and debris removal to decrease the chance of drains becoming blocked during rains. Below are mulching guidelines for Landscape Staff:

- Mulch shall not be applied to the shrub beds in high priority locations during the rain season.
- At no time shall the amount of existing mulch in shrub beds adjacent to high priority locations exceed 1-inch.

Maintenance Division

WC950 shall enter work tickets as requested and the work tickets will be assigned and coordinated to get the work completed.

Rain Forecasted

A rain forecasted event is determined by the WMC. During the initial notice, the WMC will indicate the potential for flooding resulting from rainfall amounts depicted. Absent any forecast information provided by the WMC advising Staff of potential strong storms showing severe attributes, additional Staff will not be kept onsite after hours. Below is the Statement of Procedures for each Division that summarizes the efforts that shall be taken during the rain season when rain is forecasted that does not indicate potential for flooding:

Security Division

The El Toro tunnel gates shall be closed and locked at the beginning of a rain event to stop traffic through the tunnel. The gates shall not be opened until the rain event passes and water flow has subsided in the tunnel.

Security will respond to emergency and life/safety situations first then respond to other calls on a first come first served basis. Security will monitor high priority locations, when feasible, within the Community during a forecasted rain event. If necessary, Security will notify other departments to respond to rain-related events as needed.

Landscape Division

During a rain event, WC 540 will monitor the drains near high priority locations (see Appendix A for the Location Maps). Drain screens shall be installed where needed. Newspaper recycling bins will be moved or secured, if possible, to reduce the chance of the bins tipping over. Debris, including any material that might reasonably appear capable of blocking or impeding water runoff from flowing through the drain grates such as large leaves, papers, card board, limbs, carpeting, plastic bags, etc, neighboring the drains shall be proactively removed. Landscape Staff shall come prepared with flood mitigation tools that may be required.

Landscape Staff shall respond to Security reports of clogged or overwhelmed drains, calls of requests for sandbags, downed limbs, backed up rain gutters or as situations may require, such as damage to landscape requiring installation of polyethylene plastic (Visqueen), etc.

Maintenance Division

Before the first rain event WC 936 will perform the following:

- Open the gates at the upper and lower Aliso Creek
- Open the gates on the north end of the golf course at Ridge Route
- Verify all three control valves on the north side of Calle Aragon at Gate 3 are open.

The above items shall remain in effect until the end of the rain season.

WC 936 shall close the flood gates at the start of rain at the following locations:

- Flood gates around Avenida Majorca and Calle Aragon.
- Flood gates between the El Toro Tunnel and Via Mariposa.

Once the flood gates have been closed, they are not to be opened until the rain event passes. After the event passes and the rain has stopped, the flood gates will be reopened. The street sweeper will check high priority locations and clear debris as required. WC 936 shall respond to emergency requests as required.

WC 950 shall enter work tickets as requested during a rain event. The work tickets will be assigned and coordinated to the appropriate Staff.

Severe Storm Forecasted

A severe storm forecast is determined by the WMC. The Landscape Manager will be the Storm Event Coordinator, SEC, in the event of a severe storm. The SEC shall notify relevant Department Managers and Division Directors that a severe storm is forecasted and that the Plan is in effect. It is generally understood that weather forecasts cannot be considered wholly accurate and dependable, however, the SEC shall try to convey as much information about the storm that is anticipated, as reported by the WMC.

Following notification of forecast information provided by the WMC advising Staff of potential strong storms showing severe attributes warranting storm shelter, Staff shall follow the procedures outlined in the Storm Shelter Policy (see Appendix C, Storm Shelter Policy).

At no time shall Staff enter an area that is flooded.

Below is the Statement of Procedures for each Division that summarizes the efforts that shall be taken during the rain season when a severe storm is forecasted:

Security Division

The El Toro tunnel gates shall be closed and locked at the beginning of a rain event to stop traffic through the tunnel. The gates shall not be opened until the rain event passes and water flow has subsided in the tunnel.

Security will respond to emergency and life/safety situations first then respond to other calls on a first come first served basis. Security will monitor high priority locations, when feasible within the Community during a forecasted rain event. If necessary, Security will notify other departments to respond to rain related events as needed.

Once notified by the SEC that sandbagging of elevators and recreation rooms has begun, Security will post signage advising that resident access to those areas are being blocked.

In the event of a severe storm that is forecast to occur after hours, the SEC will notify the Division Directors regarding the after hours Staff members that will be on site. Security will monitor the weather after hours utilizing information for the severe storm event as provided by the WMC. Security shall call in more Staff from the Emergency Phone List (see Appendix D) in the event that more staffing is required to respond to an increase in storm-related events or the scope of work requires a different skill to address the emergency at hand.

Landscape Division

The SEC shall evaluate if additional Staff is required during after hours. Prior to the end of the work day, the following response(s) may be implemented or scheduled for after hour coverage:

- Upon notification by the WMC that an intense storm as specified is imminent for our location, appropriate after hour coverage is scheduled to provide a crew(s) to be onsite.
- An email is posted by the SEC to advise Division Directors and key personnel as to how many crews will be scheduled to be onsite after regular work hours and at what times. A reminder is sent of where an inventory of equipment and other resources can be found, should they be required.
- The after hours crews work primarily to keep drains clear in high priority locations (see Appendix A for the Location Maps).
- The after hours crew will keep Security apprised of escalating events that will require calling in additional Staff for coverage.

Below is the Statement of Procedures for Landscape Staff, for regular hours or after hours, during a forecasted severe storm event:

- At the beginning of a rain event, deploy Landscape Staff to monitor the drains near high priority locations (see Appendix A for Location Maps). Debris, including any material that might reasonably appear capable of blocking or impeding water runoff from flowing through the drain grates such as large leaves, papers, card board, limbs, carpeting, plastic bags, etc, neighboring the drains shall be proactively removed. The

Landscape Staff shall come prepared with those tools that may be required to remove debris where possible.

- Landscape Staff shall initiate procedures to install sandbags inside the garages at the entry ways of the recreation rooms and elevator shafts at buildings near high priority locations to attempt to minimize structural damage to the interior of those locations. The SEC shall notify Security to post signage advising that resident access to those areas will be blocked. Vehicle access to the garages will not be blocked with sandbags or barricades.
- Post Staff to survey drains and monitor high priority locations.
- Install debris screens at drain inlets where needed.

Landscape Staff shall respond to Security reports to the best of their ability for clogged or overwhelmed drains, calls from requests for sandbags, downed limbs, backed up rain gutters or as situations may require, such as damage to landscape requiring installation of polyethylene plastic (Visqueen), etc.

The SEC shall notify other Departments as necessary to assist during a severe rain event.

Maintenance Division

WC 936 shall close the flood gates at the start of rain at the following locations:

- Flood gates around Avenida Majorca and Calle Aragon.
- Flood gates between the El Toro Tunnel and Via Mariposa.

Once the flood gates have been closed, they are not to be opened until the rain event passes. After the event passes and the rain has stopped, the flood gates will be reopened. The street sweeper will check high priority locations and clear debris as required. WC 936 shall respond to emergency requests as required.

WC 950 shall enter work tickets as requested during a rain event. The work tickets will be assigned and coordinated to the appropriate Staff.

Note: It is understood that even when all Departments are fully staffed and on site, the intensity and/or duration of a rain event can overwhelm the existing infrastructure and that any after hour response is an attempt to provide a reasonably appropriate response during most events. At no time shall Staff enter an area that is flooded. Staff shall follow the Storm Shelter Policy outlined in Appendix C.

Post Rain Event Clean-up

After a rain or storm event, Staff will perform clean-up to the affected areas. Below is the Statement of Procedures for each Division summarizing the efforts that shall be taken during the post rain or storm event clean-up:

Security Division

Security Staff will continue to monitor the carports and trash enclosures near the high priority locations for debris. The date and time of the carport and trash enclosure inspections will be documented in the Security Dispatch Log. If excess debris is located in the trash enclosure a work ticket will be submitted through WC 950 for the trash enclosure to be cleaned. If there is unauthorized loose items stored in any carport, Security shall:

- Post a NOV in the carport of question. The NOV will require the Member to remove the contents within 7 days.
- Prepare a subject report and forward to WC 240, if the member fails to comply with the NOV, then:
 - WC 240 will send a letter to the member and give them a specific number of days to comply.
 - If the member fails to comply, WC 240 will schedule them before the appropriate Board for member disciplinary action.

As Security Staff is patrolling the Community, any areas that received rain damage or that require post storm clean-up shall be reported to WC 950.

Landscape Division

Landscape area drains adjacent to high priority locations will be cleared by WC 540. The inventory of materials such as polyethylene plastic (Visqueen), filled sand bags, extra empty sandbags, slope retention materials and drain screens will be restocked as necessary.

Landscape Staff shall remove sandbags or polyethylene plastic (Visqueen) that was put up as a result of the severe storm event where appropriate. WC 530 will perform general clean-up such as removing downed limbs, leaves and debris as post storm clean-up. Any tree maintenance or large limbs requiring extra assistance shall be reported to WC 570.

Maintenance Division

WC 936 shall assist with the post rain event clean-up as requested. This could include removing sandbags, street sweeping or clearing catch basins as required. WC 936 shall respond to clogged gutters discovered after a rain event. At the end of the rain season WC 936 will perform the following:

- Close the gates at the upper and lower Aliso Creek
- Close the gates on the north end of the golf course at Ridge Route

WC 950 shall enter work tickets as requested during the post rain event clean-up. The work tickets will be assigned to and coordinated with the appropriate Staff.