

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION  
**September 15, 2015**

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, September 15, 2015 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Jim Matson, Beth Perak, Ray Gros, James Tung, John McRae, Bert Moldow, Judith Troutman, Rosemarie di Lorenzo Dickins, Wei-Ming Tao, Bunny Carpenter, John Luebbe

Directors Absent: John McRae (Executive Session Only)

Staff Present: Jerry Storage, Kim Taylor  
Executive Session: Jerry Storage, Kim Taylor, Cris Robinson, Blessilda Fernandez

Others Present: Denver Andrews, Jr. Esq. - Law Offices of Denver R. Andrews, Jr. (Executive Session)

**CALL TO ORDER**

Jim Matson, President of the Corporation, chaired and opened the meeting, and stated that it was a Regular Meeting held pursuant to notice duly given. A quorum was established, and the meeting was called to order at 9:30 A.M.

**PLEDGE OF ALLEGIANCE**

Director Rosemarie di Lorenzo Dickins led the Membership in the Pledge of Allegiance.

**ACKNOWLEDGEMENT OF MEDIA**

A representative of the Globe and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

**APPROVAL OF AGENDA**

Director Luebbe moved to approve the agenda as amended by adding as Agenda Item 20(a) Discuss and Consider updates on the Laguna Woods Village Website per the recommendations of the Communications Committee and by removing 3182-B from the Consent Calendar. Director Perak seconded the motion.

By a vote of 10-0-0 the motion carried.

**CHAIR'S REMARKS**

President Matson spoke of various items concerning the Mutual and spoke to the future of Third Mutual.

**APPROVAL OF THE MINUTES**

Director di Lorenzo Dickins moved to approve the minutes of the August 18, 2015 Regular Open Session and the minutes of the August 7, 2015 - 2016 Business Planning Meeting Version 3, as written. Director Luebbe seconded the motion.

By a vote of 10-0-0 the motion carried.

## **CONSENT CALENDAR**

Without objection, the Board approved the Consent Calendar as amended by removing 3182-B, the Board took the following actions:

### Maintenance and Construction Committee Recommendations:

B2404	Approve request to install a code compliant handrail at B2404 at Member expense, with the Mutual to perform all future repair and maintenance of the proposed handrail
3017-B	Approve request to install a front patio cover with Sunbrella retractable shades, a freestanding wall that would house a television and a water feature, and to modify the storage closet to house a barbeque station, with contingencies
3023-C	Deny request to retain a patio extension at Manor
<del>3182-B</del>	<del>Approve request for advancement of the scheduled garage roof replacement at Manor 3182-B whereby the Mutual will fund \$2850 of the roof replacement cost and the Member at 3182-B will fund \$2850 of the roof replacement cost</del>
3271-P	Deny request for reimbursement of \$495.00 for the replacement of a toilet flange at Manor
3461-D	Deny request to construct a rear room addition at Manor
5072	Approve request to retain the red entry door color and resized nook window at Manor, with contingencies
5232	Approve request to install stone veneer on the retaining wall at Manor, with contingencies
5422	Approve request to retain window alterations and to retain a shower addition in the master bathroom, with contingencies
5322-P	Deny request for a patio extension with concrete steps and aluminum lattice cover at Manor
B5404	Deny request for postponement of fumigation of Building 5404 to the 2016 Fumigation Program and to direct Staff to schedule fumigation of Building 5404 prior to 2015 year-end

### Maintenance and Construction Common Area - Variance Request Resolutions:

#### **RESOLUTION 03-15-119**

#### **Common Area - Variance Request**

**WHEREAS**, Nick Bender Jr. of 3136-D Via Buena Vista, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

**WHEREAS**, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-14-24 as revised in accordance with California Civil Code § 4600 on March 18, 2014;

**NOW THEREFORE BE IT RESOLVED**, on September 15, 2015, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.
5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

**RESOLVED FURTHER**, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

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

### **RESOLUTION 03-15-120**

#### **Common Area - Variance Request**

**WHEREAS**, Mangil and Kyung Nam Seo of 3242-1F San Amadeo, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

**WHEREAS**, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-14-24 as revised in accordance with California Civil Code § 4600 on March 18, 2014;

**NOW THEREFORE BE IT RESOLVED**, on September 15, 2015, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.

5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

**RESOLVED FURTHER**, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

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

### **RESOLUTION 03-15-121**

#### **Common Area - Variance Request**

**WHEREAS**, Edele Singer of 3347-A Bahia Blanca East, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

**WHEREAS**, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-14-24 as revised in accordance with California Civil Code § 4600 on March 18, 2014;

**NOW THEREFORE BE IT RESOLVED**, on September 15, 2015, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.
5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

**RESOLVED FURTHER**, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

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

### **RESOLUTION 03-15-122**

#### **Common Area - Variance Request**

**WHEREAS**, Barbara and Robert Jacobs of 5109 Miembro, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

**WHEREAS**, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-14-24 as revised in accordance with California Civil Code § 4600 on March 18, 2014;

**NOW THEREFORE BE IT RESOLVED**, on September 15, 2015, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.
5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

**RESOLVED FURTHER**, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

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

Landscape Committee Recommendations:

- |         |  |
|---------|--|
| 3427-N  | Deny request of trimming or removal of the existing slope planting, and replacing the strip of turf along the toe of the slope with a more suitable, colorful planting |
| 5372-3B | Deny request for tree removal  |

Finance Committee Recommendations:

**RESOLUTION 03-15-123**

**Recording of a Lien**

**WHEREAS**, Member ID 933-030-56 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**, September 15, 2015, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-030-56; 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.

#### **RESOLUTION 03-15-124**

##### **Recording of a Lien**

**WHEREAS**, Member ID 934-500-45 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**, September 15, 2015, that the Board of Directors hereby approves the recording of a Lien for Member ID 934-500-45; 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.

#### **RESOLUTION 03-15-125**

##### **Recording of a Lien**

**WHEREAS**, Member ID 932-950-71 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**, September 15, 2015, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-950-71; and

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

### **RESOLUTION 03-15-126**

#### **Recording of a Lien**

**WHEREAS**, Member ID 931-591-24 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**, September 15, 2015, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-591-24; 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.

#### **GENERAL MANAGER'S REPORT**

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

#### **MEMBER COMMENTS**

Third Mutual Members were given the opportunity to speak to items.

- Myron Singer (5429) spoke to PCM, Inc. and his concerns over the Transition.
- Fred Sherman (3161-A) thanked the Board for their efforts in working together with the other Boards.
- Lucie Falk (3377-A) spoke to trees near her Manor that need trimming.
- Judith Lepley (2287-D) spoke to the issues of scheduling regarding a leak in her crawl space in her manor.
- Clara Baker (3295-A) spoke to her concerns with Associa as the Management Company for Laguna Woods Village.
- Isabel Muennichow (5285) spoke to her concerns regarding terminating PCM, Inc. and self-management.
- Faye Pearl (2238-F) commented on the Transition and the GRF recall.
- Darlene Bacus (4023-A) thanked the Board and thanked the Directors who are leaving the Board and stated her opposition of giving Associa notice and spoke to the Transition office.
- Kim Shirley (2395-1B) spoke to the hurdles regarding FHA approval of reverse mortgages.

- Mike Strazuiso (4006-2E) thanked the Directors who are leaving the Board and commented on the Town Hall meeting on the 14<sup>th</sup>.

### **DIRECTORS' RESPONSES TO MEMBER COMMENTS**

Directors Moldow, Luebbe, Perak, Tao, Tung, di Lorenzo-Dickins, Gros, Carpenter, Troutman and McRae briefly responded to Member Comments.

### **UNFINISHED BUSINESS**

Acting Secretary, Director Judith Troutman, read a proposed resolution approving revisions to Alteration Standard Section 16 Garage Doors, Sectional or One Piece, which was postponed in July to comply with Civil Code §4360. Director Troutman moved to approve the resolution. Director McRae seconded the motion.

By a vote of 10-0-0 the motion carried and the Board approved the following resolution:

#### **RESOLUTION 03-15-127**

##### **Alteration Standard Section 16 Garage Doors, Sectional or One Piece**

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

**WHEREAS**, the Maintenance & Construction Committee of this Corporation recognizes the need to revise a portion of the Mutual tAlteration Standard Section 16 Garage Doors, Sectional or One Piece;

**NOW THEREFORE BE IT RESOLVED**, September 15, 2015, that Mutual Alteration Standard Section 16 Garage Doors, Sectional or One Piece is hereby revised as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 03-14-114, adopted December 16, 2014 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.

Acting Secretary, Director Judith Troutman, read a proposed resolution approving revisions to Alteration Standard Section 37 Patio Covers, Awnings, which was postponed in July to comply with Civil Code §4360. Director Troutman moved to approve the resolution. Director McRae seconded the motion.

By a vote of 10-0-0 the motion carried and the Board approved the following resolution:

#### **RESOLUTION 03-15-128**

##### **Alteration Standard Section 37 Patio Covers, Awnings**

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

**WHEREAS**, the Maintenance & Construction Committee of this Corporation recognizes the need to revise a portion of the Mutual Alteration Standards with regard to Section 37 Patio Covers, Awnings;

**NOW THEREFORE BE IT RESOLVED**, September 15, 2015, that Mutual Alteration Standard 37 Patio Covers, Awnings is hereby revised as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 03-06-11, adopted February 21, 2006 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.

Acting Secretary, Director Judith Troutman, read a proposed resolution approving an Interim Fine Policy for Violations of the Third Mutual Plug-In Electric Vehicles (PEV) Charging Policy, which was postponed in July to comply with Civil Code §4360. Director McRae moved to approve the resolution. Director Moldow seconded the motion.

By a vote of 10-0-0 the motion carried and the Board approved the following resolution:

**RESOLUTION 03-15-129**

**PEV Vehicles Permitted to Utilize 120 Volt Outlets in the Common Areas**

**WHEREAS**, the State of California and the US Government offer significant financial incentives to buyers to encourage their purchase of PEVs (Plug-In Electric Vehicles) due to reduced greenhouse gases, Laguna Woods should do what it can to support the government's environment objectives; and

**WHEREAS**, all PEVs support charging using a 120 volt circuit; it places a charging load similar to that of a golf cart and in some cases actually requires lower power demand than some golf carts; and

**WHEREAS**, no data is available to ascertain the circuit capacity utilized on the 120 volt circuits, and it would be costly to hire a consultant to identify all 120 volt circuits and the existing power demand on those circuits, it is deemed more reasonable to take any corrective action at the time an excessive loading condition occurs;

**NOW THEREFORE BE IT RESOLVED**, on September 15, 2015 that resident owned or leased PEVs will be permitted to utilize 120 Volt outlets in the common areas under the following addition to the Third Laguna Hills Mutual VEHICLE, TRAFFIC, AND PARKING RULES:

### **7.13 PLUG IN ELECTRIC VEHICLES (PEV)**

NON-RESIDENT PEVs are prohibited from connecting to common area outlets, except for self-contained, fee-per-use charging stations.

Any PEV connected to a common area outlet without authorization may be disconnected by Security staff, in addition to the other enforcement actions allowed in these rules.

Owners of PEVs are solely responsible for the proper use and maintenance of their vehicle and any associated equipment used in charging the vehicle and may not make any unauthorized alterations to Mutual outlets, wiring, circuit breakers or electric service panels.

RESIDENT VEHICLES that are battery electric powered GOLF CARTS may connect to Mutual common area electricity upon payment of the electrical use fee set by the BOARD. A GRF decal is not authorized on any GOLF CART when the electrical use fee is not paid.

RESIDENT PEVs of other types (e.g. battery electric and plug-in hybrid vehicles) are allowed to connect to Mutual electricity upon payment of the electrical use deposit and fee set by the BOARD, and properly display on the vehicle a Third Mutual issued Electric Vehicle decal.

- An electricity usage deposit of \$300 held by the Mutual is required for every PEV registered to any MANOR that does not have a private garage, or a private charging station per the requirements of the BOARD-approved Alteration Standard Section 44 Electric Vehicle Charging Stations.
- Upon enrollment in this program the deposit will be collected and the PEV odometer mileage recorded by managing agent staff. Upon periodic reconciliation (normally 12 months), withdrawal from the program by RESIDENT, or termination by the Mutual, the PEV mileage will be recorded by staff, the cost for electrical usage computed and the balance settled.
- Should the computed electrical cost be less than the deposit, the usage value will be deducted from the deposit. The RESIDENT may renew in the program by replenishing the deposit amount. If the RESIDENT is withdrawing from the program, the remaining balance of the deposit will be reimbursed to RESIDENT.
- Should the computed electrical cost exceed the deposit, the RESIDENT must pay the balance due, and the RESIDENT may thereafter renew in the program by replenishing the deposit amount.
- Participating PEVs will be issued a Mutual authorized decal, affixed by staff to the exterior of the rearmost window in the lower corner furthest from the driver.
  - The decal is the property of Third Mutual and may be revoked upon expiration, withdrawal or termination from program, or non-compliance with these rules.



- The decal signifies the PEV is authorized to connect to outlets in the Third Mutual common area.
  - Connection to outlets controlled by GRF, United, or Mutual Fifty is prohibited, except for self-contained, fee-per-use charging stations.
  - Connection to an outlet metered at any individual MANOR is prohibited without the controlling RESIDENT'S express permission.
- Electrical use charges shall be computed in the following manner:
  - The total miles driven since the last odometer mileage recorded by staff will be divided by 3.5 to calculate the kilowatt hours of common area electricity used to charge the PEV (3.5 equates to miles driven per KW charged). This value will be multiplied by the existing electrical common area billing rate of Southern California Edison, or other electric service provider if applicable.
  - This calculation assumes that all energy use attributed to the PEV during the enrollment period was received by connection to Third Mutual common area outlets. No deduction will be considered for the PEV charging at any other location, or charging or motive power received from a PEV onboard source (e.g. hybrid engine, integrated solar panel)

#### **7.14 EXTENSION CORDS**

In the interest of safety, unattended extension cords may not be used IN THIRD for any purpose. Any unattended extension cord may be disconnected by Security staff, in addition to the other enforcement actions allowed in these rules.

#### **7.15 FINES**

Fines for violation of §7.13 – 7.14 are as follows:

- First Offense: \$0
- Second Offense: \$25
- Each Subsequent Offense: \$50

**RESOLVED FURTHER**, that Resolution 03-15-36 approved March 17, 2015 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.

### **NEW BUSINESS**

Acting Secretary, Director Judith Troutman, read a proposed resolution approving revisions to the Mutual Committee Appointments. Director Troutman moved to approve the resolution. Director di Lorenzo Dickins seconded the motion and discussion ensued.

By a vote of 10-0-0 the motion carried, and the Board adopted the following resolution as amended:

### **RESOLUTION 03-15-130**

#### **Mutual Committee Appointments**

**RESOLVED**, September 15, 2015, 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**

Jim Matson, Chair  
Rosemarie di Lorenzo Dickins  
James Tung  
Beth Perak

#### **City of Laguna Woods General Plan Amendment Task Force**

Judith Troutman  
Beth Perak

#### **Communications Committee**

Beth Perak, Chair  
John Luebbe  
Judith Troutman  
Bert Moldow  
Non-Voting Advisors: Joan Milliman, Hal Horne, Donna Dwaileebe

#### **Electrical Vehicle Charging Ad Hoc Committee**

Bert Moldow  
John Luebbe  
Ray Gros  
Non-Voting Advisors: Bill Walsh and Steven Leonard

#### **Energy Committee**

Bert Moldow, Chair  
James Tung  
John Luebbe

Non-Voting Advisors: Bill Walsh, Steven Leonard

**Executive Committee**

Judith Troutman, Chair  
Rosemarie di Lorenzo Dickins  
James Tung  
**Ray Gros**  
John McRae—Alternate

**Finance (Committee of the Whole)**

Wei-Ming Tao, Chair  
Rosemarie di Lorenzo Dickins, Vice Chair  
Non-Voting Advisors: Colin Johnston, John Davis, John Hess

**Garden Villa Recreation Room Subcommittee**

Rosemarie di Lorenzo Dickins, Chair  
John McRae  
Bunny Carpenter  
**Voting** Advisors: Lenta Jarrett, Sharon Molineri, Shari Horne

**Laguna Woods Village Traffic Hearings**

Ray Gros

**Landscape**

James Tung, Chair  
Bunny Carpenter – Vice Chair  
Judith Troutman  
John McRae  
Non-Voting Advisors: John Dudley, Reza Vazirian

**Maintenance and Construction (Committee of the Whole)**

Rosemarie di Lorenzo Dickins, Chair  
Bunny Carpenter, Vice Chair  
Non-Voting Advisors: Robert Sherinian, David Finley, John Frankel

**Meet and Confer**

Jim Matson, Chair  
James Tung  
John Luebbe  
Ray Gros

**New Resident Orientation**

Per Rotation List

**Paint Color Subcommittee**

Jim Matson, Chair  
Rosemarie di Lorenzo Dickins  
Judith Troutman  
Non-Voting Advisor: Ruth Matson

**Resident Problem Resolution Services**

Ray Gros, Chair  
Jim Matson  
James Tung

**Slope Renovation/Turf Conversion Sub-Committee**

Jim Matson, Chair  
James Tung  
~~John McRae~~  
Non-Voting Advisor: Darlene Bacus

**Standards Subcommittee**

~~John McRae, Chair~~  
James Tung  
Judith Troutman  
Ray Gros  
Non-Voting Advisor: TBD

**Laguna Canyon Foundation**

Ray Gros

**RESOLVED FURTHER**, that Resolution 03-15-116, adopted August 18, 2015 is hereby superseded and canceled.

**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.

No changes were made to the GRF Committee Resolution, therefore resolution 03-14-87, adopted October 21, 2014 remains in full force.

**COMMITTEE REPORTS**

Director Wei-Ming Tao gave the Finance Committee Report, and commented on the Resale & Lease Activities.

Acting Secretary, Director Judith Troutman, read a proposed resolution approving the 2016 Collection and Lien Enforcement Policy. Director Troutman moved to approve the resolution. Director Tao seconded the motion and discussion ensued.

By a vote of 10-0-0 the motion carried, and the Board adopted the following resolution as written:

**RESOLUTION 03-15-131**

**Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies**

**WHEREAS**, Section 5300 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**, September 15, 2015, 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, 2016; and

**RESOLVED FURTHER**, that Resolution 03-14-113, adopted October 21, 2014 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 purposes of this resolution.

Acting Secretary, Director Judith Troutman, read a proposed resolution approving 2016 Replacement Reserves Policy. Director Troutman moved to approve the resolution. Director seconded the motion and discussion ensued.

By a vote of 10-0-0 the motion carried, and the Board adopted the following resolution as written:

**RESOLUTION 03-15-132**

**THIRD LAGUNA HILLS MUTUAL  
2016 REPLACEMENT RESERVES RESOLUTION**

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

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

**NOW THEREFORE BE IT RESOLVED**, September 15, 2015, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plans (attached) with the objective of maintaining replacement reserve balances at or above established thresholds totaling \$7,840,000, while meeting its obligations to repair and/or replace major components; 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.

Acting Secretary, Director Judith Troutman, read a proposed resolution approving 2016 Business Plan. Director Troutman moved to approve the resolution. Director McRae seconded the motion and discussion ensued.

Member Denny Welch (5517-1C) commented on the resolution.

By a vote of 10-0-0 the motion carried, and the Board adopted the following resolution as written:

**RESOLUTION 03-15-133**

**THIRD LAGUNA HILLS MUTUAL  
2016 BUSINESS PLAN RESOLUTION**

**RESOLVED**, September 15, 2015, that the Business Plan of this Corporation for the year 2016 is hereby adopted and approved; and

**RESOLVED FURTHER**, that pursuant to said business plan, the Board of Directors of this Corporation hereby estimates that the net sum of \$31,881,264 is required by the Corporation to meet the Third Laguna Hills Mutual operating expenses and reserve contributions for the year 2016. In addition, the sum of \$14,228,076 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2016. Therefore, a total of \$46,109,340 is required to be collected from and paid by members of the Corporation as monthly assessments; and

**RESOLVED FURTHER**, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$10,127,479 of which \$8,064,664 is planned from the Replacement Fund, \$308,300 from the Elevator Replacement Fund, \$144,376 from the Laundry Replacement Fund, \$1,533,393 from the Disaster Fund, and \$76,746 from the Garden Villa Recreation Room Fund; and

**RESOLVED FURTHER**, that all sums paid into the Replacement Reserves shall be used for capital expenditures only and shall be credited on the books of account of the Corporation to Paid-In Surplus as a capital contribution; and

**RESOLVED FURTHER**, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2016 and as filed in the records of the Corporation, said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2016; 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 James Tung reported from the Landscape Committee.

Director Rosemarie di Lorenzo Dickins reported from the Maintenance and Construction Committee.

The Board discussed the proposed revisions to the Decision Tree as submitted by Third Mutual Director Judith Troutman.

Director Troutman moved to approve the proposed revisions to the Decision Tree. Director di Lorenzo Dickins seconded the motion.

By a vote of 10-0-0 the motion carried and the proposed revisions were postponed to the October meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.

The Board discussed the proposed revisions to the Neighbor Awareness Form as submitted by Third Mutual Director Judith Troutman.

Director Troutman moved to approve the proposed revisions to the Neighbor Awareness Form. Director McRae seconded the motion.

By a vote of 10-0-0 the motion carried and the proposed revisions were postponed to the October meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.

Director Troutman moved to allow the use of PEX for plumbing alterations in Third Mutual Manors. Director Luebbe seconded the motion. Discussion ensued.

By a vote of 9-1-0 (Director Gros opposed) the motion carried.

Acting Secretary, Director Judith Troutman, read a proposed resolution approving changes to the low flow toilet specifications to the standard replacement toilet resolution. Director Troutman moved to approve the resolution. Director Tung seconded the motion and discussion ensued.

By a vote of 10-0-0 the motion carried, and the Board adopted the following resolution as written:

#### **RESOLUTION 03-15-134**

##### **Standard Replacement Toilet**

**WHEREAS**, recent changes to the California Civil Code and the Uniform Plumbing Code have mandated that all high-water usage toilets in commercial property as well as single and multi-family residential properties be replaced with water-conserving plumbing fixtures; and

**WHEREAS**, California Civil Code 1101.4 requires that on or before **January 1, 2017**, noncompliant plumbing fixtures in any single-family residential real property shall be replaced with water-conserving plumbing fixtures; and

**WHEREAS**, California Civil Code 1101.5 requires that on or before **January 1, 2019**, all noncompliant plumbing fixtures in any multifamily residential real property shall be replaced with water-conserving plumbing fixtures; and

**WHEREAS**, California Civil Code 1101.3.1 defines water conserving toilets as any toilet manufactured to use ~~less than~~ 1.6 gallons **or less** of water per flush; and

**WHEREAS**, California Plumbing Code 402.2.2.1 requires that single flush toilets installed on or after July 1, 2011, shall have an effective flush volume that does not

exceed 1.28 gallons (4.8 liters) when tested in accordance with ASME A112.19.2, Standard for Vitreous China; and

**NOW THEREFORE BE IT RESOLVED**, September 15, 2015, that the Board of Directors of the Corporation hereby requires that prior to the date any record fee title to a Manor is transferred, and when a Manor is lease/rented, the Manor Owner must replace all non-compliant toilets within their Manor with toilets which meet or exceed the applicable California Civil and Building Code requirements for toilets and have a 3 inch flush valve, are ADA and WaterSense qualified, and at Manors where no waste line drainage problems exist the compliant toilets may have a greater than or equal to 600 grams per flush MaP rating and at Manors where waste line drainage problems do exist the compliant toilets must have a greater than or equal to 1000 grams per flush MaP rating; and

**RESOLVED FURTHER**, that any 1.6 gallon per flush or lower toilets installed in a manor prior to May 19, 2015 are considered compliant with California Civil requirements for toilets and will not require replacement under this resolution; and

**RESOLVED FURTHER**, that Resolution 03-15-70, adopted May 19, 2015, 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.

Acting Secretary, Director Judith Troutman, read a proposed resolution approving revisions to the Contractor Referral List - Criteria for Adding/Removing a Contractor. Director Troutman moved to approve the resolution. Director McRae seconded the motion and discussion ensued.

Director di Lorenzo Dickins moved to change the name by removing the word "referral" and call the document the "Contractor List". Director McRae had no objections to the amendment.

By a vote of 10-0-0 the motion carried, and the Board adopted the following resolution as amended:

**RESOLUTION 03-15-135**

**REVISED SEPTEMBER 2015, RESOLUTION 03-15-XXX**

**WHEREAS**, a Contractor List has been compiled to assist Laguna Woods Village residents in choosing a contractor; and

**WHEREAS**, the Board determined to update the existing resolution for clarity; and

**NOW THEREFORE BE IT RESOLVED**, September 15, 2015, the Board of Directors of this Corporation hereby approves the following criteria that allow a contractor to be placed on the list:

1. A contractor must be in clear and active status with the California State Contractors License Board (CSLB). A copy of license must be filed with the Manor Alterations Department; and
2. A contractor must hold a minimum of \$100,000 general liability insurance, and worker's compensation as required by the CSLB. A current copy of the general liability insurance must be supplied and on file with the Manor Alterations Department; and
3. A contractor must have letters of recommendations from a minimum of three (3) different Laguna Woods Village residents.

**RESOLVED FURTHER**, that any one of the following items will cause removal from the list:

1. Expired contractor's license
2. Expired general liability, or worker's compensation insurance as required by the CSLB
3. Failure to obtain a Mutual Consent for Manor Alterations and City of Laguna Woods permit, if required, prior to commencement of work
4. Failure to comply with the requirements of the Mutual Consent for Manor Alterations

**RESOLVED FURTHER**, that once a contractor has been removed from the list, the contractor cannot be placed back on the list; and

**RESOLVED FURTHER**, that upon receipt of three (3) written complaints from residents against any one contractor in a 2-year period, the matter will be referred to the Board for consideration; and

**RESOLVED FURTHER**, that Resolution 03-12-43 adopted March 20, 2012, is hereby superseded and canceled; and

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

Director Tung reported from the Water Subcommittee.

Acting Secretary, Director Judith Troutman, read a proposed resolution authorizing video inspections and test installation of up to six high efficiency toilets, at an estimated cost of \$3,000, funded from the Unappropriated Expenditures Fund. Director Troutman moved to approve the resolution. Director McRae seconded the motion and discussion ensued.

By a vote of 10-0-0 the motion carried, and the Board adopted the following resolution as written:

### **RESOLUTION 03-15-136**

#### **Video Inspections and Test Installation of High Efficiency Toilets**

**WHEREAS**, in response to water shortages in Southern California and increases in tiered water usage rates the Board of Directors of this Corporation created a water conservation pilot program; and

**WHEREAS**, the Third Mutual Water Conservation Ad Hoc Committee is recommending moving forward with conservation measures for water efficient toilets; and

**NOW THEREFORE BE IT RESOLVED**, September 15, 2015, the Board of Directors of this Corporation hereby authorizes video inspections and test installation of up to six high efficiency toilets, at an estimated cost of \$3,000, to be funded from the Unappropriated Expenditures Fund; and

**RESOLVED FURTHER**, that resolution 03-15-22 approved February 17, 2015 for the purpose of water conservation plumbing inspections is hereby superseded and cancelled;

**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 Moldow reported from the Energy Committee.

Acting Secretary, Director Judith Troutman, read a proposed resolution authorizing an appropriation of \$2,500 from the Unappropriated Expenditures Fund for use on miscellaneous projects at the discretion of the Energy Committee. Director Troutman moved to approve the resolution. Director McRae seconded the motion and discussion ensued.

By a vote of 10-0-0 the motion carried, and the Board adopted the following resolution as written:

### **RESOLUTION 03-15-137**

#### **Funding for Miscellaneous Energy Projects**

**WHEREAS**, the Energy Committee has requested a contingency funding source for small miscellaneous projects that arise during the year; and

**NOW THEREFORE BE IT RESOLVED**, September 15, 2015, the Board of Directors of this Corporation hereby authorizes an appropriation of \$2,500 from the Unappropriated Expenditures Fund, for use on miscellaneous projects at the discretion of the Energy Committee; and

**RESOLVED FURTHER**, the Energy Committee may proceed on small unforeseen projects using this funding without obtaining approval from the Board, by means of regular procurement procedures in place for the Corporation;

**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 Gros reported from Resident Problem Resolution Services.

Director Gros reported from the Laguna Woods Village Traffic Hearings.

Director Gros reported on the Laguna Canyon Foundation.

Director Perak reported from the Communications Committee.

Without objection, the Board agreed to update the website per the Communications Committee suggestions.

### **GRF COMMITTEE HIGHLIGHTS**

The Directors provided brief overviews of GRF Committee highlights.

### **DIRECTORS' COMMENTS**

The Directors made their final comments.

### **ADDITIONAL MEMBER COMMENTS**

No additional comments were made.

The Board recessed at 12:30 PM and reconvened into Executive Session at 1:25 PM.

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

During its August 18, 2015 Regular Executive Session Board Meeting, the Board approved the July 21, 2015 Regular Executive Session minutes, as written. The Board heard three (3) disciplinary hearings and imposed \$1,000 in fines for violations of the Mutual's rules and regulations; approved six (6) hearing requests; discussed other member disciplinary matters; discussed and considered a contractual matter; discussed member matters; and discussed Litigation matters.

During the August 19, 2015 Special Executive Session Board meeting the Board discussed and considered contractual matters.

During the August 25, 2015 Special Executive Committee Board meeting the Board discussed and considered Common Area Damage Reimbursement Hearings and Member Disciplinary Hearings.

During the August 27, 2015 Special Executive Session All Boards meeting the Board discussed and considered Contractual Matters.

During the September 3, 2015 Special Executive Session Board meeting the Board discussed and considered Contractual Matters.

During the September 10, 2015 Special Executive Session Board meeting the Board discussed and considered Contractual Matters.

During the September 11, 2015 Special Executive Session All Boards meeting the Board discussed and considered Contractual Matters.

With no further business before the Board of Directors, the meeting was adjourned at 5:00 PM.

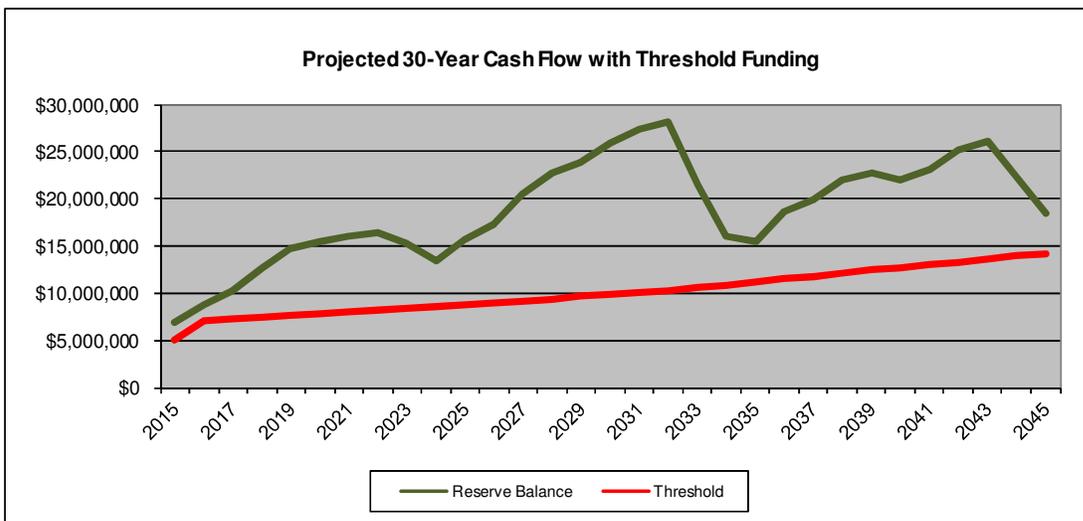
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Judith Troutman, Acting Secretary

**THIRD LAGUNA HILLS MUTUAL  
 2016 RESERVES PLAN  
 Replacement Reserve 30-Year Funding Plan**

**Threshold (Min Balance): \$ 7,000,000**  
 Indexed for projected inflation

Year	Assessment		Interest Earnings	Other Additions	Planned Expenditures	Reserve Balance
	Per Manor Per Month	Total Contribution				
2015	\$ 70.00	\$ 5,125,680	\$ 86,323		\$ 3,913,567	\$ 6,858,337
2016	\$ 135.00	\$ 9,885,240	\$ 108,761		\$ 8,064,664	\$ 8,787,674
2017	\$ 135.00	\$ 9,885,240	\$ 165,463		\$ 8,550,507	\$ 10,287,870
2018	\$ 135.00	\$ 9,885,240	\$ 199,573		\$ 7,652,646	\$ 12,720,037
2019	\$ 135.00	\$ 9,885,240	\$ 237,537		\$ 8,178,198	\$ 14,664,617
2020	\$ 135.00	\$ 9,885,240	\$ 261,743		\$ 9,301,029	\$ 15,510,571
2021	\$ 135.00	\$ 9,885,240	\$ 272,846		\$ 9,724,038	\$ 15,944,619
2022	\$ 135.00	\$ 9,885,240	\$ 280,836		\$ 9,678,967	\$ 16,431,728
2023	\$ 135.00	\$ 9,885,240	\$ 275,233		\$ 11,293,531	\$ 15,298,670
2024	\$ 135.00	\$ 9,885,240	\$ 248,528		\$ 12,079,326	\$ 13,353,112
2025	\$ 135.00	\$ 9,885,240	\$ 250,898		\$ 7,917,379	\$ 15,571,871
2026	\$ 135.00	\$ 9,885,240	\$ 285,240		\$ 8,430,109	\$ 17,312,242
2027	\$ 135.00	\$ 9,885,240	\$ 328,545		\$ 6,961,731	\$ 20,564,296
2028	\$ 135.00	\$ 9,885,240	\$ 375,315		\$ 8,120,728	\$ 22,704,122
2029	\$ 135.00	\$ 9,885,240	\$ 403,795		\$ 9,145,537	\$ 23,847,620
2030	\$ 135.00	\$ 9,885,240	\$ 431,647		\$ 8,249,377	\$ 25,915,130
2031	\$ 135.00	\$ 9,885,240	\$ 463,066		\$ 8,793,666	\$ 27,469,770
2032	\$ 140.00	\$ 10,251,360	\$ 482,028		\$ 10,101,947	\$ 28,101,212
2033	\$ 145.00	\$ 10,617,480	\$ 429,067		\$ 17,783,684	\$ 21,364,074
2034	\$ 150.00	\$ 10,983,600	\$ 323,749		\$ 16,711,830	\$ 15,959,594
2035	\$ 155.00	\$ 11,349,720	\$ 273,108		\$ 12,056,574	\$ 15,525,848
2036	\$ 160.00	\$ 11,715,840	\$ 296,494		\$ 8,882,465	\$ 18,655,717
2037	\$ 165.00	\$ 12,081,960	\$ 334,322		\$ 11,185,139	\$ 19,886,860
2038	\$ 170.00	\$ 12,448,080	\$ 363,652		\$ 10,661,579	\$ 22,037,012
2039	\$ 175.00	\$ 12,814,200	\$ 389,147		\$ 12,414,284	\$ 22,826,075
2040	\$ 180.00	\$ 13,180,320	\$ 388,240		\$ 14,462,212	\$ 21,932,423
2041	\$ 185.00	\$ 13,546,440	\$ 390,768		\$ 12,752,082	\$ 23,117,548
2042	\$ 190.00	\$ 13,912,560	\$ 418,186		\$ 12,354,977	\$ 25,093,317
2043	\$ 190.00	\$ 13,912,560	\$ 443,963		\$ 13,360,585	\$ 26,089,256
2044	\$ 190.00	\$ 13,912,560	\$ 420,706		\$ 18,010,352	\$ 22,412,170
2045	\$ 190.00	\$ 13,912,560	\$ 355,020		\$ 18,163,137	\$ 18,516,613



## THIRD LAGUNA HILLS MUTUAL

### SECTION 16 GARAGE DOORS, SECTIONAL OR ONE PIECE

JANUARY 1993

REVISED AUGUST 2002, RESOLUTION M3-02-39

GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49

REVISED DECEMBER 2014, RESOLUTION 03-14-141

REVISED SEPTEMBER 2015, RESOLUTION 03-15-XXX

#### 1.0 GENERAL REQUIREMENTS

- 1.1 **PERMITS AND FEES:** A Mutual permit is required for all alterations to the building. A City of Laguna Woods permit may be required. All fees for both Mutual and City permits shall be paid for by the Member and/or his or her contractor. Member and/or his or her contractor must provide the Permits and Inspections office with City permit number(s) prior to beginning work.
- 1.2 **MEMBERS' RESPONSIBILITY:** The Member is solely responsible for the maintenance, repair, and/or removal of all alterations to the building.
- 1.3 **CODES AND REGULATIONS:** All work shall comply with all applicable local, state, and federal requirements including, but not limited to, the current edition of the National Electric Code (NEC).
- 1.4 **WORK HOURS:** No work shall commence prior to 7:00a.m. and no work shall be permitted after 6:00p.m. Monday through Friday. Work on Saturday shall be permitted from 9:00a.m – 2:00p.m. for work which results in construction-related noise (e.g. cutting tile, hammering, use of power tools). For work that does not result in excessive noise, such as painting and carpet installation, permitted hours are 7:00a.m. – 6:00p.m. No work whatsoever shall be permitted on Sunday.
- 1.5 **PLANS:** The Member applying for a permit shall provide to the Permits and Inspections office a detailed plan(s) for approval indicating all work to be done, i.e., size, location, description and specifications.
- 1.6 **DUMPSITES:** The premises shall be kept free of accumulation of waste materials and/or rubbish caused by construction work. The Member and/or his or her contractor is responsible for removal of debris and excess material and must leave work areas "**BROOM CLEAN**" daily. **USE OF COMMUNITY DUMPSITES FOR CONSTRUCTION RELATED DUMPING IS NOT PERMITTED.** Contractor's or Member's dumpsters, if required, must have location approved by the Permits and Inspections office.
- 1.7 **CONTRACTOR:** Installation must be performed by a California licensed contractor of the appropriate trade.
- 1.8 **CONTRACTOR'S CONDUCT:** Member's contractor's, their personnel, and sub-contractors shall refrain at all times from using profanity, abusive or loud

language, and must wear shirts at all times. Radio, MP3, CD or cassette players are not permitted on the project site. Contractor personnel will, at all times, extend and exhibit a courteous demeanor to residents.

## **2.0 APPLICATIONS**

- 2.1** No garage door will be installed that requires modification to the building structure.
- 2.2** Garage doors shall utilize existing door frames with only minor modifications to facilitate fit and clearances.
- 2.3** With the exception provided in paragraph 2.4, all garage doors in multi-unit buildings shall be selected and/or painted to maintain an appearance that conforms to the approved paint color criteria as dictated by the Mutual's Policy on Exterior Paint Colors and Procedures. The style and color of all doors installed shall be selected to match other garage doors in the same building.
- 2.4** Alteration metal garage doors with a white/off-white factory finish are exempt from being painted during the Exterior Paint Program when white/off-white is part of the approved color scheme for that particular building.
- 2.5** All garage doors shall be of aluminum, wood or steel construction. One-piece or sectional panel style is optional. Sectional style shall be limited to five panels maximum.
- 2.6** Built-in self closing mail slots are permissible.
- 2.7** Built-in windows in the top panel or second from the top panel of a sectional panel style garage door are permissible.
- 2.8** All design or patterns including window shape and size must be in keeping with the architecture of the building. Approval by the Permits and Inspections office will be deemed in keeping with the existing architecture of the building.
- 2.9** No built-in type access or pet doors will be permitted.

## **THIRD LAGUNA HILLS MUTUAL**

### **SECTION 37 PATIO COVERS, AWNINGS**

**FEBRUARY 2006, RESOLUTION 03-06-11**

**GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49**

**REVISED SEPTEMBER 2015, RESOLUTION 03-15-XXX**

## 1.0 **GENERAL REQUIREMENTS**

- 1.1 **PERMITS AND FEES:** A Mutual permit is required for all alterations to the building. A City of Laguna Woods permit may be required. All fees for both Mutual and City permits shall be paid for by the Member and/or his or her contractor. Member and/or his or her contractor must provide the Permits and Inspections office with City permit number(s) prior to beginning work.
- 1.2 **MEMBERS' RESPONSIBILITY:** The Member is solely responsible for the maintenance, repair, and/or removal of all alterations to the building.
- 1.3 **CODES AND REGULATIONS:** All work shall comply with all applicable local, state, and federal requirements including, but not limited to, the current edition of the National Electric Code (NEC).
- 1.4 **WORK HOURS:** No work shall commence prior to 7:00a.m. and no work shall be permitted after 6:00p.m. Monday through Friday. Work on Saturday shall be permitted from 9:00a.m – 2:00p.m. for work which results in construction-related noise (e.g. cutting tile, hammering, use of power tools). For work that does not result in excessive noise, such as painting and carpet installation, permitted hours are 7:00a.m. – 6:00p.m. No work whatsoever shall be permitted on Sunday.
- 1.5 **PLANS:** The Member applying for a permit shall provide to the Permits and Inspections office a detailed plan(s) for approval indicating all work to be done, i.e., size, location, description and specifications.
- 1.6 **DUMPSITES:** The premises shall be kept free of accumulation of waste materials and/or rubbish caused by construction work. The Member and/or his or her contractor is responsible for removal of debris and excess material and must leave work areas "**BROOM CLEAN**" daily. **USE OF COMMUNITY DUMPSITES FOR CONSTRUCTION RELATED DUMPING IS NOT PERMITTED.** Contractor's or Member's dumpsters, if required, must have location approved by the Permits and Inspections office.
- 1.7 **CONTRACTOR:** Installation must be performed by a California licensed contractor of the appropriate trade.
- 1.8 **CONTRACTOR'S CONDUCT:** Member's contractor's, their personnel, and sub-contractors shall refrain at all times from using profanity, abusive or loud language, and must wear shirts at all times. Radio, MP3, CD or cassette players are not permitted on the project site. Contractor personnel will, at all times, extend and exhibit a courteous demeanor to residents.

## 2.0 **APPLICATIONS**

- 2.1 A roof-like shelter of canvas or other material, i.e., awning, may extend over a patio from the top of sliding doors in a detached manor to provide protection from the sun.

- 2.2 The awning may be either fixed or retractable, Awning fabric must pass the California State Fire Marshall's Test Procedure #804 in which a registration number is received that verifies its' fire resistance.
- 2.3 The awning will cover only the patio area as defined by the existing patio slab, wall or as indicated on the standard drawing. Patio is defined as a paved, cement or tile area that adjoins the manor at ground level, which does not serve as a walkway or landing.
- 2.4 The color of the awnings shall be Desert Sand, or equivalent, in color.
- 2.5 Comprehensive plans shall be submitted to the Permits and Inspections office at the time of application, including awning material to be used, dimensions of awning, dimensions of patio, and color swatch of material to be used.
- 2.6 The Mutual Member must maintain the awning in good condition.

## **YEAR 2016 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES**

### **PURPOSE STATEMENT**

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

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

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

WE SINCERELY TRUST THAT ALL MEMBERS, IN THE SPIRIT OF COOPERATION AND RECOGNIZING THEIR LEGAL OBLIGATIONS, WILL 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, and the amount and length of time the assessments have been in arrears. The policies and practices outlined in this Policy Statement shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Mutual's Board 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&Rs, rules and regulations 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 of ten percent (10%) as allowed by Civil Code section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel 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 sections 5650-5660) 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, 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.

### **Lien**

The Mutual may secure the delinquency by recording a lien on the owner's separate interest with the county recorder of the county in which the separate interest is located . The debt shall be a lien on the owner's separate interest in the development from and after the time the Mutual records a notice of delinquent assessment, which shall state: the amount of the assessment and other sums imposed in accordance with subdivision (b) of Section 5650; a legal description of the owner's separate interest in the common interest development against which the assessment and other sums are levied; and the name of the record owner of the separate interest in the common interest development against which the lien is imposed.

The itemized statement of the charges owed by the owner described in subdivision (b) of Section 5660 shall be recorded together with the notice of delinquent assessment. In order for the lien to be enforced by nonjudicial foreclosure as provided in Sections 5700 to 5710, inclusive, the notice of delinquent assessment shall state the name and address of the trustee authorized by the association to enforce the lien by sale. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the association for that purpose, or if no one is designated, by the president of the association. 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 separate interest in the association's records, and the notice shall be mailed no later than ten (10) calendar days after recordation.

### **Foreclosure/ADR**

After the expiration of thirty (30) days following the recording of a lien created pursuant to Section 5675, the lien may be enforced in any manner permitted by law. Once 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 or judicial foreclosure.

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 5715.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the Member may be seized or a lien may be placed on such assets to satisfy the judgment. Pursuant to the provisions of the Davis-Stirling Common Interest Development Act, applicable regulations, and the Covenants, Conditions and Restrictions (CC&Rs), 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 2 commencing with section 5900 of Chapter 10) or ADR as set forth in Article 3 (commencing with Section 5925 of Chapter 10), both in the California Civil Code.

Any choice by a Member to pursue 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 (per California Civil Code Section 5660):

- (a) A general description of the collection and lien enforcement procedures of the association and the method of calculation of the amount, a statement that the owner of the separate interest 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 separate interest, except that binding arbitration shall not be available if the association 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 5900-5920;
- (b) The Member may exercise his or her right to participate in alternative dispute resolution with a neutral third party under Civil Code sections 5925-5965 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 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 5965 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 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 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 5655.

The Mutual is prohibited from recording a lien or initiating a foreclosure action without participating in dispute resolution or ADR procedures if so requested by the Member. If it is determined that an association has recorded a lien for a delinquent assessment in error, the association shall promptly reverse all late charges, fees, interest, attorney’s fees, costs of collection, costs imposed for the notice prescribed in Section 5660, and costs of recordation and release of the lien authorized under subdivision (b) of Section 5720, and pay all costs related to any related dispute resolution or alternative dispute resolution.

### **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.

### **Attachments**

The Notice of Assessments and Foreclosure required by Civil Code Section 5730 is contained in Attachment "A" to this Policy.

The disclosures required by the State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act are contained in Attachment "B" to this Policy.

**BOARD OF DIRECTORS**

**THIRD LAGUNA HILLS MUTUAL**

**ATTACHMENT "A"  
NOTICE OF  
ASSESSMENTS AND FORECLOSURE**

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

**NOTICE ASSESSMENTS AND FORECLOSURE**

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

**ASSESSMENTS AND FORECLOSURE**

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

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

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

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

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

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

### **PAYMENTS**

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

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

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

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

### **MEETINGS AND PAYMENT PLANS**

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

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

**ATTACHMENT "B"**

**The following Disclosure is made pursuant to Civil Code Section 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](http://www.ftc.gov).”

**DECISION TREE**  
**FOR CONSIDERATION OF APPLICATIONS FOR COMMON AREA ALTERATIONS BY THE  
THIRD LAGUNA HILLS MUTUAL**

This "Decision Tree" sets forth an outline that the Mutual should use when reviewing and considering Applications for Common Area Alterations.

**STEP 1: Compliance with Community Standards**

- Each Application must comply with all Mutual governing documents, including but not limited to the architectural and building rules, whether the proposed alteration is entirely within the Member's manor, on Exclusive Use Common Area, or on Common Area.
- If all rules and guidelines are not met, then the Application for Alteration should be rejected.
- If all guidelines are met, then the Mutual should proceed with **Step 2**.

**STEP 2: Neighbor Awareness Form**

- If a neighboring manor or manors may be affected (but the proposed alteration qualifies under **Step 1**, then the Member shall submit a Neighbor Awareness Form for each of the affected manors prior to approving the Application which will grant the applicant exclusive use.
- The Mutual will review all submitted Neighbor Awareness Forms, and consider any objections by residents of Manors neighboring the Applicant's Manor.
- If the Mutual determines that the proposed alteration will cause an unreasonable burden to other Manor residents, then the Application for Alteration should be rejected.
- If the Mutual determines that the proposed alteration will not cause an unreasonable burden to other Manor residents, then the Mutual should proceed with **Step 3**.

**STEP 3: Determine Whether the Area of the Proposed Alteration is Located in Common Area or Exclusive Use Common Area**

- "Common Area" is defined as the entire common interest development except the separate interests. In Third, the "separate interest is the airspace of an individual manor. All else is common area.
- "Exclusive Use Common Area" is defined as a portion of the Common Area designated and intended for the exclusive use of one or more, but fewer than all, of the owners of the separate interests, and is usually appurtenant (adjacent) to the separate interest (manor).
- If the Mutual determines that a proposed alteration will be located entirely on Exclusive Use Common Area, then proceed to **Step 5** below.
- If the Mutual determines that a proposed alteration would be located either entirely or partially on Common Area, proceed to **Step 4** below.

**STEP 4: Common Area**

- If a proposed alteration is to be located entirely or partially on or over Common Area, the Mutual should first determine if allowing the alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third. If the proposed alteration does not meet this condition, it must be denied. If the application meets this test, proceed to **Step 5** below.

OR

- If the Mutual determines that a grant of exclusive use of the affected Common Area would eliminate or correct encroachments due to errors in the original construction of the manor, the application may be approved, proceed to **Step 5** below.

OR

- If the proposed alteration is reasonably necessary to accommodate a disability, the application may be approved, proceed to **Step 5** below

OR

- If the proposed use of common area is to install power lines as part of the installation of an electric vehicle charging station in the member's garage or parking space, the application may be approved, proceed to **Step 5** below.

OR

- If the proposed use of common area is to install and use an electric vehicle charging station through a license granted by the Mutual under Civil Code Section 4745, the application may be approved, proceed to **Step 5**, below.

**STEP 5: Recordable Agreement Requirement**

- Before the Mutual gives final approval for any proposed alteration to common area, whether or not Exclusive Use Common Area, the Mutual should require that a recordable Common Area Agreement be executed by the applicant.
- The Common Area Agreement should be required where:

(1) The proposed alteration is adding to or changing the common area, which includes adding or changing any walls, floors, roofs or ceilings.

-end-

## THIRD LAGUNA HILLS MUTUAL

### NEIGHBOR AWARENESS FORM

**Requestor:** You are making an Application for a Permit to make a physical Alteration to your Manor. This form is intended to notify your neighbors who own Manors near your Manor and who may be affected by your proposed Alteration. The neighbor's signature below indicates their awareness of your Application. No Application will be considered by the Third Laguna Hills Mutual ("Third Mutual") without this evidence that each of your neighbors has been made aware of the proposed Alteration. Further Guidelines are on the reverse side of this form.

**Neighbor:** You are hereby notified that the Member at neighboring Manor # \_\_\_\_\_ has filed an Application for an Alteration Permit and/or a Variance to make the following Alteration to their Manor, which is expected to take approximately \_\_\_\_\_ weeks/months to complete:

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A diagram or plan of the proposed Alteration is attached.

The Laguna Woods Village Manor Alterations Department, pursuant to policies and procedures established by Third Mutual, has determined that the above described proposed Alteration may affect your Manor. You are requested to review the description of the proposed Alteration, including any attached drawings or plans, and sign this form in the space provided below to acknowledge that you have been made aware of the proposed Alteration. More detailed plans of the proposed Alteration, if any, are available for review by Mutual members at the Laguna Woods Village Community Center, Manor Alterations Department.

You have a right to address the Third Mutual's Maintenance and Construction Committee regarding the proposed Alteration if you so desire. Please telephone the Manor Alterations Department at 949-597-4616 for Committee meeting dates, times, and locations when this Application for the proposed Alteration will be considered.

_____/	_____/	_____/
Name (Printed)	Manor Number	Date
_____/	<input type="checkbox"/>	<input type="checkbox"/>
Name (Signature)	For	Undecided
	<input type="checkbox"/>	Against

**Comments:** Indicate by checking the appropriate box above if you have any preference regarding this Application for a proposed Alteration, and add any additional comments below.

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Please either return this form to your neighbor who gave it to you, or mail it to Laguna Woods Village, Manor Alterations Department, P.O. Box 2220, Laguna Hills, CA 92654-2220.

# THIRD LAGUNA HILLS MUTUAL

## NEIGHBOR AWARENESS FORM GUIDELINES

### **Application for An Alteration Permit**

Typically, a proposed Alteration that meets Third Mutual's established Alteration Standards may be permitted without review by Third Mutual's Maintenance and Construction Committee or approval by Third Mutual's Board of Directors.

### **Variance Requests**

If, however, your Application will require a variance from Third Mutual's established Alteration Standards, which are available upon request at the Laguna Woods Village Community Center, Manor Alterations Department, you must submit a Variance Request to the Manor Alterations Department for consideration by Third Mutual's Maintenance and Construction Committee, and ultimately approval or denial by Third Mutual's Board of Directors.

*Third Laguna Hills Mutual Architectural Review Procedures, including Guidelines for Submittals for Variance Requests, are posted online at [www.lagunawoodsvillage.com](http://www.lagunawoodsvillage.com) and are also available at the Laguna Woods Village Community Center, Manor Alterations Department, 24351 El Toro Road, Laguna Woods, CA 92637. If you have any questions, you can call the Manor Alterations Department at 949-597-4616.*

In regard to Variance Requests, a neighbor's concurrence or non-concurrence in a proposed Alteration will be considered by the Committee and the Board, but Third Mutual's Board of Directors will make the final decision to approve or deny your Application based upon applicable law, Third Mutual's governing documents, and all the circumstances surrounding your Application for a proposed Alteration.

### **Signatures of All Neighbors Affected by This Application**

Because your Application for a proposed Alteration to your Manor may affect one or more of your neighbors, it is imperative that you obtain their signature, manor number, and, if they have a preference, an indication whether they are for, undecided, or against this proposed Alteration.

When you submitted your Application for this proposed Alteration to the Manor Alterations Department, you were required to include drawings/plans for the proposed Alteration. Attach a copy of the most comprehensive drawing/plan to this form so that the neighbor will better understand the nature and extent of the Alteration you propose.

In the event you are unable to contact your affected neighbor in person, you must mail a completed copy of this Neighbor Awareness Form to them at their Manor's address and retain a *Certificate of Mailing* receipt from the United States Post Office. That receipt, attached to a copy of the completed Neighbor Awareness Form, may be used in lieu of obtaining the neighbor's signature on the Form if their Manor is vacant, but only after repeated attempts at contacting the neighbor at their Manor are unsuccessful.