



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

**Friday, September 7, 2018 - 11:00 a.m.
Laguna Woods Village Community Center, 24351 El Toro Road
Sycamore Room**

NOTICE OF MEETING AND AGENDA

**The purpose of this meeting is to discuss and consider items endorsed by the
Architectural Control and Standards Committee on August 27, 2018.**

Directors present: Rosemarie diLorenzo, Bill Walsh, Burt Baum, Roy Bruninghaus, Jack Connelly, James Tung, Bunny Caprenter, Cush Bhada, Jules Zalon, John Frankel and Steve Parsons (arrived at 10:56 a.m.)

Directors absent: None

Staff present: Siobhan Foster, COO, Kurt Weimann and Cheryl Silva

1. President diLorenzo called the meeting to order at 11:05 a.m. and Establish that a Quorum was present
2. Director Carpenter led the Pledge of Allegiance.
3. **Approval of Agenda**
Director Zalon made a motion, seconded by Director Bhada to approve the agenda as presented. By consensus, the motion passed.
4. **Open Forum (Three Minutes per Speaker)**
There were no member comments.
5. **Responses to Open Forum Speakers--None**
6. **New Business**
6a. Entertain a Motion to Introduce a Resolution for Proposed Key Policy (SEPTEMBER initial notification-must postpone 30-days for Member comments and suggestions to conform to Civil Code §4360)

Director Baum read a summary of the following resolution:

RESOLUTION 03-18-XXX
KEY FILE PROGRAM

WHEREAS, the Key File Program is a voluntary program that allows resident and non- resident members to place manor keys on file with the Resident Service Department, which enables Mutual access for emergency repairs, access for welfare checks, Orange County emergency services, and entry for residents who have misplaced their keys; and

WHEREAS, the Mutual's legal counsel has advised that the Mutual and its managing agent have the legal right to enter a manor for health, safety, Board-approved programs, or other emergencies that may impact Mutual property and have no legal right, authority, duty, nor obligation to enter for or any other purpose.

NOW THEREFORE BE IT RESOLVED, September 7, 2018, that the Board of Directors introduces this policy authorizing the Key File Program that shall follow the provisions of the Key File Policy as attached to the official minutes of this meeting;

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

SEPTEMBER Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

Director Baum made a motion to introduce the resolution for a proposed key policy for 30 day review. The motion was seconded by Director Bhada.

Discussion ensued among the Directors.

By consensus, the resolution was introduced for 30-days.

6b. Entertain a Motion to Introduce a Resolution for Permanent Version of the Unoccupied Unit Policy (**SEPTEMBER initial notification-must postpone 30-days for Member comments and suggestions to conform to Civil Code §4360**)

Director Baum read a summary of the following resolution:

RESOLUTION 03-18-XX
POLICY FOR INTERIOR INSPECTION OF UNOCCUPIED MANORS

WHEREAS, unoccupied Manors present a number of concerns to Third Mutual and its residents, including without limitation, potential damage to the Mutual's Common Areas, and those concerns increase the longer the Manor is unoccupied;

WHEREAS, the fiduciary responsibility of the Board is to protect the Mutual's assets and it is to the benefit of the Mutual and its residents to inspect the condition of Manors which have been unoccupied for a period of six (6) months or more, or which are reasonably believed to pose potential maintenance concerns; and,

WHEREAS, based on the advice of the Mutual's legal counsel and consistent with the Mutual's governing documents, the Mutual has the right to access an owners Manor at any time in the event of an emergency and the right to access an owner's Manor at a reasonable hour in non-emergency situations for the purpose of inspection;

NOW THEREFORE BE IT RESOLVED, September 7, 2018, that the Board of Directors hereby introduces the Unoccupied Manor Inspection Policy ("Policy");

RESOLVED FURTHER, that except in case of an emergency inspection, in which case the Mutual or a representative thereof may enter without prior notice to the Manor owner, the Mutual must provide a minimum of fifteen (15) days' prior written notice to the owner of record of each Manor that is unoccupied or presumed to be unoccupied before any inspection is carried out in a Manor in accordance with this Policy;

RESOLVED FURTHER, the Mutual will conduct non-emergency inspections in accordance with said notice of inspection and charge administrative costs/fees as set by the Mutual for each such inspection, including the cost of gaining entrance into the Manor, as may be applicable;

RESOLVED FURTHER, if the Owner of record of an unoccupied Manor objects in writing to the inspection of such Manor or specifically denies entry, the matter may be referred to the Board for member disciplinary action;

RESOLVED FURTHER, non-emergency inspections will be conducted with premises Security personnel in attendance to document and ensure there is no adverse impact upon the Manor interior by the Mutual's inspection; such inspection with Security personnel is subject to a fee(s) for the cost to the Mutual to provide such persons to witness the inspection;

RESOLVED FURTHER, the inspector must identify and note conditions within each inspected Manor in a written report, which shall be provided to the Manor Owner by mailing the report to the Owner's mailing address in the Mutual's records, and facilitate the maintenance or remediation of adverse conditions identified to protect against damage to Mutual property, Common Area damage, or nuisance to neighboring Manors and residents;

RESOLVED FURTHER, that any necessary emergency maintenance or repairs (meaning those that are required to prevent damage imminent damage or injury to persons or property) identified in the inspection and carried out by the Mutual, that are the responsibility of the member will be charged to the owner of record after a noticed hearing before the Board in accordance with the Mutual's governing documents;

RESOLVED FURTHER, that necessary emergency maintenance and repairs that are the responsibility of the Mutual will be carried out at the Mutual's expense;

RESOLVED FURTHER, that Resolution 03-18-59 adopted May 4, 2018, is hereby superseded in its entirety and no longer in effect; and

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

SEPTEMBER Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

Director Baum made a motion to introduce the resolution for a Permanent Version of the Unoccupied Unit Policy for 30-day review.

Discussion ensued among the Directors.

By consensus, the resolution was introduced for 30-day review.

6c. Entertain a Motion to Re-introduce a Resolution for Revisions to the Common Area Use Policy (**SEPTEMBER initial notification-must postpone 30-days for Member comments and suggestions to conform to Civil Code §4360**)

Director Baum read a summary of the following resolution:

RESOLUTION 03-18-XX
Common Area Use Policy

WHEREAS, the Third Laguna Hills Mutual, ("Mutual") is a corporate homeowners association that was formed in 1970; by 1984 had acquired the assets and liabilities by vote of each of the fifty-nine (59) individual Mutuals within the larger Leisure World (now Laguna Woods Village) common interest development, with full authority to manage, operate, and maintain them. By 1988, each of the fifty-nine (59) Mutuals had agreed by vote of each Mutual's membership to adopt identical amended CC&Rs.

WHEREAS, the decisions of the Mutual's Board of Directors ("Board"), and any committees, task forces, etc., appointed by the Board, are governed or regulated by the Mutual's Governing Documents, the City of Laguna Woods and Orange County codes, and California and federal Laws and Regulations;

WHEREAS, the Mutual's Board recognizes that both new and existing Manor Owners may desire to upgrade or alter their Manors or elements thereof in style, structure or function. The current Mutual Board, prior Mutual Boards, and the Boards of the predecessor original condominium project mutual homeowner associations, have from time-to-time adopted policies and procedures to approve such Manor Alteration Applications in limited circumstances;

WHEREAS, the Mutual's current Governing Documents require that all such Manor Alteration Applications be approved either by the Architectural Control Committee, which may either be the Board itself or a separate committee of Members appointed by the Board, or by the Mutual's Manager, Village Management Services, Inc. ("Staff"), where VMSI is so authorized;

WHEREAS, pursuant to Article X of the Mutual's *Declaration of Revised and Amended Covenants, Conditions and Restrictions* ("CC&Rs") and Article 7 of the Mutual's Bylaws, the Board, by Resolution 03-16-128, dated December 20, 2016, has formed an Architectural Control and Standards Committee ("Committee") to perform the functions described therein;

WHEREAS, pursuant to Article IV, Section 2, Clause (c); Article IV, Section 5; and Article X, Section 1, Clause (c), of the CC&Rs, the Board has delegated, with continuing oversight by the Committee, authority to its Manager and Staff to receive, evaluate, and make recommendations to the Committee and the Board to approve or deny Manor Alteration Applications;

WHEREAS, the current Board, as well as prior Mutual boards, have noted that over the years that some manor Owners have made alterations to their Manors or to the immediately contiguous areas, both with and without Board authorization, which have affected relatively small sections of the Mutual's Common Area. Typically those alterations have involved enclosing patios that are Exclusive Use Common Area and occasionally have also involved extending that enclosure onto general Common Area, or the alterations have affected the landscape and hardscape contiguous to a Manor;

WHEREAS, in some cases these alterations may not have met the Mutual's then current Architectural Alteration Standards, notwithstanding the fact that the alteration may have enhanced the value of the Manor and possibly the community as well;

WHEREAS, the Board recognizes that to identify each prior alteration and determine whether or not it is non-conforming and/or unauthorized would be expensive, time consuming and disruptive to the community and its residents.

This Board has concluded that such an undertaking would not be in the best interests of the owners of undivided interests in the Mutual's general Common Area;

WHEREAS, the Committee and the Board have reviewed and reconsidered the Mutual's current policies and procedures regarding Manor Alteration Applications to ensure proper procedures are in place in the Mutual on a going-forward basis with regard to alterations by Members;

WHEREAS, among other things, the Common Area Use Policy sets forth very limited circumstances where the Mutual's Board, Committee or Staff, would approve a proposed alteration of, addition to, or improvement of any Manor ("Alteration") that would be located upon or over a portion of the common area; and,

WHEREAS, due to the administrative, financial, and legal burdens involved, the Board and the Committee have determined that it is not in the Association's best interests to approve any Manor Alteration Applications that do not satisfy the very limited circumstances defined from time to time by the Committee and approved by the Board.

NOW THEREFORE BE IT RESOLVED, September 7, 2018, that the Board has prepared a "Decision Tree", "Neighbor Awareness Notice of Hearing" form, and "Covenant To Run With The Land" form, and the Board hereby adopts the policy outlined in this Resolution to govern the Board's, the Committee's and Staff's decision process when Manor Owners apply to the Mutual for authorization to make or construct an Alteration to or within the Manor's Separate Interest; to, upon or within the Exclusive Use Common Area ("Policy");

BE IT RESOLVED FURTHER, no proposed Alteration located upon or over a portion of the common area will be approved by the Board, the Committee or Staff for any reason, except as set forth pursuant to the Policy or as otherwise required by law;

BE IT RESOLVED FURTHER, that, in limited circumstances, as set forth in the Policy, Staff may, but is not obligated to; approve Manor Alteration Applications that meet pre-established *Third Architectural Alteration Standards* and other Board and Committee approved policies and procedures, and that do not raise an objection by the owner of a neighboring Manor which is defined as manors "within 150 feet" of the proposed manor Alteration Application. Any Manor Alteration Application that cannot or will not be approved by Staff for any reason will be treated as a unique Variance Request to be investigated by Staff and considered by the Committee for approval or denial, with potential appeal of the Committee's decision to the Board, all in accordance with the Mutual's Governing Documents;

BE IT RESOLVED FURTHER, that, if the proposed Alteration is to be located entirely within or upon an Exclusive Use Common Area already associated with the Manor,

Staff, as authorized, the Committee or the Board may, but is not obligated to, approve the Manor Alteration Application, provided the Alteration is in compliance with the Mutual's Architectural Review Procedures, subject to the discretion granted to Staff, the Committee, or the Board, as may be applicable, whether the Alteration would be located within a Manor's Separate Interest, to, within or upon Exclusive Use Common Area;

BE IT RESOLVED FURTHER, that, if the Staff, as authorized, the Committee or the Board decides to approve a Manor Owner's Application to make or construct an Alteration to, within or upon an Exclusive Use Common Area associated with that Manor, that Manor Owner must, as a condition to receiving final approval for the Manor Alteration Application, execute a recordable Covenant to Run with the Land. Such Covenant shall provide, among other things that the Manor Owner agrees that the area altered in any dimension or manner, shall remain Exclusive Use Common Area, licensed for the exclusive use of the Manor Owner, but shall not also become a part of the Manor's Separate Interest. The Covenant will also require that the Manor Owner shall assume the responsibility for insuring, maintaining, repairing, replacing and restoring the area containing the Alteration, and shall agree to indemnify and hold harmless the Mutual for any and all claims pertaining to the Alteration;

BE IT RESOLVED FURTHER, that the Board, within the limits of its current authority, hereby "grandfathers" any existing Alteration to any of the Manors located within the original condominium projects, or to the area immediately adjacent to that Manor, which have been previously approved by this Board, a prior board of directors of the Mutual, a board of directors or the architectural committee of a predecessor original condominium project mutual homeowner association, or the staff of a prior management agent, if that staff were so authorized, prior to July 20, 2017, even though that Alteration may encroach upon some portion of the general Common Area, provided that:

- (1) there is no threat to the safety of persons or property;
- (2) the Alteration met the Mutual's construction and architectural standards in effect at the time of the Alteration; and
- (3) there is no direction or order of a court requiring the Board to take contrary action; and

BE IT RESOLVED FURTHER, that "grandfathering" any such encroachment did not, does not, and will not constitute a transfer of general Common Area into any Manor's Exclusive Use Common Area or Separate Interest, or the conversion of Exclusive Use Common Area into a Manor's Separate Interest. Such

“grandfathering” does not remove the obligation of a Member/Owner of a non-compliant Alteration to a Manor to correct such non-compliance in the event of a sale or transfer of their Manor, but merely means that such non-conformance will not be actively pursued by the Mutual;

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

BE IT RESOLVED FURTHER, that the determination of whether a proposed Alteration is “like-for-like” shall be made by the Committee, in consultation with Staff, and subject to appeal to the Board, whose decision shall be final and made in the Board’s sole and absolute discretion;

BE IT RESOLVED FURTHER, that the Board may, subject to the limitations provided in this Resolution, the Governing Documents, and applicable law, demand that any Alteration, not consistent with the Mutual’s *Third Architectural Alteration Standards* and other Mutual and VMSI policies and procedures published at the time of construction of said Alteration, be removed, at the Manor Owner’s expense, if the Alteration is not either altered or reconstructed to be in conformity with such *Third Architectural Alteration Standards*, state and local building codes, and other Mutual and VMSI policies and procedures;

BE IT RESOLVED FURTHER, that the Board may demand the removal of any Alteration that was constructed without the prior written approval of Staff, the Committee or the Board;

BE IT RESOLVED FURTHER, that, in accordance with the Mutual’s CC&Rs, the existence in the Mutual of a prior Alteration comparable to an Alteration being sought by a Manor Owner shall have no precedential value and shall not obligate in any way Staff, the Committee or the Board to approve any subsequent Manor Alteration Application;

BE IT RESOLVED FURTHER, that Mutual Board Resolution 03-17-77 is hereby superseded and cancelled; and

BE IT RESOLVED FURTHER, that Staff is charged with the responsibility of receiving, evaluating, approving or making recommendations for approval of Manor Alteration Applications; and overseeing construction of additions, modification, improvements, and such other Alterations to the Manors within the Mutual are hereby authorized to take all appropriate actions consistent with this

Resolution and to carry out the purpose and intent of this Resolution and assure compliance with its terms.

SEPTEMBER Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

Director Walsh gave background information about the Common Area Use Policy and reviewed the redlined changes to the policy.

Discussion ensued among the Directors.

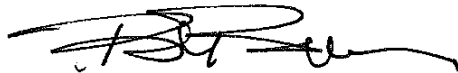
By consensus, the resolution was introduced for 30-day review.

7. Director's Comments

There were no comments from the Directors.

8. Adjournment

The meeting was adjourned at 11:33 a.m.



Burt Baum, Secretary to the Board
Third Mutual Laguna Hills



KeyFileProgram

The Community Access Department maintains keys to manors within the Community for the convenience of Laguna Woods Village residents. The Key File Program is completely voluntary, is not a requirement, but is encouraged.

All keys maintained in this program are secured; the keys are kept in a secure location with 24-hour video surveillance. The keys can only be accessed by Security personnel. Members are encouraged to file keys for their Manor with Resident Services to ensure:

1. Should an emergency maintenance repair be required during a resident's absence, access can be made to the unit to affect repairs. The key usage is tracked and documented.
2. With proper credentials, a member can obtain the key(s) to their unit to gain access when they have been locked out of their residence, have misplaced, or otherwise cannot locate their keys.
3. If the unit is vacant, access can be made for preventive maintenance inspections and repairs.

To submit keys for your Manor into the Key File Program, please visit:

Laguna Woods Village Community Center

Resident Services

24351 El Toro Road

Laguna Woods, CA

PROCEDURES FOR ACCESS TO MANOR KEYS

1. **RESIDENT LOCKOUTS**

Normal Business Hours are Monday to Friday 8:00 AM – 4:30 PM

1. During normal business hours, Security Dispatch will transfer resident requests to Resident Services (949-597-4443).
2. A Security Officer will proceed to the Community Center to pick up the requested key.
3. Security Officer will proceed to the west door of the Community Center, park in the 20 minute zone and proceed to Resident Services to retrieve the key.
4. Security Officer will then proceed promptly to the lock out location.
5. Security Officer will return the key to Resident Services in the Community Center.

After Business Hours:

Security Dispatch will obtain the resident's name, address, and enter same into the database. If the caller is not a resident, Dispatch will refer the caller to the Watch Commander.

1. Request the Village ID number from resident; if unavailable, ask for alternate ID such as social security number or date of birth.
2. Inform the resident that the Security Officer will need to verify ID upon arrival. If ID is locked inside the manor, ID will be verified once the manor is unlocked.
3. **Under No Circumstances** is the Security Officer to leave the manor unattended until identification is secured.
4. Inform the resident there will be a charge for the service. The charges will be calculated after-the-fact; do not give the resident any amount.
5. Check the computer to see if a manor key is on file.
6. After business hours, Security Dispatch will notify a Supervisor to go to the Community Center and retrieve the key for the Security Officer.
7. The Supervisor that pulls the key will fill out the blue Work Order Invoice. Additionally, the Supervisor will put the manor key onto one of the key rings and give it to the Security Officer. The Manor key tag number will be left attached to the key(s).
8. The Security Officer will return the key to the Supervisor who will then return it to the Community Center.

PROCEDURES FOR ACCESS TO MANOR KEYS

REQUEST PROCESSING

A. Information Required

Service Orders (blue tickets) will be required every time a key in the file is removed from the key cabinets. **NO EXCEPTIONS.**

1. Upon confirmation of a key on file, Security Dispatch will advise Resident Service of the Request for manor entry.
2. For resident requests, Security Dispatch will provide the manor number, hook number and requestor name.
3. For Staff requests, Security Dispatch will provide the manor number, hook number, requestor name and work center.

B. Issuance of Service Order

Resident Services staff will enter the appropriate service order into the SOE system. The service order will be printed by Resident Services dispatch. Resident Services staff will retrieve the appropriate key(s) for pickup by Security staff.

C. Request Handling: Recording Actions Taken

1. Resident Services Staff will record the time the key was removed on the service order and sign the order.
2. Upon arrival, Security staff will record the time of receipt of the key and sign the work order.
3. Resident Services staff will keep the yellow copy of the work order on file until the key is returned.
4. Security staff will proceed to the manor and obtain entry following established Security SOPs.
5. Security Staff will record the time of arrival at the manor and the time of departure (or completion of the request).
6. Security staff will request the resident's signature on the service order and leaves the white copy with the resident.
7. Security returns keys and completed for to Resident Services, noting time of return on the service order.
8. Resident Services will return the key to the file and forwards the service order to MIS data entry.

PROCEDURES FOR ACCESS TO MANOR KEYS

REQUEST PROCESSING: AFTER HOURS, WEEKENDS AND HOLIDAYS

A. Information Required

Service Orders (blue tickets) will be required every time a key is removed from the key cabinets located in the Community Center Building. **NO EXCEPTIONS.**

1. Upon Confirmation of a key on file, Security Dispatch will advise the Watch Commander of the resident request for manor entry.
2. For resident requests, Security Dispatch will provide the manor number, hook number and requestor's name.
3. For staff requests, Security Dispatch will provide the manor number, hook number and requestor's name & work center.

B. Issuance of a Service Order

1. Watch Commander will confirm the name of the requestor and manor number on preprinted service forms. Watch Commander will print out resident's information for record of hook number.
2. Watch Commander provides service order and print out to Supervisor.
3. Supervisor retrieves key from hook at the Community Center.

C. Request Handling

1. Supervisor records the time the key was retrieved on the service order and signs the order.
2. Upon arrival, Security Officer will record time the key was picked up and sign the order.
3. Supervisor attaches the printout to the yellow copy of the service order and places it in the top drawer of file cabinet #6.
4. Security Staff proceeds to the manor and enters following established Security SOPs.
5. Security staff will record their time of arrival and departure (or completion of request).
6. Security Staff requests the resident's signature on the service order and leaves the white copy of the service order with the resident.
7. Security returns keys and completed form to the Supervisor,

PROCEDURES FOR ACCESS TO MANOR KEYS

8. Security Staff returns the key and completed blue service order to the top drawer of key cabinet #6 in the Community Center.
9. The next business day Resident Services will return the key to the file and forward the service order to MIS data entry.

D. Arrival at Manor Procedures

1. Ask the resident for a Laguna Woods Village ID card and verify that it is current
2. If the identification card is locked inside the manor, it can be checked after entry is made.
3. Whenever a manor key is required, a blue Work Order invoice will be completed, whether or not the resident is charged.
4. Have the resident sign the blue Work Order invoice.
5. If the resident refuses to sign the invoice, write "refused to sign" in the signature box.
6. The invoice will be filled out when opening the manors for staff. The security Officer will write "no charge" in the charge box.

If Security is given keys after a forced entry is made into a manor due to the lack of key on file, once the broken lock has been replaced, the keys will be filed with Resident Services immediately, as follows:

7. Keys delivered to Resident Services without a corresponding key ticket; the personnel turning in the keys will request Community Access to enter a SC17 ticket, "Manor Keys Placed on File," submit the keys for filing, and sign the ticket that the keys have been delivered.
8. Resident Services will immediately provide a key hook number, provide a receipt to the Security personnel, and hang the keys accordingly.
9. Keys do not go to Maintenance Dispatch.
10. Security does not take payments of any kind.
11. Only Watch Commanders have the authority to waive a fee.
12. The resident will be charged the appropriate fee even if entry is not made. Cancellation must be received prior to Security arriving on scene.
13. This same procedure will be utilized when Security is asked to open a manor for maintenance.

PROCEDURES FOR ACCESS TO MANOR KEYS

OPEN AND STAND-BY

Maintenance Department employees do not enter manors unattended. To ensure that emergency repairs are made in a timely manner, Security will respond to the manor upon request of the Maintenance Department. This program assists in eliminating accusations of nefarious actions by VMS employees.

In occupied manors in which the resident is present, the Security Officer is not needed and may depart. In occupied manors where the resident is NOT present, the Security Officer will enter the manor with the Maintenance personnel and stand-by until the work is completed, and then secure the manor. If the manor is vacant (no furniture or belongings present) there is no need for the security Officer to stand-by. When the work is completed, the Security Officer will return to lock the manor.

A Dispatch Log Entry (LE) is to be issued by Security Communications to document the activity. Security security Officer will leave a yellow Notice of Manor Entry on the inside of the front door.

OPEN AND CLOSE FOR FUMIGATION

Unlocking manor doors for building fumigation is a regular routine that may be assigned to any day shift security Officer. Every security Officer must be familiar with the routine should they be assigned this duty. Following is the standard routine:

A. Monday: Begin 7:30 a.m.; Unlock

1. Pick up manor keys for fumigation from Resident Services key in the Community Center
2. Unlock each manor on the schedule. If unlocked upon arrival, verify that the key works. Note of paperwork if any key doesn't work.
3. When route is completed, deliver all keys to the Watch Commander.

B. Wednesday: Begin 7:30 a.m.; Relock

1. Pick up keys from Watch Commander.
2. Lock each manor on the schedule. Verify each key during the route. Make a note if the key does not lock the location. Lock only the lock for which the key works.
3. When completed, deliver the keys to the designated member of the Resident Service Staff at the Community Center.

Note: It is not necessary for the same security Officer to perform both Unlock and Relock functions.

PROCEDURES FOR ACCESS TO MANOR KEYS

Work Order Invoice Instructions

DATE A	MUTUAL B	MANOR - LOCATION C	PLAN	W.C. CODE D	CLERK	ORDER NUMBER		
OWNER		MANOR ADDRESS	CUSTOMER NUMBER		PHONE			
SERVICE REQUESTED BY E		TYPE OF CALL	WORK CENTER F	SCHEDULED DATE	DATE COMPLETED G			
ITEM OF WORK REQUESTED H		OLD SERIAL NUMBER		NEW SERIAL NUMBER				
COMMENTS I		OLD MODEL NUMBER		NEW MODEL NUMBER	COLOR			
ITEM OF WORK PERFORMED		OTHER WORK NEEDED						
		CHARGE/REPEAT						
		TIME IN						
		TIME OUT						
SUB INVENTORY	STOCK NUMBER	QUANTITY	UNIT OF MEASURE	DESCRIPTION	EMPLOYEE NUMBER	HOURS	DATE	C
	Pulled from file:	J				*		
	P/U by Security:	K	X			*		
	Returned by Security:	L	X			*		
	Returned to File:		X			*		
						*		
						*		
						*		
						*		
						*		
						*		
If you have any questions regarding service please call: 597-4600				RESIDENT X	TOTALS:	QUANTITY	HOURS	
				EMPLOYEE	SUPERVISOR/FOREMAN	*		

Required fields that need to be filled in by Security:

- A. Date.
- B. Mutual.
- C. Manor or location service provided.
- D. W.C. Code is 4000.
- E. Who requested the service, example: resident, 913-A, OCSD, OCFA, VMS Inspector, VMS Plumber.
- F. Work Center is 400.
- G. Date Completed.
- H. Manor Key.
- I. Comments, example: toilet leak, water flow, emergency entry and welfare check.
- J. Date, time, and name if Staff personnel pulled the key from the file.
- K. Date, time, and name of Security Officer picking up the manor key.
- L. Date, time, and name of Security personnel returning key to Community Access.

RESOLUTION 03-18-59

**EMERGENCY RESOLUTION TO ADOPT A POLICY FOR
INTERIOR INSPECTION OF UNOCCUPIED MANORS**

WHEREAS, unoccupied Manors present a number of concerns to Third Mutual and its residents, including without limitation, potential damage to the Mutual's Common Areas, and those concerns increase the longer the Manor is unoccupied;

WHEREAS, the fiduciary responsibility of the Board is to protect the Mutual's assets and it is to the benefit of the Mutual and its residents to inspect the condition of Manors which have been unoccupied for a period of six (6) months or more, or which are reasonably believed to pose potential maintenance concerns; and,

WHEREAS, based on the advice of the Mutual's legal counsel and consistent with the Mutual's governing documents, the Mutual has the right to access an owners Manor at any time in the event of an emergency and the right to access an owner's Manor at a reasonable hour in non-emergency situations for the purpose of inspection;

NOW THEREFORE BE IT RESOLVED, May 4, 2018, that the Board of Directors hereby enacts the Emergency Unoccupied Manor Inspection Policy ("Policy");

RESOLVED FURTHER, that except in case of an emergency inspection, in which case the Mutual or a representative thereof may enter without prior notice to the Manor owner, the Mutual must provide a minimum of fifteen (15) days' prior written notice to the owner of record of each Manor that is unoccupied or presumed to be unoccupied before any inspection is carried out in a Manor in accordance with this Policy;

RESOLVED FURTHER, the Mutual will conduct non-emergency inspections in accordance with said notice of inspection and charge administrative costs/fees as set by the Mutual for each such inspection, including the cost of gaining entrance into the Manor, as may be applicable;

RESOLVED FURTHER, if the Owner of record of an unoccupied Manor objects in writing to the inspection of such Manor or specifically denies entry, the matter may be referred to the Board for member disciplinary action;

RESOLVED FURTHER, non-emergency inspections will be conducted with premises patrol personnel in attendance to document and ensure there is no adverse impact upon the Manor interior by the Mutual's inspection; such inspection with patrol personnel is subject to a fee(s) for the cost to the Mutual to provide such persons to witness the inspection;

RESOLVED FURTHER, the inspector must identify and note conditions within each inspected Manor in a written report, which shall be provided to the Manor Owner by mailing the report to the Owner's mailing address in the Mutual's records, and facilitate the maintenance or remediation of adverse conditions identified to protect against damage to Mutual property, Common Area damage, or nuisance to neighboring Manors and residents;

RESOLVED FURTHER, that any necessary emergency maintenance or repairs (meaning those that are required to prevent damage imminent damage or injury to persons or

property) identified in the inspection and carried out by the Mutual, that are the responsibility of the member will be charged to the owner of record after a noticed hearing before the Board in accordance with the Mutual's governing documents;

RESOLVED FURTHER, that necessary emergency maintenance and repairs that are the responsibility of the Mutual will be carried out at the Mutual's expense;

RESOLVED FURTHER, that Resolution 03-14-25 adopted March 18, 2014 is hereby superseded in its entirety and no longer in effect; 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.

ATTACHMENT 1

RESOLUTION 03-17-77

Common Area Use Policy (Current Policy)

WHEREAS, the Third Laguna Hills Mutual ("Mutual") is the corporate homeowner association that was formed in 1988 by the merger of the fifty-nine (59) separate corporate homeowner associations, which initially managed the fifty-nine (59) original condominium projects within the larger Leisure World (now Laguna Woods Village) common interest development, into the one consolidated condominium homeowner association. The decisions of the Mutual's Board of Directors ("Board"), and any committees, task forces, etc., appointed by the Board, are governed or regulated by the Mutual's Governing Documents, the City of Laguna Woods and Orange County codes, and California and federal Law and regulations; and

WHEREAS, the Mutual's Board recognizes that both new and existing Manor Owners may desire to upgrade or modify their Manors or elements thereof in style, structure or function. The current Mutual Board, prior Mutual Boards, and the Boards of the predecessor original condominium project mutual homeowner associations, have from time-to-time adopted policies and procedures to approve such Manor Alteration Applications in limited circumstances; and

WHEREAS, the Mutual's current Governing Documents require that all such Manor Alteration Applications be approved either by the Architectural Control Committee, which may either be the Board itself or a separate committee of Members appointed by the Board, or by the Mutual's Manager, Village Management Services, Inc. ("staff"), where VMSI is so authorized; and

WHEREAS, pursuant to Article X of the Mutual's *Declaration of Revised and Amended Covenants, Conditions and Restrictions* ("CC&Rs") and Article 7 of the Mutual's Bylaws, the Board, by Resolution 03-16-128, dated December 20, 2016, has formed an Architectural Control and Standards Committee ("Committee") to perform the functions described therein; and

WHEREAS, pursuant to Article IV, Section 2, Clause (c); Article IV, Section 5; and Article X, Section 1, Clause (c), of the CC&Rs, the Board has delegated, with continuing oversight by the Committee, authority to its Manager, and staff to receive, evaluate, and make recommendations to the Committee and the Board to approve or deny Manor Alteration Applications; and

WHEREAS, the Board has been advised by legal counsel that the California Civil Code generally prohibits the Board from approving the transfer of the use of any portion of the Common Area, as defined in the CC&Rs, ("Common Area") to an individual Manor Owner, without first obtaining prior written approval of at least sixty-seven percent (67%) of the Manor Owners in that Manor's original condominium project's mutual homeowner association unless the grant of such exclusive use falls within one of the statutory exceptions, found in Section 4600 of the California Civil Code, eliminating the requirement for such approval vote; and

ATTACHMENT 1

WHEREAS, one of the Mutual's Governing Documents is the Condominium Plan, which shows a detailed, three-dimensional diagram of each of the Manors in the Mutual, including the Manor's Separate Interest and any appurtenant Exclusive/Limited Use Common Area, as well as the Manor building's detailed footprint on the ground, which also shows the surrounding land that is designated as Common Area. The Board has been advised by legal counsel that California state law prohibits the Board from amending that Condominium Plan without first obtaining the prior written approval of one hundred percent (100%) of all the Manor Owners and mortgage holders in that Manor's original project's mutual homeowner association; and

WHEREAS, prior Mutual boards, as well as the current Board, have noted that over the years some Mutual Manor Owners have, both with and without Board authorization, made alterations to their Manors or to the immediately contiguous areas, which have affected relatively small sections of the Mutual's Common Area. Typically those alterations have involved enclosing patios that are Exclusive Use Common Area and sometimes have also involved extending that enclosure onto general Common Area, or the alterations have affected the landscape and hardscape contiguous to a Manor; and

WHEREAS, in some cases these alterations may not have met the Mutual's then current Architectural Alteration Standards, notwithstanding the fact that the alteration may have enhanced the value of the Manor and possibly the community as well; and

WHEREAS, the Board recognizes that for it, or the Committee, or staff to identify each prior alteration and determine whether or not it is non-conforming and/or unauthorized would be expensive and time consuming, and would be disruptive to the community and its residents. Further, to correct this situation could, and perhaps would, require expensive and time-consuming litigation, the results of which would be uncertain, since in many cases the alterations have been in place for many years without knowledge of the Board and therefore no objection being made by the Mutual, and many of the Manors have changed owners since the alteration. This Board has concluded that such a general undertaking would not be in the best interests of the owners of undivided interests in the Mutual's general Common Area; and

WHEREAS, the Committee and the Board have reviewed and reconsidered the Mutual's current policies and procedures regarding Manor Alteration Applications to ensure proper procedures are in place at the Mutual on a going-forward basis with regard to alterations by Members; and

NOW THEREFORE BE IT RESOLVED, July 20, 2017, that the Board has a "Decision Tree", "Neighbor Awareness Notice of Hearing", and "Common Area Agreement Form", and the Board hereby adopts the policy outlined in this Resolution to govern staff's, the Committee's and the Board's decision process when Manor Owners apply to the Mutual for authorization to make or construct an Alteration to or within the Manor's Separate Interest; to, upon or within the Exclusive Use Common Area; or upon or over some portion of the Mutual's Common Area (all as defined in the CC&Rs and the Condominium Plan); and

ATTACHMENT 1

BE IT RESOLVED FURTHER, that, in limited circumstances, defined from time-to-time by the Committee and approved by the Board, staff may, but is not obligated to; approve Manor Alteration Applications that meet pre-established *Third Architectural Alteration Standards* and other Board and Committee approved policies and procedures, and that do not raise an objection by the owner of a neighboring Manor “those within 150 feet”. Any Manor Alteration Application that cannot or will not be approved by staff for any reason will be treated as a unique Variance Request to be investigated by staff and considered by the Committee for approval or denial, with potential appeal of the Committee’s decision to the Board, all in accordance with the Mutual’s Governing Documents; and

BE IT RESOLVED FURTHER, that the staff, the Committee, or the Board, as may be applicable, shall consider the following factors when evaluating whether to approve a Manor Alteration Application:

(1) The Alteration must be consistent with:

- (a) the Mutual’s governing documents, including the then current *Third Architectural Alteration Standards*; and
- (b) the Mutual’s then current architectural and building guidelines; and
- (c) any other approved staff (as may be applicable), Committee and Board policies and procedures; and
- (d) the applicable provisions of local building codes; and
- (e) California state law and regulations; and
- (f) federal law and regulations; and
- (g) the Mutual’s *Conditions of Approval for the Improvement Project*.

(2) If the proposed Alteration would potentially affect the residents of a neighboring manor, then staff will mail to the owner of the affected neighboring manor, a Neighbor Awareness Notice of Hearing; and

BE IT RESOLVED FURTHER, that, if the proposed Alteration is to be located entirely within or upon an Exclusive Use Common Area already associated with the Manor, staff, as authorized, the Committee or the Board may, but is not obligated to, approve the Manor Alteration Application, provided the Alteration is in compliance with the Mutual’s then current *Third Architectural Alteration Standards* and any other approved Committee and Board policies, and is also permissible under the Mutual’s Governing Documents. Compliance with the Mutual’s *Third Architectural Alteration Standards* and building guidelines shall be a threshold required for approval of any Manor Alteration Application, subject to the discretion granted to staff, the Committee, or the Board, as may be applicable, whether the Alteration would be located within a Manor’s Separate Interest, to, within or upon Exclusive Use Common Area, or upon or over Common Area; and

ATTACHMENT 1

BE IT RESOLVED FURTHER, that, if the proposed Alteration is to be located upon or over a portion of the Common Area, staff, as authorized, the Committee or the Board may, but is not obligated to, approve the Manor Alteration Application only in: the very limited circumstances to be described in the Decision Tree, the current *Third Architectural Alteration Standards*, and any other approved Committee and Board policies; and only if the Alteration would also be permissible under the Mutual's Governing Documents or applicable law; and

BE IT RESOLVED FURTHER, that, if the staff, as authorized, the Committee or the Board decides to approve a Manor Owner's Application to make or construct an Alteration to, within or upon an Exclusive Use Common Area associated with that Manor, or upon or over a portion of the Common Area, that Manor Owner must, as a condition to receiving final approval for the Manor Alteration Application, execute a recordable Covenant/Common Area Agreement. Such Covenant/Common Area Agreement shall provide, among other things, that the Manor Owner agrees that the area in question shall remain Exclusive Use Common Area or general Common Area, as applicable, licensed for the exclusive use of the Manor Owner, but shall not also become a part of the Manor's Separate Interest or, in the case of Common Area, Exclusive Use Common Area. The Covenant/Common Area Agreement will also require that the Manor Owner shall assume the responsibility for insuring, maintaining, repairing, replacing and restoring the area containing the Alteration, and shall agree to indemnify and hold harmless the Mutual for any and all claims pertaining to the Alteration; and

BE IT RESOLVED FURTHER, that the Board, within the limits of its current authority, hereby "grandfathers" any existing Alteration to any of the Manors located within the original condominium projects, or the area immediately adjacent to that Manor, which have been previously approved by this Board or a prior board of directors of the Mutual and constructed prior to the effective date of this Resolution, July 20, 2017, even though that Alteration may encroach upon some portion of the general Common Area, provided that:

- (1) there is no threat to the safety of persons or property;
- (2) the Alteration met the Mutual's construction and architectural standards in effect at the time of the Alteration; and
- (3) there is no direction or order of a court requiring the Board to take contrary action; and

BE IT RESOLVED FURTHER, that "grandfathering" any such encroachment did not, does not, and will not constitute a transfer of general Common Area into any Manor's Exclusive Use Common Area or Separate Interest, or the conversion of Exclusive Use Common Area into a Manor's Separate Interest. Such "grandfathering" does not remove the obligation of a Member/Owner of a non-compliant Alteration to a Manor to correct such non-compliance in the event of a sale or transfer of their Manor, but merely means that such non-conformance will not be actively pursued by the Mutual; and

ATTACHMENT 1

RESOLVED FURTHER, that the Board may, subject to the limitations provided in this Resolution, the Governing Documents, and applicable law, demand that any Alteration, not consistent with the Mutual's *Third Architectural Alteration Standards* and other Mutual and VMSI policies and procedures published at the time of construction of said Alteration, be removed, at the Manor Owner's expense, if the Alteration is not either altered or reconstructed to be in conformity with such *Third Architectural Alteration Standards*, state and local building codes, and other Mutual and VMSI policies and procedures; and

BE IT RESOLVED FURTHER, that the Board may demand the removal of any Alteration that is constructed after the effective date of this Resolution, July 20, 2017, without the prior written approval of staff, the Committee or the Board; and

BE IT RESOLVED FURTHER, that, in accordance with the Mutual's CC&Rs, the existence in the Mutual of a prior Alteration comparable to an Alteration being sought by a Manor Owner shall have no precedential value and shall not obligate in any way staff, the Committee or the Board to approve any subsequent Manor Alteration Application; and

BE IT RESOLVED FURTHER, that Mutual Board Resolution 03-16-128 is hereby amended as follows:

Paragraph 2, Section 3:

"3. If a Member chooses to appeal the Committee's decision, prior to the review of the appeal, the Committee will document justification of their decision. If necessary, the Committee has the authority to consult with the Mutual Legal Counsel for advice."

Paragraph 2, Section 5:

"5. The Committee shall require that Neighbor Awareness Notice of Hearing be mailed, by staff, to the owners of record of all potentially affected neighboring Manors, for all alteration requests, including requests that appear to conform to the Third Architectural Alteration Standards and policies."; and

BE IT RESOLVED FURTHER, that the following Mutual Board Resolutions are hereby superseded and cancelled; and

Resolution M3-02-14, dated March 19, 2002; and

Resolution 03-15-155, dated October 20, 2015; and

BE IT RESOLVED FURTHER, that staff charged with the responsibility of receiving, evaluating, approving or making recommendations for approval of Manor Alteration Applications; and overseeing construction of additions, modification, improvements, and such other Alterations to the Manors within the Mutual are hereby authorized to take all appropriate actions consistent with this Resolution and to carry out the purpose and intent of this Resolution and assure compliance with its terms.

ATTACHMENT 2

RESOLUTION 03-18-XX

Common Area Use Policy

WHEREAS, the Third Laguna Hills Mutual, ("Mutual") is a corporate homeowners association that was formed in 1970; by 1984 had acquired the assets and liabilities by vote of each of the fifty-nine (59) individual Mutuals within the larger Leisure World (now Laguna Woods Village) common interest development, with full authority to manage, operate, and maintain them. By 1988, each of the fifty-nine (59) Mutuals had agreed by vote of each Mutual's membership to adopt identical amended CC&Rs.

WHEREAS, the decisions of the Mutual's Board of Directors ("Board"), and any committees, task forces, etc., appointed by the Board, are governed or regulated by the Mutual's Governing Documents, the City of Laguna Woods and Orange County codes, and California and federal Laws and Regulations;

WHEREAS, the Mutual's Board recognizes that both new and existing Manor Owners may desire to upgrade or alter their Manors or elements thereof in style, structure or function. The current Mutual Board, prior Mutual Boards, and the Boards of the predecessor original condominium project mutual homeowner associations, have from time-to-time adopted policies and procedures to approve such Manor Alteration Applications in limited circumstances;

WHEREAS, the Mutual's current Governing Documents require that all such Manor Alteration Applications be approved either by the Architectural Control Committee, which may either be the Board itself or a separate committee of Members appointed by the Board, or by the Mutual's Manager, Village Management Services, Inc. ("Staff"), where VMSI is so authorized;

WHEREAS, pursuant to Article X of the Mutual's *Declaration of Revised and Amended Covenants, Conditions and Restrictions* ("CC&Rs") and Article 7 of the Mutual's Bylaws, the Board, by Resolution 03-16-128, dated December 20, 2016, has formed an Architectural Control and Standards Committee ("Committee") to perform the functions described therein;

WHEREAS, pursuant to Article IV, Section 2, Clause (c); Article IV, Section 5; and Article X, Section 1, Clause (c), of the CC&Rs, the Board has delegated, with continuing oversight by the Committee, authority to its Manager and Staff to receive, evaluate, and make recommendations to the Committee and the Board to approve or deny Manor Alteration Applications;

WHEREAS, the current Board, as well as prior Mutual boards, have noted that over the years that some manor Owners have made alterations to their Manors or to the immediately contiguous areas, both with and without Board authorization, which have affected relatively small sections of the Mutual's Common Area. Typically those alterations have involved enclosing patios that are Exclusive Use Common Area and occasionally have also involved extending that enclosure onto general Common Area, or the alterations have affected the landscape and hardscape contiguous to a Manor;

ATTACHMENT 2

WHEREAS, in some cases these alterations may not have met the Mutual's then current Architectural Alteration Standards, notwithstanding the fact that the alteration may have enhanced the value of the Manor and possibly the community as well;

WHEREAS, the Board recognizes that to identify each prior alteration and determine whether or not it is non-conforming and/or unauthorized would be expensive, time consuming and disruptive to the community and its residents. This Board has concluded that such an undertaking would not be in the best interests of the owners of undivided interests in the Mutual's general Common Area;

WHEREAS, the Committee and the Board have reviewed and reconsidered the Mutual's current policies and procedures regarding Manor Alteration Applications to ensure proper procedures are in place in the Mutual on a going-forward basis with regard to alterations by Members;

WHEREAS, among other things, the Common Area Use Policy sets forth very limited circumstances where the Mutual's Board, Committee or Staff, would approve a proposed alteration of, addition to, or improvement of any Manor ("Alteration") that would be located upon or over a portion of the common area; and,

WHEREAS, due to the administrative, financial, and legal burdens involved, the Board and the Committee have determined that it is not in the Association's best interests to approve any Manor Alteration Applications that do not satisfy the very limited circumstances defined from time to time by the Committee and approved by the Board.

NOW THEREFORE BE IT RESOLVED, September 7, 2018, that the Board has prepared a "Decision Tree", "Neighbor Awareness Notice of Hearing" form, and "Covenant To Run With The Land" form, and the Board hereby introduces the policy outlined in this Resolution to govern the Board's, the Committee's and Staff's decision process when Manor Owners apply to the Mutual for authorization to make or construct an Alteration to or within the Manor's Separate Interest; to, upon or within the Exclusive Use Common Area ("Policy");

BE IT RESOLVED FURTHER, no proposed Alteration located upon or over a portion of the common area will be approved by the Board, the Committee or Staff for any reason, except as set forth pursuant to the Policy or as otherwise required by law;

BE IT RESOLVED FURTHER, that, in limited circumstances, as set forth in the Policy, Staff may, but is not obligated to; approve Manor Alteration Applications that meet pre-established *Third Architectural Alteration Standards* and other Board and Committee approved policies and procedures, and that do not raise an objection by the owner of a neighboring Manor which is defined as manors "within 150 feet" of the proposed manor Alteration Application. Any Manor Alteration Application that cannot or will not be approved by Staff for any reason will be treated as a unique Variance Request to be investigated by Staff and considered by the Committee for approval or denial, with potential appeal of the Committee's decision to the Board, all in accordance with the Mutual's Governing Documents;

BE IT RESOLVED FURTHER, that, if the proposed Alteration is to be located entirely within or upon an Exclusive Use Common Area already associated with the Manor,

ATTACHMENT 2

Staff, as authorized, the Committee or the Board may, but is not obligated to, approve the Manor Alteration Application, provided the Alteration is in compliance with the Mutual's Architectural Review Procedures, subject to the discretion granted to Staff, the Committee, or the Board, as may be applicable, whether the Alteration would be located within a Manor's Separate Interest, to, within or upon Exclusive Use Common Area;

BE IT RESOLVED FURTHER, that, if the Staff, as authorized, the Committee or the Board decides to approve a Manor Owner's Application to make or construct an Alteration to, within or upon an Exclusive Use Common Area associated with that Manor, that Manor Owner must, as a condition to receiving final approval for the Manor Alteration Application, execute a recordable Covenant to Run with the Land. Such Covenant shall provide, among other things that the Manor Owner agrees that the area altered in any dimension or manner, shall remain Exclusive Use Common Area, licensed for the exclusive use of the Manor Owner, but shall not also become a part of the Manor's Separate Interest. The Covenant will also require that the Manor Owner shall assume the responsibility for insuring, maintaining, repairing, replacing and restoring the area containing the Alteration, and shall agree to indemnify and hold harmless the Mutual for any and all claims pertaining to the Alteration;

BE IT RESOLVED FURTHER, that the Board, within the limits of its current authority, hereby "grandfathers" any existing Alteration to any of the Manors located within the original condominium projects, or to the area immediately adjacent to that Manor, which have been previously approved by this Board, a prior board of directors of the Mutual, a board of directors or the architectural committee of a predecessor original condominium project mutual homeowner association, or the staff of a prior management agent, if that staff were so authorized, prior to July 20, 2017, even though that Alteration may encroach upon some portion of the general Common Area, provided that:

- (1) there is no threat to the safety of persons or property;
- (2) the Alteration met the Mutual's construction and architectural standards in effect at the time of the Alteration; and
- (3) there is no direction or order of a court requiring the Board to take contrary action; and

BE IT RESOLVED FURTHER, that "grandfathering" any such encroachment did not, does not, and will not constitute a transfer of general Common Area into any Manor's Exclusive Use Common Area or Separate Interest, or the conversion of Exclusive Use Common Area into a Manor's Separate Interest. Such "grandfathering" does not remove the obligation of a Member/Owner of a non-compliant Alteration to a Manor to correct such non-compliance in the event of a sale or transfer of their Manor, but merely means that such non-conformance will not be actively pursued by the Mutual;

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

ATTACHMENT 2

BE IT RESOLVED FURTHER, that the determination of whether a proposed Alteration is “like-for-like” shall be made by the Committee, in consultation with Staff, and subject to appeal to the Board, whose decision shall be final and made in the Board’s sole and absolute discretion;

BE IT RESOLVED FURTHER, that the Board may, subject to the limitations provided in this Resolution, the Governing Documents, and applicable law, demand that any Alteration, not consistent with the Mutual’s *Third Architectural Alteration Standards* and other Mutual and VMSI policies and procedures published at the time of construction of said Alteration, be removed, at the Manor Owner’s expense, if the Alteration is not either altered or reconstructed to be in conformity with such *Third Architectural Alteration Standards*, state and local building codes, and other Mutual and VMSI policies and procedures;

BE IT RESOLVED FURTHER, that the Board may demand the removal of any Alteration that was constructed without the prior written approval of Staff, the Committee or the Board;

BE IT RESOLVED FURTHER, that, in accordance with the Mutual’s CC&Rs, the existence in the Mutual of a prior Alteration comparable to an Alteration being sought by a Manor Owner shall have no precedential value and shall not obligate in any way Staff, the Committee or the Board to approve any subsequent Manor Alteration Application;

BE IT RESOLVED FURTHER, that Mutual Board Resolution 03-17-77 is hereby superseded and cancelled; and

BE IT RESOLVED FURTHER, that Staff is charged with the responsibility of receiving, evaluating, approving or making recommendations for approval of Manor Alteration Applications; and overseeing construction of additions, modification, improvements, and such other Alterations to the Manors within the Mutual are hereby authorized to take all appropriate actions consistent with this Resolution and to carry out the purpose and intent of this Resolution and assure compliance with its terms.

SEPTEMBER Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

ATTACHMENT 3

REDLINES

RESOLUTION 03-18-XX

Common Area Use Policy

WHEREAS, the Third Laguna Hills Mutual, ("Mutual") is a corporate homeowners association that was formed in 1970; by 1984 had acquired the assets and liabilities by vote of each of the fifty-nine (59) individual Mutuals within the larger Leisure World (now Laguna Woods Village) common interest development, with full authority to manage, operate, and maintain them. By 1988, each of the fifty-nine (59) Mutuals had agreed by vote of each Mutual's membership to adopt identical amended CC&Rs.

~~WHEREAS~~, the ~~Third Laguna Hills Mutual ("Mutual") is the corporate homeowner association that was formed in 1988 by the merger of the fifty-nine (59) separate corporate homeowner associations, which initially managed the fifty-nine (59) original condominium projects within the larger Leisure World (now Laguna Woods Village) common interest development, into the one consolidated condominium homeowner association.~~ ~~The~~ decisions of the Mutual's Board of Directors ("Board"), and any committees, task forces, etc., appointed by the Board, are governed or regulated by the Mutual's Governing Documents, the City of Laguna Woods and Orange County codes, and California and federal Laws and Regulations;

WHEREAS, the Mutual's Board recognizes that both new and existing Manor Owners may desire to upgrade or modify alter their Manors or elements thereof in style, structure or function. ~~—~~The current Mutual Board, prior Mutual Boards, and the Boards of the predecessor original condominium project mutual homeowner associations, have from time-to-time adopted policies and procedures to approve such Manor Alteration Applications in limited circumstances;

WHEREAS, the Mutual's current Governing Documents require that all such Manor Alteration Applications be approved either by the Architectural Control Committee, which may either be the Board itself or a separate committee of Members appointed by the Board, or by the Mutual's Manager, Village Management Services, Inc. ("staffStaff"), where VMSI is so authorized;

WHEREAS, pursuant to Article X of the Mutual's *Declaration of Revised and Amended Covenants, Conditions and Restrictions* ("CC&Rs") and Article 7 of the Mutual's Bylaws, the Board, by Resolution 03-16-128, dated December 20, 2016, has formed an Architectural Control and Standards Committee ("Committee") to perform the functions described therein;

WHEREAS, pursuant to Article IV, Section 2, Clause (c); Article IV, Section 5; and Article X, Section 1, Clause (c), of the CC&Rs, the Board has delegated, with continuing oversight by the Committee, authority to its Manager and staffStaff to receive, evaluate, and make recommendations to the Committee and the Board to approve or deny Manor Alteration Applications;

ATTACHMENT 3

REDLINES

WHEREAS, ~~the current Board, as well as~~ prior Mutual boards, ~~as well as the current Board,~~ have noted that over the years ~~that~~ some ~~Mutual M~~manor Owners ~~have, both with and without Board authorization,~~ have made alterations to their Manors or to the immediately contiguous areas, both with and without Board authorization, which have affected relatively small sections of the Mutual's Common Area. ~~Typically those alterations have involved enclosing patios that are Exclusive Use Common Area and~~ ~~sometimes~~ occasionally have also involved extending that enclosure onto general Common Area, or the alterations have affected the landscape and hardscape contiguous to a Manor; ~~and~~

WHEREAS, in some cases these alterations may not have met the Mutual's then current Architectural Alteration Standards, notwithstanding the fact that the alteration may have enhanced the value of the Manor and possibly the community as well;

WHEREAS, the Board recognizes that ~~for it, or the Committee, or staff~~ to identify each prior alteration and determine whether or not it is non-conforming and/or unauthorized would be expensive, ~~and~~ time consuming, and ~~would be~~ disruptive to the community and its residents. This Board has concluded that such an ~~general~~ undertaking would not be in the best interests of the owners of undivided interests in the Mutual's general Common Area;

WHEREAS, the Committee and the Board have reviewed and reconsidered the Mutual's current policies and procedures regarding Manor Alteration Applications to ensure proper procedures are in place ~~at in~~ the Mutual on a going-forward basis with regard to alterations by Members; ~~and~~

WHEREAS, among other things, the Common Area Use Policy sets forth very limited circumstances where the Mutual's Board, Committee or ~~staff~~Staff, would approve a proposed alteration of, addition to, or improvement of any Manor ("Alteration") that would be located upon or over a portion of the common area; ~~and,~~

WHEREAS, due to the administrative, financial, and legal burdens involved, the Board and the Committee have determined that it is not in the Association's best interests to approve any Manor Alteration Applications that do not satisfy the very limited circumstances ~~set forth in the Policy~~defined from time to time by the Committee and approved by the Board.

NOW THEREFORE BE IT RESOLVED, August 21, 2018, that the Board has prepared a "Decision Tree", "Neighbor Awareness Notice of Hearing" form, and "Covenant To Run With The Land" form, and the Board hereby adopts the policy outlined in this Resolution ~~to govern~~ the Board's~~staff's~~, the Committee's and Staff's ~~the Board's~~ decision process when Manor Owners apply to the Mutual for authorization to make or construct an Alteration to or within the Manor's Separate Interest; to, upon or within the Exclusive Use Common Area ("Policy");

BE IT RESOLVED FURTHER, no proposed Alteration located upon or over a portion of the common area will be approved by the Board, the Committee or ~~staff~~Staff for any reason, except as set forth pursuant to the Policy or as otherwise required by law;

ATTACHMENT 3

REDLINES

BE IT RESOLVED FURTHER, that, in limited circumstances, ~~defined from time-to-time by the Committee and approved by the Board as set forth in the Policy,~~ staffStaff may, but is not obligated to; approve Manor Alteration Applications that meet pre-established *Third Architectural Alteration Standards* and other Board and Committee approved policies and procedures, and that do not raise an objection by the owner of a neighboring Manor which is defined as manors “within 150 feet” of the proposed manor Alteration Application. Any Manor Alteration Application that cannot or will not be approved by staffStaff for any reason will be treated as a unique Variance Request to be investigated by staffStaff and considered by the Committee for approval or denial, with potential appeal of the Committee’s decision to the Board, all in accordance with the Mutual’s Governing Documents;

BE IT RESOLVED FURTHER, that, if the proposed Alteration is to be located entirely within or upon an Exclusive Use Common Area already associated with the Manor, staffStaff, as authorized, the Committee or the Board may, but is not obligated to, approve the Manor Alteration Application, provided the Alteration is in compliance with the Mutual’s Architectural Review Procedures, subject to the discretion granted to staffStaff, the Committee, or the Board, as may be applicable, whether the Alteration would be located within a Manor’s Separate Interest, to, within or upon Exclusive Use Common Area;

BE IT RESOLVED FURTHER, that, if the staffStaff, as authorized, the Committee or the Board decides to approve a Manor Owner’s Application to make or construct an Alteration to, within or upon an Exclusive Use Common Area associated with that Manor, that Manor Owner must, as a condition to receiving final approval for the Manor Alteration Application, execute a recordable Covenant to Run with the Land. Such Covenant shall provide, among other things that the Manor Owner agrees that the area ~~in question altered in any dimension or manner,~~ shall remain Exclusive Use Common Area, licensed for the exclusive use of the Manor Owner, but shall not also become a part of the Manor’s Separate Interest. The Covenant will also require that the Manor Owner shall assume the responsibility for insuring, maintaining, repairing, replacing and restoring the area containing the Alteration, and shall agree to indemnify and hold harmless the Mutual for any and all claims pertaining to the Alteration;

BE IT RESOLVED FURTHER, that the Board, within the limits of its current authority, hereby “grandfathers” any existing Alteration to any of the Manors located within the original condominium projects, or to the area immediately adjacent to that Manor, which have been previously ~~_~~approved by this Board, ~~or~~ a prior board of directors of the Mutual, a board of directors or the architectural committee of a predecessor original condominium project mutual homeowner association, or the staff of a prior management agent, if that staff were so authorized, and constructed prior to July 20, 2017, even though that Alteration may encroach upon some portion of the general Common Area, provided that:

- (1) there is no threat to the safety of persons or property;

ATTACHMENT 3

REDLINES

- (2) the Alteration met the Mutual's construction and architectural standards in effect at the time of the Alteration; and
- (3) there is no direction or order of a court requiring the Board to take contrary action; and

BE IT RESOLVED FURTHER, that "grandfathering" any such encroachment did not, does not, and will not constitute a transfer of general Common Area into any Manor's Exclusive Use Common Area or Separate Interest, or the conversion of Exclusive Use Common Area into a Manor's Separate Interest. Such "grandfathering" does not remove the obligation of a Member/Owner of a non-compliant Alteration to a Manor to correct such non-compliance in the event of a sale or transfer of their Manor, but merely means that such non-conformance will not be actively pursued by the Mutual;

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

~~**BE IT RESOLVED FURTHER**, that the determination of whether a proposed Alteration is "like-for-like" shall be made by the Committee, in consultation with Staff, and subject to appeal to the Board, whose decision shall be final and made in the Board's sole and absolute discretion;~~

BE IT RESOLVED FURTHER, that the Board may, subject to the limitations provided in this Resolution, the Governing Documents, and applicable law, demand that any Alteration, not consistent with the Mutual's *Third Architectural Alteration Standards* and other Mutual and VMSI policies and procedures published at the time of construction of said Alteration, be removed, at the Manor Owner's expense, if the Alteration is not either altered or reconstructed to be in conformity with such *Third Architectural Alteration Standards*, state and local building codes, and other Mutual and VMSI policies and procedures;

BE IT RESOLVED FURTHER, that the Board may demand the removal of any Alteration that ~~is was~~ constructed ~~after July 20, 2017~~, without the prior written approval of ~~staff~~Staff, the Committee or the Board;

BE IT RESOLVED FURTHER, that, in accordance with the Mutual's CC&Rs, the existence in the Mutual of a prior Alteration comparable to an Alteration being sought by a Manor Owner shall have no precedential value and shall not obligate in any way ~~staff~~Staff, the Committee or the Board to approve any subsequent Manor Alteration Application;

BE IT RESOLVED FURTHER, that Mutual Board Resolution 03-17-77 is hereby superseded and cancelled; and

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BE IT RESOLVED FURTHER, that ~~staff~~Staff is charged with the responsibility of receiving, evaluating, approving or making recommendations for approval of Manor Alteration Applications; and overseeing construction of additions, modification, improvements, and such other Alterations to the Manors within the Mutual are hereby authorized to take all appropriate actions consistent with this Resolution and to carry out the purpose and intent of this Resolution and assure compliance with its terms.