



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

**Tuesday, August 21, 2018 - 9:30 a.m.  
Laguna Woods Village Community Center Board Room 24351 El Toro Road**

**NOTICE OF MEETING AND AGENDA**

- 1. Call meeting to order / Establish Quorum**
- 2. Pledge of Allegiance – Director Frankel**
- 3. Acknowledge Media**
- 4. Approval of Agenda**
- 5. Approval of Minutes**
  - a. July 17, 2018 – Regular Open Session
  - b. July 26, 2018 – Special Open Meeting
- 6. Report of the Chair**  
Employee Recognition
- 7. Open Forum (Three Minutes per Speaker)** - *At this time Members may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. There is a maximum time limit of three minutes per speaker and a speaker may only address the Board once during this period. The Board reserves the right to limit the total amount of time allotted for the Open Forum.*
- 8. Responses to Open Forum Speakers**
- 9. Update from VMS – Director Sheinwold**
- 10. CEO Report**
- 11. Consent Calendar** - *All matters listed under the Consent Calendar are recommended for action by committees and will be enacted by the Board by one motion. In the event that an item is removed from the Consent Calendar by*

*members of the Board, such item(s) shall be the subject of further discussion and action by the Board.*

a. Landscape Committee Recommendations:

(1) Tree Removal:

- Approve the request to remove one diseased Evergreen Pear tree located at 4007-2G Calle Sonora and;
- Deny the request to remove one Weeping Fig tree located at 3138-C Via Vista and in an effort to preserve the tree and protect private property, direct staff to root prune and install 18" deep root barriers around the perimeter of the patio within 60 days, and;
- Approve the off-schedule trimming and crown reduction of one Indian Laurel Fig tree that has become too large for the location and is adversely affecting the surrounding manors at 3166-B Alta Vista and;
- Approve the removal of one Carrotwood tree due to the presence of wood decay and the visible damage to the adjacent concrete sidewalk and driveway; located at 5567-A Via Portora.

b. Finance Committee Recommendations:

(1) Approve Resolution to Record Lien against Member's ID; 934-902-59

(2) Approve Resolution to Record Lien against Member's ID; 932-310-38

## 12. Unfinished Business

- a. Entertain a Motion to Adopt a Payment Plan Agreement Form (**JULY initial notification, 30-day notification to conform to Civil Code §4360 has been satisfied**)
- b. Entertain a Motion to Approve the Revised Village Energy Task Force Charter
- c. Entertain a Motion to Adopt a Resolution to Revise the Financial Guidelines/Guarantors for Manor Unit (**JULY initial notification, 30-day notification to conform to Civil Code §4360 has been satisfied**)

## 13. New Business

- a. Entertain a Motion to Introduce a Resolution to Revise Common Area Use Policy (**AUGUST initial notification-must postpone 30-days for Member comments and suggestions to conform to Civil Code §4360**)
- b. Entertain a Motion to Revise the Traffic Rules & Regulations, Section 7.6

- c. Entertain a Motion to Introduce a Resolution to Revise the Non-Emergency Chargeable Maintenance Services Policy (**AUGUST initial notification-must postpone 30-days for Member comments and suggestions to conform to Civil Code §4360**)
- d. Entertain a Motion to Adopt a Resolution to Approve 2019 Collection and Lien Enforcement Policy
- e. Entertain a Motion to Approve the Disciplinary Violations Matrix

#### **14. Committee Reports**

- a. Report of the Finance Committee / Financial Report - Director Parsons - Next Meeting September 4, 2018, at 1:30 p.m. in the Board Room
- b. Report of the Architectural Controls and Standards Committee - Director Walsh - Next Meeting Monday, August 27, 2018, at 9:30 a.m. in the Sycamore Room
- c. Report of the Maintenance and Construction Committee - Director Walsh - Next Meeting October 1, 2018, at 9:00 a.m. in the Board Room
  - Report of the Parking and Golf Cart Task Force - Director Frankel
- d. Report of the Landscape Committee - Director Tung - Next Meeting September 6, 2018, at 9:00 a.m. in the Board Room
- e. Report of the Laguna Woods Village Traffic Hearings - Director Zalon - Next Hearing September 19, 2018, at 9:00 a.m. in the Board Room and 1 p.m. in the Pine Room
- f. Report of the Communications Committee - Director Baum - Next Meeting September 12, 2018, at 1:30 p.m. in the Board Room
- g. Report of the Village Energy Task Force - Director Walsh - Next Meeting September 12, 2018, at 9:30 a.m. in the Willow Room
- h. Report of the Water Subcommittee - Director Tung - Next Meeting October 9, 2018 at 11:00 a.m. in the Sycamore Room
- i. Report of the Resident Policy and Compliance Task Force - Director Baum - Next Meeting TBD

#### **15. GRF Committee Highlights**

- a. Community Activities Committee - Next Meeting September 13, 2018, at 1:30 p.m. in the Board Room

- b. Finance Committee – Director Parsons. Next Meeting August 22, 2018, at 1:30 p.m. in the Board Room
  - c. Maintenance & Construction Committee - Next Meeting October 10, 2018 at 9:30 a.m. in the Board Room
    - PAC Ad Hoc Committee – Next Meeting TBA
  - d. Media and Communications Committee - Next Meeting September 17, 2018 at 1:30 p.m. in the Board Room
    - Thrive Project Task Force – Next Meeting September 19, 2018 at 9:30 a.m. in the Cypress Room
  - e. Mobility and Vehicles Committee-Director Frankel – Special Meeting August 31, 2018, at 9:30 a.m. in the Board Room. Next regular meeting October 3, 2018, at 1:30 p.m. in the Board Room
  - f. Security and Community Access Committee – Director Bruninghaus. Next Meeting August 23, 2018, at 1:30 p.m. in the Board Room
    - Disaster Preparedness Task Force—Next meeting September 25, 2018, 9:30 a.m. in the Cypress Room
- 16. Future Agenda Items--** *All matters listed under Future Agenda Items are Resolutions on 30-day public review or items for a future Board Meetings. No action will be taken by the Board on these agenda items at this meeting. The Board will take action on these items at a future Board Meeting.*
- a. Resolution to Update Third Mutual Bylaw Section 6.4.5 Automatic Vacancy
- 17. Director's Comments**
- 18. Recess -** *At this time the Meeting will recess for lunch and reconvene to Executive Session to discuss the following matters per California Civil Code §4935.*

**Closed Executive Session Agenda**

*Approval of Agenda*

*Approval of the Following Meeting Minutes;*

*(a) July 17, 2018 – Regular Executive Session*

*Write-off Assessment & Chargeable Services Balances*

*Discuss and Consider Member Matters*

*Discuss Personnel Matters*

*Discuss and Consider Contractual Matters*

*Discuss and Consider Litigation Matters*

**19. Adjourn**



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

**Tuesday, July 17, 2018 - 9:30 a.m.  
Laguna Woods Village Community Center Board Room 24351 El Toro Road**

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, July 17, 2018, at 9:30 a.m., at 24351 El Toro Road, Laguna Woods, California

Directors Present: Rosemarie diLorenzo, Steve Parsons, James Tung, Burt Baum, Roy Bruninghaus, John Frankel, Jules Zalon, Cush Bhada and Bunny Carpenter (arrived late).

Directors Absent: Bill Walsh and Jack Connelly

Staff Present: Brad Hudson, Siobhan Foster, Chuck Holland, Eileen Paulin, Kurt Wiemann, and Whitney Thornton

Others Present: Marcy Sheinwold (VMS)

**1. Call meeting to order / Establish Quorum**

Rosemarie diLorenzo, 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.

**2. Pledge of Allegiance**

Director Parsons led the Membership in the Pledge of Allegiance.

**3. Acknowledge Media**

The Globe and the Village Television Crew, by way of remote cameras, were acknowledged as present.

**4. Approval of Agenda**

Director Parsons made a motion to approve the agenda as presented. Director Zalon seconded the motion and it passed by unanimous consent.

Director Bruninghaus made a motion to make the following corrections to the agenda; move agenda item (13c) to closed session, make corrections to agenda item (11a3),

(11b1) should read pruning to be done within 60 days, move agenda item (11d) to new business, correct redundancy on agenda item (13f) and remove the word “none” from unfinished business. The motion was seconded by Director Frankel and passed by unanimous consent.

## **5. Approval of Minutes**

- a. June 8, 2018 – Agenda Prep/Special Open Session
- b. June 19, 2018 – Regular Open Session
- c. June 25, 2018 – Special Open Meeting (VMS Director Election)

Director Parsons made a motion, seconded by Director Frankel to approve the minutes of June 8, 2018, and it passed by unanimous consent.

Director Parsons made a motion, seconded by Director Bruninghaus to approve the minutes of June 19, 2018, and it passed by unanimous consent

Directors Parsons made a motion, seconded by Director Bhada to approve the minutes of June 25, 2018, and it passed by unanimous consent.

## **6. Report of the Chair**

President diLorenzo announced the progress with the Third Mutual budget. On August 10, 2018 at 9:30 the budget meeting will be televised.

## **7. Open Forum**

One Member spoke about the LWV Foundation benefits.

## **8. Responses to Open Forum Speakers**

There were no responses to Member comments.

## **9. Update from VMS – Director Sheinwold**

Director Sheinwold reviewed the purpose of the VMS Board and gave an update on the VMS Board meetings. In June, Chuck Holland, Director of IT Technology and Carrie Weldon, Director of Human Resources gave updates to the VMS Board. The goals of the VMS Board are to: increase the use of Dwelling Live, increase the number of Gate Arms, improve the Village Welcome Center for new members, evaluate the Handyman Program, develop and implement staff training, provide continued customer service training, and increase the use of online credit card payment. The work plan priority is retention, recruitment and training of staff. Emilio Basrto will be receiving a Proclamation for his lifesaving actions.

## **10. CEO Report**

Brad Hudson, CEO, reported on the following developments:

- Budget Business Plan is being finalized;
- Communication from Resident Services regarding scheduled work and Community Services regarding lease services;

- Broadband Improvement Program continues;
- Internet Service Upgrades;
- Annual Election Nomination period is open. Candidate Applications can be picked up in the Corporate Secretary office and are due back August 15, 2018 at 5:00 p.m.;
- Handyman Program and Services;
- Gate 11 gatehouse renovation is completed, Gatehouses 12 and 4 will be done next;
- Golf Cart Registration Deadline, residents should contact Resident Services to pick up new decals for their Golf Carts;
- Gates will be installed at the Service Center to avoid illegal activity;
- Slope work will be done soon;
- Ridge Route vegetation clearance;
- Dry Rot, Waste-line, Prior-to-Paint Programs are continuing as scheduled.

Brad Hudson, answered questions from the Board.

President diLorenzo encouraged residents to run for the Board. She thanked Siobhan Foster for her hard work. Director Parson thanked Brad Hudson and staff for their work on the Budget.

#### **11. Consent Calendar**

##### **11a. Architectural and Control and Standards Committee Recommendations:**

- (1) Receive and File Revisions to the Architectural Controls and Standards Committee Charter

#### **THIRD LAGUNA HILLS MUTUAL ARCHITECTURAL CONTROL AND STANDARDS COMMITTEE CHARTER**

RESOLUTION 03-16-128  
REVISED JULY, 2017 RESOLUTION 03-17-77  
REVISED JULY, 2018, RESOLUTION 03-18-99

**RESOLVED**, that pursuant to Article 7, of the Bylaws and Article X of the Amended and Restated Declaration of Covenants, Conditions and Restrictions, the Architectural Control and Standards Committee is hereby established as a standing committee of this Corporation; and

**RESOLVED FURTHER**, July 17, 2018, that the Board of Directors of this Corporation hereby amends the duties and responsibilities of the Architectural Control and Standards Committee of the Corporation as follows;

1. The Architectural Control and Standards Committee shall have the responsibility to recommend approval or denial of all requests for nonstandard alterations and modifications, or alterations that have generated neighbor objection. Final recommendations shall be noted on

the Mutual's monthly Board meeting Agenda Consent Calendar.

2. In their decision, the Committee shall consider the following criteria:

- a) The Mutual's governing documents, including the current Third Architectural Alteration Standards
- b) The Mutual's then current architectural and building guidelines
- c) Aesthetic effect
- d) Any other approved staff (as may be applicable), Committee and Board policies and procedures
- e) Cost impact on the Mutual
- f) Conformity with Local and State Building Codes
- g) Compliance with applicable Municipal, State and Federal law
- h) Value impact
- i) *Mutual's Conditions of Approval for the Alteration*

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.

4. The Committee shall have the authority to recommend new Architectural Standards or any revisions of all Mutual Architectural Standards. Final approval will rest with the Mutual Board.

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..

6. The Committee shall review advancements in technology and methods that could result in increased efficiencies and/or cost savings to the Mutual.

7. The Committee may impose contingencies upon approvals to ensure the structural, architectural, or common area integrity of the Members' request.

8. The Committee shall insure that all structural alterations, including any internal and external physical changes, performed or caused to be performed by a Member, shall not be performed without prior written consent of the Mutual. Consent is given either by proper processing of approved alteration standard, or use of the variance request process. The Committee will recommend a Disciplinary Hearing for all alterations preceding approval or



deviation from approved changes.

9. The intended activities of the Committee may include but may not be limited to meeting when necessary, meeting on a monthly basis, reviewing staff recommendations regarding compliance with architectural standards or variance requests, conducting tours, and providing communications to the Community.

10. This committee shall exist and function in accordance with bylaws and CC&Rs.

11. This Committee shall be comprised of no more than five Directors.

12. This committee may appoint up to three voting advisors, subject to the approval of the Board.

(2) Recommendation to Approve 3142-A (Las Flores, PL203C, 42) – Back Patio Room

**RESOLUTION 03-18-100**  
**Variance Request**

**WHEREAS**, Ms. Yu-Hsiung Chen of 3142-A Via Vista, a Las Flores style manor, is requesting Board approval of a variance to construct a room addition on the rear patio; and,

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected Units on June 15, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on June 25, 2018.

**NOW THEREFORE BE IT RESOLVED**, on July 17, 2018, the Board of Directors hereby approves the request to construct a room addition with the condition that the addition must only be constructed on the original footprint of the manor and that the proposed alteration is constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member Owner at 3142-A and all future Mutual members at 3142-A;

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

- (3) Recommendation to Approve 3235-C (La Reina, SB703R\_B, 43R) – Replace Enclosed Patio with Room on original footprint.

**RESOLUTION 03-18-101**

**Variance Request**

**WHEREAS**, Mr. Michael Epstein of 3235-C San Amadeo, a La Reina style manor, is requesting Board approval of a variance to reconfigure an enclosed rear patio to an enclosed room on original footprint; and

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected Units on June 15, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on June 25, 2018.

**NOW THEREFORE BE IT RESOLVED**, on July 17, 2018, the Board of Directors hereby approves the request to construct an enclosed room on the same footprint as the existing enclosed front patio with the condition that the proposed alteration is constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member Owner at 3235-C and all future Mutual members at 3235-C;

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

- (4) Recommendation to Approve 3374-B (Navarro, P203RC, 46R) – Replace Wrought Iron Fence with Glass Windbreak

**RESOLUTION 03-18-102**

**Variance Request**

**WHEREAS**, Mr. Michael Cunningham of 3374-B Punta Alta, a Navarro style unit, is requesting Board approval of a variance to replace the wrought iron fence around the existing front patio with a glass windbreak; and

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected Units on June 15, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on June 25, 2018.

**NOW THEREFORE BE IT RESOLVED**, on July 17, 2018, the Board of Directors hereby approves the request to replace the wrought iron fence around the existing front patio with a glass windbreak with the condition that the proposed alteration is constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member Owner at 3374-B and all future Mutual members at 3374-B;

**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.

(5) Recommendation to Approve 5405 (Trinidad, C11RC\_2) – Add/Modify Windows and Doors, Split Room and Den Remodel

**RESOLUTION 03-18-103**  
**Variance Request**

**WHEREAS**, Ms. Grace Chen of 5405 Via Carrizo, a Trinidad style manor, is requesting Board approval of a variance for the following six alterations; replace sliding glass doors in both bedrooms with windows, replace the living room sliding glass door with a French door, reapportion space in the second bedroom to create a third bedroom, replace the dining room sliding glass door with a French door, reduce the size of the dining nook window, and add a window in the garage; and

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected Units on June 15, 2018, notifying them that an application to make alterations to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on June 25, 2018.

**NOW THEREFORE BE IT RESOLVED**, on July 17, 2018, the Board of Directors hereby approves the requests to replace sliding glass doors in both bedrooms with windows, replace the living room sliding glass door with a French door, replace the dining room sliding glass door with a French door, reduce the size of the dining nook window, and add a window in the garage, with the condition that the proposed alterations are constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice. The Board approves the request to reapportion space in the second bedroom to create a third room on the condition that the room be classified as a den and no closet is to be constructed in this space;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member Owner at 5405 and all future Mutual members at 5405;

**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.

**11b. Landscape Committee Recommendations:**

**(1) Tree Removal Recommendations**

- 2192-E (Lu): Approve to remove Coast Redwood
- 3217-B (Cohen): Deny request to remove olive tree; with approval for application of fruit suppressant one time annually at Member's expense
- 3436-P (Costeens): Deny request to remove Silk Oak tree; with direction for staff to complete off-schedule pruning within sixty days.
- 5450 (Kawamoto): Deny appeal request to remove Camphor tree

**RESOLUTION 03-18-104**  
**Tree Removal Request Determinations**

**WHEREAS**, September 20, 2011, that the Board of Directors adopted Resolution 03-11-149 tree removal guidelines:

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

**WHEREAS**, on July 5, 2018, the Landscape Committee recommended to deny the request to remove the Camphor tree located at 5450 Calle Pico; deny the request to remove the Silk Oak at 3436-P Bahia Blanca West; and approve the request to remove a Coast Redwood at 2192-E Via Mariposa East; deny the request to remove the Olive Tree at 3217-B; and;

**NOW THEREFORE BE IT RESOLVED**, July 17, 2018, the Board of Directors denied the request to remove the Camphor tree located at 5450 Calle Pico; denied the request to remove the Silk Oak at 3436-P Bahia Blanca West; approved the request to remove a Coast Redwood at 2192-E Via Mariposa East; and denied the request to remove the Olive Tree at 3217-B; and;

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

**11c. Finance Committee Recommendations:**

- (1) Approve Resolution to Record Lien against Member's ID; 931-371-09

**RESOLUTION 03-18-105**  
**Recording of a Lien**

**WHEREAS**, Member ID 931-371-09; 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**, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-371-09 and;

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

- (2) Approve Resolution to Record Lien against Member's ID; 931-591-35

**RESOLUTION 03-18-106**  
**Recording of a Lien**

**WHEREAS**, Member ID 931-591-35; 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**, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-591-35 and;

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

- (3) Approve Resolution to Record Lien against Member's ID; 931-580-84

**RESOLUTION 03-18-107**  
**Recording of a Lien**

**WHEREAS**, Member ID 931-580-84; 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**, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-580-84 and;

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

- (4) Approve Resolution to Record Lien against Member's ID; 932-200-59

**RESOLUTION 03-18-108**  
**Recording of a Lien**

**WHEREAS**, Member ID 932-200-59; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-200-59 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.

- (5) Approve Resolution to Record Lien against Member's ID; 933-210-81

**RESOLUTION 03-18-109**  
**Recording of a Lien**

**WHEREAS**, Member ID 933-210-81; 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**, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-210-81 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.

- (6) Approve Resolution to Record Lien against Member's ID; 931-720-36

**RESOLUTION 03-18-110**  
**Recording of a Lien**

**WHEREAS**, Member ID 931-720-36; 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**, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-720-36 and;

Director Bruninghaus made a motion to approve the Consent Calendar as amended. The motion was seconded by Director Zalon. The motion passed by unanimous consent.

## **12. Unfinished Business**

### **12a. Entertain a Motion to Adopt a Temporary Container Policy**

Burt Baum, Secretary of the Board, presented a summary of the following resolution:

#### **RESOLUTION 03-18-111** **Temporary Container Policy**

**WHEREAS**, the placement of temporary containers such as dumpsters, (see attached policy for size limitations); portable storage units (PODS), (see attached policy for size limitations), and contractor trailers has caused safety and mobility concerns throughout the Village; and,

**WHEREAS**, Staff has developed a policy that addresses these concerns.

**NOW THEREFORE BE IT RESOLVED**, July 17, 2018, that the Board of Directors hereby adopts the Proposed Temporary Container Policy as attached to the official meeting minutes;

**RESOLVED FURTHER**, after a 24 hour notice from the contractor or Member, the Security Division will provide members and contractors locations to place these items;

**RESOLVED FURTHER**, the safety, placement, and housekeeping of these items are the responsibility of the member;

**RESOLVED FURTHER**, the Mutual reserves the right to remove or relocate any item to remedy an unsafe condition; 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.

#### **JUNE INITIAL NOTIFICATION**

**30-day notification to comply with Civil Code §4360 has been satisfied.**

Director Baum made a motion to adopt a resolution to adopt a Temporary Container Policy. The motion was seconded by Director Parsons.

Discussion ensued among the Directors.



President diLorenzo called for the vote and the motion passed by unanimous consent.

**12b. Entertain a Motion to Adopt a Resolution for the Resale Correction Policy**

Burt Baum, Secretary of the Board, presented a summary of the following resolution:

**RESOLUTION 03-18-112**  
**Resale Correction Policy**

**WHEREAS**, on May 20, 2014, the Board of Directors approved Resolution 03-14-53, establishing a security deposit for resale inspections;

**WHEREAS**, resale inspections and inspection reports are an integral part of the resale process and non-conforming conditions or alterations noted on the inspection reports are vital for the protection of Mutual property and assets; and,

**WHEREAS**, Staff has found the current security deposit section of the resale policy to be administratively burdensome and withholds funds from members for an unreasonable length of time.

**NOW THEREFORE BE IT RESOLVED**, July 17, 2018, that the Board of Directors hereby adopts the Proposed Revised Resale Policy as attached to the official meeting minutes;

**RESOLVED FURTHER**, effective September 1, 2018, corrections and deficiencies found in the resale inspection will be noted in the report and will be provided to the seller;

**RESOLVED FURTHER**, the Seller will be held responsible for the corrections and deficiencies;

**RESOLVED FURTHER**, corrections and repairs to Mutual property and assets shall be completed by the close of escrow;

**RESOLVED FURTHER**, the remainder of the existing policy will remain unchanged;

**RESOLVED FURTHER**, that Resolution 03-14-53, adopted May 20, 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.

**JUNE INITIAL NOTIFICATION**

**30-day notification to comply with Civil Code §4360 has been satisfied.**

Director Baum made a motion to adopt a resolution for the Resale Correction Policy. Director Bhada seconded the motion and it passed by unanimous consent.

**12c. Entertain a Motion to Adopt a Resolution for the Unauthorized Alteration Fee**

Burt Baum, Secretary of the Board, presented a summary of the following resolution:

**RESOLUTION 03-18-113**  
**Unauthorized Alteration Fee**

**WHEREAS**, the Mutual has seen an increase in unauthorized alterations; and,

**WHEREAS**, significant administrative staff time is necessary to investigate, document and process unauthorized alteration incidents.

**NOW THEREFORE BE IT RESOLVED**, July 17, 2018, that the Board of Directors hereby adopts the Unauthorized Alteration Fee;

**RESOLVED FURTHER**, effective September 1, 2018, the administrative fee for processing Mutual Consents after-the-fact will be \$300;

**RESOLVED FURTHER**, when it has been determined that a member has started or completed alterations without proper prior Mutual Consent, a Stop Work notice will be issued and the member will be scheduled for a disciplinary hearing before the Board;

**RESOLVED FURTHER**, the member will be directed to apply for Mutual Consent and shall pay the Unauthorized Alteration Fee, which shall be in addition to the Board approved Mutual Consent processing fees;

**RESOLVED FURTHER**, payment of the Unauthorized Alteration Fee does not preclude the Member from disciplinary action by the Board;

**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.

**JUNE INITIAL NOTIFICATION**

**30-day notification to comply with Civil Code §4360 has been satisfied.**

Director Baum made a motion to adopt a resolution for the Unauthorized Alteration Fee. Director Bhada seconded the motion.

Discussion ensued among the Directors.

President diLorenzo called for the vote and the motion passed by unanimous consent.

**12d. Update Third Mutual Committee and GRF Committee Assignments**  
This agenda item was moved to Unfinished Business.

**RESOLUTION 03-18-114**  
**Third Mutual Committee Appointments**

**RESOLVED**, July 17, 2018, that the following persons are hereby appointed to serve on the committees and services of this Corporation;

**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:

**Architectural Standards and Control Committee**

William Walsh, Chair  
Steve Parsons, Co-Chair  
Roy Bruninghaus  
John Frankel  
Rosemarie diLorenzo, Alternate  
Voting Advisors: Mike Butler, Bob Hatch and Mike Plean

**Communications Committee**

Burt Baum, Chair  
Roy Bruninghaus  
Jack Connelly  
Bunny Carpenter  
Bill Walsh  
Non-Voting Advisors: Carol St. Hillaire

**Energy Task Force**

Bill Walsh, Chair (Third)  
John Frankel (Third)  
Burt Baum, Alternate (Third)  
Juanita Skillman (United)  
Carl Randazzo (United)  
Bert Moldow (GRF)  
Jim Juhan (GRF)  
Voting Advisors: Steven Leonard

**Executive Hearing Committee**

Steve Parsons, Chair  
Rosemarie diLorenzo, Co-Chair  
Bunny Carpenter  
John Frankel  
James Tung

Cush Bhada, Alternate  
Jules Zalon, Alternate

**Finance (Committee of the Whole)**

Steve Parsons, Chair  
Rosemarie diLorenzo, Co-Chair  
Non-Voting Advisors: John Hess, Wei-Ming Tao, Michael Cunningham

**Garden Villa Recreation Room Subcommittee**

Rosemarie diLorenzo, Chair  
Cush Bhada  
Voting Advisors: Lynn Jarrett, Sharon Molineri, Stuart Hack

**Laguna Woods Village Traffic Hearings**

John Frankel  
Jules Zalon

**Landscape**

James Tung, Chair  
Jules Zalon, Co-Chair  
John Frankel  
Roy Bruninghaus  
Jack Connelly  
Non-Voting Advisors: Violet Lawrence

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

Bill Walsh, Chair  
Bunny Carpenter, First Co-Chair  
John Frankel, Second Co-Chair  
Cush Bhada  
Voting Advisors: Steve Leonard

**New Resident Orientation**

Per Rotation List

**Water Conservation Committee**

James Tung, Chair  
Jules Zalon, Co-Chair  
John Frankel

**Third Mutual Parking & Golf Cart Task Force**

John Frankel, Chair  
Roy Bruninghaus  
Bunny Carpenter  
Rosemarie di Lorenzo  
Bill Walsh

**Third Mutual Resident Policy and Compliance Task Force**

Burt Baum, Chair  
Bunny Carpenter  
Rosemarie diLorenzo  
Roy Bruninghaus, Alternate  
Steve Parsons, Alternate  
Stuart Hack, Advisor

**RESOLVED FURTHER**, that Resolution 03-17-65, adopted May 15, 2018, 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 this resolution.

**RESOLUTION 03-17-115**  
**GRF Committee Appointments**

**RESOLVED**, July 17, 2018, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

**Business Planning Committee**

Rosemarie diLorenzo  
Steve Parsons

**Community Activities Committee**

Steve Parsons  
Jules Zalon  
Jack Connelly, Alternate

**Finance Committee**

Rosemarie di Lorenzo  
Steve Parsons  
Jack Connelly Bill Walsh, Alternate

**Landscape Committee**

James Tung  
Jules Zalon  
John Frankel, Alternate

**Maintenance and Construction Committee**

John Frankel  
Bunny Carpenter  
Cush Bhada, Alternate

**Media and Communication Committee**

Burt Baum  
Roy Bruninghaus  
Jack Connelly, Alternate

**Mobility and Vehicles Committee**

Roy Bruninghaus  
John Frankel

**PAC Renovation Ad Hoc Committee**

Beth Perak, Chair (GRF)  
Joan Milliman, Vice Chair (GRF)  
Richard Palmer, (GRF)  
John Frankel, (Third)  
Jules Zalon-Bill Walsh, (Third)  
Juanita Skillman, (United)  
Don Tibbitts, (United)  
Irving Waaland, (Mutual 50)  
Non-Voting Advisers: Sheila Bilaka, John Perak

**Security and Community Access Committee & Disaster Preparedness**

Roy Bruninghaus  
John Frankel  
~~James Tung~~  
Cush Bhada, Alternate

**RESOLVED FURTHER**, that Resolution 03-18-66, adopted May 15, 2018, 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 this resolution.

Director Parsons made a motion to approve the updated Third Mutual and GRF Committee Appointments. Director Bruninghaus seconded the motion.

Discussion ensued among the Directors.

Director Baum made a motion to approve the updated Third Mutual and GRF Committee Appointments as amended. Director Parsons seconded the motion and the motion passed by unanimous consent..

### **13. New Business**

#### **13a. Entertain a Motion to Introduce a Resolution for Revised Alteration Standard 31: Washer/Dryer Installations**

Director Baum, Secretary of the Board, presented a summary of the following Resolution:

##### **RESOLUTION 03-18-XX**

##### **Revised Alteration Standard 31: Washer/Dryer Installations**

**WHEREAS**, the Architectural Controls and Standards Committee recognizes the need to amend Alteration Standards and create new Alteration Standards as necessary; and,

**WHEREAS**, the Architectural Control and Standard Committee recognizes the need to revise Alteration Standard 31: Washer and Dry Installations.

**NOW THEREFORE BE IT RESOLVED**, July 17, 2018, that the Board of Directors of this Corporation hereby introduces Alteration Standard 31: Washer and Dry Installations as attached to the official meeting minutes;

**RESOLVED FURTHER**, that Resolution M3-98-65 adopted December, 1998, is hereby superseded in its entirety and no longer in effect;

**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.

##### **JULY 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 a resolution to revise Alteration Standard 31: Washer/Dryer Installations. Director Bruninghaus seconded the motion.

Discussion ensued among the Directors.

Director Carpenter and Parsons requested that Section 2.12 clearly state that current installations (grandfathered or otherwise) will not continue past current owner for the second reading.

By consensus, the Board introduced a resolution for 30-day review to revise Alteration Standard 31: Washer/Dryer Installations.

**13b. Entertain a Motion to Introduce a Payment Plan Agreement Form**

Director Baum, Secretary of the Board, presented a summary of the following Resolution:

**RESOLUTION 03-18-XX**  
**Delinquent Assessment Payment Plan Agreement**

**WHEREAS**, any Member who is unable to timely pay regular assessments is entitled to make a written request for a payment plan to the Board;

**WHEREAS**, each request for a payment plan is approved or denied on a case-by-case basis after review by the Finance Committee;

**WHEREAS**, a Delinquent Assessment – Payment Plan form, which includes several payment options and conditions, is used to create an agreement between the delinquent Member and the Mutual;

**WHEREAS**, the Third Finance Committee recommends a revised Payment Plan Agreement Form with changes submitted by legal counsel to help reinforce collection activity that will occur if a member breaches the agreed-to payment plan for delinquent assessments; and

**WHEREAS**, the Finance Committee recommends recovering costs associated with accepting payments over time including the initiation of interest charges and an administrative fee for every month the agreement is in effect;

**NOW THEREFORE BE IT RESOLVED**, on July 17, 2018, the Board of Directors of this Corporation hereby introduces revisions to the Delinquent Assessment - Payment Plan Agreement form, as attached to this Corporate record, initiating a monthly charge for interest at the rate of 10% per annum, and introducing a new payment plan administrative fee of \$25 per month; 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.

**JULY 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 a resolution for a Payment Plan Agreement Form. Director Bruninghaus seconded the motion.

Discussion ensued among the Directors.

Director Bhada requested revisions to the Payment Plan form to include space to add name at the top and near the signature line at the bottom.

By consensus, the Board introduced a resolution for 30-day review to approve a Payment Plan Agreement Form.

**13c.** Entertain a Motion to Introduce the Revised Resale Correction Policy  
This agenda item was moved to closed session.

**13d.** Entertain a Motion to Approve the Energy Task Force Charter

Director Baum, Secretary of the Board, presented a summary of the following Charter:

**Energy Task Force Charter and Mission**

In July 2018, the Board of Directors of the Third Laguna Hills Mutual, United Laguna Woods Mutual and the Golden Rain Foundation hereby assigns the duties and responsibilities of this Task Force, as follows:

***The Village Energy Task Force will consist of two directors each from Third Mutual, United Mutual and the Golden Rain Foundation. Member Advisors as approved by the Task Force will be voting members.***

***The mission of the Village Energy Task Force is to identify and recommend to all Boards, Investments in energy technologies that will address the safety, economic, environmental and aesthetic issues of Third and United Mutual and GRF (the Corporations) with the common goal to enhance the wellbeing of our Laguna Woods Village residents.***

1. Recommend to the respective Committees and Boards, for their approval, all action that will result in energy savings for residents and an improved environment for the Community.
2. Review energy statements and other reports affecting the Corporations' energy usage and recommend action.
3. Work closely with Staff and review all devices or systems that either generate, control or consume energy within the Corporations. Identify alternatives that would be beneficial, taking into consideration factors such as efficiency, reliability, sustainability, installation, cost, return on

investment, carbon foot print, human factors, and operability. Propose priorities or action.

4. Seek out energy incentive programs applicable to the Corporation.
5. Work with the respective Communications Committees to make residents aware of Task Force actions as well as actions they can take to reduce their own energy costs and improve the environment.
6. In conjunction with Staff, make progress reports to the respective corporate M&C Committees on investigation results, resident actions and comments, as well as M&C Committee-approved projects.
7. To improve familiarity with technology and products, the Task Force should arrange seminars and invite speakers from vendors, universities, trade groups or consultants.
8. Suggest actions the Boards can take with respect to the California Public Utility Commission or the California legislature regarding proposed tariff charges r energy related bills affecting the Corporations.
9. Meet and Confer with the City of Laguna Woods on energy savings initiatives offered to municipalities by the State of California through Investor Owned Utilities (IOU) such as Southern California Edison.
10. The Chair and Vice Chair of the Task Force will be elected by members of the Task Force.

Director Baum made a motion to approve the Energy Task Force Charter. Director Parsons seconded the motion.

Discussion ensued among the Directors.

Director diLorenzo requested that the Charter be amended to strike out the word "Village" from the Charter.

President diLorenzo called for the vote and the motion passed by unanimous consent.

- 13e. Entertain a Motion to Introduce a Resolution to Revise the Financial Guidelines/Guarantors for Manor Units

Director Baum, Secretary of the Board, presented a summary of the following Resolution:

**RESOLUTION 03-18-XX**

**Revise the Financial Guidelines/Guarantors for Manor Units**

**WHEREAS**, Third Laguna Hills Mutual ("Mutual"), acting through its Board of Directors ("Board"), previously adopted operating rules

concerning financial qualifications pursuant to the following Board resolutions:

1. Administrative Guidelines for Financial Qualification (Res. No. 03-05-17);
2. Financial Guarantor (Res. No. M3-91-38); and
3. Financial Qualifications Policy (Res. No. 03-16-95).

**WHEREAS**, the forgoing operating rules are collectively referred to herein as the "Financial Resolutions".

**WHEREAS**, it is in the Mutual's best interests to protect and preserve its financial integrity, ensure consistency among the provisions of its governing documents (including without limitation, the Financial Resolutions), and promote the uniform application of the provisions of said governing documents.

**NOW, THEREFORE BE IT RESOLVED**, on July 17, 2018, that the Board hereby introduces, and the Financial Resolutions are hereby superseded by, the Guidelines for Financial Qualifications set forth below.

### **GUIDELINES FOR FINANCIAL QUALIFICATIONS**

The governing documents of Third Laguna Hills Mutual ("Mutual") require each person seeking to acquire an ownership interest in a unit ("Applicant") to obtain the prior written approval of the Mutual's Board of Directors ("Board") before doing so. As a condition to obtaining such approval, each Applicant must provide to the Board documentation that conclusively establishes that Applicant satisfies certain financial requirements as set forth in the Mutual's governing documents ("Application"). For the purposes of determining whether an Application will be approved or denied, the Board has adopted these Guidelines for Financial Qualifications ("Guidelines"), which shall remain in effect until such time as these Guidelines may be changed, modified, or amended by a duly adopted Board resolution.

#### **I. General Application Requirements.**

a. As a condition of approval, each Applicant must submit to the Mutual an Application with all of the following documentation provided in a form satisfactory to the Board:

1. A federal income tax return for the most recent year that is signed, dated, and includes Schedules A, B and E, as applicable, as well as any other financial verification documents requested by the Board. By way of example, but without

limitation, other verification documents may be required if any Applicant derives income from a business owned by the Applicant (personally or through a legal entity), in which case the applicable business tax schedule and profit and loss statement may also be required.

2. Net worth verification pursuant to Section II of these Guidelines.
  3. Income verification pursuant to Section III of these Guidelines.
  4. A completed Financial Statement and Credit Information form.
  5. Verification of the Applicant's identity, which must be a natural person, or a designated individual acting on behalf of a corporation, LLC or Trust.
  6. If the Applicant desires to have a Guarantor to enable the Applicant to Qualify to purchase a unit (as defined below), all documents required pursuant to Section IV of these Guidelines shall also apply to the Guarantor.
  7. If the Applicant desires to purchase more than one (1) unit or already owns at least one (1) unit at the Mutual, all documents required pursuant to Section IV of these Guidelines shall be required for each unit application.
- b. The Board may deny any Application that does not include all of the documentation required herein, in a form consistent with these Guidelines and satisfactory to the Board, except as otherwise required by law.
- c. Any Application (including, without limitation, any document submitted in connection with said Application) that contains false or misleading information will be denied. If an Application was approved and it is later determined that such Application contained false or misleading information and if escrow had not closed by the time such discovery was made the Board may immediately withdraw its approval without the Mutual suffering any liability whatsoever. If escrow, as referenced immediately above, has already closed when the discovery of the false and misleading documentation is discovered, the Applicant will be deemed an owner, not in good standing and will, after a noticed hearing before the Board, be denied the owner's amenity rights applicable, unless suspended, by an owner in the Mutual.
- d. Notwithstanding anything to the contrary contained herein, if more than one (1) Applicant will acquire an ownership interest or reside in any single unit, such Applicants' income and net worth may, in the Board's sole

reasonable discretion, be calculated collectively.

**II. Net Worth Requirements.**

a. As a condition of approval, each Applicant shall submit satisfactory verification of net worth that is greater than or equal to the *sum* of the purchase price of the unit *plus* one hundred twenty-five thousand dollars (\$125,000) in acceptable assets.

b. When computing net worth for the purposes of this Section, acceptable assets shall be limited to those assets that are considered, in the Board's sole discretion, to be liquid, marketable or income producing. Examples of acceptable assets include, without limitation, the following:

1. Equity in residential and income real estate.
2. Savings accounts in banks and credit unions.
3. Cash value life insurance.
4. Certificates of deposit and money market accounts.
4. IRA, SEP, 401(k), Profit Sharing and Keogh accounts.
5. Federal, state, or municipal government bonds.
6. U.S. traded investments (e.g., NYSE, Amex, OTC, Nasdaq, etc.) valued at current market prices.
7. Mortgages and promissory notes; provided that the interest in such mortgages or promissory notes is reported on the Applicant's tax return.

c. When computing net worth for the purposes of this Section, acceptable assets will not include, without limitation, the following:

1. Equity in mobile homes, recreational vehicles, boats, trailers, airplanes, automobiles, or other vehicles of any kind.
2. Vacant or undeveloped real estate.
3. Artwork, jewelry, or other collectibles (e.g., coins, dolls, stamps, etc.).
4. Term life insurance.
5. Annuity funds that cannot be withdrawn in lump sum.

6. Anticipated bequests, devises or inheritances.
7. Mortgages and promissory notes where the interest in such mortgages or promissory notes is not reported on the Applicant's tax return.

III. **Income Requirements.**

a. As a condition of approval, each Applicant shall submit satisfactory verification of annual income that is greater than or equal to the *sum* of the total of the unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year.

b. Traditional retirement account assets (e.g., 401K, ERISA, IRA, Profit Sharing, etc.) will be considered as a source of annual income in accordance with this subsection. For the purposes of the income verification requirement pursuant to subsection (a) above, the portion of an Applicant's traditional retirement account assets attributable to said Applicant's annual income shall be deemed to be the greater of the following:

1. The mandatory annual distributions for the Applicant's retirement accounts; or
2. The total amount of the Applicant's retirement accounts *multiplied* by eighty percent (80%), and then *dividing* this product by twenty-five (25) years, as follows:

$$\text{Attributable Income} = (\text{Total Retirement Account Assets} \times 80\%) \div 25$$

c. Examples of acceptable income verifications include, without limitation, the following:

1. Federal tax returns from the most recent year.
2. W-2 forms or paycheck stubs.
3. Bank, credit union, or investment account statements.
4. Letters from bankers with verifiable first-hand knowledge of the Applicant's finances.
5. Notices of annuities and social security payments.
6. Credit reports.

d. Examples of **unacceptable** income verifications include, without

limitation, the following:

1. Letters from employers, accountants, enrolled agents, investment counselors, or attorneys.
2. Any income not reported on federal income tax returns.

**IV. Guarantors.**

a. In the event any Applicant is unable to satisfy the financial requirements set forth in the Mutual's governing documents (including, without limitation, these Guidelines), the Board may permit said Applicant to have a financial guarantor in accordance with this Section IV ("Guarantor").

b. Each Applicant supported by a Guarantor shall submit proof that their primary residence is located in California, USA and satisfactory verification of a net worth of at least one hundred twenty-five thousand dollars (\$125,000) in acceptable assets, notwithstanding the requirements of Section II and Section III of these Guidelines.

c. Each Guarantor shall enter into an agreement with the Mutual to become financially responsible, jointly and severally, for all expenses associated with the Applicant's ownership, residency and/or membership at the Mutual ("Assessment/Charges Guarantor Obligation Form"). A Assessment/Charges Guarantor Obligation Form is attached hereto as Exhibit "A" and incorporated in its entirety herein by this reference as if fully set forth in these Guidelines.

d. Each Guarantor shall submit **all** of the following documentation in a form satisfactory to the Board:

1. A fully executed and completed Assessment/Charges Guarantor Obligation Form.
2. Proof that the Guarantor's primary residence is located in California, USA.
3. Verification of net worth equal to the *sum* of the purchase price of the unit *plus* two hundred thousand dollars (\$200,000) in acceptable assets.
4. Verification that the Guarantor's annual income is greater than or equal to the *sum* of the total of the unit's annual mortgage payment *plus* eighty-thousand dollars (\$80,000) per year.
5. A credit report.

e. The Board may withhold its approval of any Guarantor for, without limitation, any the following reasons:

1. A Guarantor or Applicant fails to provide **all** of the documentation as required by subsection (d), above, in a form consistent with these Guidelines and satisfactory to the Board.
2. A Guarantor is subject to a bankruptcy proceeding that is pending or has not been discharged.
3. Any foreclosure or short sale of any property owned by the Guarantor.
4. Any outstanding balances, collection accounts, or judgments owed by the Guarantor.
5. A Guarantor's credit score is lower than 680.
6. A Guarantor resides in a primary residence outside of the State of California.
7. A Guarantor's bank is located outside of the State of California.
8. A Guarantor already guarantees (1) one or more units within Laguna Woods Village.
9. A Guarantor provides any false or misleading information to the Board.
10. Any other reasonable grounds that call into question a Guarantor's financial ability or fitness to serve in this capacity on an Applicant's behalf.

f. Each Guarantor's assurances shall only apply to the Applicant(s) and unit expressly identified on the Assessment/Charges Guarantor Obligation Form. No Guarantor's assurances may be transferred to any other Applicant or unit.

#### V. **Multiple Units.**

As a condition of approval, any Applicant who desires to purchase more than one (1) unit or already owns at least one (1) unit at the Mutual shall submit satisfactory verification of annual income and net worth requirements pursuant to this Section V.

a. **Net Worth Requirements.** The Applicant shall submit satisfactory verification of net worth that is greater than or equal to the *sum* of the purchase price for each unit *plus* one hundred twenty-five thousand



dollars (\$125,000) in acceptable assets per unit, as follows:

Unit 1: purchase price for Unit 1 + \$125,000 Unit 2: purchase price for Unit 1 + \$125,000 + purchase price for Unit 2 + \$125,000

Unit 3: purchase price for Unit 1 + \$125,000 + purchase price for Unit 2 + \$125,000 + purchase price for Unit 3 + \$125,000

b. **Income Requirements.** The Applicant shall submit satisfactory verification of annual income as follows:

1. Annual Income that is greater than or equal to the *sum* of the following: the total of the first unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year *plus* the total of the second unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year *plus* an additional twenty-two thousand five hundred dollars (\$22,500).
2. For each additional unit, the annual income requirement shall be calculated consistent with subsection (b)(1), above – that is, the additional unit's annual mortgage payment *plus* an additional twenty-two thousand five hundred dollars (\$22,500) over the previous annual income requirement, as follows:

Unit 1: annual mortgage payment + \$45,000

Unit 2: annual mortgage payment on Unit 1 + \$45,000 + annual mortgage payment on Unit 2 + \$45,000 + \$22,500

Unit 3: annual mortgage payment on Unit 1 + \$45,000 + annual mortgage payment on Unit 2 + \$45,000 + \$22,500 + annual mortgage payment on Unit 2 + \$45,000 + \$22,500 + \$22,500

**JULY 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 a resolution to revise the Financial Guidelines/Guarantors for Manor Units. Director Bhada seconded the motion.

Discussion ensued among the Directors.

By consensus, the Board introduced a resolution for 30-day review to revise the Financial Guidelines/Guarantors for Manor Units.

**13f. Entertain a Motion to Approve the Proposed Amendment to the Trust Agreement to Extend its Term**

Director Baum, Secretary of the Board, presented a summary of the following Trust Agreement Extension:

**AMENDMENT TO TRUST AGREEMENT**  
**EXTENSION OF TRUST**

In consideration of the recitals set forth herein, Golden Rain Foundation of Laguna Woods, a California non-profit mutual benefit corporation, United Laguna Woods Mutual, a California non-profit mutual benefit corporation, Third Laguna Hills Mutual, a California nonprofit mutual benefit corporation, and Laguna Woods Mutual No. Fifty, a California non-profit mutual benefit corporation, agree to amend the Golden Rain Foundation Trust Agreement, dated March 2, 1964, and recorded in the Orange County Recorder's Office on March 6, 1964, as Document No. 6217 in Book 6953, Page 519, as amended (the "Trust Agreement").

**RECITALS**

A. Golden Rain Foundation of Laguna Woods is the Trustee of the Golden Rain Foundation of Laguna Hills Trust (the "Trust") created by the Trust Agreement.

B. United Laguna Woods Mutual, Third Laguna Hills Mutual, and Laguna Woods Mutual No. Fifty are the trustors and beneficiaries of the Trust, and the only current Cooperatives, as that term is defined by and provided in the Trust Agreement.

C. Section VI of the Trust Agreement provides that the Trust, if not earlier terminated, shall in all events terminate sixty (60) years from the date of the Agreement or twenty-one (21) years after the date of death of the last to die of: Mark L. Conroy, Jr., Westminster, California; Kevin Ross Letsan, Villa Park, California; Allan Oakley Hunter, Jr., Fresno, California; Matthew Van Zandt Mayer, Orange, California; Jeffrey P. Tuck, Pasadena, California; and Pamela Jane Swart, Arlington Heights, Illinois.

D. Golden Rain Foundation of Laguna Woods, United Laguna Woods Mutual, Third Laguna Hills Mutual, and Laguna Woods Mutual No. Fifty desire to amend the Trust Agreement to extend the termination date of the Trust.

E. Pursuant to Section VI of the Trust Agreement, which allows the Trust Agreement to be amended by written instrument executed by the Trustee (Golden Rain Foundation of Laguna Woods), and by all the Cooperatives which remain beneficiaries of the Trust (United Laguna Woods Mutual, Third Laguna Hills

Mutual, and Laguna Woods Mutual. No Fifty), by and through their Boards of Directors, the Trust Agreement shall be amended as set forth below.

F. The Trust Agreement has been and is, since the inception of the Davis-Stirling Common Interest Development Act ("Act"), subject to the Act, which governs amendments extending the terms of declarations, such as the Trust Agreement, under which pursuant to Sections of the Act the term of the Trust Agreement cannot be extended more than twenty (20) years from the date upon which it would terminate under its present wording.

G. Extending the term of the Trust Agreement for twenty (20) years from the March 2, 2024 current termination date would not violate the rule against perpetuities as presently in effect in California because it would not extend the termination date of the Trust Agreement more than ninety (90) years from the date of its creation.

H. In all other respects, the Trust Agreement and the Trust will be ratified, affirmed and approved. This Amendment to Trust Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

I. Each signatory to this Amendment to Trust Agreement represents and warrants to the others that he or she has full authority and is duly and fully authorized to execute this Amendment to Trust Agreement.

#### AMENDMENT

Section VI of the Trust Agreement is deleted in its entirety and replaced with the following:

"This Trust is and shall be irrevocable by and shall not be subject to alteration, modification or amendment by TRUSTEE, except as provided in paragraph C of Section VII hereof. The Trust may at any time or from time to time be altered, modified or amended by written instrument executed by TRUSTEE and by all the Cooperatives which have at such time become, and then remain Beneficiaries of the Trust. The Trust may at any time be terminated by the written election, delivered to TRUSTEE, of all the Cooperatives which have at such time become, and then remain, beneficiaries of the Trust. If any Beneficiary shall have assigned its beneficial interest hereunder, consent of the assignee shall also be required for any such alteration, modification, amendment or termination.

The Trust shall in all events terminate, if it has not earlier been terminated or further extended, by amendment, consistent with the Act and the rule against perpetuities, twenty (20) years from March 2, 2024.

Promptly following termination of this Trust, the TRUSTEE shall render an accounting to each of the Beneficiaries and shall distribute all of the Trust Estate,

subject to any debts of or charges against the Trust Estate (including but not limited to obligations, if any, of the Trust Estate to the TRUSTEE), to the Beneficiaries, in the form of undivided interests proportional to their respective Trusteed Sums.”

Director Baum made a motion to approve the proposed Amendment to the Trust Agreement to Extend its Term to be executed at a Special Corporate Members Meeting on August 13, 2018. Director Bruninghaus seconded the motion.

Discussion ensued among the Directors.

Director Carpenter would like clarification of Section B on the definition of facilities.

President diLorenzo called for the vote and the motion passed by a vote of 7-2-0 (Director diLorenzo and Carpenter opposed).

#### **14. Committee Reports**

- 14a. Report of the Finance Committee / Financial Report - Director Parsons reported on the Treasurer's Report, Resale and Lease Reports. Next Meeting August 7, 2018, at 1:30 p.m. in the Board Room
- 14b. Report of the Architectural Controls and Standards Committee - Director Parsons gave an update from the last committee meeting. Next Meeting Monday, July 23, 2018, at 9:30 a.m. in the Sycamore Room
- 14c. Report of the Maintenance and Construction Committee - Director Carpenter reported larger building signs, Dry Rot Project, Breezeway Project is almost complete, street lighting and Shepherds Crook along Ridge Route were discussed at the last committee meeting. Next Meeting August 6, 2018, at 1:00 p.m. in the Board Room
  - Report of the Parking and Golf Cart Task Force - Director Frankel
- 14d. Report of the Landscape Committee - Director Tung showed a presentation of landscape priorities and gave an update from the last committee meeting. Director Zalon commented on water resistant landscaping for the Community. Next Meeting August 2, 2018, at 9:00 a.m. in the Board Room
- 14e. Report of the Laguna Woods Village Traffic Hearings - Director Zalon gave an update from the last committee meeting. Next Hearing July 18, 2018, at 9:00 a.m. in the Board Room and 1:00 p.m. in the Pine Room
- 14f. Report of the Communications Committee - Director Baum gave an update from the last committee meeting. Next Meeting July 18, 2018, at 1:30 p.m. in the Board Room

- 14g. Report of the Energy and Technology Committee - Director diLorenzo announced that the new Charter was passed for the new Energy Task Force. Next Meeting August 1, 2018, at 9:30 a.m. in the Cypress Room
- 14h. Report of the Water Subcommittee - Director Tung gave a presentation on water usage in the Community. Next Meeting August 14, 2018 at 11:00 a.m. in the Sycamore Room
- 14i. Report of the Resident Policy and Compliance Task Force - Director Baum gave an update from the last committee meeting. Next Meeting TBD

**15. GRF Committee Highlights**

- 15a. Community Activities Committee – Director Parsons reported on past and upcoming recreation and special events. Next Meeting July 19, 2018, at 1:00 p.m. in the Board Room
- 15b. Finance Committee – Director diLorenzo reported on highlights from the last committee meeting. Presentation by Blackrock will happen at the next meeting. Next Meeting August 22, 2018, at 1:30 p.m. in the Board Room
- 15c. Maintenance & Construction Committee – Director Frankel reported on highlights from the last committee meeting. Next Meeting August 8, 2018 at 9:30 a.m. in the Board Room
  - PAC Ad Hoc Committee – Next Meeting TBA.
- 15d. Media and Communications Committee – Director Baum reported on highlights from the last committee meeting. Next Meeting August 20, 2018 at 1:30 p.m. in the Board Room
  - Thrive Project Task Force – Next Meeting July 18, 2018 at 9:30 a.m. in the Cypress Room
- 15e. Mobility and Vehicles Committee-Director Frankel reported on highlights from the last committee meeting. Next meeting August 1, 2018, at 1:30 p.m. in the Board Room
- 15f. Security and Community Access Committee – Director Bruninghaus reported on highlights from the last committee meeting. Next meeting August 27, 2018, at 1:30 p.m. in the Board Room
  - Disaster Preparedness Task Force—Next meeting July 31, 2018, 9:30 a.m. in the Cypress Room

- 16. Future Agenda Items--** *All matters listed under Future Agenda Items are Resolutions on 30-day public review or items for a future Board Meetings. No*

*action will be taken by the Board on these agenda items at this meeting. The Board will take action on these items at a future Board Meeting.*

- 16a. Revisions to the Non-Emergency Chargeable Maintenance Services
- 16b. Resolution to Update the Third Mutual Bylaw Section 6.4.5 Automatic Vacancy
- 16c. Resolution to Adopt Revised Alteration Standard 31: Washer/Dryer Installations
- 16d. Resolution to Adopt a Payment Plan Agreement Form
- 16e. Resolution to Adopt the Financial Guidelines/Guarantors for Manor Units
- 16g. Payment Plan Agreement/Fines and Fees Program

**17. Director's Comments**

- Director Carpenter commented about a purchasing class she is leading with Director Parsons for directors. Invitation will be extended to other Board Members and Board Candidates.
- Director Zalon commented in musical performances at Soka University.
- Director Bruninghaus and Bhada thanked Director Baum for his service on the Board.

**18. Recess**

The Board recessed at 12:37 p.m. and reconvened into Executive Session at 12:55 p.m.

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

*During the June 19, 2018, Regular Executive Session, the Board:*

*Approval of Agenda*

*Approval of the Following Meeting Minutes;*

*(a) May 15, 2018 – Regular Executive Session*

*Write-off Assessment Balances*

*Discuss and Consider Member Matters*

*Discuss and Consider Legal and Litigation Matters*

**19. Adjourn**

With no further business to come before the Board of Directors, the meeting was adjourned at July 17, 2018 at 6:26 p.m.



Burt Baum, Secretary of the Board  
Third Laguna Hills Mutual

## ATTACHMENT 1

### Original Charter

#### **RESOLUTION 03-16-128**

##### **Third Mutual Architectural Control and Standards Committee Charter**

**RESOLVED**, that pursuant to Article 7, of the Bylaws and Article X of the Amended and Restated Declaration of Covenants, Conditions and Restrictions, the Architectural Control and Standards Committee is hereby established as a standing committee of this Corporation; and

**RESOLVED FURTHER**, December 20, 2016, that the Board of Directors of this Corporation hereby assigns the duties and responsibilities of the Architectural Control and Standards Committee of the Corporation as follows:

1. The Architectural Control and Standards Committee shall have the responsibility to recommend approval or denial of all requests for nonstandard alterations and modifications, or alterations that have generated neighbor objection. Final recommendations shall be noted on the Mutual's monthly Board meeting Agenda Consent Calendar.
2. In their decision, the Committee shall consider the following criteria:
  - Compliance with existing standards
  - Aesthetic effect
  - Cost impact on the Mutual
  - Conformity with Local and State Building Codes
  - Compliance with applicable law
  - Value impact
3. The Mutual Board may choose to become involved in a Member's appeal of the Committee's decision. Should the Board become involved, 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.
4. The Committee shall have the authority to recommend new Architectural Standards or any revisions of all Mutual Architectural Standards. Final approval will rest with the Mutual Board.
5. The Committee shall require Neighbor Awareness and Approval forms for all alteration requests including requests that appear to conform to standards.
6. The Committee shall review advancements in technology and methods that could result in increased efficiencies and/or cost savings to the Mutual.

## ATTACHMENT 1

### Original Charter

7. The Committee may impose contingencies upon approvals to ensure the structural, architectural, or common area integrity of the Members' request.
8. The Committee shall insure that all structural alterations, including any internal and external physical changes, performed or caused to be performed by a Member, shall not be performed without prior written consent of the Mutual. Consent is given either by proper processing of approved alteration standard, or use of the variance request process. The Committee will recommend a Disciplinary Hearing for all alterations preceding approval or deviation from approved changes.
9. The intended activities of the Committee may include but may not be limited to meeting when necessary, meeting on a monthly basis, reviewing staff recommendations regarding compliance with architectural standards or variance requests, conducting tours, and providing communications to the Community.
10. This committee shall exist and function in accordance with bylaws and CC&Rs.
11. This Committee shall be comprised of no more than five Directors.
12. This committee may appoint up to three voting advisors, subject to the approval of the Board.



## ATTACHMENT 3

### Revised Charter (Redlines)

#### THIRD LAGUNA HILLS MUTUAL ARCHITECTURAL CONTROL AND STANDARDS COMMITTEE CHARTER

RESOLUTION 03-16-128  
REVISED JULY, 2017 RESOLUTION 03-17-77  
REVISED JULY, 2018 RESOLUTION 03-18-99

**RESOLVED**, that pursuant to Article 7, of the Bylaws and Article X of the Amended and Restated Declaration of Covenants, Conditions and Restrictions, the Architectural Control and Standards Committee is a standing committee of this Corporation; and

**RESOLVED FURTHER**, July 17, 2018, that the Board of Directors of this Corporation hereby amends the duties and responsibilities of the Architectural Control and Standards Committee of the Corporation as follows:

1. The Architectural Control and Standards Committee shall have the responsibility to recommend approval or denial of all requests for nonstandard alterations and modifications, or alterations that have generated neighbor objection. Final recommendations shall be noted on the Mutual's monthly Board meeting Agenda Consent Calendar.
2. In their decision, the Committee shall consider the following criteria:
  - a) The Mutual's governing documents, including the current Third Architectural Alteration Standards
  - b) The Mutual's then current architectural and building guidelines  
~~Compliance with Existing Standards~~
  - c) Aesthetic effect
  - d) Any other approved staff (as may be applicable), Committee and Board policies and procedures
  - e) Cost impact on the Mutual
  - f) Conformity with Local and State Building Codes
  - g) Compliance with applicable Municipal, State and Federal law
  - h) Value impact
  - i) Mutual's Conditions of Approval for the Alteration
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. The Mutual Board may choose to become involved in a Member's appeal of the Committee's decision. Should the Board become involved, prior to the review of the



### **Temporary Container Policy**

This policy is intended to regulate the location, identification and maintenance of temporary containers such as dumpsters, contractor trailers, and portable storage containers (PODs). All references to temporary container s shall include all of the aforementioned items.

No dumping of building materials, construction/remodeling debris, carpet, or large, bulky items is allowed in/around any trash receptacle provided by Laguna Woods Village. It is the resident's responsibility to ensure such materials are properly removed from the community by themselves or their contractor. This rule applies to residents performing their own work, contractors, vendors, service companies, and delivery personnel.

Temporary containers may be permitted with the following conditions:

- 24 hour notice is given by the contractor or Member to Security @ 949-580-1400; provide building, unit number, and the name of resident.
- Temporary container must be clearly marked at all times, by the contractor or Member, with the unit number from which the debris is sourced. The marking must be legible and able to withstand the elements (permanent marker on duct tape, waterproof label etc.)
- Location of temporary container must be authorized by the on-duty Watch Commander or designee.
- Temporary container must be covered at the end of each work day. The area around the temporary container shall be kept clean and free of debris and dirt. The area shall be cleaned promptly upon removal of the temporary container.
- Contractor and Owner shall be responsible for placing and maintaining adequate warning signs, lights, barricades and devices at all times in order to promote the safe movement of traffic.
- Contractor and Owner shall be responsible to ensure temporary containers are equipped with reflectors on all sides. Warning devices shall be placed in advance of each temporary container as directed by Watch Commander or designee. All warning signs, barriers, barricades, flags and other devices shall comply with or exceed the standards required in the Manual of Uniform Traffic Devices (MUTCD). All traffic devices shall be removed promptly upon removal of temporary container.
- Temporary containers may be in place for a maximum of seven days or until full, whichever occurs first.

- Dumpsters may be limited to 3 yard size (6'x4'x4'); roll off dumpsters may be permitted if space allows, with prior approval of staff.
- Temporary Storage Containers (PODs) may be limited to eight feet in length. Larger sizes may be permitted if space allows, with prior approval of staff.
- No hazardous materials can be disposed of in temporary containers.
- Temporary containers with wheels must have wheel chocks to prevent movement.

Inquiries will be referred to on-duty Watch Commander for direction as to where the container can be placed. Staff will be assigned to meet with the resident or their contractor to determine an appropriate location for the container.

Key considerations for temporary container placement:

- Traffic safety.
- Sufficient room to place / retrieve the container.
- Protection of hardscape and landscape assets; placement on landscaped areas, walkways or sidewalks is prohibited.
- Placement in any parking spaces, e.g. guest spaces and carports, is prohibited.
- Proximity to the unit and efficiency for the contractor.

Failure of the Member or their contractor to cooperate in placement of the container as directed by Staff may result in a disciplinary hearing before the Board. Members will be responsible for damages caused by temporary container placement. Removal of encroachments to protect public safety:

- Whenever the Watch Commander or designee determines that a temporary container or other encroachment located in the community causes a dangerous condition or obstruction, he or she may cause the immediate removal, relocation and/or remedy of that condition without prior notice to the responsible owner or permittee of that encroachment.
- The Watch Commander or designee may remove or cause to be removed any temporary container or other encroachment that is placed on the community that is in violation of these conditions, provided that a reasonable attempt has been made to contact the owner and to give twenty-four (24) hours' notice of the intent to remove the bin.
- The responsible property owner and/or operator shall pay all costs incurred by the Mutual for removal, storage or clean up resulting from the placement of a temporary container.

If a resident is concerned about the placement of safety of a temporary container, they should immediately contact Security @ 949-580-1400.

Attachment 1

**Resolution 03-14-53**  
**Current Resale Policy**

**WHEREAS**, it is the policy of the Third Laguna Hills Mutual that the Seller of a condominium property in Third Mutual, or his agent, must adhere to the established Resale Policy to allow for an orderly transfer of ownership;

**NOW THEREFORE BE IT RESOLVED**, May 20, 2014 that the Board of Directors of this Corporation hereby approves the Proposed Resale Policy as attached to the official meeting minutes; and

**RESOLVED FURTHER**, that Resolutions 03-03-59 and 03-03-60 are hereby superseded and cancelled; and

**RESOLVED FURTHER**, that staff shall take the necessary steps to inform the realty community and the residents of Third Mutual; 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.

**RESALE POLICY – THIRD LAGUNA HILLS MUTUAL**

It is the policy of the Third Laguna Hills Mutual housing corporation that transfers of property through the resale process shall be handled as expeditiously as possible, in accordance with Mutual review and approval processes.

Further, it is the policy of the Mutual that the Seller of a condominium property in Third Mutual, or his agent, should:

Within two business days after listing or making the property available for sale, the Seller or Seller's authorized agent should notify the Resale Inspection Office, in writing of the listing and submit to the Resale Department a "Request for 1<sup>st</sup> Inspection Report". The notification shall include the name of the listing real estate agent or personal agent of the seller, Seller's address and telephone number, the listing contract date, and Seller's current address and telephone number if seller is not residing in the manor being listed for sale; and at least one week prior to close of escrow, the Seller or his Agent will request that a Final Inspection be scheduled.

**Seller's Authorization to Release Information**

Seller, or authorized agent, shall execute and deliver the Seller's Authorization for Release of Information to the Managing Agent. No information will be released by the Mutual or the Managing Agent to any party until the Managing Agent receives the Release.

**Mutual Board's Review of Buyer's Qualifications**

Upon receipt of all requisite documents from the Escrow Office handling the resale transaction, and completion of the First Inspection, the Mutual will have fifteen (15) calendar days to review and approve or deny the buyer's application for membership.

**Occupancy by Buyer Prior to Close of Escrow**

A buyer is not be permitted to occupy a manor prior to Board approval of the Buyer's membership qualifications except by receiving Board approval of a Lease Permit through the GRF Lease Permit Office.

If a Seller agrees to permit the Buyer to occupy the manor after Board approval, and prior to close of escrow, both parties shall execute and present a Hold Harmless Agreement through the Security Division. Early occupancy based on the Hold Harmless Agreement shall be limited to fifteen (15) calendar days. Buyers who intend to occupy the manor for more than fifteen (15) days prior to close of escrow shall obtain a Lease Permit approved by the Board through the GRF Lease Permit Office.

**Carryover Occupancy by Seller**

If Buyer and Seller agree that Seller may continue to occupy the manor after close of escrow, such occupancy shall be limited to fifteen (15) calendar days. Seller who intends to carry over occupancy for more that fifteen (15) days following close of escrow shall obtain a Lease Permit approved by the Board through the GRF Lease Permit Office.

**Security Deposit**

If the inspection reveals an architectural violation, failure to maintain an alteration, or other damage to common area caused by the member or member's occupants, or if at the time of the inspection the member owes the Mutual unpaid assessments, fines or other amounts, the amounts sufficient to rectify the member's indebtedness to the Mutual will be held at escrow in a holding account. Any surplus funds shall be returned to the appropriate party.

**PROPOSED REVISED RESALE POLICY**

It is the policy of the Third Laguna Hills Mutual housing corporation that transfers of property through the resale process shall be handled as expeditiously as possible, in accordance with Mutual review and approval processes.

Further, it is the policy of the Mutual that the Seller of a condominium property in Third Mutual, or authorized agent, should:

Within two business days after listing or making the property available for sale, the Seller or Seller's authorized agent should notify the Resale Inspection Office, in writing of the listing and submit to the Resale Department a "Request for 1<sup>st</sup> Inspection Report". The notification shall include the name of the listing real estate agent or personal agent of the Seller, Seller's address and telephone number, the listing contract date, and Seller's current address and telephone number if Seller is not residing in the manor being listed for sale; and at least one week prior to close of escrow, the Seller or the authorized agent will request that a Final Inspection be scheduled.

**Seller's Authorization to Release Information**

Seller, or authorized agent, shall execute and deliver the Seller's Authorization for Release of Information to the Managing Agent. No information will be released by the Mutual or the Managing Agent to any party until the Managing Agent receives the Release.

**Mutual Board's Review of Buyer's Qualifications**

Upon receipt of all requisite documents from the Escrow Office handling the resale transaction, and completion of the First Inspection, the Mutual will have fifteen (15) calendar days to review and approve or deny the Buyer's application for membership.

**Occupancy by Buyer Prior to Close of Escrow**

A Buyer is not be permitted to occupy a manor prior to Board approval of the Buyer's membership qualifications except by receiving Board approval of a Lease Permit through the GRF Lease Permit Office.

If a Seller agrees to permit the Buyer to occupy the manor after Board approval, and prior to close of escrow, both parties shall execute and present a Hold Harmless Agreement or similar Mutual Issued document through the Security Division. Early occupancy based on the Hold Harmless Agreement shall be limited to fifteen (15) calendar days. Buyers who intend to occupy the manor for more than fifteen (15) days prior to close of escrow shall obtain a Lease Permit approved by the Board through the GRF Lease Permit Office.

**Carryover Occupancy by Seller**

If Buyer and Seller agree that Seller may continue to occupy the manor after close of escrow, such occupancy shall be limited to fifteen (15) calendar days. Seller who intends to carry over occupancy for more than fifteen (15) days following close of escrow shall obtain a Lease Permit approved by the Board through the GRF Lease Permit Office.

**Security Deposit**

~~If the inspection reveals an architectural violation, failure to maintain an alteration, or other damage to common area caused by the member or member's occupants, or if at the time of the inspection the member owes the Mutual unpaid assessments, fines or other amounts, the amounts sufficient to rectify the member's indebtedness to the Mutual will be held at escrow in a holding account. Any surplus funds shall be returned to the appropriate party.~~

**Resale Corrections**

If the inspection reveals an architectural violation, failure to maintain an alteration, or other damage to common area caused by the Member or Member's occupants, the Member shall be responsible for such violations, alteration maintenance, and damage to common area. The Member must make all corrections before the close of escrow. The Mutual will make all corrections to landscaping; the cost of which shall be paid to the Mutual prior to close of escrow.

In the event that a Member is unable to ensure the repairs are completed by close of escrow, due to illness or circumstances beyond their control, the Member may be permitted to transfer the responsibility to the Buyer. The Buyer will be required to sign an acknowledgement accepting the responsibility for the repairs. The repairs will be required to be completed within six months after the close of escrow. Failure to complete the repairs will be subject to disciplinary action by the Board. The Member will be required to provide complete documentation of the illness or extenuating circumstances. The request for variance from this policy will require the approval of two Officers of the Board.

If at the time of the inspection the Member owes the Mutual unpaid assessments, fines or other amounts, the amounts sufficient to rectify the Member's indebtedness to the Mutual will be held at escrow in a holding account.

ATTACHMENT 2

~~THIRD LAGUNA HILLS MUTUAL~~



**SECTION STANDARD 31 WASHER & DRYER INSTALLATIONS**

**APRIL 1991**

**REVISED DECEMBER 1998, RESOLUTION M3-98-65**

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

**GENERAL REQUIREMENTS REVISED JANUARY 2018, RESOLUTION 03-18-12**

**REVISED JULY 2018, RESOLUTION 03-18-XXX**

**1.0 GENERAL REQUIREMENTS**

See Standard Section 1: General Requirements

**2.0 EXTERIOR CABINETS**

- 2.1** All patio installations shall be enclosed in a cabinet which meets all manufacturer's requirements.
- 2.2** The cabinet design shall be submitted to the ~~Permits and Inspections office~~Alterations Division prior to issuance of ~~a Mutual Consent~~an alteration permit. The design shall address protection of the equipment from the elements.
- 2.3** Cabinets must be obscured from public view (i.e., block wall, closed patio).
- 2.4** Cabinets to be painted to match existing color of building.
- 2.5** Location of unit and/or plumbing connections must be submitted in writing to the ~~the Permits and Inspections office~~Alterations Division prior to issuance of a ~~permit~~Mutual Consent.
- 2.6** ~~No permits~~A Mutual Consent will be ~~not~~ be issued for manors that do not qualify as determined by existing waste line sizes. Minimum sizes are 2 1/2" ABS plastic and 3" cast iron.



- 2.7 All penetrations through existing walls shall be properly flashed and caulked to provide a weather tight seal around all protruding plumbing, electrical and vent lines.
- 2.8 Connections below slab shall be properly vented and covered with sand and "Visqueen" before replacement of concrete.
- 2.9 All hot and cold water supply lines shall be of minimum 1/2" diameter, type L copper.
- 2.10 All pressure lines shall be securely strapped to prevent movement or knocking.
- 2.11 All electrical wiring to be located in walls. No exposed conduit will be permitted.
- 2.12 **The installation of washers and dryers in three-story buildings is prohibited and variance requests for washers and dryers in three-story buildings will not be accepted.** ~~Variances for the installation of washers and dryers in individual manors will not be granted in three-story buildings.~~

## ATTACHMENT 3



### **STANDARD 31: WASHER & DRYER INSTALLATIONS**

APRIL 1991

REVISED DECEMBER 1998, RESOLUTION M3-98-65

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

GENERAL REQUIREMENTS REVISED JANUARY 2018, RESOLUTION 03-18-12

REVISED JULY 2018, RESOLUTION 03-18-XXX

#### **1.0 GENERAL REQUIREMENTS**

See Standard Section 1: General Requirements

#### **2.0 EXTERIOR CABINETS**

- 2.1** All patio installations shall be enclosed in a cabinet which meets all manufacturer's requirements.
- 2.2** The cabinet design shall be submitted to the Alterations Division prior to issuance of a Mutual Consent. The design shall address protection of the equipment from the elements.
- 2.3** Cabinets must be obscured from public view (i.e., block wall, closed patio).
- 2.4** Cabinets to be painted to match existing color of building.
- 2.5** Location of unit and/or plumbing connections must be submitted in writing to the the Alterations Division prior to issuance of a Mutual Consent.
- 2.6** A Mutual Consent will be not be issued for manors that do not qualify as determined by existing waste line sizes. Minimum sizes are 3" ABS plastic and 3" cast iron.
- 2.7** All penetrations through existing walls shall be properly flashed and caulked to provide a weather tight seal around all protruding plumbing, electrical and vent lines.

- 2.8 Connections below slab shall be properly vented and covered with sand and "Visqueen" before replacement of concrete.
- 2.9 All hot and cold water supply lines shall be of minimum 1/2" diameter, type L copper.
- 2.10 All pressure lines shall be securely strapped to prevent movement or knocking.
- 2.11 All electrical wiring to be located in walls. No exposed conduit will be permitted.
- 2.12 **The installation of washers and dryers in three-story buildings is prohibited and variance requests for washers and dryers in three-story buildings will not be accepted.**



## DELINQUENT ASSESSMENT – PAYMENT PLAN AGREEMENT

Manor Number: \_\_\_\_\_ Assessment Delinquency: \_\_\_\_\_

Member SS#: \_\_\_\_\_ DL# \_\_\_\_\_

The undersigned hereby acknowledges the assessment delinquency shown above. He or she acknowledges the rights of Third Laguna Hills Mutual (the Mutual) to collect such assessments, together with accrued late charges, interest and collection costs, in accordance with the laws of the State of California and the governing documents of the Mutual. The following reflects the standards that have been adopted by the Board of Directors. Refer to the Payment Plan Standards For Delinquent Assessment Payments document for more details. The undersigned agrees to repay the delinquency debt according to the following plan,

### Check One:

- ☐ **INSTALLMENTS:** The delinquent balance will be paid off in its entirety within \_\_\_\_\_ months. To achieve this, extra monthly payments will be made in the amount of \$ \_\_\_\_\_. **These payments will be in addition to the regular monthly assessment.** Extra payments will commence on \_\_\_\_\_ and be made on or before the first of each successive month until the delinquency and accrued late charges are paid in full. With this standard payment option, the undersigned is also required to submit a completed financial statement form (enclosed) as well as a copy of pages one and two of the two most recent federal tax returns.
- ☐ **LUMP SUM:** Payment in full of the delinquent amount will be made in a lump sum on or before \_\_\_\_\_. **This payment will be in addition to the regular monthly assessment.**
- ☐ **ESCROW:** The undersigned states that the manor is presently for sale, and will present a copy of the executed listing agreement in conjunction with this agreement. If the listing agreement expires before the manor is sold, a new executed listing agreement must be presented. The total term of the payment plan under this option cannot exceed 90 days. Payment in full of the delinquent amount will be made from the proceeds of sale of the manor, through escrow. Further, undersigned understands and agrees that accrued fees, charges and legal collection costs will be collected through escrow. This option allows a request for review by the Board of Directors for an extension.
- ☐ **OTHER:** Member's payment plan proposal that is in accordance with the standards for payment plans adopted by the Mutual: \_\_\_\_\_. **This will be in addition to the regular monthly assessment**

### Initial All:

- ☐ The undersigned understands that interest will accrue at the rate of 10% per annum, in accordance with the Collection and Lien Enforcement Policy of the Mutual, until the delinquency is paid in full. In addition, the undersigned shall pay an administrative fee of \$25.00 for every month this agreement is in effect. If this agreement is breached and the Board of Directors for the Mutual allows re-instatement, Owner will be responsible for payment of all attorneys' fees, costs, interest, late fees and assessments incurred as a result of said breach before this agreement will be deemed "paid in full."
- ☐ The undersigned understands that the Mutual will pursue all available legal means to collect the sums due on the manor including the recording of a lien for an additional cost of a minimum of \$625 if the terms of this agreement are breached. If any one payment is not received by the deadline stated, the Mutual shall, without any further notice to undersigned, have the power and authority to pursue any and all collection remedies against undersigned and/or undersigned's property, including but not limited to non-judicial foreclosure, judicial foreclosure, any remedies available, and a lawsuit for purposes of securing a money judgment. Undersigned waives any and all claims against the Mutual and its agents and attorneys, and undersigned waives any and all defenses available related to or arising out of this matter, the amounts owed under this agreement, and any other obligation stated herein.
- ☐ The undersigned understands that he or she has the right to meet with the Board of Directors of the Mutual to discuss a reasonable alternative payment plan option (see the fourth option above), according to the payment plan standards adopted by the Board of Directors of the Mutual.

Member Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Mutual Officer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Return signed form by mail to:**  
Assessment Payment Representative  
PO Box 2220  
Laguna Woods, CA 92654-2220

**Or deliver in person to:**  
Assessment Payment Representative  
24351 El Toro Road  
Laguna Woods, CA 92637  
Phone: (949) 597-4221 Fax: (949) 472-4154



## DELINQUENT ASSESSMENT – PAYMENT PLAN AGREEMENT

Manor Number: \_\_\_\_\_ Assessment Delinquency: \_\_\_\_\_

Member SS#: \_\_\_\_\_ DL# \_\_\_\_\_

The undersigned hereby acknowledges the assessment delinquency shown above. He or she acknowledges the rights of Third Laguna Hills Mutual (the Mutual) to collect such assessments, together with accrued late charges, interest and collection costs, in accordance with the laws of the State of California and the governing documents of the Mutual. The following reflects the standards that have been adopted by the Board of Directors. Refer to the Payment Plan Standards For Delinquent Assessment Payments document for more details. The undersigned agrees to repay the delinquency debt according to the following plan,

### Check One:

- ☐ **INSTALLMENTS:** The delinquent balance will be paid off in its entirety within \_\_\_\_\_ months. To achieve this, extra monthly payments will be made in the amount of \$ \_\_\_\_\_. **These payments will be in addition to the regular monthly assessment.** Extra payments will commence on \_\_\_\_\_ and be made on or before the first of each successive month until the delinquency and accrued late charges are paid in full. With this standard payment option, the undersigned is also required to submit a completed financial statement form (enclosed) as well as a copy of pages one and two of the two most recent federal tax returns.
- ☐ **LUMP SUM:** Payment in full of the delinquent amount will be made in a lump sum on or before \_\_\_\_\_. **This payment will be in addition to the regular monthly assessment.**
- ☐ **ESCROW:** The undersigned states that the manor is presently for sale, and will present a copy of the executed listing agreement in conjunction with this agreement. If the listing agreement expires before the manor is sold, a new executed listing agreement must be presented. The total term of the payment plan under this option cannot exceed 90 days. Payment in full of the delinquent amount will be made from the proceeds of sale of the manor, through escrow. Further, undersigned understands and agrees that accrued fees, charges and legal collection costs will be collected through escrow. This option allows a request for review by the Board of Directors for an extension.
- ☐ **OTHER:** Member's payment plan proposal that is in accordance with the standards for payment plans adopted by the Mutual: \_\_\_\_\_. **This will be in addition to the regular monthly assessment**

### Initial All:

- ☐ The undersigned understands that interest ~~will~~ may accrue ~~at the rate of 10% per annum~~, in accordance with the Collection and Lien Enforcement Policy of the Mutual, until the delinquency is paid in full. In addition, the undersigned shall pay an administrative fee of \$25.00 for every month this agreement is in effect. If this agreement is breached and the Board of Directors for the Mutual allows re-instatement, Owner will be responsible for payment of all attorneys' fees, costs, interest, late fees and assessments incurred as a result of said breach before this agreement will be deemed "paid in full."
- ☐ The undersigned understands that the Mutual will ~~reserves the right to~~ pursue all available legal means to collect the sums due on the manor including the recording of a lien for an additional cost of a minimum of \$625 if the terms of this agreement are breached. If any one payment is not received by the deadline stated, the Mutual shall, without any further notice to undersigned, have the power and authority to pursue any and all collection remedies against undersigned and/or undersigned's property, including but not limited to non-judicial foreclosure, judicial foreclosure, any remedies available, and a lawsuit for purposes of securing a money judgment. Undersigned waives any and all claims against the Mutual and its agents and attorneys, and undersigned waives any and all defenses available related to or arising out of this matter, the amounts owed under this agreement, and any other obligation stated herein.
- ☐ The undersigned understands that he or she has the right to meet with the Board of Directors of the Mutual to discuss a reasonable alternative payment plan option (see the fourth option above), according to the payment plan standards adopted by the Board of Directors of the Mutual.

Member Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Mutual Officer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

#### Return signed form by mail to:

Manor Assessment Payment Representative  
PO Box 2220  
Laguna Woods, CA 92654-2220

#### Or deliver in person to:

Manor Assessment Payment Representative  
24351 El Toro Road  
Laguna Woods, CA 92637  
Phone: (949) 597-4221 Fax: (949) 472-4154



**EXHIBIT "A"**

**THIRD LAGUNA HILLS MUTUAL**  
**A California Non-Profit Mutual Benefit Corporation**  
(the "Mutual")

**ASSESSMENT/CHARGES GUARANTOR OBLIGATION FORM**

**A. The Parties**

Owner(s): \_\_\_\_\_ (collectively, the "Owner")  
Property Address: \_\_\_\_\_ (the "Property")  
Guarantor: \_\_\_\_\_ ("Guarantor")

**B. Guarantee Payment.** Guarantor hereby guarantees unconditionally to the Mutual and the Mutual's agents as follows:

1. Guarantor guarantees unconditionally to promptly pay for all HOA assessments, regular or special, compliance assessments, reimbursable assessments, chargeable services etc., late charges, interest, costs, trustee fees, attorney fees, or any other amount charged by the Mutual to the HOA assessment account for the Property, including fines, after a noticed hearing before the Board, reimbursement assessments, special assessments, chargeable services etc. (collectively, the "Charges".)

2. Guarantor guarantees unconditionally to be jointly and severally responsible for/liable for all Charges related and charged to the Owner's assessment account.

**C. Waiver of Right to Demand Enforcement.** Because the Guarantor is jointly and severally liable for the Charges, Guarantor guarantees unconditionally to waive any right to require the Mutual or the Mutual's agents to proceed against the Owner for any default occurring under the Governing Documents before seeking to enforce this Assessment/Charges Guarantor Obligation Form.

**D. Broad Interpretation.** This Assessment/Charges Guarantor Obligation Form shall be construed as a general, absolute, and unconditional Guaranty of payment and shall continue in perpetuity and said guarantees shall apply to all amounts charged by the Mutual to the Owner's account during the time which the Owner is a title/record owner of the Property. If any of the provisions of this Assessment/Charges Guarantor Obligation Form shall be determined to be invalid or unenforceable under applicable law, such provision shall, insofar as possible, be construed or applied in such manner as will permit enforcement.

**E. Enforcement.**

1. The Mutual may enforce this Assessment/Charges Guarantor Obligation Form without being obligated to resort first to any security or any other remedy against the Owner, and Guarantor



hereby waives any notice of default and/or any right to cure same and there shall be no presentment or dishonor hereunder.

2. This Assessment/Charges Guarantor Obligation Form is general and shall inure to, and may be relied upon and enforced by, any successor or assign of the Mutual.

3. This Assessment/Charges Guarantor Obligation Form shall be governed by the laws of the State of California and the parties specifically agree that any legal action brought under this Assessment/Charges Guarantor Obligation Form or any underlying lease shall be brought only in Orange County, California, which Court is agreed to have jurisdiction over the parties.

4. The Parties waive the right to a jury trial in any such legal action.

5. If the Guarantor breaches this Assessment/Charges Guarantor Obligation Form, the Mutual shall be entitled to a full award of attorney fees, costs and expenses relative to any enforcement efforts taken, including any litigation pursued to enforce this Assessment/Charges Guarantor Obligation Form. Guarantor agrees to pay the Mutual's actual attorney fees, costs, and expenses in the enforcement of the Governing Documents and this Assessment/Charges Guarantor Obligation Form, whether before the lawsuit/proceeding is filed, after the lawsuit/proceeding is filed, or in any and all trial and appellate tribunals, whether suit be brought or not, if, after default, counsel shall be employed by the Mutual.

6. All amounts due to the Mutual hereunder shall bear interest at the highest rate allowed by law from the date of default.

**F. Modification.** Alteration, Modification or Revocation of this Assessment/Charges Guarantor Obligation Form is not permitted unless otherwise agreed to and signed by the Parties in writing.

**G. No Strict Performance Required.** Failure of the Mutual to insist upon strict performance or observance of any of the terms of the Governing Documents or to exercise any right held by the Mutual will not diminish the enforceability of this Assessment/Charges Guarantor Obligation Form. Guarantor agrees that the foregoing obligations shall in no way be terminated, affected, or impaired by reason of any action which the Mutual may take, or fail to take against the Owner, or by reason of any waiver of, or failure to enforce, any of the rights or remedies to the Mutual in the Governing Documents and all amendments thereto.

**H. Binding on Successors.** The obligations of Guarantor shall be binding upon Guarantor and his/her/their successors and assigns.

**I. Effective Immediately Upon Signature.** Guarantor fully understands this Assessment/Charges Guarantor Obligation Form is neither a reference, credit check, nor application, that the Mutual has relied on Guarantor's representations and warranties contained herein and it is fully effective upon Guarantor's signature.



IN WITNESS WHEREOF, this Assessment/Charges Guarantor Obligation Form is executed this \_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-Mail: \_\_\_\_\_





**OPEN MEETING**

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

Thursday, July 26, 2018  
Laguna Woods Village Community Center  
**Sycamore Room • 12:00 p.m.**

The Special Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Thursday, July 26, 2018, at 12:00 noon, at 24351 El Toro Road, Laguna Woods, California in the Sycamore Room

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Directors Present: Rosemarie diLorenzo, Bill Walsh, Steve Parsons, James Tung, Burt Baum, Roy Bruninghaus, John Frankel, Cush Bhada, Jack Connelly, Bunny Carpenter and Jules Zalon (arrived late)

Directors Absent: None

Staff Present: Brad Hudson, Siobhan Foster, Kurt Wiemann, Francis Rangel and Cheryl Silva

**1. Call Meeting to Order – Rosemarie diLorenzo, President**

Rosemarie diLorenzo called the meeting to order at 12:01 p.m. and established that a quorum was present.

**2. Approval of the Agenda**

Director Bhada made a motion, seconded by Director Walsh to approve the agenda.

Director Walsh made a motion to amend the open agenda to add Common Area Use Policy as agenda item (6). Director Parsons made a motion to amend the open agenda to add federal tariffs and the financial impact on the budget to the closed agenda.

Director Tung made a motion, seconded by Director Carpenter, to approve the amended agenda. The motion passed by unanimous consent.

3. Members Comments

Member of (2370-3A) spoke against having to remove his washer and dryer when he sells his unit. He bought the unit with these appliances already installed. Member of (3232-C) spoke regarding landscaping issues. The Board asked her to make a request with Resident Services so it can be placed on the next Third Landscape Committee agenda.

4. Consent Calendar

Director Walsh made a motion to accept staff recommendation for the items on the Consent Calendar. Director Tung made a comment regarding the denial of item 4(b). Director Carpenter seconded the motion and the motion passed by unanimous consent.

- (a) 3191-B (El Doble, PL804R\_Z, 46R) Approve Installation of Enclosure Under Existing Covered Patio

**RESOLUTION 03-18-116**  
**Variance Request**

**WHEREAS**, Ms. Eriko Kusumoto of 3191-B Via Buena Vista, an El Doble style manor, is requesting Board approval of a variance to install an enclosure on the front covered patio; and,

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected Units on July 16, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on July 23, 2018.

**NOW THEREFORE BE IT RESOLVED**, on July 26, 2018, the Board of Directors hereby approves the request to install an enclosure on the front covered patio and that the proposed alteration is constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member Owner at 3191-B and all future Mutual members at 3191-B;

**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.

- (b) 3197-B (El Doble, PL703R-C) Deny Request to Install Pavers on Common Area

**RESOLUTION 03-18-117**  
**Variance Request**

**WHEREAS**, Mr. and Mrs. Dennis Nicholson of 3197-B Via Buena Vista, an El Doble style manor, is requesting Board approval of a variance to install pavers in the courtyard and to enclose the area with a fence; and,

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected Units on July 16, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on July 23, 2018.

**NOW THEREFORE BE IT RESOLVED**, on July 26, 2018, the Board of Directors hereby denies the request to install pavers on common area in the courtyard and the request to enclose the common area adjacent to the entrance of the manor with a fence;

**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.

- (c) 3284-C (La Reina, SB104C, 4R) Approve Retention of Stacked Stone Veneer Coverings in Atrium, Entry and Garage

**RESOLUTION 03-18-118**  
**Variance Request**

**WHEREAS**, Mr. Daniel Gilbert of 3284-C San Amadeo, a La Reina style manor, is requesting Board approval of a variance to retain the stacked stone veneer on the walls of the atrium, entry, and garage; and,

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected Units on July 16, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on July 23, 2018.

**NOW THEREFORE BE IT RESOLVED**, on July 26, 2018, the Board of Directors hereby approves the request to retain the stacked stone veneer stacked stone veneer on the walls of the atrium, entry, and garage;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member Owner at 3284-C and all future Mutual members at 3284-C;

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

- (d) 5086 (Villa Reposa, C11RA\_1) Approve Room Expansion, Construct New Pitched Roof and New Entry Door

**RESOLUTION 03-18-119**  
**Variance Request**

**WHEREAS**, Mr. Chin-Hou Wang of 5086 Ovalo, a Villa Reposa style manor, is requesting Board approval of a variance to expand the kitchen and dining room onto the existing side patio, construct a new pitched roof, and install a new entry door; and,

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected Units on July 16, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on July 23, 2018.

**NOW THEREFORE BE IT RESOLVED**, on July 26, 2018, the Board of Directors hereby approves the request to expand the kitchen and dining room onto the existing side patio, construct a new pitched roof, and install a new entry door and that the proposed alteration is constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member Owner at 5086 and all future Mutual members at 5086;

**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.

- (e) 5422 (San Marco, C12C\_2) Approve Raise Living Room Ceiling above Existing Structural Members

**RESOLUTION 03-18-120**  
**Variance Request**

**WHEREAS**, Ms. Jennifer Hwang of 5422 Calle Carmenita , a San Marco style manor, is requesting Board approval of a variance to raise the living room ceiling above the existing structural members; and,

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected Units on July 16, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on July 23, 2018.

**NOW THEREFORE BE IT RESOLVED**, on July 26, 2018, the Board of Directors hereby approves the request to raise the living room ceiling above the existing structural members and that the proposed alteration is constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member Owner at 5422 and all future Mutual members at 5422;

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

- (f) 5583-A (Casa Lorenzo, 12R\_13) Approve Conversion of Laundry Room to Bathroom, Patio Wall Revision, Add Windscreen, and Install Hot Tub. Deny Patio Wall Revision and Gates Addition

**RESOLUTION 03-18-121**  
**Variance Request**

**WHEREAS**, Ms. Linda De Villers of 5583-A Via Dicha, a Casa Lorenzo style manor, is requesting Board approval of a variance to convert laundry room to bathroom, a rear patio wall revision with gates, adding a windscreen, and a hot tub; and,

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected Units on July 16, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in

person at the Architectural Controls and Standards Committee Meeting on July 23, 2018.

**NOW THEREFORE BE IT RESOLVED**, on July 26, 2018, the Board of Directors hereby approves the request to convert laundry room to bathroom, adding a windscreen and a hot tub, and that the proposed alterations are constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

**RESOLVED FURTHER**, that the request for a rear patio wall revision and adding gates was denied due to conflicts with the Common Area Use Policy;

**RESOLVED FURTHER**, all costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member Owner at 5583-A and all future Mutual members at 5583-A;

**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.

#### 5. Statuary Items Residing on Common Area

Director Baum gave a summary of the Compliance Case against putting statues in common area.

Director Walsh made a motion, seconded by Director Bhada, to open the topic up for discussion.

Director Frankel made a motion to accept staff recommendation to deny Building 3280's request to store statues in the common area. The motion was seconded by Director Bruninghaus.

Discussion ensued among the Directors.

Francis Rangel, Compliance Manager, gave the Board the background regarding this request and stated the current Compliance Rules regarding statues.

Member of (3280-O) spoke in favor of allowing statues in the Breezeways at the building because they are considered works-of-art done by one of the neighbors.

President diLorenzo called for the vote and the motion passed 6-4-0 (Directors Baum, Bhada, Carpenter, Zalon opposed)

This item as added to the agenda.

6. Review the Revised Common Area Policy

Discussion ensued among the Directors regarding the revised Common Area Use Policy.

Director diLorenzo made a motion, seconded by Director Parsons, to postpone the vote of the Revised Common Area Use Policy to the next regular open meeting in August 21<sup>st</sup>. The motion passed by unanimous consent.

7. Recess to Closed Session

8. Closed Session to Discuss Legal and Contractual Issues

9. Adjournment

The meeting was adjourned at 1:53 p.m.



Burt Baum, Secretary of the Board  
Third Laguna Hills Mutual

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### **RESOLUTION 03-18-XX**

#### **Tree Removal Approval (2) Tree Removal Denial (1) and Approval of Off-schedule trimming/crown reduction (1)**

**WHEREAS**, September 20, 2011, that the Board of Directors adopted Resolution 03-11-149 tree removal guidelines:

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

**WHEREAS**, on August 2, 2018, the Landscape Committee recommended to:

- Approve the request to remove one diseased Evergreen Pear tree located at 4007-2G Calle Sonora and;
- Deny the request to remove one Weeping Fig tree located at 3138-C Via Vista and in an effort to preserve the tree and protect private property, direct staff to root prune and install 18" deep root barriers around the perimeter of the patio within 60 days, and;
- Approve the off-schedule trimming and crown reduction of one Indian Laurel Fig tree that has become too large for the location and is adversely affecting the surrounding manors at 3166-B Alta Vista and;
- Approve the removal of one Carrotwood tree due to the presence of wood decay and the visible damage to the adjacent concrete sidewalk and driveway; located at 5567-A Via Portora.

**NOW THEREFORE BE IT RESOLVED**, August 21, 2018, the Board of Directors approved the request to remove one tree at 4007-2G and one tree located at 5567-A; denied the request to remove one tree located at 3138-C; and approved the off-schedule trimming of one tree located at 3166-B.

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

## **RESOLUTION 03-18-XX**

### **Recording of a Lien**

**WHEREAS**, Member ID 934-902-59; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, August 21, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 934-902-59 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 03-18-XX**

### **Recording of a Lien**

**WHEREAS**, Member ID 932-310-38; 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**, August 21, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-310-38 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.

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## STAFF REPORT

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**DATE:** August 21, 2018  
**FOR:** Board of Directors  
**SUBJECT:** Delinquent Assessment – Payment Plan Agreement

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### **RECOMMENDATION**

Staff and the Finance Committee recommend the Board approve revisions to the Delinquent Assessment - Payment Plan Agreement form, initiating a monthly charge for interest at the rate of 10% per annum, and introducing an administrative fee of \$25 per month.

### **BACKGROUND**

As indicated in the Third Mutual Collection and Lien Enforcement Policy, any Member who is unable to timely pay regular assessments is entitled to make a written request for a payment plan to the Board. The Board considers payment plan requests on a case-by-case basis, and is under no obligation to grant requests.

A Delinquent Assessment – Payment Plan form is used to create an agreement between the delinquent Member and the Mutual. The form includes several payment options and conditions for repayment. Once completed by the Member, the form is submitted for review by the Finance Committee with a Staff recommendation for approval, denial, or modification.

The Finance Committee requested legal review of this form to provide stronger collection language if terms of the agreement are breached and to recover costs associated with accepting payments over time.

### **DISCUSSION**

On July 3, 2018 the Third Finance Committee reviewed the existing Payment Plan Agreement Form including changes submitted by legal counsel, with stronger collection language added to help reinforce collection activity that will occur if a member breaches the agreed-to payment plan for delinquent assessments. The form also incorporates a new interest rate of 10% per annum and a new administrative fee of \$25 for every month the agreement is in effect.

### **FINANCIAL ANALYSIS**

The stronger terms of the payment plan agreement are likely to result in additional compliance and repayment of delinquent assessments.

**Prepared By:** Betty Parker, Chief Financial Officer

**Reviewed By:** Steve Hormuth, Controller

**ATTACHMENT(S)**

ATT1 – Delinquent Assessment – Payment Plan Agreement

ATT2 – Resolution



## DELINQUENT ASSESSMENT – PAYMENT PLAN AGREEMENT

Manor Number: \_\_\_\_\_ Assessment Delinquency: \_\_\_\_\_

Member Name: \_\_\_\_\_ Member SS#: \_\_\_\_\_ DL# \_\_\_\_\_

The undersigned hereby acknowledges the assessment delinquency shown above. He or she acknowledges the rights of Third Laguna Hills Mutual (the Mutual) to collect such assessments, together with accrued late charges, interest and collection costs, in accordance with the laws of the State of California and the governing documents of the Mutual. The following reflects the standards that have been adopted by the Board of Directors. Refer to the Payment Plan Standards For Delinquent Assessment Payments document for more details. The undersigned agrees to repay the delinquency debt according to the following plan,

### Check One:

- ☐ **INSTALLMENTS:** The delinquent balance will be paid off in its entirety within \_\_\_\_\_ months. To achieve this, extra monthly payments will be made in the amount of \$ \_\_\_\_\_. **These payments will be in addition to the regular monthly assessment.** Extra payments will commence on \_\_\_\_\_ and be made on or before the first of each successive month until the delinquency and accrued late charges are paid in full. With this standard payment option, the undersigned is also required to submit a completed financial statement form (enclosed) as well as a copy of pages one and two of the two most recent federal tax returns.
- ☐ **LUMP SUM:** Payment in full of the delinquent amount will be made in a lump sum on or before \_\_\_\_\_. **This payment will be in addition to the regular monthly assessment.**
- ☐ **ESCROW:** The undersigned states that the manor is presently for sale, and will present a copy of the executed listing agreement in conjunction with this agreement. If the listing agreement expires before the manor is sold, a new executed listing agreement must be presented. The total term of the payment plan under this option cannot exceed 90 days. Payment in full of the delinquent amount will be made from the proceeds of sale of the manor, through escrow. Further, undersigned understands and agrees that accrued fees, charges and legal collection costs will be collected through escrow. This option allows a request for review by the Board of Directors for an extension.
- ☐ **OTHER:** Member's payment plan proposal that is in accordance with the standards for payment plans adopted by the Mutual: \_\_\_\_\_. **This will be in addition to the regular monthly assessment**

### Initial All:

- ☐ The undersigned understands that interest will accrue at the rate of 10% per annum, in accordance with the Collection and Lien Enforcement Policy of the Mutual, until the delinquency is paid in full. In addition, the undersigned shall pay an administrative fee of \$25.00 for every month this agreement is in effect. If this agreement is breached and the Board of Directors for the Mutual allows re-instatement, Owner will be responsible for payment of all attorneys' fees, costs, interest, late fees and assessments incurred as a result of said breach before this agreement will be deemed "paid in full."
- ☐ The undersigned understands that the Mutual will pursue all available legal means to collect the sums due on the manor including the recording of a lien for an additional cost of a minimum of \$625 if the terms of this agreement are breached. If any one payment is not received by the deadline stated, the Mutual shall, without any further notice to undersigned, have the power and authority to pursue any and all collection remedies against undersigned and/or undersigned's property, including but not limited to non-judicial foreclosure, judicial foreclosure, any remedies available, and a lawsuit for purposes of securing a money judgment. Undersigned waives any and all claims against the Mutual and its agents and attorneys, and undersigned waives any and all defenses available related to or arising out of this matter, the amounts owed under this agreement, and any other obligation stated herein.
- ☐ The undersigned understands that he or she has the right to meet with the Board of Directors of the Mutual to discuss a reasonable alternative payment plan option (see the fourth option above), according to the payment plan standards adopted by the Board of Directors of the Mutual.

Member Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mutual Officer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Return signed form by mail to:

Assessment Payment Representative  
PO Box 2220  
Laguna Woods, CA 92654-2220

### Or deliver in person to:

Assessment Payment Representative  
24351 El Toro Road  
Laguna Woods, CA 92637  
Phone: (949) 597-4221 Fax: (949) 472-4154

Agenda Item # 12a

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**Resolution 03-18-XX**  
**Delinquent Assessment Payment Plan Agreement**

**WHEREAS**, any Member who is unable to timely pay regular assessments is entitled to make a written request for a payment plan to the Board;

**WHEREAS**, each request for a payment plan is approved or denied on a case-by-case basis after review by the Finance Committee;

**WHEREAS**, a Delinquent Assessment – Payment Plan form, which includes several payment options and conditions, is used to create an agreement between the delinquent Member and the Mutual;

**WHEREAS**, the Third Finance Committee recommends a revised Payment Plan Agreement Form with changes submitted by legal counsel to help reinforce collection activity that will occur if a member breaches the agreed-to payment plan for delinquent assessments; and

**WHEREAS**, the Finance Committee recommends recovering costs associated with accepting payments over time including the initiation of interest charges and an administrative fee for every month the agreement is in effect;

**NOW THEREFORE BE IT RESOLVED**, on August 21, 2018, the Board of Directors of this Corporation hereby adopts revisions to the Delinquent Assessment - Payment Plan Agreement form, as attached to this Corporate record, initiating a monthly charge for interest at the rate of 10% per annum, and introducing a new payment plan administrative fee of \$25 per month; 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.

**July Initial Notification**

**30-day notification to comply with Civil Code §4360 has been satisfied.**

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## **STAFF REPORT**

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**DATE:** August 21, 2018  
**FOR:** Board of Directors  
**SUBJECT:** Revisions to Village Energy Taskforce Charter

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### **RECOMMENDATION**

Approve the proposed revisions to the Village Energy Task Force Charter (Attachment 1).

### **BACKGROUND**

All three Corporations have recently entered into an Energy Consultant contract with The Energy Coalition in order to pursue an overall energy strategy for the community in light of rising energy costs, increased energy consumption, and rapidly changing technology, and a desire to obtain professional guidance to develop programs and projects to implement this strategy.

### **DISCUSSION**

Representatives from the three corporations met on July 5, 2018 and created a charter and mission statement for a joint energy taskforce, where energy efficiency measures could be developed.

At the August 1, 2018 Village Energy Task Force (VETF) meeting, certain wording changes proposed by the legal counsel for United Mutual were discussed.

By consensus, VETF voted to recommend the Board review and approve the proposed changes to the Charter so that each Corporation approved the same language.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Laurie Chavarria, Executive Assistant

**Reviewed By:** Ernesto Munoz, P.E., Maintenance and Construction Director

### **ATTACHMENT(S)**

Attachment 1 – Proposed Charter

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## Attachment 1 – Proposed Charter

### Village Energy Task Force Charter and Mission

In July 2018, the Boards of Directors of the Third Laguna Hills Mutual, United Laguna Woods Mutual and the Golden Rain Foundation hereby assigns the duties and responsibilities of this Task Force, as follows:

***The Village Energy Task Force will consist of two directors each from Third Mutual, United Mutual and the Golden Rain Foundation. Member Advisors as approved by the Task Force will be voting members.***

***The mission of the Village Energy Task Force is to identify and recommend to all Boards, investments in energy technologies that will address the ~~safety~~, economic, environmental and aesthetic issues of Third and United Mutual and GRF (the Corporations) with the common goal to enhance the wellbeing of ~~Laguna Woods Village~~ their respective residents.***

1. Recommend to the respective Committees and Boards, for their approval, all actions that will result in energy savings for residents and an improved environment for the Community.
2. Review energy statements and other reports affecting the Corporations' energy usage and recommend actions.
3. Work closely with Staff and review all devices or systems that either generate, control or consume energy within the Corporations. Identify alternatives that would be beneficial, taking into consideration factors such as efficiency, reliability, sustainability, installation, cost, return on investment, carbon foot print, human factors, and operability. Propose priorities of actions.
4. Seek out energy incentive programs applicable to the Corporations.
5. Work with the respective Communications Committees to make residents aware of Task Force actions as well as actions they can take to reduce their own energy costs and improve the environment.
6. In conjunction with Staff, make progress reports to the respective corporate M&C Committees on investigation results, resident actions and comments, as well as M & C Committee-approved projects.
7. To improve familiarity with technology and products, the Task Force should arrange seminars and invite speakers from vendors, universities, trade groups or consultants.
8. Suggest actions the Boards can take with respect to the California Public Utility Commission or the California legislature regarding proposed tariff charges or energy related bills affecting the Corporations.
9. Meet and Confer with the City of Laguna Woods on energy saving initiatives offered to municipalities by the State of California through Investor Owned Utilities (IOU) such as Southern California Edison.
10. The Chair and Vice Chair of the Task Force will be elected by members of the Task Force.

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## STAFF REPORT

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**DATE:** August 21, 2018  
**FOR:** Board of Directors  
**SUBJECT:** Guidelines for Financial Qualifications

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### **RECOMMENDATION**

Entertain a motion to approve the proposed Guidelines for Financial Qualifications.

### **BACKGROUND**

Third Laguna Hills Mutual, acting through its Board of Directors, previously adopted operating rules concerning financial qualifications pursuant to the following Board resolutions:

1. Administrative Guidelines for Financial Qualification (Res. No. 03-05-17);
2. Financial Guarantor (Res. No. M3-91-38); and
3. Financial Qualifications Policy (Res. No. 03-16-95).

The forgoing operating rules are collectively referred to as the Financial Resolutions.

### **DISCUSSION**

The proposed Guidelines for Financial Qualifications are consistent with the Financial Resolutions except with regard to Guarantor arrangements. The proposed Guidelines are prepared in this manner because the financial qualifications and Guarantor provisions are interdependent and the intent is for these provisions to be stated in one document for ease of reference.

Section IV of the proposed Guidelines for Financial Qualifications contains the aforementioned Guarantor arrangements, including specific requirements and the conditions under which the Board may withhold its approval of any Guarantor.

It is in the Mutual's best interests to protect and preserve its financial integrity, ensure consistency among the provisions of its governing documents, including without limitation, the Financial Resolutions, and promote the uniform application of the provisions of said governing documents.

On July 17, 2018, the Board reviewed the proposed resolution and requested that the order of Subsections 1 and 2 in Section B (Guarantee Payment) of Exhibit "A" to the Resolution be reversed and a section for a notary be added to Exhibit "A" to the Resolution. By consensus, the Board introduced the resolution for 30-day review.

Subsequently, legal counsel corrected a Scrivener's error in Section V of the Resolution.

Attachment 1 to this report is the redlined version of Resolution 03-18-XX Guidelines for Financial Qualifications as introduced at the July 17, 2018 Board Meeting and corrected for the aforementioned Scrivener's error. Attachment 2 contains the final version of the resolution.

**FINANCIAL ANALYSIS**

None.

**Prepared By:** Siobhan Foster, COO

**Reviewed By:** Brad Hudson, CEO

**ATTACHMENTS**

ATT-1: Redlined Resolution 03-18-XX Guidelines for Financial Qualifications Introduced at July 17, 2018 Board Meeting

ATT-2: Resolution 03-18-XX Guidelines for Financial Qualifications





**RESOLUTION 03-18-XX**  
**Guidelines For Financial Qualifications**

**WHEREAS**, Third Laguna Hills Mutual (“Mutual”), acting through its Board of Directors (“Board”), previously adopted operating rules concerning financial qualifications pursuant to the following Board resolutions:

1. Administrative Guidelines for Financial Qualification (Res. No. 03-05-17);
2. Financial Guarantor (Res. No. M3-91-38); and
3. Financial Qualifications Policy (Res. No. 03-16-95).

**WHEREAS**, the forgoing operating rules are collectively referred to herein as the “Financial Resolutions”.

**WHEREAS**, it is in the Mutual’s best interests to protect and preserve its financial integrity, ensure consistency among the provisions of its governing documents (including without limitation, the Financial Resolutions), and promote the uniform application of the provisions of said governing documents.

**NOW, THEREFORE BE IT RESOLVED**, on August 21, 2018, that the Board hereby adopts, and the Financial Resolutions are hereby superseded by, the Guidelines for Financial Qualifications set forth below.

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**GUIDELINES FOR FINANCIAL QUALIFICATIONS**

The governing documents of Third Laguna Hills Mutual (“Mutual”) require each person seeking to acquire an ownership interest in a unit (“Applicant”) to obtain the prior written approval of the Mutual’s Board of Directors (“Board”) before doing so. As a condition to obtaining such approval, each Applicant must provide to the Board documentation that conclusively establishes that Applicant satisfies certain financial requirements as set forth in the Mutual’s governing documents (“Application”). For the purposes of determining whether an Application will be approved or denied, the Board has adopted these Guidelines for Financial Qualifications (“Guidelines”), which shall remain in effect until such time as these Guidelines may be changed, modified, or amended by a duly adopted Board resolution.

**I. General Application Requirements.**

- a. As a condition of approval, each Applicant must submit to the Mutual an Application with **all** of the following documentation provided in a form satisfactory to the Board:
  1. A federal income tax return for the most recent year that is signed, dated, and includes Schedules A, B and E, as applicable, as well as any other financial verification documents requested by the Board. By way of example, but without limitation, other verification documents may be required if any Applicant derives income from a business owned by the Applicant (personally or through a legal entity), in which case the applicable business tax schedule and profit and loss statement may also be required.

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2. Net worth verification pursuant to Section II of these Guidelines.
  3. Income verification pursuant to Section III of these Guidelines.
  4. A completed Financial Statement and Credit Information form.
  5. Verification of the Applicant's identity, which must be a natural person, or a designated individual acting on behalf of a corporation, LLC or Trust.
  6. If the Applicant desires to have a Guarantor to enable the Applicant to Qualify to purchase a unit (as defined below), all documents required pursuant to Section IV of these Guidelines shall also apply to the Guarantor.
  7. If the Applicant desires to purchase more than one (1) unit or already owns at least one (1) unit at the Mutual, all documents required pursuant to Section IV of these Guidelines shall be required for each unit application.
- b. The Board may deny any Application that does not include **all** of the documentation required herein, in a form consistent with these Guidelines and satisfactory to the Board, except as otherwise required by law.
  - c. Any Application (including, without limitation, any document submitted in connection with said Application) that contains false or misleading information will be denied. If an Application was approved and it is later determined that such Application contained false or misleading information and if escrow had not closed by the time such discovery was made the Board may immediately withdraw its approval without the Mutual suffering any liability whatsoever. If escrow, as referenced immediately above, has already closed when the discovery of the false and misleading documentation is discovered, the Applicant will be deemed an owner, not in good standing and will, after a noticed hearing before the Board, be denied the owner's amenity rights applicable, unless suspended, by an owner in the Mutual.
  - d. Notwithstanding anything to the contrary contained herein, if more than one (1) Applicant will acquire an ownership interest or reside in any single unit, such Applicants' income and net worth may, in the Board's sole reasonable discretion, be calculated collectively.

## II. Net Worth Requirements.

- a. As a condition of approval, each Applicant shall submit satisfactory verification of net worth that is greater than or equal to the *sum* of the purchase price of the unit *plus* one hundred twenty-five thousand dollars (\$125,000) in acceptable assets.
- b. When computing net worth for the purposes of this Section, acceptable assets shall be limited to those assets that are considered, in the Board's sole discretion, to be liquid,

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marketable or income producing. Examples of acceptable assets include, without limitation, the following:

1. Equity in residential and income real estate.
  2. Savings accounts in banks and credit unions.
  3. Cash value life insurance.
  4. Certificates of deposit and money market accounts.
  4. IRA, SEP, 401(k), Profit Sharing and Keogh accounts.
  5. Federal, state, or municipal government bonds.
  6. U.S. traded investments (e.g., NYSE, Amex, OTC, Nasdaq, etc.) valued at current market prices.
  7. Mortgages and promissory notes; provided that the interest in such mortgages or promissory notes is reported on the Applicant's tax return.
- c. When computing net worth for the purposes of this Section, acceptable assets will **not** include, without limitation, the following:
1. Equity in mobile homes, recreational vehicles, boats, trailers, airplanes, automobiles, or other vehicles of any kind.
  2. Vacant or undeveloped real estate.
  3. Artwork, jewelry, or other collectibles (e.g., coins, dolls, stamps, etc.).
  4. Term life insurance.
  5. Annuity funds that cannot be withdrawn in lump sum.
  6. Anticipated bequests, devises or inheritances.
  7. Mortgages and promissory notes where the interest in such mortgages or promissory notes is **not** reported on the Applicant's tax return.

### III. **Income Requirements.**

- a. As a condition of approval, each Applicant shall submit satisfactory verification of annual income that is greater than or equal to the *sum* of the total of the unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year.

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- b. Traditional retirement account assets (e.g., 401K, ERISA, IRA, Profit Sharing, etc.) will be considered as a source of annual income in accordance with this subsection. For the purposes of the income verification requirement pursuant to subsection (a) above, the portion of an Applicant's traditional retirement account assets attributable to said Applicant's annual income shall be deemed to be the greater of the following:
  - 1. The mandatory annual distributions for the Applicant's retirement accounts; **or**
  - 2. The total amount of the Applicant's retirement accounts *multiplied* by eighty percent (80%), and then *dividing* this product by twenty-five (25) years, as follows:  
$$\text{Attributable Income} = (\text{Total Retirement Account Assets} \times 80\%) \div 25$$
- c. Examples of acceptable income verifications include, without limitation, the following:
  - 1. Federal tax returns from the most recent year.
  - 2. W-2 forms or paycheck stubs.
  - 3. Bank, credit union, or investment account statements.
  - 4. Letters from bankers with verifiable first-hand knowledge of the Applicant's finances.
  - 5. Notices of annuities and social security payments.
  - 6. Credit reports.
- d. Examples of **unacceptable** income verifications include, without limitation, the following:
  - 1. Letters from employers, accountants, enrolled agents, investment counselors, or attorneys.
  - 2. Any income not reported on federal income tax returns.

#### IV. **Guarantors.**

- a. In the event any Applicant is unable to satisfy the financial requirements set forth in the Mutual's governing documents (including, without limitation, these Guidelines), the Board may permit said Applicant to have a financial guarantor in accordance with this Section IV ("Guarantor").
- b. Each Applicant supported by a Guarantor shall submit proof that their primary residence is located in California, USA and satisfactory verification of a net worth of at least one

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hundred twenty-five thousand dollars (\$125,000) in acceptable assets, notwithstanding the requirements of Section II and Section III of these Guidelines.

- c. Each Guarantor shall enter into an agreement with the Mutual to become financially responsible, jointly and severally, for all expenses associated with the Applicant's ownership, residency and/or membership at the Mutual ("Assessment/Charges Guarantor Obligation Form"). A Assessment/Charges Guarantor Obligation Form is attached hereto as Exhibit "A" and incorporated in its entirety herein by this reference as if fully set forth in these Guidelines.
- d. Each Guarantor shall submit **all** of the following documentation in a form satisfactory to the Board:
  - 1. A fully executed and completed Assessment/Charges Guarantor Obligation Form.
  - 2. Proof that the Guarantor's primary residence is located in California, USA.
  - 3. Verification of net worth equal to the *sum* of the purchase price of the unit *plus* two hundred thousand dollars (\$200,000) in acceptable assets.
  - 4. Verification that the Guarantor's annual income is greater than or equal to the *sum* of the total of the unit's annual mortgage payment *plus* eighty-thousand dollars (\$80,000) per year.
  - 5. A credit report.
- e. The Board may withhold its approval of any Guarantor for, without limitation, any the following reasons:
  - 1. A Guarantor or Applicant fails to provide **all** of the documentation as required by subsection (d), above, in a form consistent with these Guidelines and satisfactory to the Board.
  - 2. A Guarantor is subject to a bankruptcy proceeding that is pending or has not been discharged.
  - 3. Any foreclosure or short sale of any property owned by the Guarantor.
  - 4. Any outstanding balances, collection accounts, or judgments owed by the Guarantor.
  - 5. A Guarantor's credit score is lower than 680.
  - 6. A Guarantor resides in a primary residence outside of the State of California.

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7. A Guarantor's bank is located outside of the State of California.
  8. A Guarantor already guarantees (1) one or more units within Laguna Woods Village.
  9. A Guarantor provides any false or misleading information to the Board.
  10. Any other reasonable grounds that call into question a Guarantor's financial ability or fitness to serve in this capacity on an Applicant's behalf.
- f. Each Guarantor's assurances shall only apply to the Applicant(s) and unit expressly identified on the Assessment/Charges Guarantor Obligation Form. No Guarantor's assurances may be transferred to any other Applicant or unit.

V. **Multiple Units.** As a condition of approval, any Applicant who desires to purchase more than one (1) unit or already owns at least one (1) unit at ~~Third Laguna Hills Mutual, Laguna Woods Mutual No. Fifty or United Laguna Woods Mutual~~ shall submit satisfactory verification of annual income and net worth requirements pursuant to this Section V.

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- a. **Net Worth Requirements.** The Applicant shall submit satisfactory verification of net worth that is greater than or equal to the *sum* of the purchase price for each unit *plus* one hundred twenty-five thousand dollars (\$125,000) in acceptable assets per unit, as follows:

Unit 1: purchase price for Unit 1 + \$125,000

Unit 2: purchase price for Unit 1 + \$125,000 +  
purchase price for Unit 2 + \$125,000

Unit 3: purchase price for Unit 1 + \$125,000 +  
purchase price for Unit 2 + \$125,000 +  
purchase price for Unit 3 + \$125,000

- b. **Income Requirements.** The Applicant shall submit satisfactory verification of annual income as follows:

1. Annual Income that is greater than or equal to the *sum* of the following: the total of the first unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year *plus* the total of the second unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year *plus* an additional twenty-two thousand five hundred dollars (\$22,500).
2. For each additional unit, the annual income requirement shall be calculated consistent with subsection (b)(1), above – that is, the additional unit's annual mortgage payment *plus* an additional twenty-two thousand five hundred dollars (\$22,500) over the previous annual income requirement, as follows:

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- Unit 1: annual mortgage payment + \$45,000
- Unit 2: annual mortgage payment on Unit 1 + \$45,000 +  
annual mortgage payment on Unit 2 + \$45,000 + \$22,500
- Unit 3: annual mortgage payment on Unit 1 + \$45,000 +  
annual mortgage payment on Unit 2 + \$45,000 + \$22,500 +  
annual mortgage payment on Unit 2 + \$45,000 + \$22,500 + \$22,500

July Initial Notification

30-Day notification to comply with Civil Code §4360 has been satisfied.

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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 approval of the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360¶

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**EXHIBIT "A"**

**THIRD LAGUNA HILLS MUTUAL**  
**A California Non-Profit Mutual Benefit Corporation**  
(the "Mutual")

**ASSESSMENT/CHARGES GUARANTOR OBLIGATION FORM**

**A. The Parties**

Owner(s): \_\_\_\_\_ (collectively, the "Owner")  
Property Address: \_\_\_\_\_ (the "Property")  
Guarantor: \_\_\_\_\_ ("Guarantor")

**B. Guarantee Payment.** Guarantor hereby guarantees unconditionally to the Mutual and the Mutual's agents as follows:

1. Guarantor guarantees unconditionally to be jointly and severally responsible for/liable for all Charges related and charged to the Owner's assessment account.

2. Guarantor guarantees unconditionally to promptly pay for all HOA assessments, regular or special, compliance assessments, reimbursable assessments, chargeable services etc., late charges, interest, costs, trustee fees, attorney fees, or any other amount charged by the Mutual to the HOA assessment account for the Property, including fines, after a noticed hearing before the Board, reimbursement assessments, special assessments, chargeable services etc. (collectively, the "Charges".)

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**C. Waiver of Right to Demand Enforcement.** Because the Guarantor is jointly and severally liable for the Charges, Guarantor guarantees unconditionally to waive any right to require the Mutual or the Mutual's agents to proceed against the Owner for any default occurring under the Governing Documents before seeking to enforce this Assessment/Charges Guarantor Obligation Form.

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Deleted: Guarantor guarantees unconditionally to be jointly and severally responsible for/liable for all Charges related and charged to the Owner's assessment account.

**D. Broad Interpretation.** This Assessment/Charges Guarantor Obligation Form shall be construed as a general, absolute, and unconditional Guaranty of payment and shall continue in perpetuity and said guarantees shall apply to all amounts charged by the Mutual to the Owner's account during the time which the Owner is a title/record owner of the Property. If any of the provisions of this Assessment/Charges Guarantor Obligation Form shall be determined to be invalid or unenforceable under applicable law, such provision shall, insofar as possible, be construed or applied in such manner as will permit enforcement.

**E. Enforcement.**

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1. The Mutual may enforce this Assessment/Charges Guarantor Obligation Form without being obligated to resort first to any security or any other remedy against the Owner, and Guarantor hereby waives any notice of default and/or any right to cure same and there shall be no presentment or dishonor hereunder.

2. This Assessment/Charges Guarantor Obligation Form is general and shall inure to, and may be relied upon and enforced by, any successor or assign of the Mutual.

3. This Assessment/Charges Guarantor Obligation Form shall be governed by the laws of the State of California and the parties specifically agree that any legal action brought under this Assessment/Charges Guarantor Obligation Form or any underlying lease shall be brought only in Orange County, California, which Court is agreed to have jurisdiction over the parties.

4. The Parties waive the right to a jury trial in any such legal action.

5. If the Guarantor breaches this Assessment/Charges Guarantor Obligation Form, the Mutual shall be entitled to a full award of attorney fees, costs and expenses relative to any enforcement efforts taken, including any litigation pursued to enforce this Assessment/Charges Guarantor Obligation Form. Guarantor agrees to pay the Mutual's actual attorney fees, costs, and expenses in the enforcement of the Governing Documents and this Assessment/Charges Guarantor Obligation Form, whether before the lawsuit/proceeding is filed, after the lawsuit/proceeding is filed, or in any and all trial and appellate tribunals, whether suit be brought or not, if, after default, counsel shall be employed by the Mutual.

6. All amounts due to the Mutual hereunder shall bear interest at the highest rate allowed by law from the date of default.

**F. Modification.** Alteration, Modification or Revocation of this Assessment/Charges Guarantor Obligation Form is not permitted unless otherwise agreed to and signed by the Parties in writing.

**G. No Strict Performance Required.** Failure of the Mutual to insist upon strict performance or observance of any of the terms of the Governing Documents or to exercise any right held by the Mutual will not diminish the enforceability of this Assessment/Charges Guarantor Obligation Form. Guarantor agrees that the foregoing obligations shall in no way be terminated, affected, or impaired by reason of any action which the Mutual may take, or fail to take against the Owner, or by reason of any waiver of, or failure to enforce, any of the rights or remedies to the Mutual in the Governing Documents and all amendments thereto.

**H. Binding on Successors.** The obligations of Guarantor shall be binding upon Guarantor and his/her/their successors and assigns.

**I. Effective Immediately Upon Signature.** Guarantor fully understands this Assessment/Charges Guarantor Obligation Form is neither a reference, credit check, nor application, that the Mutual has relied on Guarantor's representations and warranties contained herein and it is fully effective upon Guarantor's signature.

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IN WITNESS WHEREOF, this Assessment/Charges Guarantor Obligation Form is executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-Mail: \_\_\_\_\_

#### **ACKNOWLEDGMENT**

*A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.*

STATE OF CALIFORNIA \_\_\_\_\_ )  
\_\_\_\_\_) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public in and for the State of California, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

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**RESOLUTION 03-18-XX**  
**Guidelines For Financial Qualifications**

**WHEREAS**, Third Laguna Hills Mutual (“Mutual”), acting through its Board of Directors (“Board”), previously adopted operating rules concerning financial qualifications pursuant to the following Board resolutions:

1. Administrative Guidelines for Financial Qualification (Res. No. 03-05-17);
2. Financial Guarantor (Res. No. M3-91-38); and
3. Financial Qualifications Policy (Res. No. 03-16-95).

**WHEREAS**, the forgoing operating rules are collectively referred to herein as the “Financial Resolutions”.

**WHEREAS**, it is in the Mutual’s best interests to protect and preserve its financial integrity, ensure consistency among the provisions of its governing documents (including without limitation, the Financial Resolutions), and promote the uniform application of the provisions of said governing documents.

**NOW, THEREFORE BE IT RESOLVED**, on August 21, 2018, that the Board hereby adopts, and the Financial Resolutions are hereby superseded by, the Guidelines for Financial Qualifications set forth below.

**GUIDELINES FOR FINANCIAL QUALIFICATIONS**

The governing documents of Third Laguna Hills Mutual (“Mutual”) require each person seeking to acquire an ownership interest in a unit (“Applicant”) to obtain the prior written approval of the Mutual’s Board of Directors (“Board”) before doing so. As a condition to obtaining such approval, each Applicant must provide to the Board documentation that conclusively establishes that Applicant satisfies certain financial requirements as set forth in the Mutual’s governing documents (“Application”). For the purposes of determining whether an Application will be approved or denied, the Board has adopted these Guidelines for Financial Qualifications (“Guidelines”), which shall remain in effect until such time as these Guidelines may be changed, modified, or amended by a duly adopted Board resolution.

**I. General Application Requirements.**

- a. As a condition of approval, each Applicant must submit to the Mutual an Application with **all** of the following documentation provided in a form satisfactory to the Board:
  1. A federal income tax return for the most recent year that is signed, dated, and includes Schedules A, B and E, as applicable, as well as any other financial verification documents requested by the Board. By way of example, but without limitation, other verification documents may be required if any Applicant derives income from a business owned by the Applicant (personally or through a legal entity), in which case the applicable business tax schedule and profit and loss statement may also be required.



2. Net worth verification pursuant to Section II of these Guidelines.
  3. Income verification pursuant to Section III of these Guidelines.
  4. A completed Financial Statement and Credit Information form.
  5. Verification of the Applicant's identity, which must be a natural person, or a designated individual acting on behalf of a corporation, LLC or Trust.
  6. If the Applicant desires to have a Guarantor to enable the Applicant to Qualify to purchase a unit (as defined below), all documents required pursuant to Section IV of these Guidelines shall also apply to the Guarantor.
  7. If the Applicant desires to purchase more than one (1) unit or already owns at least one (1) unit at the Mutual, all documents required pursuant to Section IV of these Guidelines shall be required for each unit application.
- b. The Board may deny any Application that does not include **all** of the documentation required herein, in a form consistent with these Guidelines and satisfactory to the Board, except as otherwise required by law.
  - c. Any Application (including, without limitation, any document submitted in connection with said Application) that contains false or misleading information will be denied. If an Application was approved and it is later determined that such Application contained false or misleading information and if escrow had not closed by the time such discovery was made the Board may immediately withdraw its approval without the Mutual suffering any liability whatsoever. If escrow, as referenced immediately above, has already closed when the discovery of the false and misleading documentation is discovered, the Applicant will be deemed an owner, not in good standing and will, after a noticed hearing before the Board, be denied the owner's amenity rights applicable, unless suspended, by an owner in the Mutual.
  - d. Notwithstanding anything to the contrary contained herein, if more than one (1) Applicant will acquire an ownership interest or reside in any single unit, such Applicants' income and net worth may, in the Board's sole reasonable discretion, be calculated collectively.

## **II. Net Worth Requirements.**

- a. As a condition of approval, each Applicant shall submit satisfactory verification of net worth that is greater than or equal to the *sum* of the purchase price of the unit *plus* one hundred twenty-five thousand dollars (\$125,000) in acceptable assets.
- b. When computing net worth for the purposes of this Section, acceptable assets shall be limited to those assets that are considered, in the Board's sole discretion, to be liquid,



marketable or income producing. Examples of acceptable assets include, without limitation, the following:

1. Equity in residential and income real estate.
  2. Savings accounts in banks and credit unions.
  3. Cash value life insurance.
  4. Certificates of deposit and money market accounts.
  4. IRA, SEP, 401(k), Profit Sharing and Keogh accounts.
  5. Federal, state, or municipal government bonds.
  6. U.S. traded investments (e.g., NYSE, Amex, OTC, Nasdaq, etc.) valued at current market prices.
  7. Mortgages and promissory notes; provided that the interest in such mortgages or promissory notes is reported on the Applicant's tax return.
- c. When computing net worth for the purposes of this Section, acceptable assets will **not** include, without limitation, the following:
1. Equity in mobile homes, recreational vehicles, boats, trailers, airplanes, automobiles, or other vehicles of any kind.
  2. Vacant or undeveloped real estate.
  3. Artwork, jewelry, or other collectibles (e.g., coins, dolls, stamps, etc.).
  4. Term life insurance.
  5. Annuity funds that cannot be withdrawn in lump sum.
  6. Anticipated bequests, devises or inheritances.
  7. Mortgages and promissory notes where the interest in such mortgages or promissory notes is **not** reported on the Applicant's tax return.

### III. **Income Requirements.**

- a. As a condition of approval, each Applicant shall submit satisfactory verification of annual income that is greater than or equal to the *sum* of the total of the unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year.



- b. Traditional retirement account assets (e.g., 401K, ERISA, IRA, Profit Sharing, etc.) will be considered as a source of annual income in accordance with this subsection. For the purposes of the income verification requirement pursuant to subsection (a) above, the portion of an Applicant's traditional retirement account assets attributable to said Applicant's annual income shall be deemed to be the greater of the following:

1. The mandatory annual distributions for the Applicant's retirement accounts; **or**
2. The total amount of the Applicant's retirement accounts *multiplied* by eighty percent (80%), and then *dividing* this product by twenty-five (25) years, as follows:

$$\text{Attributable Income} = (\text{Total Retirement Account Assets} \times 80\%) \div 25$$

- c. Examples of acceptable income verifications include, without limitation, the following:

1. Federal tax returns from the most recent year.
2. W-2 forms or paycheck stubs.
3. Bank, credit union, or investment account statements.
4. Letters from bankers with verifiable first-hand knowledge of the Applicant's finances.
5. Notices of annuities and social security payments.
6. Credit reports.

- d. Examples of **unacceptable** income verifications include, without limitation, the following:

1. Letters from employers, accountants, enrolled agents, investment counselors, or attorneys.
2. Any income not reported on federal income tax returns.

#### IV. **Guarantors.**

- a. In the event any Applicant is unable to satisfy the financial requirements set forth in the Mutual's governing documents (including, without limitation, these Guidelines), the Board may permit said Applicant to have a financial guarantor in accordance with this Section IV ("Guarantor").
- b. Each Applicant supported by a Guarantor shall submit proof that their primary residence is located in California, USA and satisfactory verification of a net worth of at least one



hundred twenty-five thousand dollars (\$125,000) in acceptable assets, notwithstanding the requirements of Section II and Section III of these Guidelines.

- c. Each Guarantor shall enter into an agreement with the Mutual to become financially responsible, jointly and severally, for all expenses associated with the Applicant's ownership, residency and/or membership at the Mutual ("Assessment/Charges Guarantor Obligation Form"). A Assessment/Charges Guarantor Obligation Form is attached hereto as Exhibit "A" and incorporated in its entirety herein by this reference as if fully set forth in these Guidelines.
- d. Each Guarantor shall submit **all** of the following documentation in a form satisfactory to the Board:
  - 1. A fully executed and completed Assessment/Charges Guarantor Obligation Form.
  - 2. Proof that the Guarantor's primary residence is located in California, USA.
  - 3. Verification of net worth equal to the *sum* of the purchase price of the unit *plus* two hundred thousand dollars (\$200,000) in acceptable assets.
  - 4. Verification that the Guarantor's annual income is greater than or equal to the *sum* of the total of the unit's annual mortgage payment *plus* eighty-thousand dollars (\$80,000) per year.
  - 5. A credit report.
- e. The Board may withhold its approval of any Guarantor for, without limitation, any the following reasons:
  - 1. A Guarantor or Applicant fails to provide **all** of the documentation as required by subsection (d), above, in a form consistent with these Guidelines and satisfactory to the Board.
  - 2. A Guarantor is subject to a bankruptcy proceeding that is pending or has not been discharged.
  - 3. Any foreclosure or short sale of any property owned by the Guarantor.
  - 4. Any outstanding balances, collection accounts, or judgments owed by the Guarantor.
  - 5. A Guarantor's credit score is lower than 680.
  - 6. A Guarantor resides in a primary residence outside of the State of California.





7. A Guarantor's bank is located outside of the State of California.
  8. A Guarantor already guarantees (1) one or more units within Laguna Woods Village.
  9. A Guarantor provides any false or misleading information to the Board.
  10. Any other reasonable grounds that call into question a Guarantor's financial ability or fitness to serve in this capacity on an Applicant's behalf.
- f. Each Guarantor's assurances shall only apply to the Applicant(s) and unit expressly identified on the Assessment/Charges Guarantor Obligation Form. No Guarantor's assurances may be transferred to any other Applicant or unit.

V. **Multiple Units.** As a condition of approval, any Applicant who desires to purchase more than one (1) unit or already owns at least one (1) unit at Third Laguna Hills Mutual, Laguna Woods Mutual No. Fifty or United Laguna Woods Mutual shall submit satisfactory verification of annual income and net worth requirements pursuant to this Section V.

- a. **Net Worth Requirements.** The Applicant shall submit satisfactory verification of net worth that is greater than or equal to the *sum* of the purchase price for each unit *plus* one hundred twenty-five thousand dollars (\$125,000) in acceptable assets per unit, as follows:

Unit 1: purchase price for Unit 1 + \$125,000

Unit 2: purchase price for Unit 1 + \$125,000 +  
purchase price for Unit 2 + \$125,000

Unit 3: purchase price for Unit 1 + \$125,000 +  
purchase price for Unit 2 + \$125,000 +  
purchase price for Unit 3 + \$125,000

- b. **Income Requirements.** The Applicant shall submit satisfactory verification of annual income as follows:

1. Annual Income that is greater than or equal to the *sum* of the following: the total of the first unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year *plus* the total of the second unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year *plus* an additional twenty-two thousand five hundred dollars (\$22,500).
2. For each additional unit, the annual income requirement shall be calculated consistent with subsection (b)(1), above – that is, the additional unit's annual mortgage payment *plus* an additional twenty-two thousand five hundred dollars (\$22,500) over the previous annual income requirement, as follows:





Unit 1: annual mortgage payment + \$45,000

Unit 2: annual mortgage payment on Unit 1 + \$45,000 +  
annual mortgage payment on Unit 2 + \$45,000 + \$22,500

Unit 3: annual mortgage payment on Unit 1 + \$45,000 +  
annual mortgage payment on Unit 2 + \$45,000 + \$22,500 +  
annual mortgage payment on Unit 2 + \$45,000 + \$22,500 + \$22,500

July Initial Notification

30-Day notification to comply with Civil Code §4360 has been satisfied.



## EXHIBIT “A”

### THIRD LAGUNA HILLS MUTUAL A California Non-Profit Mutual Benefit Corporation (the “Mutual”)

#### ASSESSMENT/CHARGES GUARANTOR OBLIGATION FORM

##### **A. The Parties**

Owner(s): \_\_\_\_\_ (collectively, the “Owner”)  
Property Address: \_\_\_\_\_ (the “Property”)  
Guarantor: \_\_\_\_\_ (“Guarantor”)

**B. Guarantee Payment.** Guarantor hereby guarantees unconditionally to the Mutual and the Mutual's agents as follows:

1. Guarantor guarantees unconditionally to be jointly and severally responsible for/liable for all Charges related and charged to the Owner's assessment account.

2. Guarantor guarantees unconditionally to promptly pay for all HOA assessments, regular or special, compliance assessments, reimbursable assessments, chargeable services etc., late charges, interest, costs, trustee fees, attorney fees, or any other amount charged by the Mutual to the HOA assessment account for the Property, including fines, after a noticed hearing before the Board, reimbursement assessments, special assessments, chargeable services etc. (collectively, the “Charges”).

**C. Waiver of Right to Demand Enforcement.** Because the Guarantor is jointly and severally liable for the Charges, Guarantor guarantees unconditionally to waive any right to require the Mutual or the Mutual's agents to proceed against the Owner for any default occurring under the Governing Documents before seeking to enforce this Assessment/Charges Guarantor Obligation Form.

**D. Broad Interpretation.** This Assessment/Charges Guarantor Obligation Form shall be construed as a general, absolute, and unconditional Guaranty of payment and shall continue in perpetuity and said guarantees shall apply to all amounts charged by the Mutual to the Owner's account during the time which the Owner is a title/record owner of the Property. If any of the provisions of this Assessment/Charges Guarantor Obligation Form shall be determined to be invalid or unenforceable under applicable law, such provision shall, insofar as possible, be construed or applied in such manner as will permit enforcement.

##### **E. Enforcement.**

1. The Mutual may enforce this Assessment/Charges Guarantor Obligation Form without being obligated to resort first to any security or any other remedy against the Owner, and Guarantor



hereby waives any notice of default and/or any right to cure same and there shall be no presentment or dishonor hereunder.

2. This Assessment/Charges Guarantor Obligation Form is general and shall inure to, and may be relied upon and enforced by, any successor or assign of the Mutual.

3. This Assessment/Charges Guarantor Obligation Form shall be governed by the laws of the State of California and the parties specifically agree that any legal action brought under this Assessment/Charges Guarantor Obligation Form or any underlying lease shall be brought only in Orange County, California, which Court is agreed to have jurisdiction over the parties.

4. The Parties waive the right to a jury trial in any such legal action.

5. If the Guarantor breaches this Assessment/Charges Guarantor Obligation Form, the Mutual shall be entitled to a full award of attorney fees, costs and expenses relative to any enforcement efforts taken, including any litigation pursued to enforce this Assessment/Charges Guarantor Obligation Form. Guarantor agrees to pay the Mutual's actual attorney fees, costs, and expenses in the enforcement of the Governing Documents and this Assessment/Charges Guarantor Obligation Form, whether before the lawsuit/proceeding is filed, after the lawsuit/proceeding is filed, or in any and all trial and appellate tribunals, whether suit be brought or not, if, after default, counsel shall be employed by the Mutual.

6. All amounts due to the Mutual hereunder shall bear interest at the highest rate allowed by law from the date of default.

**F. Modification.** Alteration, Modification or Revocation of this Assessment/Charges Guarantor Obligation Form is not permitted unless otherwise agreed to and signed by the Parties in writing.

**G. No Strict Performance Required.** Failure of the Mutual to insist upon strict performance or observance of any of the terms of the Governing Documents or to exercise any right held by the Mutual will not diminish the enforceability of this Assessment/Charges Guarantor Obligation Form. Guarantor agrees that the foregoing obligations shall in no way be terminated, affected, or impaired by reason of any action which the Mutual may take, or fail to take against the Owner, or by reason of any waiver of, or failure to enforce, any of the rights or remedies to the Mutual in the Governing Documents and all amendments thereto.

**H. Binding on Successors.** The obligations of Guarantor shall be binding upon Guarantor and his/her/their successors and assigns.

**I. Effective Immediately Upon Signature.** Guarantor fully understands this Assessment/Charges Guarantor Obligation Form is neither a reference, credit check, nor application, that the Mutual has relied on Guarantor's representations and warranties contained herein and it is fully effective upon Guarantor's signature.





## STAFF REPORT

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**DATE:** August 21, 2018  
**FOR:** Board of Directors  
**SUBJECT:** Revised Common Area Use Policy

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### **RECOMMENDATION**

Adopt the Revised Common Area Use Policy.

### **BACKGROUND**

Beginning in March 2002, Third Mutual Board of Directors has adopted a series of Common Area Use Policies. These policies addressed numerous items; license agreement for the de minimis use of Common Area, Board approval requirements, adoption of a Decision Tree, requirements for execution of a recordable Common Area Agreement, and establishment of the Architectural Control and Standards Committee (Committee). On July 20, 2017, via Resolution 03-17-77, the Board adopted the Common Area Use Policy (Policy)

### **DISCUSSION**

Resolution 03-17-77 explained the background of Common Area use and set forth policies for Staff, the Committee, and the Board to use when evaluating alteration requests. The policy detailed various circumstances and procedures to use when evaluating alteration requests, and specifically, requests for exclusive use of Common Area.

Due to the administrative, financial, and legal burdens involved with such requests, the Board consulted with legal counsel and has determined that it is not in the Mutual's best interests to approve any alteration applications that require the use of Common Area, other than de minimis or when required by law.

The proposed policy states that proposed alterations that are intended to be located on or over a portion of the Common Area will be not be approved by the Board for any reason, except as set forth pursuant to the Policy or as otherwise required by law. The attached Resolution has been reviewed and approved by legal counsel.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Kurt Wiemann, Permits, Inspections and Restoration Manager

**Reviewed By:** Eve Morton, Alterations Coordinator

**ATTACHMENT(S)**

- Attachment 1:** Resolution 03-17-77, Existing Common Area Use Policy  
**Attachment 2:** Proposed Resolution 03-18-XX, Revised Common Area Use Policy  
**Attachment 3:** Resolution 03-18-XX, Revised Common Area Use Policy; Redlines

# 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.

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## 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 the same 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**, 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 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;

**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 alteration;

**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

## ATTACHMENT 2

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 constructed after July 20, 2017, 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.

### AUGUST 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 the same 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;

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### ATTACHMENT 3

#### REDLINES

**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;

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**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;

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**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~~.

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**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~~.

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**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~~, 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;

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**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;

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**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;

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ATTACHMENT 3

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**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;

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**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;

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**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:

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- (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

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ATTACHMENT 3

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upon common area, other than like for like, that augments, enlarges, or changes the construction, purpose, or use of the alteration;

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**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 constructed after July 20, 2017, without the prior written approval of Staff, the Committee or the Board;

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**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;

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**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 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.

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## **STAFF REPORT**

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**DATE:** August 21, 2018  
**FOR:** Board of Directors  
**SUBJECT:** Vehicle Traffic and Parking Rules, Section 7.6

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### **RECOMMENDATION**

Revise the Vehicle, Traffic and Parking Rules by removing the exception to the rule that allows GRF owned vehicles and equipment to be parked within numbered cul-de-sacs or manor parking lots.

### **BACKGROUND**

At the July 27, 2018 Parking and Golf Cart Task Force meeting, the parking rules and regulations were reviewed and discussed.

Staff was directed to add a review of Section 7.6 Contractor and Service Vehicle Parking, to the Third Board agenda.

### **DISCUSSION**

Due to the limited parking spaces throughout Third Mutual, contractor vehicles are only allowed to park on named streets and are prohibited from parking within numbered cul-de-sacs or manor parking lots.

There are exceptions to this rule that allow GRF owned vehicles and equipment to park in these areas while working. President di Lorenzo would like the Third Board to strike this exception from Section 7.6 (Attachment 1).

Resolution 03-14-44 would need to be amended to reflect the change (Attachment 2).

Currently, staff has been directed to only park on named streets except while loading or unloading the necessary equipment for repair work.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Laurie Chavarria, Executive Assistant

**Reviewed By:** Ernesto Munoz, P.E., Maintenance & Construction Director

**ATTACHMENT(S)**

Attachment 1 – TLHM Vehicle, Traffic and Parking Rules, Section 7.6  
Attachment 2 – Proposed Resolution 03-18-XXX

**Attachment 1 – TLHM Vehicle, Traffic and Parking Rules, Section 7.6**

**7.6 CONTRACTOR and SERVICE VEHICLE PARKING**

Contractor and service vehicles, including personal vehicles driven by workers, must be parked on named streets and are prohibited from parking within numbered cul-de-sacs or MANOR parking lots.

- Contractors may park on a SPONSORING RESIDENT'S driveway with the RESIDENT'S permission, but may not obstruct the sidewalk.

**EXCEPTIONS:**

- Vehicles, equipment and materials immediately and directly required for the performance of work.
- Vehicles immediately loading or unloading.

~~○ GRF owned vehicles and equipment.~~

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**Attachment 2 – Proposed Resolution 03-18-XXX**

**RESOLUTION 03-18-XXX**

**Traffic Rules and Regulations**

**WHEREAS**, by way of Resolution 03-14-44 the Board of Directors of this Corporation has adopted standards for traffic enforcement and parking enforcement, and in an effort to provide comprehensive traffic rules and regulations enforceable to the residents of Third Mutual, both standards have been consolidated to improve consistency within the community; and

**WHEREAS**, the Traffic Rules and Regulations are intended to mirror the California Vehicle Code and to adhere to the Davis-Stirling Act;

**WHEREAS**, due to the limited parking spaces throughout Third Mutual, contractor vehicles are only allowed to park on named streets and are prohibited from parking within numbered cul-de-sacs or manor parking lots;

**WHEREAS**, there is an exception to this rule in Section 7.6 Contractor and Service Vehicle Parking, that allow GRF owned vehicles and equipment to park in these areas while working.

**NOW THEREFORE BE IT RESOLVED**, August 21, 2018, that the Board of Directors of this Corporation hereby adopts the revised Third Laguna Hills Mutual Vehicle, Traffic, and Parking Rules, as attached to the minutes of this meeting; and

**RESOLVED FURTHER**, that the exception allowing GRF owned vehicles and equipment to park in numbered cul-de-sacs or in manor parking lots be removed from Section 7.6 of the Vehicle, Traffic and Parking Rules; and

**RESOLVED FURTHER**, that Resolution 03-14-44 adopted April 15, 2014 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.

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## **STAFF REPORT**

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**DATE:** August 6, 2018  
**FOR:** Maintenance and Construction Committee  
**SUBJECT:** Non-Emergency Chargeable Maintenance Services

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### **RECOMMENDATION**

Approve the revised list of non-emergency chargeable maintenance services and the updated Resolution 03-18-XX (Attachments 1 and 2).

### **BACKGROUND**

At the April 2, 2018 M&C Committee meeting, staff proposed 18 additional chargeable maintenance services for the Committee to review. Discussion ensued regarding other services the Committee felt should be added to the list. Chair Moldow requested that the Committee members propose additional maintenance services for review and discussion at the following Committee meeting.

At the May 7, 2018 M&C Committee meeting, Director Baum was the only member who suggested an additional chargeable service item. Staff was then directed to add an estimated cost and time frame to each offered service as well as specify which items require materials to be supplied by the resident.

At the July 2, 2018 M&C Committee meeting, the Committee wanted to increase the chargeable maintenance services to include additional interior components and services with member supplied parts. Committee Members sent staff a revised list of services for review and consideration by the Committee at the August M&C meeting.

### **DISCUSSION**

The Mutual has historically planned for various levels of work as non-emergency maintenance chargeable services. These chargeable service repairs are typically items of work for which the Mutual is not responsible; estimates for such repairs have been included in the annual budgeted service levels to account for the additional anticipated service hours.

Chargeable services are provided at no cost to the Mutual. Labor is prorated to the tenth of an hour and applied at the current billing rate for the relevant division; materials are passed through at cost; and a flat rate \$25.00 service charge is applied.

The level of staff hours budgeted for the current list of non-emergency maintenance chargeable services in 2018 are listed below.

Maintenance Divisions	Non-Emergency Staff Hours Budgeted
Carpentry	124
Electrical	300
Plumbing	456
<b>Total Hours</b>	<b>880</b>

The estimated number of staff hours to complete the additional chargeable services is unknown at time.

Residents may experience a longer wait time for scheduling non-emergency maintenance service requests, as emergency work and Mutual responsible repairs will take precedence over the items on this proposed non-emergency chargeable maintenance services list.

### **FINANCIAL ANALYSIS**

The addition of other non-emergency chargeable services may alter the staffing level required to accommodate the increase in requested work. Careful consideration must be given to staffing levels if the number of non-emergency maintenance chargeable services is increased, to ensure these hours, and potentially new positions, may be reflected in subsequent budget proposals.

**Prepared By:** Laurie Chavarria, Executive Assistant  
Patrick Cleary, Maintenance Operations Manager  
Mark Stal, Maintenance Services Manager

**Reviewed By:** Ernesto Munoz, P.E., Maintenance and Construction Director

### **Attachment(s):**

Attachment 1 – Proposed Non-Emergency Chargeable Maintenance Service List  
Attachment 2 – Revised Resolution 03-18-XX

## ATTACHMENT 1 - Proposed Non-Emergency Chargeable Maintenance Service List

### Non-Emergency Maintenance Chargeable Services

Trade	Description of Service	Limitations	Estimated Cost includes Service Charge, Labor and Materials - unless specified otherwise
<b>Carpentry</b>	Door Lock Services (Rekeying, Gate Locks, Storage Cabinets)		\$54.59
	Mailbox Lock Service	Mutual Supplied	\$42.51
	Installation of Entry Door Dead Bolt Lock	Resident Supplied	\$69.58
	Installation of Manor Address/Letter on Entry Door	Resident Supplied	\$40.90
	Rescreen Sliding Screen Doors	Mutual Supplied	\$76.59
	Rescreen Window Screens	Mutual Supplied	\$59.49
	Install/Replace Door Stops/Bumpers	Resident Supplied	\$54.59
	Install/Replace Bathroom Accessories (Towel Bars, Grab Bars, Toilet Paper Holders, Soap Dishes, or Toothbrush Holders)	Resident Supplied	\$54.59
	Sliding Closet Door Repair & Maintenance	Resident Supplied	\$76.59 - \$113.76
	Sliding Glass Door Repair & Maintenance	Resident Supplied	\$76.59 - \$113.76
	Sliding Window Repair & Maintenance	Resident Supplied	\$54.59 - \$113.76
<b>Electrical</b>	Light Bulb Replacement (Max 6 Bulbs per Visit)	Resident Supplied	\$58.51
	Door Bell Service	Resident Supplied	\$108.03
	Breaker Service (Electrical Panel)	Mutual Supplied	\$63.30
	Ceiling Heat (Thermostat) Service	Mutual Supplied	\$87.17
	Repair/Replace Outlets	Resident Supplied	\$58.51
	Repair/Replace Light Switches/Dimmer Switches	Resident Supplied	\$58.51
	Range Hood Filter Cleaning Service		\$92.03
	Replace Existing Light Fixture	Resident Supplied	\$92.03
	Replace Existing Smoke Detector	Resident Supplied	\$58.51
	Replace Smoke Detector Batteries	Mutual Supplied	\$58.51
<b>Plumbing</b>	Repair/Replace Faucet (Cartridge Style)	Resident Supplied	\$90.51
	Repair/Replace Faucet (Old Style)	Mutual Supplied	\$156.02
	Repair/Replace Toilet Seat	Resident Supplied	\$57.75
	Low Flow Toilet Replacement	Mutual Supplied	\$200.00
	Repair/Replace Angle Stop Valve	Mutual Supplied	\$137.00
	Repair/Replace Shower Head	Resident Supplied	\$57.75
	Repair/Replace Tub Spout	Resident Supplied	\$90.51
	Repair/Replace Fitting/Flange/Valve	Mutual Supplied	\$128.86
	Toilet Operation Repair Service	Mutual Supplied	\$90.51
	Mix-it Valve Service	Mutual Supplied	\$95.00
	Water Heater Repair	Mutual Supplied	\$38 - \$150
	Water Heater Replacement	Mutual Supplied Only & 10 yr. Mfg. Warranty	\$1,721.00
	Water Heater Service/Element Replacement	Mutual Supplied	\$170.51
	Water Shut Off & Turn On Request		\$57.75
	Ice Maker Hose Replacement	Resident Supplied	\$57.75
	Clothes & Dish Washer Hose Replacement	Resident Supplied	\$57.75
	Clogged Drain Repair "Resident Caused"		\$156.02
<b>Paving</b>	Pole/Bollard Installation (Water Heater Related)	Building Code/Permits	\$150 - \$300
	Stain/Oil Clean-up		\$126.48
<b>Facilities</b>	Heating/Cooling Filter Cleaning/Replacement Service - includes filter cleaning, filter change, diagnosis of the unit to make sure it is operating to capacity & also check the thermostats.	Resident Supplied	\$124.16
<b>LIMITATIONS</b>	All Mutual supplied parts will be standard brand only.		
	All Mutual supplied parts will be limited to parts in stock.		
	All Mutual provided parts and labor carry a 30-day warranty, unless specified otherwise.		
	Resident Supplied = Resident to supply the replacement or repair parts at the time of service.		
	Failure to be present at the time of service will result in a \$15.00 no-show fee.		

Approved: 10/16/18

Resolution: 03-18-XXX

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**ATTACHMENT 1 - Revised Resolution 03-18-XX  
Schedule for Non-emergency Maintenance Chargeable Services**

**WHEREAS**, on October 20, 2015, the Board of Directors adopted Resolution 03-15-156 which reestablished the delivery of non-emergency chargeable services and approved a schedule for non-emergency maintenance chargeable services; and

**WHEREAS**, the service call charge for all Maintenance chargeable services was increased to \$25; and

**WHEREAS**, the Board established a \$25 permit processing fee for work that requires a City of Laguna Woods building permit if VMS pulls the permit; and

**WHEREAS** the Board approved a \$15 service charge when the Mutual Member (or representative) is not home for a scheduled appointment and fails to cancel in advance; and

**WHEREAS**, on July 21, 2015 the Board of Directors approved amending the schedule for non-emergency maintenance chargeable services to include the replacement of manor low flow toilets; and

**WHEREAS**, on March 21, 2017 the Board of Directors approved amending the schedule for non-emergency maintenance chargeable services to include Water Heater Maintenance & Element replacement; and

**WHEREAS**, additional non-emergency maintenance chargeable services have been added for electrical, carpentry, plumbing and facilities divisions as shown on the attached approved list.

**NOW THEREFORE BE IT RESOLVED**, October 16, 2018, that the Board of Directors hereby approves the attached new schedule for non-emergency maintenance chargeable services; and

**RESOLVED FURTHER**, that the service call charge for all Maintenance chargeable services shall remain \$25; and

**RESOLVED FURTHER**, the \$25 permit processing fee for work that requires a City of Laguna Woods building permit if VMS pulls the permit shall remain in effect; and

**RESOLVED FURTHER**, the \$15 service charge for when the Mutual Member (or representative) is not home for a scheduled appointment and fails to cancel in advance shall remain in effect; and

**RESOLVED FURTHER**, should the Mutual Member not be notified of a scheduled appointment change or the technician does not make the scheduled appointment, the subsequent scheduled appointment will be at no charge to the Mutual Member; and

**RESOLVED FURTHER**, that Resolution 03-17-48 adopted May 16, 2017 is hereby superseded and cancelled; and

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

#### August 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.



## **ENDORSEMENT (to Third Board)**

### **Non-Emergency Chargeable Maintenance Services**

At the July 2, 2018 M&C Committee meeting, the Committee wanted to increase the chargeable maintenance services to include additional interior components and services with member supplied parts. Committee Members sent staff a revised list of services for review and consideration by the Committee at the August M&C meeting.

The Mutual has historically planned for various levels of work as non-emergency maintenance chargeable services. These chargeable service repairs are typically items of work for which the Mutual is not responsible; estimates for such repairs have been included in the annual budgeted service levels to account for the additional anticipated service hours.

Chargeable services are provided at no cost to the Mutual. Labor is prorated to the tenth of an hour and applied at the current billing rate for the relevant division; materials are passed through at cost; and a flat rate \$25.00 service charge is applied.

Residents may experience a longer wait time for scheduling non-emergency maintenance service requests, as emergency work and Mutual responsible repairs will take precedence over the items on this proposed non-emergency chargeable maintenance services list.

The addition of other non-emergency chargeable services may alter the staffing level required to accommodate the increase in requested work. Careful consideration must be given to staffing levels if the number of non-emergency maintenance chargeable services is increased, to ensure these hours, and potentially new positions, may be reflected in subsequent budget proposals.

A motion was made and carried unanimously to recommend the Board approve the revised Non-Emergency Chargeable Maintenance Services as well as amend the current resolution.

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## **STAFF REPORT**

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**DATE:** August 21, 2018  
**FOR:** Board of Directors  
**SUBJECT:** 2019 Collection and Lien Enforcement Policy

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### **RECOMMENDATION**

Staff recommends approval of the 2019 Collection and Lien Enforcement Policy.

### **BACKGROUND**

The proposed 2019 Third Laguna Hills Mutual Collection and Lien Enforcement Policy outlines the procedures, policies, and practices employed by the Mutual in enforcing lien rights or other legal remedies against members who are in default in payment of assessments. The policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2018 as part of the Annual Policy Statement.

### **DISCUSSION**

Legal counsel has reviewed the existing Collection and Lien Enforcement Policy and determined that the policy as written complies with Civil Code requirements and reflects current practices for collection of Mutual delinquencies. No changes other than the policy year are required.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Betty Parker, Chief Financial Officer

**Reviewed By:** Siobhan Foster, Chief Operating Officer

### **ATTACHMENT(S)**

ATT1: 2019 Collection and Lien Enforcement Policy  
ATT2: Resolution

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## **YEAR 2019 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. Also following, pursuant to Paragraphs 4, 6, and 7 are Third collection policies and procedures for the collection of fines, fees, and chargeable services charged against Members pursuant to the Governing Documents and current law:

### **1. Assessment Due Date**

Regular assessments ("Carrying Charges" as defined in Article 1, Section 8 of the CC&Rs) are due and payable to the Mutual, in advance, in equal monthly installments, on the first 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.

### **2. 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.

### **3. Administrative Collection Fee**

It is the policy of the Mutual not to routinely waive any duly imposed late charges, interest, or actually incurred "Costs of Collection." "Costs of Collection" as used in this Policy Statement include, without limitation, an administrative collection fee, currently in the amount of Five Hundred Dollars (\$500) (the "Administrative Collection Fee"), which is charged by the Mutual's managing agent to cover staff's costs to prepare 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.

### **4. Late Charge**

IT IS THE MEMBER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE 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, pursuant to Civil Code section 4041.

A late payment charge for a delinquent assessment will be assessed in the amount of Sixty Dollars (\$60.00) 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. Non-assessment fines, fees, and chargeable services are also subject to a late fee and interest, in an amount determined by Board resolution.

#### **5. Demand Letter (aka Pre-Lien 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.

#### **6. Alternate Means to Collect Delinquent Sums**

If full payment of the delinquent amount (such as a duly levied and imposed assessment, fine, fee, or chargeable service including associated late fees and interest) 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 (and that of the Resident or Tenant of that Member's Condominium Unit) 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 means permitted by law.

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.**

### **7. Small Claims Court**

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

PLEASE NOTE THAT A SMALL CLAIMS COURT ACTION MAY BE PURSUED BASED ON A BOARD RESOLUTION EITHER BEFORE OR AFTER RECORDING A NOTICE OF DELINQUENT ASSESSMENT, 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, fines, fees, or chargeable services, 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.

### **8. 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.

### **9. 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 (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.

#### **10. 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.

#### **11. Non-Judicial Foreclosure/Right of Redemption**

A non-judicial foreclosure by the Mutual to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the 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.

## **12. 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.

## **13. 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;

#### **14. 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.

#### **15. Payment Plan Requests**

Any Member who is unable to timely pay regular or special assessments is entitled to make a written request for a payment plan to the Mutual's Board. A Member may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the 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. The Mutual reserves the right to impose reasonable conditions on any approvals for a payment plan and request that the delinquent Member provide disclosure of certain identifying information and other assets that may be used as additional security for the debt owed.

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.

### **16. 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.

### **17. Secondary Address**

Members have a right and obligation to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to the Mutual's Annual Policy Statement, and upon receipt of a proper written request from a Member identifying a secondary address that complies with Civil Code section 4041 and the Governing Documents, the Mutual must send additional notices to this

secondary address. Pursuant to section 4041, Members must keep the Mutual updated with respect to any mailing or secondary address to which notices from the Mutual are to be delivered. If Members fail to provide such information to the Mutual, the onsite manor shall be deemed to be the address to which notices are to be delivered.

#### **18. No Right of Offset**

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

#### **19. Returned Checks**

The Mutual may charge the Member a twenty-five dollar (\$25.00) 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.

#### **20. Charges and Fees Subject to Change**

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

#### **21. Overnight Payments**

The mailing address for overnight payment of assessments is: Third Laguna Hills Mutual, Attn: Assessment Payments, 24351 El Toro Road, Laguna Woods, CA 92637.

#### **22. Rights Reserved by Mutual**

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

#### **23. 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).”

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## **RESOLUTION 03-18-xx**

### **2019 Collection & Lien Enforcement Policy**

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

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

**NOW THEREFORE BE IT RESOLVED**, August 21, 2018, that the Board of Directors hereby adopts the 2019 Third Laguna Hills Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, the policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2018 as part of the Annual Policy Statement.

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

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## STAFF REPORT

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**DATE:** August 21, 2018  
**FOR:** Board of Directors  
**SUBJECT:** Disciplinary Violations Matrix

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### **RECOMMENDATION**

Approve disciplinary violations matrix.

### **BACKGROUND**

On July 20, 2004, the Board of Directors established a member-discipline process for the purposes of holding disciplinary hearings in a timely manner and ensuring progressive discipline (Attachment 1, Resolution 03-04-12). The Board of Directors is obligated to evaluate and impose if appropriate, member-discipline under its Bylaws and the California Civil Code.

The member-discipline process is coordinated by the Compliance Division. Upon notice of an alleged violation, Staff investigates and should Staff identify objective evidence of a violation by a Member or their guests, Staff will send a courtesy notice to the offending party describing the allegation(s) and the disciplinary action that may ensue if not corrected. Staff will monitor the situation and if compliance is not evident, Staff will send a final notice requesting compliance. Additionally, the matter is scheduled for a disciplinary hearing with the Board of Directors to determine if member-discipline is merited. If the alleged violation has been resolved, no further action is required.

If a disciplinary hearing is merited, Staff will proceed with noticing the Member for a hearing. During a Member Disciplinary Hearing the Member has the right to meet before the Board of Directors in executive session. If the Board finds the Member to be in violation of the governing documents, the Board may impose a fine based on the Monetary Fee Schedule, suspend Member privileges, and/or consider legal action.

On April 24, 2018, the Executive Hearings Committee requested Staff develop a recommendation for the next Third Mutual Executive Hearings Committee regarding compliance issues that should be immediately scheduled for a disciplinary hearing (“fineable”) as opposed to be given a courtesy notice (“warn-able”). Examples that were given as possible “fineable” items were illegal occupancy and construction work without a permit. Clutter on a patio was one example of a “warn-able” item that would receive a courtesy notice.

On May 22, 2018, the Executive Hearings Committee discussed the matter and requested that it be brought to the Residency Policies and Compliance Task Force for further discussion.

The Executive Hearings Committee meets for four hours on a monthly basis for damage restoration and disciplinary hearings. The Committee averages five damage restoration hearings and nine disciplinary hearings per monthly meeting.

On July 31, 2018, the Residency Policy & Compliance Task Force reviewed and discussed the matter and made some changes.

On August 7, 2018, the Finance Committee reviewed and discussed the disciplinary violations matrix. The Committee made changes for clarification purposes and requested that the disciplinary process be included with the matrix.

## **DISCUSSION**

On average, the member-disciplinary process takes approximately 45 days from when a complaint is reported to when a disciplinary hearing is scheduled. Additionally, at present time, approximately 80% of disciplinary cases are resolved with the courtesy notice. The following categories currently result in an immediate hearing: violations involving hazardous materials, dog bite, major manor maintenance/repair, and major nuisance violations.

In preparation for this analysis, Staff and legal counsel reviewed the Davis-Stirling Act and determined the Act does not require a warning vs. a fine for a governing document violation. Any such restriction would have to come from the governing documents.

Review of the Bylaws and Amended and Restated Declaration of Covenants, Conditions and Restrictions (CC&Rs) revealed nothing that speaks or that would prevent this. Examination of various applicable rules, including a number of different rules/resolutions/policies regarding fines and potential disciplinary action for various types of violations generally identified nothing that would require a warning before a fine can be levied, following a noticed hearing before the Board as required by statute/the governing documents, but there are a few instances where it appears that a warning is apparently required.

For violations of not displaying a handicapped parking placard, the first offense is to be suspended (i.e., no fine), if the placard and handicapped certificate are brought to the Security Department (Resolution M3-96-20).

The Laguna Woods Village Traffic Rules and Regulations (Resolution 03-14-44) states in Section 3.3.2 that violators will be given the option to attend "Traffic School" rather than paying a fine once in any given three year period.

The Laguna Woods Village Traffic Rules and Regulations also defer to the fine schedule of the Golden Rain Foundation (GRF) for traffic violations. Legal counsel has not reviewed this schedule, but as long as there is nothing that requires a warning, which does not appear to be the case based on the context in the Traffic Rules and Regulations, there should not be any other mandatory warning type violations.

Other than those limited examples, Staff and counsel see no issue in terms of setting up guidelines for "warn-able" offenses vs. immediately "fineable offenses." The underlying principle that similar offenses should be treated similarly (i.e., no disparate treatment) should always be kept in mind whenever the method of discipline has elements of discretion. The

Board should avoid potential liability/claims from residents as to disparate treatment or claims that they are being targeted.

The proposed guidelines (Attachment 2) outline the compliance issues that should be immediately scheduled for a disciplinary hearing (“fineable”) as opposed to be given a courtesy notice (“warn-able”). Items that most adversely impact quality of life and/or public health and safety are categorized as immediately “fine-able” offenses.

Should the proposed guidelines be approved by the Board, Staff anticipates that additional Committee time will be required to accommodate the increase of disciplinary hearings.

### **FINANCIAL ANALYSIS**

Staff anticipates that an increase of fines will result from the additional disciplinary hearings.

**Prepared By:** Francis Rangel, Operations Manager

**Reviewed By:** Tim Moy, Chief of Security  
Siobhan Foster, Chief Operating Officer

### **ATTACHMENT(S)**

Attachment 1: Member Disciplinary Process

Attachment 2: Disciplinary Violations Matrix

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## Attachment 1: Member Disciplinary Process

### **MEMBER DISCIPLINARY PROCESS**

*The following notice is provided pursuant to Civil Code Section 5850*

Resolution 03-04-12, adopted July 20, 2004 by the Third Laguna Hills Mutual (Third) Board of Directors established a member-discipline process for the purposes of holding disciplinary hearings in a timely manner and ensuring progressive discipline. The Board of Directors is obligated to evaluate and impose if appropriate, member-discipline under its Bylaws and Civil Code Section 5850.

Each Member of Third is obligated to comply with the rules, terms, and conditions as set forth in the Mutual's governing documents. Following is the disciplinary process adopted by the Board of Directors when violations occur:

- Upon notice of alleged violation, Staff investigates and files an Incident Report (IR) and/or Notice of Clutter Violation (NOV).
- By way of the initial investigation, should Staff identify objective evidence of a violation by a Member or their guests, Staff will send a letter to the offending party describing the allegation(s) and the disciplinary action that may ensue if not corrected.
- Staff will monitor the situation and if compliance with the request is not evident, an additional IR and/or NOV is filed, and a letter is sent to the offending party advising that a Disciplinary Hearing may be scheduled with the Board of Directors to determine if member-discipline is merited. If the alleged violation has been resolved, no further action is required.
- If a Disciplinary Hearing is merited, Staff will proceed with noticing the Member for a hearing. Hearings are noticed based on Section 4.5, Discipline or Suspension, of the Bylaws.
- During a Member Disciplinary Hearing the Member has the right to meet before the Board of Directors in executive session. If the Board finds the Member to be in violation of the governing documents, the Board may impose a fine based on the Monetary Fee Schedule, suspend Member privileges, and/or consider legal action.

Violations include but are not limited to: abandoned/inoperable vehicles, unauthorized alterations, animal nuisance, breezeway clutter, carport clutter, common area clutter, interior clutter, patio clutter, illegal occupancy, nuisance, non-payment of assessments, etc.

The Member Disciplinary process is coordinated by the Compliance Division. A complaint may be registered by calling the Security Department at 949-580-1400 or the Compliance Department at 949-268-CALL or by email at [compliance@vmsinc.org](mailto:compliance@vmsinc.org).

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Attachment 2: Disciplinary Violations Matrix

**THIRD MUTUAL**

**DISCIPLINARY VIOLATIONS MATRIX**

<b>Allegation</b>	<b>Schedule Hearing Immediately</b>	<b>Follow Normal Hearing Process</b>	<b>Issue Courtesy Notice First</b>	<b>Notes</b>
Abandoned Vehicle		X		
Alterations - General Requirements				
Construction Hours	X			
Debris	X			
Expired Permit			X	Pay after first notice in force now
Non-Compliance to Variance Request	X			
Use of Community Trash Bins	X			
Alterations – Failure to Maintain			X	1 time only
Animal Control				
Breeding animals for sale or commercial gain	X			
Dog Barking			X	1 time only
Injury to person/Damage to property	X			
Not picking up and disposing of feces		X		
Not under control (off leash/longer than 6ft)		X		
Caregiver Policy	X			
Clutter				
Balcony			X	1 time only
Breezeway			X	1 time only
Carport			X	1 time only
Common Area			X	1 time only
Interior			X	1 time only
Patio			X	1 time only
Vehicle			X	1 time only
Illegal Business	X			
Landscape				
Saucers/Casters not present		X		
Too Many Plants (refer to Landscape Manual)			X	
Vegetable Plants		X		
Vines Attached to #Walls		X		
Wind Chimes		X		
Manor Maintenance/Repair				

Major (Fire, Safety, Health Hazard)	X			
Minor (Broken Blinds, etc.)			X	
Non-Payment of Assessments	X			
Non-Payment of Chargeable Services	X			
Nuisance - Behavior/Disturbance				
Assault, Theft	X			
Trespassing	X			
Yelling		X		
Nuisance - Noise				
				A form is filled out first, then a Meet and Confer.
Hard surface Flooring		X		
Loud TV, Radio, Conversation		X		
Nuisance - Odors		X		
				Depending on type
Nuisance - Other	X	X		
Non-Smoking Policy		X		
Temporary Container Policy	X			
Traffic Rules (Commercial, Excessive Vehicles)		X		
Unauthorized Occupancy				
Advertisement		X		
Lease Policy	X			
No Authorization	X			
Qualifying Resident Not In Unit		X		
Room Rentals	X			
Short-Term Rentals	X			
Vehicle Oil			X	1 time only

**NOTES:**

1. Our legal counsel has advised us to add a disclaimer that this list does not identify/list all infractions nor constitute the handling of the same.
  2. We need to spell out the normal Hearing Process for illegal occupancy.
  3. The subject of storage containers came up. Kurt needs to provide the breakdown of types and damage caused by them.
- Also, we have Resolutions pertaining to these as well.

# Financial Report

As of June 30, 2018



## INCOME STATEMENT

### ACTUAL

(in Thousands)

**TOTAL REVENUE**

**\$16,925**

**TOTAL EXPENSE**

**14,520**

**Revenue over Expense**

**\$2,405**

# Financial Report

As of June 30, 2018



## INCOME STATEMENT - OPERATING

**ACTUAL**

(in Thousands)

Assessment Revenue	<b>\$9,439</b>
--------------------	----------------

Non-assessment Revenue	<b>\$686</b>
------------------------	--------------

Total Revenue	<b>\$10,125</b>
---------------	-----------------

Total Expense	<b>\$9,842</b>
---------------	----------------

Net Revenue/(Expense)	<b>\$283</b>
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w/o Depreciation	<b>\$356</b>
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# Financial Report

As of June 30, 2018



## INCOME STATEMENT – NON OPERATING

**ACTUAL**  
(in Thousands)

<b>Assessment Revenue</b>	<b>\$6,577</b>
---------------------------	----------------

<b>Non-assessment Revenue</b>	<b>\$223</b>
-------------------------------	--------------

<b>Total Revenue</b>	<b>\$6,800</b>
----------------------	----------------

<b>Total Expense</b>	<b>4,678</b>
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<b>Net Revenue/(Expense)</b>	<b>\$2,122</b>
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# Financial Report

As of June 30, 2018



**Through June, Third was better than budget by \$2,070K primarily in outside services:**

- **Building Structures;** staff presented consultant report in July; instructed to begin bid process.
- **Disaster Fund;** contingency funds for emergency expenditures not covered by insurance.
- **Exterior Lighting;** for acquisition of street lights from Edison, which was approved by the CPUC.
- **Paving;** Concrete work completed in June and asphalt work is scheduled for August.

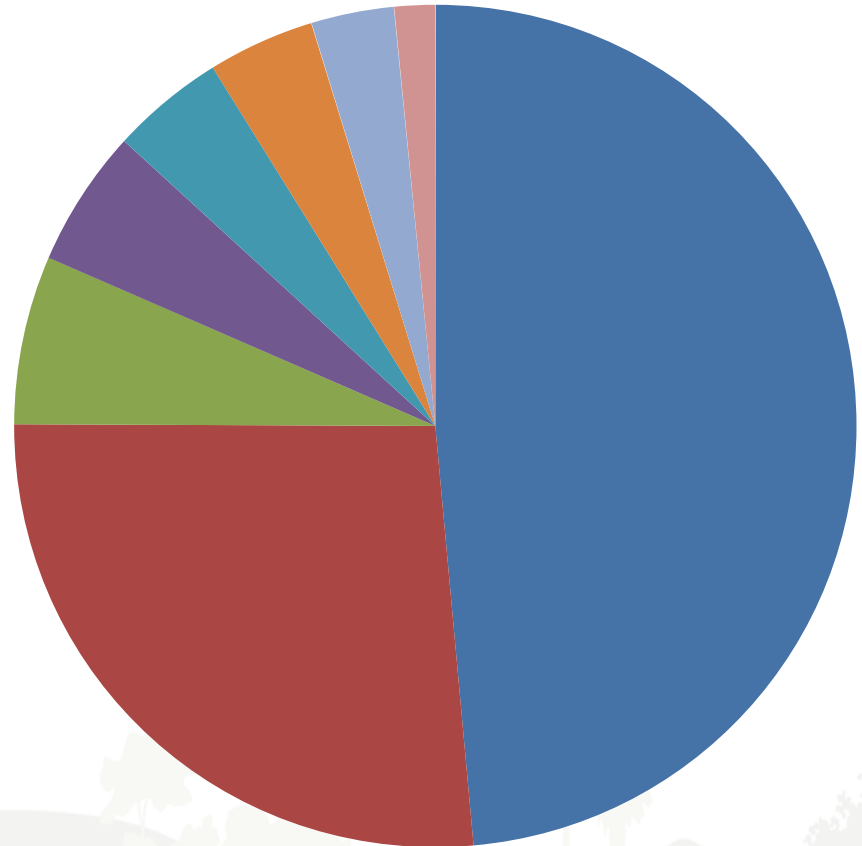


# Financial Report

As of June 30, 2018

## Total Operating Expenses \$9,842,156

- 49% Employee Compensation & Related
- 27% Utilities and Telephones
- 6% Insurance
- 5% Net Allocation to Mutuals
- 4% Outside Services
- 4% Material and Supplies
- 3% Other Operating Expense
- 2% Repairs and Maintenance



# Financial Report

As of June 30, 2018



## NON OPERATING FUND BALANCES

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**ACTUAL**

(in Thousands)

**Beginning Balances: 1/1/18**

**\$28,094**

**Contributions & Interest**

**6,800**

**Expenditures**

**(4,678)**

**Current Balances: 6/30/18**

**\$30,216**

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## Financial Report for August 21, 2018 Board Meeting

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**SLIDE 1** – Total revenue for Third through June 30, 2018 was \$16,925K compared to expenses of \$14,520K, resulting in more revenue than expense by \$2,405K.

**SLIDE 2** – Now we look at those same results with a distinction between operating and reserve funds. This chart shows how much of our revenue went into operations, with \$9,439K coming in from assessments and \$686K coming from non-assessment revenue. This is compared to operating expenditures of \$9,842K. After backing out depreciation, which is not funded through operations, we can see a bottom line operating surplus of \$356K as of the reporting period.

**SLIDE 3** – This chart shows how much of our revenue went into reserve funds and the amount expended to date.

**SLIDE 4** – Through June, Third was better than budget by \$2,070K primarily due to outside service work on reserve programs:

- Building Structures, timing. Staff received a detailed report from a consultant determining which buildings need work. Staff presented the report in July; work will commence after the bid process and Board approval of the contractor selection.
- Disaster Fund, less use of contingency. The disaster fund includes funding for emergency expenditures not covered by insurance, including insurance policy deductibles. If damage restoration expense exceeds the deductible amount, insurance payouts are coded to this fund. Further, an insurance reimbursement of \$181,870 for reimbursement of a fire was booked in February.
- Exterior Lighting, timing. This program is for the acquisition of street lights from Edison which was approved by the California Public Utility Commission (CPUC).
- Paving, timing. Concrete work completed in June and asphalt work is scheduled for August.

**SLIDE 5** – On this pie chart, we see the Operating expenses to date of \$9.8 Million by category, showing that our largest categories of expense are for compensation and utilities.

**SLIDE 6** – The reserve balances on June 30, 2018 were just over \$30 Million. To date, contributions to reserves including assessments and interest earnings totaled over \$6.8 Million and expenditures to date totaled just under \$4.7 Million.

**[No slide]** – In closed session, we reviewed delinquencies for unpaid assessments totaling \$227K, which represents less than 1% of the annual assessment budget. We are able to maintain such a relatively low level of delinquencies by following prescribed collection policies to pursue payment on these accounts, either through the non-judicial foreclosure process or by obtaining personal judgments in small claims court. The Board has been working closely with our collection firm and legal counsel to pursue further collection activity for unpaid accounts. We also reviewed delinquencies for fines, fees and chargeable services totaling \$200K. The Board is pursuing further collection activity such as cable TV disconnection and small claims.

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## **REPORT OF THE REGULAR OPEN MEETING OF THE THIRD LAGUNA HILLS MUTUAL FINANCE COMMITTEE**

Tuesday, August 7, 2018 – 1:30 p.m.  
Laguna Woods Village Community Center Board Room, 24351 El Toro Road

**MEMBERS PRESENT:** Steve Parsons – Chair, Rosemarie diLorenzo, Bunny Carpenter, Bill Walsh, James Tung, Burt Baum, Roy Bruninghaus, Jules Zalon, Cush Bhada, John Frankel  
Advisors: Wei-Ming Tao, John Hess, Michael Cunningham

**MEMBERS ABSENT:** Jack Connelly

**STAFF PRESENT:** Betty Parker, Steve Hormuth, Francis Rangel, Christopher Swanson

### **Call to Order**

Director Parsons, Treasurer, chaired the meeting and called it to order at 1:37 p.m.

### **Acknowledgment of Media**

None.

### **Approve Meeting Agenda**

A motion was made and carried unanimously to approve the agenda with the following changes:

- Remove Chargeable Services for Replacement of Fire Alarm Batteries from Agenda
- Discuss Disciplinary Violations Matrix after Department Head Update

### **Approval of Meeting Report for July 3, 2018**

A motion was made and carried unanimously to approve the Committee report as presented.

### **Chair Remarks**

None.

### **Member Comments (Items Not on the Agenda)**

None.

### **Department Head Update**

Betty Parker, Financial Services Director, commented on the televised 2019 Business Planning meeting scheduled for Friday, August 10 at 9:30 a.m. in the Board Room.

### **Disciplinary Violations Matrix**

Francis Rangel, Operations Manager, presented the Disciplinary Violations Matrix and discussed proposed processes. The Committee requested Ms. Rangel make revisions for Board

review on August 21, to use title to “Alterations - Failure to Maintain” for clarification and to include the disciplinary process document with the matrix. Ms. Rangel left the meeting at 1:51 p.m.

### **Preliminary Financial Statements Dated June 30, 2018**

The Committee reviewed and commented on the financial statements dated June 30, 2018 and requested the following items:

- Detailed Report of Legal Fees vs. Credits
- Written Laundry Coin Collection Audit Policy
- Year End Projections for Utility Accounts
- Review Department of Landscape Staffing Levels

### **Delegation of Responsibilities Matrix**

Director Carpenter commented on procurement process changes implemented since the transition to Village Management Services at the end of the 2015 and noted that she is preparing a procurement informational meeting for Board members.

### **Owner Notification of Lessee/Occupant Delinquencies**

Steve Hormuth, Controller, presented a sample Courtesy Letter for Lessee Delinquencies that will be sent to the owner of a property to advise them early in the collection process when an occupant or lessee has an unpaid balance. The Committee requested a wording clarification for “Chargeable Service” and asked Staff to follow up with more information regarding the collection process for traffic violations.

### **Solar Energy Update**

A handout was provided by Director Walsh which reflected the projected payback period of the solar systems based on recorded generation of electricity through the Solar Inverter.

### **Future Agenda Items**

Audit of SCE Billing for Solar  
Discussion of Accruals  
Coin Collection Process  
Year End Projections

### **Committee Member Comments**

None.

### **Date of Next Meeting**

Tuesday, September 4, 2018 at 1:30 p.m. in the Board Room.

### **Recess to Closed Session**

The meeting recessed to closed session at 3:03 p.m.

**DRAFT**

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Steve Parsons, Chair

# Monthly Resale Report

PREPARED BY

**Community Services Department**

MUTUAL

**All Mutuals**

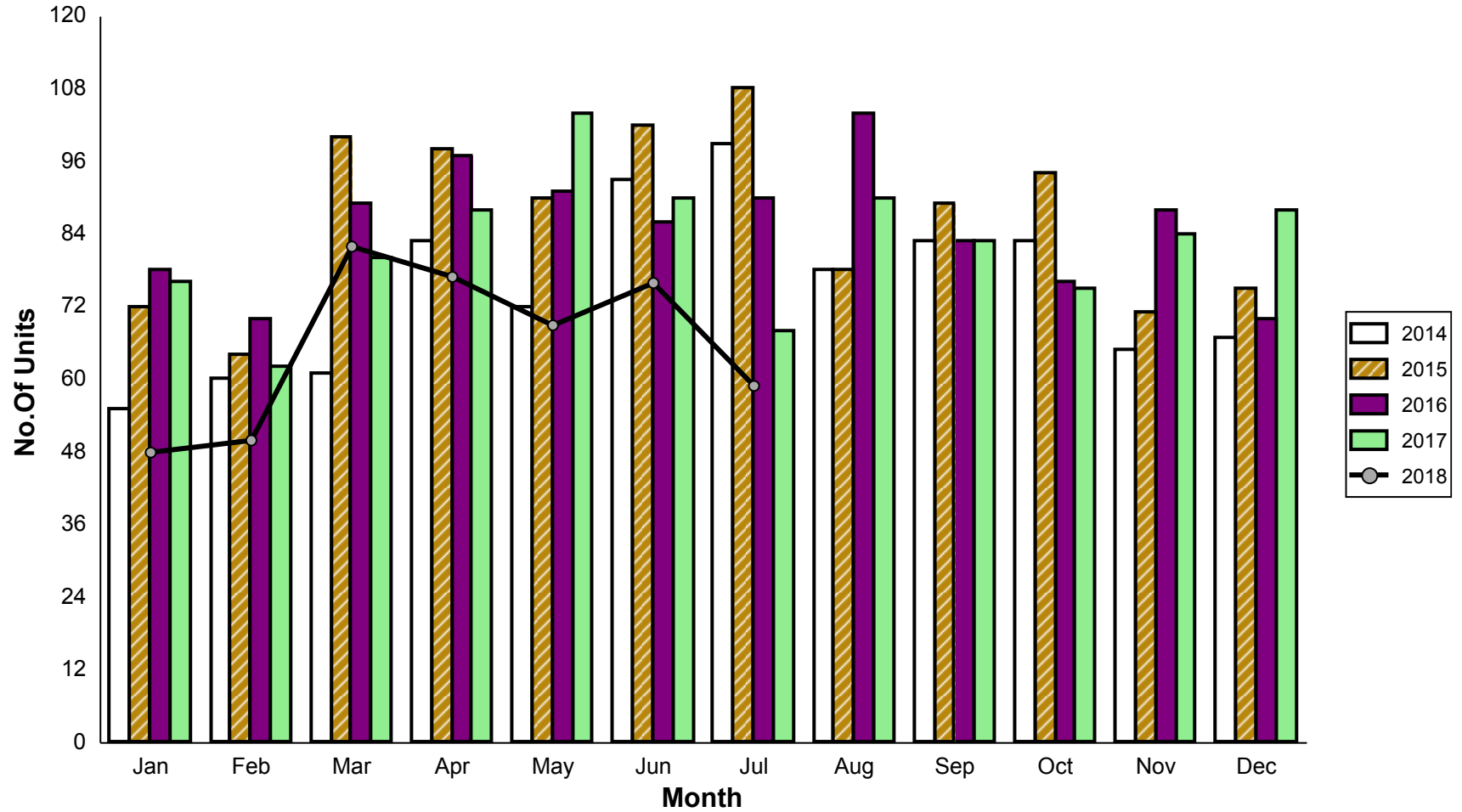
REPORT PERIOD

**July, 2018**

MONTH	NO. OF REALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	48	76	\$14,821,540	\$23,481,992	\$308,782	\$308,974
February	50	63	\$18,660,142	\$18,400,200	\$373,203	\$292,067
March	82	80	\$28,065,799	\$24,765,800	\$359,818	\$309,573
April	77	88	\$27,694,226	\$29,024,579	\$364,398	\$329,825
May	69	105	\$24,187,990	\$34,046,751	\$350,551	\$327,373
June	76	90	\$28,002,538	\$31,945,600	\$378,413	\$354,951
July	59	68	\$19,434,100	\$21,413,120	\$329,392	\$314,899
August		*	90		*	\$325,306
September		*	83		*	\$310,755
October		*	75		*	\$356,043
November		*	86		*	\$344,664
December		*	88		*	\$356,974
TOTAL	461.00	570.00	\$160,866,335	\$183,078,042		
MON AVG	65.00	81.00	\$22,980,905	\$26,154,006	\$352,079	\$319,666

\* Amount is excluded from percent calculation

## Resales - 5 Year Comparison





# Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

Third

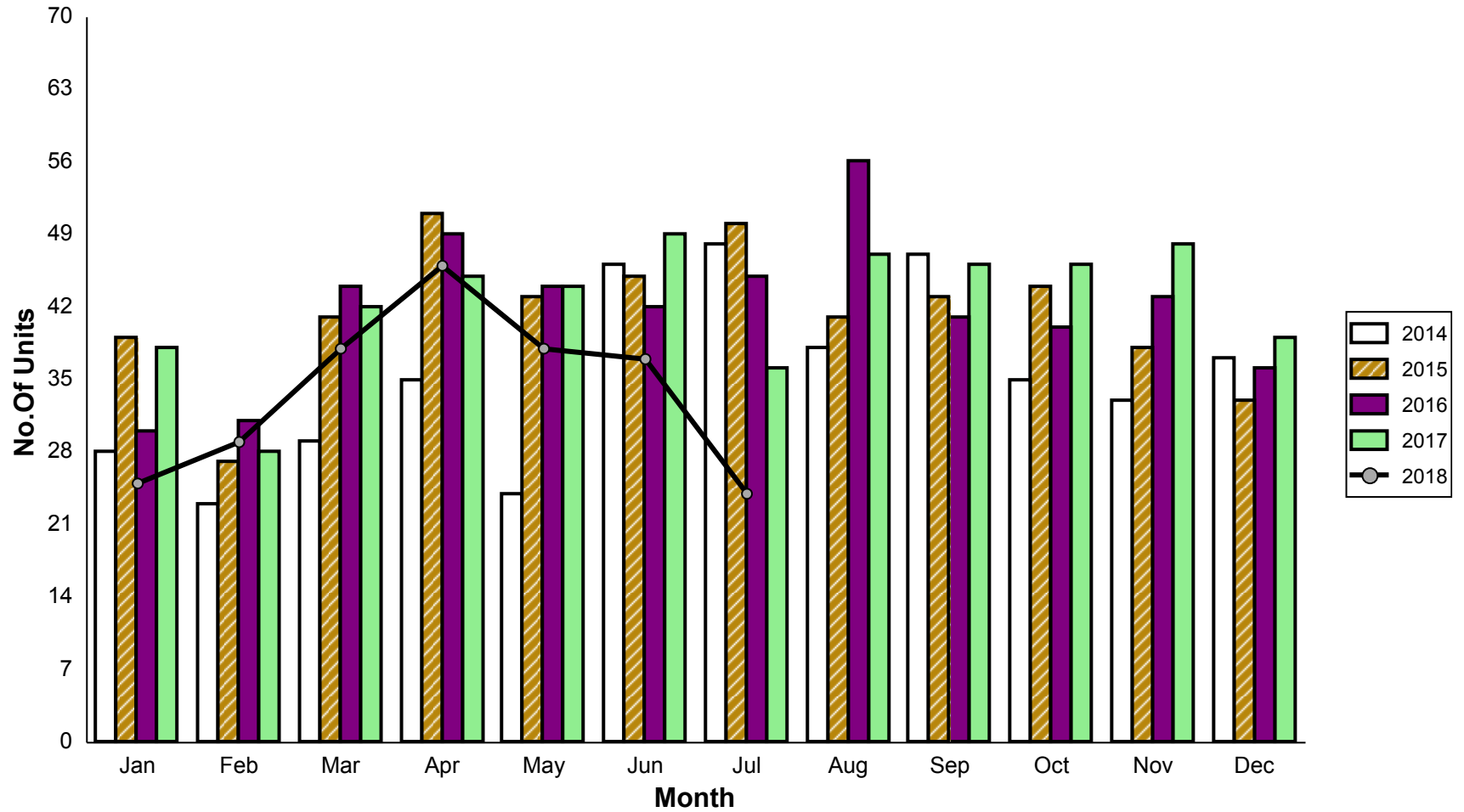
July, 2018

MONTH	NO. OF REALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	25	38	\$8,807,150	\$14,513,062	\$352,286	\$381,923
February	29	28	\$12,600,892	\$9,887,500	\$434,514	\$353,125
March	38	42	\$16,909,199	\$15,185,800	\$444,979	\$361,567
April	46	45	\$18,869,626	\$18,847,150	\$410,209	\$418,826
May	38	44	\$15,452,990	\$18,157,951	\$406,658	\$412,681
June	37	49	\$16,981,138	\$21,011,450	\$458,950	\$428,805
July	24	36	\$9,892,800	\$13,526,020	\$412,200	\$375,723
August		*		\$17,967,189		* \$382,281
September		*		\$16,020,038		* \$356,001
October		*		\$18,804,700		* \$408,798
November		*		\$19,847,200		* \$405,045
December		*		\$18,834,275		* \$482,930
<b>TOTAL</b>	237.00	282.00	\$99,513,795	\$111,128,933		
<b>MON AVG</b>	33.00	40.00	\$14,216,256	\$15,875,562	\$417,114	\$390,378
<b>% CHANGE - YTD</b>	-16.0%		-10.5%		6.8%	

% Change calculated (ThisYear - LastYear)/LastYear

\* Amount is excluded from percent calculation

## Resales - 5 Year Comparison



# Resales Report

## Third Laguna Hills Mutual

### July, 2018

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
07/25/2018	2173-P	3	\$200,000	Coronado	Century 21 RSM	Laguna Premier Realty, Inc	Escrow Network Group, Inc
07/11/2018	2208-N	3	\$205,000	Casa Contenta	Century 21 Award	ZUTILA REAL ESTATE	Escrow Network Group, Inc
07/24/2018	2244-C	3	\$225,000	Casa Contenta	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Pacific Closing Services
07/10/2018	2287-N	3	\$300,800	Castilla	New Star	Century 21 Award	Homestead Escrow
07/13/2018	2319-Q	3	\$202,000	Casa Linda	FSBO	FSBO	Granite Escrow
07/23/2018	2352-B	3	\$350,000	Cordoba	HomeSmart Evergreen	HomeSmart Evergreen	Escrow Options Group
07/03/2018	2388-3H	3	\$585,000	Garden Villa	Re/Max Associated Realtors	Laguna Premier Realty, Inc	Integra Escrow
07/24/2018	2405-3H	3	\$519,500	Villa Capri	No Broker	COMPASS REAL ESTATE	Coast Cities Escrow
07/27/2018	3048-Q	3	\$324,500	Casa Del Mar	Regency Real Estate	Regency Real Estate	Homestead Escrow
07/17/2018	3070-B	3	\$450,000	Villa Nova	Laguna Woods Properties	Realty One Group	Homestead Escrow
07/16/2018	3234-B	3	\$496,000	Las Flores	Century 21 Rainbow Realty	HomeSmart Evergreen	Granite Escrow
07/17/2018	3260-B	3	\$630,000	Casa Arriba	Keller Williams Real Estate	First Team Real Estate	Granite Escrow
07/09/2018	3275-P	3	\$292,000	Casa Vista	THE L3 REAL ESTATE	Century 21 Rainbow	Homestead Escrow
07/09/2018	3306-P	3	\$310,000	Casa Vista	California Freedom	Prea Realty	Homestead Escrow
07/25/2018	3312-C	3	\$759,000	La Reina	Wave Crest Financial	Purplebricks Realty, Inc.	Homestead Escrow
07/20/2018	3366-1A	3	\$217,000	Aragon	MB REALTY AND MANAGEMENT	Keller Williams Real Estate	Homestead Escrow
07/09/2018	3405-B	3	\$690,000	Navarro	Berkshire Hathaway	Presidential Real Estate	Homestead Escrow
07/09/2018	4005-1D	3	\$325,000	Villa Nueva	Century 21 Rainbow Realty	Village Real Estate	Homestead Escrow
07/26/2018	4006-3C	3	\$500,000	El Mirador	HomeSmart Evergreen	Coldwell Banker	Granite Escrow
07/18/2018	4012-3G	3	\$450,000	Villa Nueva	Realty Benefit	William Shore, Broker	Granite Escrow
07/10/2018	5494-A	3	\$625,000	Casa Rosa	Laguna Premier Realty, Inc	Home Smart Evergreen	Granite Escrow
07/12/2018	5500-1G	3	\$469,000	El Mirador	First Team Real Estate	No Broker	Granite Escrow
07/10/2018	5517-1C	3	\$320,000	El Mirador	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Pacific Closing Services

# **Resales Report** **Third Laguna Hills Mutual** **July, 2018**

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
07/23/2018	5518-2A	3	\$448,000	El Mirador	Laguna Premier Realty, Inc	Presidential Real Estate	Pacific Closing Services

Number of Resales: 24

Total Resale Price: \$9,892,800

Average Resale Price: \$412,200

Median Resale Price: \$399,000

Revised

## Monthly Resale Report

PREPARED BY  
Community Services Department

MUTUAL  
Third

July 2018

Period	Month	NO. OF REALES				TOTAL SALES VOLUME IN \$\$				AVG RESALE PRICE			
		2018	2017	2016	2015	2018	2017	2016	2015	2018	2017	2016	2015
1	January	25	38	30	39	\$8,807,150	\$14,513,062	\$10,663,350	\$11,735,750	\$352,286	\$381,923	\$355,445	\$300,917
2	February	29	28	31	27	\$12,600,892	\$9,887,500	\$11,354,000	\$7,690,000	\$434,514	\$353,125	\$366,258	\$284,815
3	March	38	42	44	41	\$16,909,199	\$15,185,800	\$14,408,861	\$16,302,100	\$444,979	\$361,567	\$327,474	\$397,612
4	April	46	45	49	51	\$18,869,626	\$18,847,150	\$18,170,528	\$14,509,805	\$410,209	\$418,826	\$370,827	\$284,506
5	May	38	44	44	43	\$15,452,990	\$18,157,951	\$13,703,900	\$12,983,750	\$406,658	\$412,681	\$311,452	\$301,948
6	June	37	49	42	45	\$16,981,138	\$21,011,450	\$12,838,300	\$15,321,388	\$458,950	\$428,805	\$305,674	\$340,475
7	July	24	36	46	50	\$9,892,800	\$13,526,020	\$16,112,500	\$16,392,300	\$412,200	\$375,723	\$350,272	\$327,846
8	August		47	56	41		\$17,967,189	\$21,085,200	\$12,231,250		\$382,281	\$376,521	\$298,323
9	September		46	41	43		\$16,020,038	\$12,651,500	\$15,332,500		\$356,001	\$308,573	\$356,570
10	October		46	40	44		\$18,804,700	\$13,386,500	\$12,924,787		\$408,798	\$334,663	\$293,745
11	November		49	43	38		\$19,847,200	\$16,453,200	\$12,332,000		\$405,045	\$382,633	\$324,526
12	December		38	36	33		\$18,509,275	\$12,528,800	\$11,532,800		\$487,086	\$348,022	\$349,479
TOTAL		237	282	286	296	\$99,513,795	\$111,128,933	\$97,251,439	\$94,935,093				
MON AVG		33.9	40.3	40.9	42.3	\$14,216,256	\$15,875,562	\$13,893,063	\$13,562,156	\$417,114	\$390,379	\$341,057	\$319,731
% CHANGE-YTD		-16.0%	-1.4%	-3.4%	26.5%	-10.5%	14.3%	2.4%	23.0%	6.8%	14.5%	6.7%	-0.5%

% Change calculated (This Year - Last Year)/Last Year

Percent calculation only includes YTD figures in black.



# MONTHLY LEASING REPORT

Report Period:  
July-2018

MONTH	LEASES IN EFFECT				Total this year	Total last year	Total Expirations	New Monthly Transactions		
	3 Months	6 Months	12 Months	12+Months				Leases	Renewals	Extensions
January	21	22	378	1192	1613	1678	75	31	95	0
February	21	24	386	1220	1651	1664	38	50	138	1
March	14	22	375	1233	1644	1667	52	45	124	0
April	9	22	385	1240	1656	1630	50	46	93	0
May	15	20	381	1209	1625	1653	66	54	110	0
June	29	25	379	1229	1662	1652	53	78	151	2
July	30	26	390	1227	1673	1659	40	72	146	1
August					0	1667				
September					0	1648				
October					0	1646				
November					0	1656				
December					0	1669				

Monthly Average	19.9	23.0	382.0	1221.4	1646.3	Jan-Jul 1657.6	53.4	53.7	122.4	0.6
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Percentage Leased	1673 / 6102 = 27%									
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**OPEN MEETING**

**REPORT OF REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
MAINTENANCE AND CONSTRUCTION COMMITTEE**

**Monday, August 6, 2018 – 1:00 PM**

**Laguna Woods Village Community Center Board Room  
24351 El Toro Road**

**MEMBERS PRESENT:** Bill Walsh – Chair, Bunny Carpenter, John Frankel, Rosemarie di Lorenzo, Roy Bruninghaus, Steve Parsons, Jack Connelly, Cush Bhada, Jules Zalon, James Tung, Advisors: None

**MEMBERS ABSENT:** Burt Baum, Advisor Steve Leonard

**STAFF PRESENT:** Ernesto Munoz – Staff Officer, Brad Hudson, Laurie Chavarria

**1. Call to Order**

Chair Walsh called the meeting to order at 1:00 PM and stated that the meeting is being held pursuant to notice duly given and established that a quorum of the Committee was present.

**2. Acknowledgement of Media**

The media was not present.

**3. Approval of the Agenda**

Director Frankel added Smoke Detectors to the agenda, as item 14. Director Carpenter added Water Heater Replacements to the agenda as item 15.

By consensus, all items on the consent calendar were pulled for discussion.

The agenda was approved as amended.

#### **4. Approval of Meeting Report for July 2, 2018**

Director Bhada requested that a sentence structure be corrected on page two of the meeting report. The meeting report from July 2, 2018 was approved as amended by a vote of 9/0/1 (Director Connelly abstained).

#### **5. Chair's Remarks**

Chair Walsh had no remarks.

#### **6. Member Comments (Items Not on the Agenda)**

- Lynn Jarrett (4010-1C) commented on the laundry room vinyl floor replacements, mailroom floor replacements and the storage closet policy for LH-21 buildings.
- Kim Shirley (2395-1B) commented on GV Breezeway Recessed area pilot project.
- Bert Moldow (3503-A) commented on the GV Breezeway Recessed area pilot project.

Ernesto Munoz, Chair Walsh and Director di Lorenzo briefly responded to the comments.

Staff was directed to provide the LH-21 storage closet policy and resolution to GVA President Lynn Jarrett and Directors di Lorenzo and Carpenter for review.

#### **7. Department Head Update**

Staff Officer, Ernesto Munoz provided an update on the following projects and programs:

- Solar Panel Cleaning
- Dryer Replacement Project
- Trash Chute Repairs
- Asphalt Paving Program
- ETWD Recycled Water Expansion Project
- Parkway Concrete repairs
- Foundations Program
- Building Address Signs
- Building Structure repairs
- Street Light Acquisition
- LED Fixture Pilot Project
- Shepherd's Crook
- Garden Villa Breezeway Recessed Area Pilot Project

Chair Walsh, Directors Bhada, Frankel, Bruninghaus, Carpenter, and Moldow commented on the various updates.



Staff was directed to contact the Mutual's solar contractor and ask their opinion on the amount of cleanings needed per year, before any additional solar panel cleanings are scheduled.

**Consent:**

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

**8. Programs Report**

Director Parsons commented on the funding for the PTP program.

**9. Maintenance Expenditures and Variance Explanations**

Director di Lorenzo commented on Lobby Renovations, Mailroom Renovations and Supplemental Appropriations.

**10. Project Log**

Questions on the Project Log were discussed under the Department Head Update.

**Reports:**

**11. Non-Emergency Chargeable Maintenance Services**

Directors Bruninghaus and di Lorenzo commented on the items added to the Non-Emergency Chargeable Maintenance Services list.

Discussion ensued regarding the need to focus on customer service, additional staffing requirements, training of the resident service representatives, and the possibility of additional work needed such as patching holes and painting, that would also be chargeable to the member, after certain maintenance services were performed.

Staff was directed to remove the estimated time frame, remove the trade billing rate, add the approval date to the list, add the wording "prices subject to change," remove the service of replacing light ballasts and add replacement of existing fixtures to the list.

A motion was made and carried unanimously to recommend the Board approve the revised Non-Emergency Chargeable Maintenance Services as well as amend the current resolution.

## **12. Fumigation Program Notifications**

Staff Officer, Ernesto Munoz summarized the report and answered questions from the Committee.

Discussion ensued regarding the termite fumigation process, revisions to the fumigation notice and the plant removal process performed by the Landscape Division.

Staff was informed that Director di Lorenzo will work with Marketing Director Eileen Paulin, and Newport Exterminating to revise the Fumigation Program notification letter.

## **13. Address & Cul-de-Sac Signage Pilot Programs (oral discussion - Director Bruninghaus)**

Staff Officer, Ernesto Munoz displayed the new building address and cul-de-sac signs for the Committee and asked for direction relative to the cul-de-sac sign color and location for the pilot project.

Discussion ensued regarding traffic grade metal poles, where to place the poles, design ideas for the pilot sign and the location of the pilot project.

By consensus, staff was directed to fabricate cul-de-sac signs in an oval shape using green background with white lettering for address numbers and yellow lettering for cul-de-sac numbers. The location for the pilot project will be at cul-de-sac 212.

## **14. Smoke Detectors (oral discussion)**

Director Frankel asked if Third Mutual should get into the Smoke Detector business by requiring and providing smoke detectors for each manor.

Discussion ensued regarding a marketing effort to remind residents to check their smoke detectors and change batteries as needed, asking staff to change batteries or smoke detectors as a chargeable service, statistics about kitchen fires, and carbon monoxide detectors.

By consensus, staff was directed to add a non-emergency maintenance chargeable service to replace an existing smoke detector and to change smoke detector batteries.

## **15. Water Heater Replacements (oral discussion)**

Staff was directed to only install water heaters with a 10-year manufacturer warranty.

### **Items for Future Agendas:**

- Contract Award for Dry Rot Repairs (Closed Session)
- Contract Award for Commercial Dryer Replacement (Closed Session, September)
- GV Mailroom Tile Floor Replacement

- GV Breezeway Recessed Area Project (January 2019)
- ~~Vehicle Decal Policy Revisions~~
- Alteration Flooring Replacement Disbursement (due to moisture intrusion)
- ~~GV Inspection and Replacement of Receptacles in Garages~~
- ~~GV Garage Cabinet Costs per Building~~

**Concluding Business:**

**Committee Member Comments**

There were no member comments.

- Director di Lorenzo asked that the GV Garage Cabinet Costs, GV Inspection and Replacement of Receptacles in Garages and Vehicle Decal Policy Revisions be removed from the Items for Future Agendas.

**Date of Next Meeting – October 1, 2018**

**Adjournment**

The meeting was adjourned at 4:41 PM.

DRAFT

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Bill Walsh, Chair

DRAFT

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Bunny Carpenter

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## OPEN MEETING

### **REPORT OF THE REGULAR MEETING OF THE THIRD LAGUNA WOODS MUTUAL LANDSCAPE COMMITTEE**

Thursday, August 2, 2018 – 9:00 a.m.

Laguna Woods Village Community Center Board Room – 24351 El Toro Road

**MEMBERS PRESENT:** James Tung – Chair, John Frankle, Roy Bruninghaus, Jules Zalon

**MEMBER ABSENT:** Violet Lawrence (advisor), Jack Connelly

**OTHER DIRECTORS:** Bill Walsh (in audience)

**STAFF PRESENT:** Bruce Hartley, Larry Hernandez, Robert Merget, Tiffany Rivas, Leslie Cameron

#### **1. Call to Order**

Chair Tung called the meeting to order at 9:02 a.m.

#### **2. Acknowledgement of the Press**

A representative of The Globe was present.

#### **3. Approval of the Agenda**

The Chair added a new Item #13 – “Water Saving Plants” to the agenda. The amended agenda was approved by consensus.

#### **4. Approval of Committee Report for July 5, 2018**

The meeting report of July 5, 2018, was approved by consensus.

#### **5. Chair's Remarks**

Chair Tung commented – The Project Log will be added to the Committee. The high temperature will cause an increase in irrigation water usage.

#### **6. Member Comments (Items Not on the Agenda)**

- Kay Havens 5353-B – Spoke about fire concerns in the Village.
- Esther Rosenblueth-Wright 3036-N – Supported finding an alternative for Round Up.
- Doug Gibson 5289 - Due to the high temperatures some loss of vegetation occurred in the common area.
- Leslie Palm 3494-B – Debris in cul-de-sac needs cleaning and fencing needs to be replaced.
- Suzanne Young 3160-C - Does not want Round Up to be used in lawn areas.
- Eileen Lazar 5220 - Landscape is leaving large clumps of grass in her area, it is killing the grass underneath.
- Charlene Lin 3430-A - After Landscape cleaned up, they did not follow up with mulch. The tree in her front lawn is dead.
- Walter Druker 4008 – Stated that Round Up is toxic and needs to be replaced. Suggested installing more artificial turf.
- John Banks 5090 - Mowing and edging of the lawn is not done completely, with poor cleanup.

- Ro Kendall-Lerman 2400 1-C - Supports the use of non-toxic chemicals. Fountain behind her building in bad condition.
- Sonya Chastain 5334-C - Not happy with how the cul-de-sac looks even after they mow; the debris needs to be cleaned up. Some bushes were removed from front lawn and need to be replaced.
- Dr. Lois Rubin 5509-B - Conducted studies at UCI about stress. The Round Up situation is putting residents' and pets' health at risk.
- Joann McFadden 3455-B – Thanked landscape for their service. Requested status on her landscape request.
- Wendy Hager 3494-C - Shrubs near her manor need trimming. The bushes near her Manor are completely dead. Trees and slopes need attention.
- Mariann Soda 2226-D - Flags were not placed when Round Up was used. Suggested ending use of Round Up.
- Phyllis Waite 3458-N - Has set up an email for residents to send their suggestions on how the community could be improved. Suggested putting a section in The Globe of unresolved issues and updates. Does not support artificial turf.
- Susan Smallwood 3456-B - Grass is all different lengths. Rock ground cover behind her manor is hazardous; would like removed and/or replaced with smaller rock.
- Barbara Colter 5352-A – Ms. Colter and her husband rent equipment to hedge all the bushes near her and her neighbors manors to try to get rid of the fire hazards.
- Lorna Seung 5510-3C – Large amount of debris under the tree by her manor. Believes her dog keeps getting sick because of Round Up.

## **7. Response to Member's Comments**

- Mr. Hartley started process with Landscape Committee to explore alternatives for Round Up and will come back at next meeting with specific alternatives. Explained that slopes maintenance about to begin.
- Mr. Hartley - We will replace damaged plants due to the high temperatures in the cooler months.
- Director Zalon - spoke in regards to four year drought and is impressed with what our Landscape is doing within the Village.
- Mr. Hartley to Ms. Palm – Cul-de-sacs should be swept, if there is an issue please put in request through Resident Services.
- Director Tung – Landscape should be cleaning up after landscape work is done.
- Director Tung - Suggested we analyzed the mowing schedule so it does not go past nine days.
- Mr. Hartley to Ms. Smallwood - The supervisor is no longer with us that chose that bigger rock, we will take care of it.
- Mr. Hartley commented - Carrotwood trees are an issue throughout the Community; they are all currently being trimmed.
- Director Zalon - We are fighting an uphill battle with this drought. Staff are trying to keep landscape looking good, but keep in mind it is a difficult battle, so we will have some trees and plants that will show heat damage.
- Director Frankle commented - The yellow stake process will be discussed, so please return next month for meeting.
- Director Tung commented - We have to face the fact that we have not had that much rain this year but we are trying.

## **8. Department Head Update**

Mr. Hartley commented the Yellow Stake Program will be back next month. Will be starting the fire safety issues very soon. Ridge Route Brush Clearing Program should start on Monday.

### **Consent:**

None

### **Reports**

#### **9. Irrigation Status Report**

- Mr. Hartley gave an overview of the irrigation status report  
Director Frankle asked - What is Evapo-Transpiration (Et)?  
Mr. Hartley explained that Et is the combined amount of water a plant uses for metabolic processes and transpires through their leaves. It is a calculated number that allows irrigation controllers to apply only the water that is needed base on weather.  
Director Tung - So when the humidity is higher, does that mean that affects the evapotranspiration?  
Mr. Hartley to Mr. Tung – Humidity has a very minimal impact on plants, but high humidity does lower plant needs for water slightly.

#### **10. Project Log**

- Mr. Hartley stated that the projects on the log are funded by reserve funding. This format for providing updates was requested by the Committee.  
Director Tung commented - We have the money to start the fire risk reduction.  
Mr. Hartley to Mr. Tung - Once we get the permit we will start.

## **ITEMS FOR DISCUSSION AND CONSIDERATION**

#### **11. Landscape Alteration Request – 5202 Avenida Despacio**

- Mr. Hartley provided background on the landscape alteration request to remove turf and replace it with artificial turf at Member's expense. Motion made by Director Frankle to 'Approve the alteration request to remove turf and replace it with artificial turf. Director Zalon amended motion to include that nothing will be installed until standard is approved and will meet the standards. Approved by Committee unanimously.

#### **12. Tree Removal Request**

- a) 4007-2G Calle Sonora (Lai) – request to remove an Evergreen Pear tree. Motion made by Director Bruninghaus to approve the removal of the tree. Second by Director Zalon. Approved by Committee unanimously.
- b) 3138-C Via Vista (Hurst) – Request denied by consensus.  
Ms. Hurst spoke supporting her removal request.
- c) 3166-B Alta Vista (Hirsen) – Mr. Hirsen spoke in regard to his request. Motion made by Director Bruninghaus, second by Director Zalon. Approved by Committee unanimously.
- d) 5567-A Via Portora (Ho) – Motion made by Director Bruninghaus to approve removal. Second by Director Frankel. Approved by Committee unanimously.

#### **13. (item added by Chair)**

Chair Tung presented slide show of water efficient plants used in the Great Park neighborhoods in Irvine as an example of successful attractive plant choices for Third Mutual landscape renovation projects.

**Items for Future Agendas**

- 14. Tree Trimming Policy for Solar Panels
- 15. 'Yellow Stake' Program

**Concluding Business**

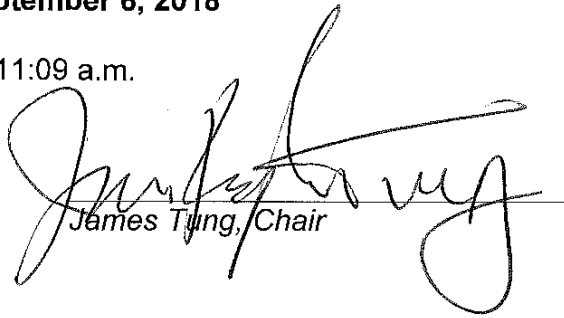
**16. Committee Member Comments**

None

**17. Date of Next Meeting September 6, 2018**

**18. Adjournment**

Meeting was adjourned at 11:09 a.m.



James Tung, Chair





**OPEN MEETING**

**REPORT FOR REGULAR MEETING OF THE VILLAGE ENERGY TASK FORCE**

**Wednesday, August 1, 2018 - 9:30 A.M.  
Laguna Woods Village Community Cypress Room  
24351 El Toro Road**

**MEMBERS PRESENT:** Bill Walsh – Chair, John Frankel, Carl Randazzo, Juanita Skillman, Bert Moldow, Jim Juhan

Advisor: Steve Leonard

**MEMBER ABSENT:** None

**OTHERS PRESENT:** Jim Matson, Dick Palmer, Councilmember Shari Horne

**STAFF PRESENT:** Ernesto Munoz - Staff Officer, Laurie Chavarria

**1. Call to Order**

Chair Walsh called the meeting to order at 9:30 A.M.

**2. Acknowledgment of Media**

Chair Walsh noted no members of the media were present.

**3. Approval of the Agenda**

Chair Walsh added Councilmember Shari Horne as a speaker under item 6a and added Task Force Charter Revisions as item 14. The agenda was approved as amended.

**4. Approval of Meeting Report for June 6, 2018**

The Meeting Report of June 6, 2018, was approved as written. Chair Walsh asked that a signature line for the vice chair be added to future meeting reports.

**5. Chairman's Remarks**

Chair Walsh remarked that Mutual 50, The Towers, was invited to participate in the Village Energy Task Force meetings but a representative was not in attendance at today's meeting. Chair Walsh shared that COO, Siobhan Foster is working with SCE on their electric vehicle fleet incentive program. He would like to see an SCE representative at a future meeting to speak about this program. Mr. Munoz

Village Energy Task Force  
August 1, 2018  
Page 2 of 5

indicated that the CEO's Office is in the process of arranging a visit from the SCE representative.

**6. Member Comments (*Items Not on the Agenda*)**

- Nadine & Alfred Meissner (3071-B) – commented on EV charging issues in their carport.

Advisor Leonard, Chair Walsh and Director Skillman briefly responded to the members comments.

**6a. Councilmember Shari Horne – CCA/CCE**

Councilmember Shari Horne spoke about what she learned when she attended a UCI lecture regarding Community Choice Aggregation. This program is not about saving money, it is about using a clean energy source and is available to municipalities only.

Discussion ensued regarding generation/distribution costs from SCE, time-of-use charges, and informing the Community about other sources of clean energy.

**7. Department Head Update**

Staff Officer Ernesto Munoz provided updates on the Street Light LED conversion pilot program, the SCE cable upgrade project in United Mutual, the walkway lighting upgrades in Gates 5, 6, 7 & 8 in Third, and also provided an update on the audit of United's walkway lighting in Gates 5 & 6.

Discussion ensued regarding the solar audit report expected from JCI, the cost of their management fee and their legal obligations to provide required solar documents.

**Consent:**

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

A motion was approved and unanimously carried to approve all items under the consent calendar. Staff was directed to move items 10 and 11 to Items for Future Agendas.

- 8. Project Log**
- 9. SCE Street Light Outage Report**
- 10. Officer Selections for Energy Task Force**
- 11. Electric Vehicle History Report**

**Reports:**

**12. Prioritized Work Items from Each Corporation for the Energy Consultant**

Staff Officer Ernesto Munoz summarized the report of prioritized work items for the energy consultant and answered questions from the Task Force.

Discussion ensued regarding an overall EV charging strategy, conservation opportunities (window tinting, LED lighting), load studies, back-up generators using alternative energy, and the components of a Microgrid.

A motion was made and unanimously approved to direct staff to develop a scope of work for the energy priorities chosen by each Corporation as listed below, in order to solicit a proposal from the energy consultant to develop and execute said priorities.

**United:**

1. Review the current United Mutual electric infrastructure with an eye toward the current, 5 and 10 year load capacity needs for electric panels, transformers etc.
2. Perform an analysis and report on the findings of the electric infrastructure review.
3. Prepare a strategic action plan for recommended electric infrastructure upgrades, as well as EV charging, solar and any other recommended upgrades that will make our systems more efficient and thus reduce our operating costs.

**Third:**

1. Review the current Third Mutual electric infrastructure with an eye toward the current, 5 and 10 year load capacity needs for electric panels, transformers etc.
2. Perform an analysis and report on the findings of the electric infrastructure review.
3. Prepare a strategic action plan for electric infrastructure upgrades, particularly in the multi-story building garages and carports, as well EV charging, solar and other efficiencies.

**GRF:**

1. Research the feasibility for alternative energy & microgrids for electrical energy generation.
2. Develop a Community Strategy for EV Charging Stations.

### **13. Third Mutual Solar Photovoltaic System Update**

Staff Officer Ernesto Munoz summarized the report for the Third Mutual solar photovoltaic system and answered questions from the Task Force.

Discussion ensued regarding the monitoring company, panel cleanings, and the rise in meter fees from SCE.

### **14. Charter Revisions**

Chair Walsh discussed the changes that the United Mutual attorney suggested for the language of the Village Energy Task Force Charter.

Changes suggested were to remove the word “safety” from the third paragraph, and also to change Laguna Woods Village to “their respective residents” in the same paragraph.

A motion was made to accept the suggested changes and send the revised Charter directly to the United, Third and GRF Board meetings for review and approval.

By a vote of 6/1/0 (Director Moldow opposed), the motion carried.

### **Items for Future Agendas:**

- Officer Selections for Energy Task Force
- Electric Vehicle History Report
- Golf Cart Report
- EV Charging Stations at Stand Alone Laundry Rooms
- LED Solar Street Lights (low priority)
- 2-story Buildings LED Lighting Pilot Program (low priority)
- Costs for Level 2 Charging Stations at Stand-alone Laundry Rooms (low priority)
- Investigate the installation of conduit from the electric panels in GV to service the carports
- Install Level II EV Bollard Chargers (on the streets)
- 2-3 Year Energy Plan: (Verbal Discussion)
  - a) Distributed Energy Resources Contract
  - b) Microgrid Investigation
  - c) Street Light LED Replacement Program
  - d) Street Light Maintenance Contract

### **Member Comments:**

- Advisor Leonard spoke about the Solar International Convention coming up in September. He suggested that a representative from each Corporation attend the convention.

Village Energy Task Force  
August 1, 2018  
Page 5 of 5

- Director Skillman requested that staff arrange a field trip for the Task Force to visit the UCI campus to review their use of fuel cells.

**Concluding Business:**

Date of next meeting – September 12, 2018

**Adjournment**

This meeting was adjourned at 11:50 AM



Bill Walsh, Chair  
Third Laguna Hill Mutual

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# WATER CONSERVATION

Service Location	Classification	Location	Meter#	Start Date	End Date	Previous	Current	Budget	Budget C	Tier 1	Tier 2	Tier 3	Tier 4	Usage	Forward	Change	Change	Comm
5595 AVEN SOSIEGA W/D	RESIDENTIA	6460282	1.5E+07	6/5/2018	7/5/2018	9885	9959	18	1	18	1	6	49	74	84.07	47.47		
5587 VIA DICHAD	RESIDENTIA	6460284	9.8E+07	6/5/2018	7/5/2018	7888	7744	27	1	27	1	9	19	56	84.07	47.47		
B3300 VIA CARRIZO IRRIG	IRRIGATION	6444680	1E+08	6/4/2018	7/3/2018	32742	33016	197	60	0	197	60	17	274	84.07	47.47		
3349 BAHIA BLANCA(D)	RESIDENTIA	6460402	9.8E+07	6/5/2018	7/5/2018	18644	18731	53	2	53	2	17	15	87	43.92	18.91		
5476 PASEO DEL LAGO E DOM	RESIDENTIA	6443170	1.9E+07	6/6/2018	7/9/2018	7677	7749	44	2	44	2	14	12	72	43.92	18.91		
5098 AVEN DEL SOL DOM	RESIDENTIA	6441496	9.9E+07	6/4/2018	7/3/2018	418	436	5	1	5	1	2	10	18	11.8	4.66		
5065 AVEN DEL SOL DOM	RESIDENTIA	6441572	9.9E+07	6/4/2018	7/3/2018	444	462	5	1	5	1	2	10	18	11.8	4.66		
5162 BELMEZ DOM	RESIDENTIA	6441094	9.8E+07	6/4/2018	7/3/2018	1045	1062	5	1	5	1	2	9	17	11.8	4.66		
5081 OVALO DOM	RESIDENTIA	6441536	1.1E+07	6/4/2018	7/3/2018	600	616	5	1	5	1	2	8	16	11.8	4.66		
3353 BAHIA BLANCA(D)	RESIDENTIA	6460400	9.7E+07	6/5/2018	7/5/2018	10211	10251	23	1	23	1	8	8	40	43.92	18.91		
5034 AVEN DEL SOL DOM	RESIDENTIA	6441436	6193840	6/4/2018	7/3/2018	867	882	5	1	5	1	2	7	15	11.8	4.66		
5252 DUENAS DOM	RESIDENTIA	6441712	9546622	6/4/2018	7/3/2018	3729	3744	5	1	5	1	2	7	15	11.8	4.66		
3435 BAHIA BLANCA W/D	RESIDENTIA	6460092	1.8E+07	6/5/2018	7/5/2018	12685	12764	53	2	53	2	17	7	79	43.92	18.91		
5198 DUENAS DOM	RESIDENTIA	6441774	6193862	6/4/2018	7/3/2018	1442	1456	5	1	5	1	2	6	14	11.8	4.66		
5062 AVEN DEL SOL DOM	RESIDENTIA	6441578	9.3E+07	6/4/2018	7/3/2018	1492	1506	5	1	5	1	2	6	14	11.8	4.66		
5127 BRAZO DOM	RESIDENTIAL	6441622	19432988	6/4/2018	7/3/2018	1186	1199	5	1	5	1	2	5	13	11.8	4.66		
5395 PASEO DEL LAGO DOM	RESIDENTIAL	6441336	29600093	6/6/2018	7/9/2018	8223	8282	39	2	39	2	13	5	59	43.92	18.91		
5287 PINA DOM	RESIDENTIAL	6441320	92474847	6/4/2018	7/3/2018	1439	1451	5	1	5	1	2	4	12	11.8	4.66		
5306 CANTANTE DOM	RESIDENTIAL	6441360	9546574	6/4/2018	7/3/2018	1587	1599	5	1	5	1	2	4	12	11.8	4.66		
3404 CALLE AZUL(D)	RESIDENTIAL	6460560	19088002	6/5/2018	7/5/2018	6462	6503	27	1	27	1	9	4	41	43.92	18.91		
5309 CANTANTE DOM	RESIDENTIAL	6441368	09546573R	6/4/2018	7/3/2018	21	32	5	1	5	1	2	3	11	11.8	4.66		
5123 BRAZO DOM	RESIDENTIAL	6441330	11384386	6/4/2018	7/3/2018	575	586	5	1	5	1	2	3	11	11.8	4.66		
5391 PASEO DEL LAGO DOM	RESIDENTIAL	644126	29600098	6/6/2018	7/9/2018	10725	10801	54	2	54	2	17	3	76	43.92	18.91		



MONTHLY HIGH TIER WATER BILL COMPARISON					
	T3	T4	accued	actual	IRR T4
Jan'17	1929.84	969.3			
Feb'17	2479.62	1127.26			
Mar'17	7377.15	4422.88			
Mar'17res	1441.77	1687.3			residential
apr'17	14569.17	6957.42			
apr'17res	1845.69	1996.04			residential
may'17	11405.13	3826.94	RESUME 100% IRRIGATION		
mayres	2199.12	1270			residential
Jun'17	9379	4294			
Jun'17	1116.39	2986.88			residential
Jul'17	14336	5904			
Jul'17	1805.76	3190			residential
Aug'17	17267.2	10431.88			
Aug'17	4566.08	7014.54			residential
Sept'17	7794.56	2166.4	258,406.86	282,053.16	
Sept'17	3331.84	1994.1			residential
Oct'17	13959	6263.82	239799.04	240,873.57	
Oct'17	11357.44	6263.82			residential
Nov'17	5952.32	5442.72	233,449.53	196968.34	
Nov'17	5326.08	4426.12			residential
Dec'17	8353.92	4809.3	126,228.00	220,462.56	Total
Dec'17	4243.84	4269.72			residential
Jan'18	3368.32	2987.24	198,418.00	178,178.58	Total
Jan'18	3368.32	2987.24			residential
Feb'18	2954.88	1634.38	359,657	360,778.44	total
Feb'18	1057.92	1610.92			residential
Mar'18	2480.64	1908.08	631,623.00	521,199.05	Total
Mar'18	2480.64	1908.08			residential
April'18	5472	1892.4	723,199.00	766,018.91	Total
April'18	3258.88	727.26			irrigation
April'18	2213.12	1165.14			residential
May'18	4420	2275.6	1,066,102.00	1,006,227.30	Total
May'18	2255.5	304.96			irrigation
May'18	2164.5	1970.64			Residential
June'18	3891.2	1884.6	1,259,188.00	1,282,959	Total
June'18	1197.76	132.94			irrigation
June'18	1751.68	2693.44			Residential

month year	o&m sewer	Capital R&R	recycle	T1	T2	T3	T4	total	accrued	yr to date	diff	Budget
Jan '17	44083.03	25616.54		47986.53	905.6	1929.84	969.3	121490.84				
Feb	44006.55	25569.07	657.9	44494.02	1004.65	2479.62	1127.26	119339.07				
March	44006.55	25569.07	48827.4	49064.7	31554.5	7377.15	4422.88	210821.25				
April	44006.55	25569.07	77790.3	44715.42	38338.01	14589.17	6957.42	251965.94				
May	44006.55	25569.07	90300.6	49903.56	47875.11	11405.13	3826.94	272886.96	339174		66287.04	
June	44006.55	25569.07	92616	52571.44	57839.54	9379.92	4293.64	286276.16	209677.96		-76598.2	
July	48278.27	25569.07	97883.2	47244	58473.54	14336.64	5904.1	297688.82	317807.16		20118.34	
Aug	48278.27	25569.07	119382.92	57173.76	68946.63	17267.2	10431.88	347049.73	366747.78		19698.05	
Sept	48278.27	25569.07	64852.86	43752.24	89640.02	7794.56	2166.14	282053.16	258406.86		-23646.3	
Oct	48278.27	25569.07	63896.56	48547.8	34358.37	13959.68	6263.82	240873.57	239799.04		-1074.53	
Nov	48278.27	25569.07	37675	50551	23501	5952	5442	196968.34	233449.53		36481.19	
Dec	48278.27	25569.07	53149.32	49341.6	30962	8353	4809.3	220462.56	126228.34		-94234.22	
Jan '18	48278.27	25569.07	29425	51176	17375	3368	2987.24	178178.58	198,418.00		20238.42	
Feb '18	48278.27	25569.07	36926.28	44664.48	22552.5	2954.88	1634.38	182599.86	359657		1121.44	
Mar '18	48278.27	25569.07	22723.26	45589.32	13871.97	2480.64	190808	160420.61	631,623.00	521,199.05	-110423.95	
April '18	48278.27	25569.07	74371.32	45831.2	43405.6	5472	1892.4	244819.86	723,199.00	766,018.91	42819.91	
May '18	48278.27	25569.07	67949.7	5186.9	40128.9	4420	2275.6	240208.44	1,066,102.00	1,006,227.30	-59874.7	884,650.00
June '18	48278.27	25569.07	93237.9	48767.04	55103.76	3891.2	1884.6	276731.84	1,259,188.00	1,282,959.10	23771.1	1,106,740.00
COMPARISON BETWEEN TOTAL WATER BILL AND COUNTING ACCRUED VALES												



**OPEN MEETING**

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
RESIDENCY POLICY AND COMPLIANCE TASK FORCE**

Tuesday, July 31, 2018 – 1:30 p.m.

Laguna Woods Village Community Center, Willow Room – 24351 El Toro Road

**MEMBERS PRESENT:** Burt Baum, Chair, Rosemarie diLorenzo, Bunny Carpenter, Steve Parsons and Roy Bruninghaus

**MEMBERS ABSENT:** None

**ADVISORS PRESENT:** Stuart Hack

**ADVISORS ABSENT:** None

**STAFF PRESENT:** Tim Moy, Pamela Bashline, Francis Rangel, Kurt Weimann, Susan McInerney, and Debbie Ballesteros

**CALL TO ORDER**

Burt Baum, Chair, called the meeting to order at 1:32 p.m.

**ACKNOWLEDGEMENT OF PRESS**

The Media was not present.

**APPROVAL OF AGENDA**

Director diLorenzo made a motion to approve the agenda as presented. Director Bruninghaus seconded the motion.

By unanimous vote the motion passed.

**APPROVAL OF MEETING REPORTS**

Director diLorenzo made a motion to approve the April 25, 2018 meeting report as presented. Director Bruninghaus seconded the motion.

By unanimous vote the motion passed.

**CHAIRMAN'S REMARKS**

Chair Baum stated that one of the reasons for the meeting is to present the Resident Violation Matrix that Staff has been working on.

**MEMBER COMMENTS ON NON-AGENDA ITEMS**

None

## **REPORTS**

### **Disciplinary Status Report**

Francis Rangel, Operations Manager, presented the Disciplinary Status Report included in the agenda packet and spoke on the various types of violations. She explained that the total number of active cases for the month of June were 474. Of that number, 135 were new cases and 111 were resolved for the month. Ms. Rangel also explained the difference between Alteration Maintenance and Alteration Standard. The Committee commented and asked questions.

## **ITEMS FOR DISCUSSION AND CONSIDERATION**

### **Resident Violations Matrix**

Ms. Rangel presented the Resident Violations Matrix. She explained the compliance process to the Committee and stated that approximately 80% of the cases are resolved with the courtesy notice.

Kurt Weimann, Permits, Inspections & Restoration Manager, informed the Committee that Resident and other Contractors are reporting Contractors that are not following the rules. Those Contractors are being admonished from doing business in the Community and referred to the Compliance Division for disciplinary action.

The Committee commented and asked questions. The Committee made changes and directed Staff to update the matrix. The Committee also directed Staff to include a disciplinary handout in the New Orientation packet.

### **Alterations/Contractor Enforcement Update**

Tim Moy, Chief of Security, explained that a Community Services Officer goes out every morning to monitor the cul-de-sacs and issue notice of violations to Contractors parking in the cul-de-sacs as they should be parking in the streets. The Community Service Officer has also been trained with the Alterations Division. The Committee commented and asked questions.

### **Vacant Manor Update**

Mr. Weimann informed the Committee that the process is for unoccupied manors and stated that 110 letters were mailed to the owner on file. A second notice was sent out advising of inspection dates and Staff received more responses than from the first letter. The purpose of the inspections is to look for leaking faucets, broken windows or any other issues that would damage the manor and/or Mutual property. The Committee commented and asked questions.

Mr. Weimann left the meeting at 2:58 p.m.

### **Care Provider Policy Update**

Pamela Bashline, Community Services Manager, updated the Committee on the Care Provider Policy. She reported that fewer than 125 care providers have registered. She

explained that Staff from Security, Compliance, Social Services, and Resident Services have met several times to review the policy. A comment was made that there has to be a positive and simple way for Staff to get them to sign up.

Chief Moy introduced Susan McInerney, Social Services Manager, and explained how Residents who ask for a care providers seek assistance from the Social Services Department.

Ms. McInerney explained the difference between a care provider and home health care. She stated that if a Resident comes in asking for a care provider, they are advised of the rules and also provide them with a list of recommended care provider companies. The Committee commented and asked questions.

#### **Lease Policy Update**

Ms. Bashline updated the Committee on the Lease Policy and stated that the lease statistics remain stable. She also informed the Committee that the Leasing Division has started doing automatic calls to Owner and Lessee's advising that their Lease Authorization Permit are going to expire.

The Committee directed Staff to generate more information on leases and create a simpler document for lease renewals.

Ms. McInerney left the meeting at 3:29 p.m.

#### **ITEMS FOR FUTURE AGENDAS**

To be determined.

#### **CONCLUDING BUSINESS**

##### **Committee Member Comments**

There were no Committee Member Comments.

##### **Date of Next Meeting**

To be determined.

##### **Adjournment**

With no further business before the Committee, the meeting was adjourned at 3:49 p.m.



Burt Baum, Chair  
Third Laguna Hills Mutual