



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

**Tuesday, October 16, 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 Connelly**
- 3. Acknowledge Media**
- 4. Approval of Agenda**
- 5. Approval of Minutes**
 - a. September 7, 2018 – Special Open Meeting (ACSC Endorsements)
 - b. September 18, 2018 – Regular Open Session
 - c. September 21, 2018 – Special Open Meeting (Resolutions on 30-day Review)
 - d. September 28, 2018 – Special Open Meeting (Counting of the Ballots)
- 6. Report of the Chair**
 - **Third Board is Accepting Applications for the Third Board and VMS Board Positions**
 - **ETWD Presentation on Connectivity in 110 Area – Director Frankel**
 - **Great California Shake Out (October 18, 2018) – Director Frankel**
- 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. Architectural Control and Standards Committee Recommendations:
 - (1) Recommendation to deny 2231-P (Casa Linda, 1106_1) Retain Veneer Wall Coverings within Original Patio Footprint
- b. Landscape Committee Recommendations:
 - (1) Approval of Non-standard Water Efficient Landscape (5323 Moya)

12. Unfinished Business

- a. Entertain a Motion to Adopt a Resolution for Proposed Key Policy **(SEPTEMBER initial notification - 30-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied)**
- b. Entertain a Motion to Adopt a Resolution for Permanent Version of the Unoccupied Unit Policy **(SEPTEMBER initial notification - 30-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied)**
- c. Entertain a Motion to Adopt a Resolution for Revisions to the Common Area Use Policy **(SEPTEMBER initial notification - 30-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied)**

13. New Business

- a. Entertain a Motion to Introduce a Resolution for the Yellow Stake Program **(OCTOBER initial notification-must postpone 30-days for Member comments and suggestions to conform to Civil Code §4360)**
- b. Entertain a Motion to Introduce a Tree Trimming Policy for Solar Panels **(OCTOBER initial notification-must postpone 30-days for Member comments and suggestions to conform to Civil Code §4360)**
- c. Entertain a Motion to Approve Supplemental Appropriation of \$150,000 from the Replacement Fund for 2018 Tree Trimming.

- d. Entertain a Motion to Approve a Resolution for Third Board Committee Assignments

14. Committee Reports

- a. Report of the Finance Committee / Financial Report--Director Connelly. Next Meeting November 6, 2018, at 1:30 p.m. in the Board Room
- b. Report of the Architectural Controls and Standards Committee--Director Parsons. Next Meeting Monday, October 22, 2018, at 9:30 a.m. in the Sycamore Room
- c. Report of the Maintenance and Construction Committee—Director Bhada. Next Meeting November 5, 2018, at 1:00 p.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 November 1, 2018, at 9:00 a.m. in the Board Room
- e. Report of the Laguna Woods Village Traffic Hearings—Director Frankel. Next Hearing October 17, 2018, at 9:00 a.m. in the Board Room and 1:00 p.m. in the Pine Room
- f. Report of the Communications Committee—Director Bruninghaus. Next Meeting November 14, 2018, at 1:30 p.m. in the Board Room
- g. Report of the Village Energy Task Force—Director Bhada. Next Meeting November 7, 2018, at 1:30 p.m. in the Willow Room
- h. Report of the Water Subcommittee—Director Tung. Next Meeting December 11, 2018 at 11:00 a.m. in the Sycamore Room
- i. Report of the Resident Policy and Compliance Task Force—Director Bruninghaus. Next Meeting TBD

15. GRF Committee Highlights

- a. Community Activities Committee—Director Parsons. Next Meeting November 8, 2018, at 1:30 p.m. in the Board Room
- b. Finance Committee – Director Connelly. Next Meeting October 24, 2018, at 1:30 p.m. in the Board Room

- c. Landscape Committee – Director Tung. Next Meeting December 19, 2018 at 2:30 p.m. in the Board Room
 - d. Maintenance & Construction Committee – Director Carpenter. Next Meeting December 12, 2018 at 9:30 a.m. in the Board Room
 - e. Media and Communications Committee—Director Bruninghaus. Next Meeting November 19, 2018 at 1:30 p.m. in the Board Room
 - f. Mobility and Vehicles Committee-Director Frankel - Next meeting December 5, 2018, at 1:30 p.m. in the Board Room
 - g. Security and Community Access Committee—Director Bruninghaus. Next Meeting October 22, 2018, at 1:30 p.m. in the Board Room
 - Disaster Preparedness Task Force—John Frankel. Next meeting November 27, 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. Adopt a Resolution to Revise Alteration Standard 31:Washer and Dryer Installations (**SEPTEMBER Initial Notification**)
 - b. Resolution to Revise the LH-21 Storage Policy
- 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) September 18, 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 THIRD SPECIAL OPEN MEETING OF THE THIRD LAGUNA HILLS
MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL BENEFIT
CORPORATION**

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

NOTICE OF MEETING AND AGENDA

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

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

Directors absent: None

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

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

Director Baum read a summary of the following resolution:

RESOLUTION 03-18-XXX
KEY FILE PROGRAM

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

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

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

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

SEPTEMBER Initial Notification

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

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

Discussion ensued among the Directors.

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

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

Director Baum read a summary of the following resolution:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEPTEMBER Initial Notification

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

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

Discussion ensued among the Directors.

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

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

Director Baum read a summary of the following resolution:

RESOLUTION 03-18-XX
Common Area Use Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEPTEMBER Initial Notification

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

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

Discussion ensued among the Directors.

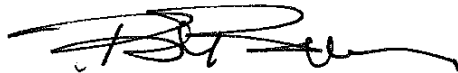
By consensus, the resolution was introduced for 30-day review.

7. Director's Comments

There were no comments from the Directors.

8. Adjournment

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



Burt Baum, Secretary to the Board
Third Mutual Laguna Hills



KeyFileProgram

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

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

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

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

Laguna Woods Village Community Center

Resident Services

24351 El Toro Road

Laguna Woods, CA

PROCEDURES FOR ACCESS TO MANOR KEYS

1. **RESIDENT LOCKOUTS**

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

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

After Business Hours:

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

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

PROCEDURES FOR ACCESS TO MANOR KEYS

REQUEST PROCESSING

A. Information Required

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

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

B. Issuance of Service Order

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

C. Request Handling: Recording Actions Taken

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

PROCEDURES FOR ACCESS TO MANOR KEYS

REQUEST PROCESSING: AFTER HOURS, WEEKENDS AND HOLIDAYS

A. Information Required

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

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

B. Issuance of a Service Order

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

C. Request Handling

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

PROCEDURES FOR ACCESS TO MANOR KEYS

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

D. Arrival at Manor Procedures

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

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

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

PROCEDURES FOR ACCESS TO MANOR KEYS

OPEN AND STAND-BY

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

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

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

OPEN AND CLOSE FOR FUMIGATION

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

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

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

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

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

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

PROCEDURES FOR ACCESS TO MANOR KEYS

Work Order Invoice Instructions

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

Required fields that need to be filled in by Security:

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

RESOLUTION 03-18-59

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 1

RESOLUTION 03-17-77

Common Area Use Policy (Current Policy)

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

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

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

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

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

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

ATTACHMENT 1

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

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

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

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

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

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

ATTACHMENT 1

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

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

(1) The Alteration must be consistent with:

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

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

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

ATTACHMENT 1

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

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

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

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

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

ATTACHMENT 1

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

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

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

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

Paragraph 2, Section 3:

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

Paragraph 2, Section 5:

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

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

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

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

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

ATTACHMENT 2

RESOLUTION 03-18-XX

Common Area Use Policy

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

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

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

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

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

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

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

ATTACHMENT 2

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

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

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

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

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

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

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

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

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

ATTACHMENT 2

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

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

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

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

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

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

ATTACHMENT 2

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

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

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

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

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

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

SEPTEMBER Initial Notification

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

ATTACHMENT 3

REDLINES

RESOLUTION 03-18-XX

Common Area Use Policy

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

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

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

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

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

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

ATTACHMENT 3

REDLINES

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

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

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

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

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

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

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

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

ATTACHMENT 3

REDLINES

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

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

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

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

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

ATTACHMENT 3

REDLINES

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

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

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

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

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

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

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

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

ATTACHMENT 3

REDLINES

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



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

**Tuesday, September 18, 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, September 18, 2018, at 9:30 a.m., at 24351 El Toro Road, Laguna Woods, California

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

Directors Absent: Jules Zalon

Staff Present: Brad Hudson, Siobhan Foster, Chuck Holland, Eileen Paulin, Kurt Wiemann, Chris Spahr, Tim Moy and Cheryl Silva

Others Present: Rachel Unger (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 Bruninghaus 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 Bhada made a motion to move agenda item (13a) Approval of GRF Bylaw 2.1.4 to the closed agenda; the motion was seconded by Director Baum.

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

5. Approval of Minutes

- a. August 21 17, 2018 – Regular Open Session
- b. August 24, 2018 – Special Open Meeting (Meet the Candidates)

Director Parsons made a motion, seconded by Director Bhada to approve the minutes of August 21, 2018, and August 24, 2018; it passed by unanimous consent.

6. Report of the Chair

President diLorenzo commented that Third Mutual suspended the use of the active ingredient in *Round-up* in the Community. She encouraged residents to vote for the Third Board Candidates. The Annual/Organizational Meeting will be held on October 4, 2018 at 9:30 a.m. in the Board Room.

7. Open Forum

One Member thanked the outgoing Board Members for volunteering their time to serve on the Board.

8. Responses to Open Forum Speakers

Directors thanked the outgoing Board Members for their service.

Director Walsh thanked staff for being helpful.

Director Baum thanked the CEO for helping the Board with all the accomplishments achieved and encouraged residents to participate in the Committees and Board.

Director diLorenzo thanked Lynn Jarrett for her work on the Garden Villa Association and welcomed Residents watching on Village Television.

Tim Moy, Director of Security and Community Access, recognized Mr. Michael Gold for his Lifesaving Efforts (Mattress Fire).

9. Update from VMS – Director Unger

Director Unger gave an update from the last VMS Board Meeting. Service Awards will be handed out to employee in October. All employee positions are posted on our website. New Board Members will be elected in the next month.

10. CEO Report

Brad Hudson, CEO, reported on the following developments:

- Business Plan is before you today and thanked the Board for their efforts;
- Voting in the election is important, SB1128 (election by acclamation) is on the Governor's desk for approval;
- We need volunteers to help count the ballots on September 28th;
- Openings for Board Applications for GRF Board due September 25th;
- Asphalt paving and sealcoating being done in seventeen cul-de-sacs during the month of August. Concrete and asphalt repairs at RV Lot A are under way and RVs will be allowed to park temporarily along Avenida Sosiega and Bahia Blanca

West;

- Trash Chutes will be repaired in all three story buildings in Third beginning in mid-September starting with building 2353;
- Epoxy Waste Line remediation program will begin during the month of October;
- LED walkway lights will be installed in the coming weeks;
- Fire fuel reduction will be happening on the slopes;
- Vegetation clearing project is completed; and shepherds crooks fencing scheduled to begin along Ridge Route Drive;
- Gate arms will be installed shortly at gates 10 & 11;
- Proactive inspections of the buildings will be happening;
- Technology Television Guide has been upgraded. Residents can also get the latest TV Guide from tvguide.com;
- Paperless Work Center-Resident Services will start sending text messages to update residents on the progress of their work order. In the future, we will have the technology for a Resident Services dashboard for work orders;
- Dashboards for the Board Room Portal coming soon;
- Landscape along the Aliso Viejo Golf Course and residents near gate 14 will be maintained;
- Manor Alteration is moving their services to one of the rooms on the first floor by the end of October.

Brad Hudson, answered questions from the Board.

11. Consent Calendar

11a. Architectural Control and Standards Committee Recommendations:

- (1) Recommendation to Approve 3140-C (La Princesa, PL203C, 41) Room expansion onto Front Walled Patio (Original Footprint)

RESOLUTION 03-18-133

Variance Request

WHEREAS, Ms. Jung Hae Lee of 3140-C Via Vista, a La Princesa style unit, is requesting Board approval of a variance to construct a room expansion on the same footprint as the existing walled front patio; and,

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected Units on August 21, 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 August 27, 2018.

NOW THEREFORE BE IT RESOLVED, on September 18, 2018, the Board of Directors hereby approves the request to construct a room expansion on the same footprint as the existing walled front 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 3140-C and all future Mutual members at 3140-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.

11a. Landscape Committee Recommendations:

(1) Tree Removal Recommendations

RESOLUTION 03-18-134

Tree Removal Approval (2) Tree Removal Denial (1) and Denial 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 September 6, 2018, the Landscape Committee recommended to:

- Approve the request to remove one Weeping Fig tree located at 3113-D Via Serena South due to visible damage to surrounding concrete walkways and a high likelihood for future damage to the manor, and;
- Approve the removal of one Aleppo Pine tree located at 3429 Bahia Blanca West due to repetitive damage to the adjacent concrete driveway and high likelihood for future damage to nearby underground utilities, and;
- Deny the request for off-schedule trimming of one Brazilian Pepper tree and two Lemon-scented Gum trees located at some distance from the 5076 Tero to preserve views, and;

NOW THEREFORE BE IT RESOLVED, September 18, 2018, the Board of Directors approved the request to remove one tree at 3113-D Via Serena South and one tree located at 3429 Bahia Blanca West; denied the request to perform off-schedule trimming of three trees located in landscape associated with other addresses by the manor owner of 5076 Tero, and;

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

11b. Finance Committee Recommendations:

- (1) Approve Resolution to Record Lien against Member's ID; 933-200-62

RESOLUTION 03-18-135
Recording of a Lien

WHEREAS, Member ID 933-200-62; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, September 18, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-200-62 and;

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

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

12. Unfinished Business

- 12a.** Entertain a Motion to Re-Introduce a Resolution for Revised Alteration Standard 31: Washer/Dryer Installations

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

RESOLUTION 03-18-XX
Revise Alteration Standard 31: Washer and Dry 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; and

WHEREAS, Resolution M3-98-65 ceased the acceptance of variance requests for installations of washers and dryers in three-story buildings and, by inference, "grandfathered" previous permitted installations of washers and dryers.

NOW THEREFORE BE IT RESOLVED, September 18, 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, all washer and dryers installed in three story buildings with a Mutual Consent prior to December 15, 1998, continue to be "grandfathered;"

RESOLVED FURTHER, all washers and dryers installed after December 15, 1998, or without a Mutual Consent, shall be removed at the sole expense of the owner upon its discovery;

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.

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 revising Alternate Standard 31: Washer/Dryer Installations for 30-day review. Director Walsh seconded the motion and it passed by unanimous consent.

12b. Entertain a Motion to Approve the 2019 Third Business Plan and Reserves Funding Plan

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

RESOLUTION 03-18-136
THIRD LAGUNA HILLS MUTUAL 2019
BUSINESS PLAN RESOLUTION

RESOLVED, September 18, 2018, that the Business Plan of this Corporation for the year 2019 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said business plan, the Board of Directors of this Corporation hereby estimates that the net sum of \$32,226,628 is required by the Corporation to meet the Third Laguna Hills Mutual operating expenses and reserve contributions for the year 2019. In addition, the sum of \$14,851,664 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2019. Therefore, a total of \$47,078,292 is required to be collected from and paid by members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$14,474,680 of which \$12,251,169 is planned from the Replacement Fund, \$346,698 from the Elevator Replacement Fund, \$64,542 from the Laundry Replacement Fund, \$1,714,691 from the Disaster Fund, and \$97,580 from the Garden Villa Recreation Room Fund; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2019 and as filed in the records of the Corporation, said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2019; and

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

Director Baum made a motion to approve the 2019 Third Business Plan. Director Bruninghaus seconded the motion.

Director Parsons showed a presentation on the Budget.
Betty Parker, Director of Finance, answered questions from the Board.
Discussion ensued among the Directors.

The motion passed by unanimous consent.

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

RESOLUTION 03-18-137
THIRD LAGUNA HILLS MUTUAL 2019
RESERVE FUNDING PLAN

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

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

NOW THEREFORE BE IT RESOLVED, September 18, 2018, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plans (attached) with the objective of maintaining replacement reserve balances at or above established thresholds totaling \$8,170,000 while meeting its obligations to repair and/or replace major components; and

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

Director Baum made a motion to approve the 2019 Third Reserve Funding Plan. Director Walsh seconded the motion.

Discussion ensued among the Directors.

The motion passed by unanimous consent.

13. New Business

This item was moved to closed session

13a. Discuss and Consider a Resolution Interpreting GRF Bylaws 2.1.4 for Approval at the Annual Corporate Members Meeting in November.

13b. Entertain a Motion to Approve a Resolution to Amend Third Bylaws 6.4.5 (Director Removal for Absences)

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

RESOLUTION 03-18-138
Bylaws of Third Laguna Hills Mutual, Article 6, Section 6.4.5

WHEREAS, certain policies and procedures pertaining to the governance of Third Laguna Hills Mutual ("Mutual") are set forth in the *Bylaws of Third Laguna Hills Mutual* ("Bylaws"), as amended.

WHEREAS, Article 6, Section 6.4.5 of the Bylaws generally provides for the automatic removal of any director serving on the Mutual's Board of Directors ("Board") who fails to attend four (4) regular monthly meetings of the Board within any twelve (12) month period.

WHEREAS, the Board has determined that the Bylaws lack sufficient clarification as to the circumstances giving rise to the automatic removal provisions set forth in Article 6, Section 6.4.5.

WHEREAS, the Board proposes that Article 6, Section 6.4.5 of the Bylaws be deleted in its entirety and amended to read as follows:

6.4.5 Director Removal for Absences.

(a) Should any Director miss four (4) regularly noticed monthly Board meetings within the twelve (12) month period beginning on October 1st and ending on September 30th of any given year, such Director may be removed by a vote of the majority of the Board of Directors at any regularly noticed monthly Board meeting that follows the fourth (4th) such missed meeting. The Board of Directors shall consider and conduct the removal vote in Executive Session. Immediately following an affirmative removal vote, the President shall, by mail (and email, if known), notify the Director so removed. Such removal shall be effective immediately upon the mailing of such notice.

(b) If a removal vote held pursuant to subsection (a) does not pass, the Director at issue shall not be subject to another removal vote on the same grounds, unless that Director subsequently misses one or more additional regularly noticed monthly Board meetings before September 30th during the same twelve (12) month period when the first removal vote was held. Each subsequent removal vote shall be conducted and effective as provided in subsection (a).

WHEREAS, the above-stated proposed amendment is herein referred to as the "Proposed Amendment".

WHEREAS, Article 14, Section 14.2 of the Bylaws states that the Bylaws may be amended by obtaining the approval of at least two-thirds (2/3) of the entire Board ("Required Approval"); provided that the Board is permitted to make such amendment under California Corporations Code Section 7150.

WHEREAS, after consulting with the Mutual's legal counsel, the Board has determined that California Corporations Code Section 7150 permits the Board to adopt the Proposed Amendment upon obtaining the Required Approval.

WHEREAS, said legal counsel has further advised the Board that the Mutual's governing documents, Mutual precedent and other applicable law permit the Board to adopt the Proposed Amendment upon obtaining the Required Approval.

WHEREAS, at a duly held regular meeting of the Board at least two-thirds (2/3) of the entire Board approved the decision to amend the Bylaws by adopting the Proposed Amendment.

NOW THEREFORE BE IT RESOLVED, that the Proposed Amendment is hereby adopted on September 18, 2018; general notice of said adoption shall be provided to the Mutual's membership; and the Proposed Amendment shall be effective upon the provision of such notice to the membership.

Director Baum made a motion to approve a resolution to amend Third Bylaws 6.4.5 (Director Removal for Absences). Director Bruninghaus seconded the motion.

Discussion ensued among the Directors.

By a vote of 10-0-0, the Board approved a resolution to amend Third Bylaws 6.4.5 (Director Absences), thereby meeting the two-thirds requirement and directed the Corporate Secretary to send a notice to the membership.

13c. Entertain a Motion to Introduce a Resolution for a Payment Plan Agreement Form-Fines, Fee, and Chargeable Services

Resolution 03-18-XX
Delinquent Charges Payment Plan Agreement

WHEREAS, any Member who is unable to timely pay fines, fees, or chargeable services 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 Charges – Payment Plan form is used to create an agreement between the delinquent Member and the Mutual;

WHEREAS, the Third Finance Committee recommends a Payment Plan Agreement Form submitted by legal counsel to help reinforce collection activity that will occur if a member breaches the agreed-to payment plan for delinquent fines, fees, and chargeable services; 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 October 16, 2018, the Board of Directors of this Corporation hereby introduces the Delinquent Charges - 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.

SEPTEMBER Initial Notification

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

Director Baum made a motion to introduce a resolution for a Payment Plan Agreement Form-Fines, Fees, and Chargeable Services.

Discussion ensued among the Directors.

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

13d. Entertain a Motion to Introduce a Resolution for an Administrative Fee for Damage Reimbursements

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

RESOLUTION 03-18-XX
Administrative Fee for Damage Reimbursements

WHEREAS, pursuant to Civil Code §5855, the Mutual is required to hold hearings to impose any monetary charges to reimburse the Mutual for costs incurred in the repair of damage to common area or facilities caused by the actions or inactions of members, their tenant, or their guest, or their vendors/contractors or invitees;

WHEREAS, significant staff time is necessary to investigate, document, and prepare concise reports for Damage Reimbursement Hearings for damage caused by a member; and,

WHEREAS, the Mutual has seen an increase in administrative costs related to these damage reimbursement proceedings.

NOW THEREFORE BE IT RESOLVED, September 18, 2018, that the Board of Directors hereby introduces the Damage Reimbursement Administrative Fee;

RESOLVED FURTHER, effective November 1, 2018, the fee for costs related to damage reimbursement proceedings will be ten percent of the total reimbursement decision amount for all decisions of one thousand dollars or more;

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

SEPTEMBER Initial Notification

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

Director Baum made a motion to introduce a resolution for an Administrative Fee for Damage Reimbursements.

Discussion ensued among the Directors.

The Board directed staff to add "vendors/contractors or invitees" to paragraph one.

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

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 October 2, 2018, at 1:30 p.m. in the Board Room
- 14b. Report of the Architectural Controls and Standards Committee - Director Walsh gave an update from the last committee meeting and reported on the items that are scheduled for approval in October. Next Meeting Monday, September 24, 2018, at 9:30 a.m. in the Sycamore Room
- 14c. Report of the Maintenance and Construction Committee - Director Carpenter reported from the last committee meeting. Director Walsh reported that the trash chute, seal coat program, epoxy waste line and shepherds crook will be starting soon. Next Meeting October 1, 2018, at 1:00 p.m. in the Board Room
 - Report of the Parking and Golf Cart Task Force - Director Frankel reported on parking rules and regulations.
- 14d. Report of the Landscape Committee - Director Tung gave an update from the last committee meeting. Director Tung showed a presentation on drought resistant plants that the landscape department will start using. Next Meeting November 1, 2018, at 9:00 a.m. in the Board Room
- 14e. Report of the Laguna Woods Village Traffic Hearings - Director Frankel gave an update from the last committee meeting. Next hearing September 19, 2018, at 9:00 a.m. in the Board Room.
- 14f. Report of the Communications Committee - Director Baum gave an update from the last committee meeting. Next Meeting November 7, 2018, at 1:30 p.m. in the Willow Room
- 14g. Report of the Village Energy Task Force - Director Walsh gave an update from the last meeting. Director Walsh the Task Force discussed the need for more electrical car and golf cart plug-ins, street light inventory will be done by SCE before we receive acquisition, large solar symposium will be happening next week, and meeting at UCI regarding fuel cells. Next Meeting November 7, 2018, at 1:30 p.m. in the Willow Room
- 14h. Report of the Water Subcommittee - Director Tung gave a presentation on water usage in the Community. Next meeting October 9, 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. Director Baum met with the Director of Social Services to see if the Care Providers can be registered more efficiently. Next meeting TBD

15. GRF Committee Highlights

- 15a. Community Activities Committee – Director Parsons reported on past and upcoming recreation and special events. Next meeting November 8, 2018, at 1:30 p.m. in the Board Room
- 15b. Finance Committee – Director Parsons reported on highlights from the last committee meeting. Next Meeting October 24, 2018, at 1:30 p.m. in the Board Room
- 15c. Landscape Committee – Director Tung. Next Meeting September 19, 2018 at 1:30 p.m. in the Board Room
- 15d. Maintenance & Construction Committee – Director Carpenter reported on highlights from the last committee meeting. Next meeting October 10, 2018 at 9:30 a.m. in the Board Room
 - PAC Ad Hoc Committee – Next meeting TBA.
- 15e. Media and Communications Committee – Director Baum reported on highlights from the last committee meeting. Next meeting October 15, 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
- 15f. Mobility and Vehicles Committee—Director Frankel reported on highlights from the last committee meeting. The last meeting was well attended and the bus service has been changed to an eight route, 7 day bus system in addition to Plan-a-Ride. Next meeting October 3, 2018, at 1:30 p.m. in the Board Room
- 15g. Security and Community Access Committee – Director Bruninghaus reported on highlights from the last committee meeting. The Committee recommends that residents can purchase space in the RV parking lots for their commercial vehicles and discussed the Fire Avert program. Next meeting September 24, 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.*
- 16a. Revised Alteration Standard 31: Washer/Dryer Installations (October)
- 16b. Revise Common Area Use Policy (October)
- 16c. Revise the Traffic Rules & Regulations, Section 7.6 (September 21, 2018)

- 16d. Revisions to the Non-Emergency Chargeable Maintenance Services (September 21, 2018)
- 16e. Resolution to Revise the LH-21 Storage Policy
- 16f. Yellow Stake Program
- 16g. Parking in the Wedding Cake cul-de-sac areas.

17. Director's Comments

Director Parsons thanked Directors Walsh and Baum for their service on the Board.
Director Walsh and Baum thanked the Board and Staff for their help.
Director Bruninghaus thanked the Chair for her leadership.
Director Bhada thanked the other Board Members for their mentorship.
Director diLorenzo thanked the residents and wished everyone a Happy Yom Kipper.

18. Recess

The Board recessed at 12:07 p.m. and reconvened into Executive Session at 12:45 p.m..

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

During the August 21, 2018, Regular Executive Session, the Board:

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 and Consider Legal and Litigation Matters

19. Adjourn

With no further business to come before the Board of Directors, the meeting was adjourned at 3:45 p.m.



Burt Baum, Secretary of the Board
Third Laguna Hills Mutual

~~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 AUGUST 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 ~~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 23" 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.



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 AUGUST 2018, RESOLUTION 03-18-XXX

1.0 GENERAL REQUIREMENTS

See Standard Section 1: General Requirements

2.0 EXTERIOR CABINETS

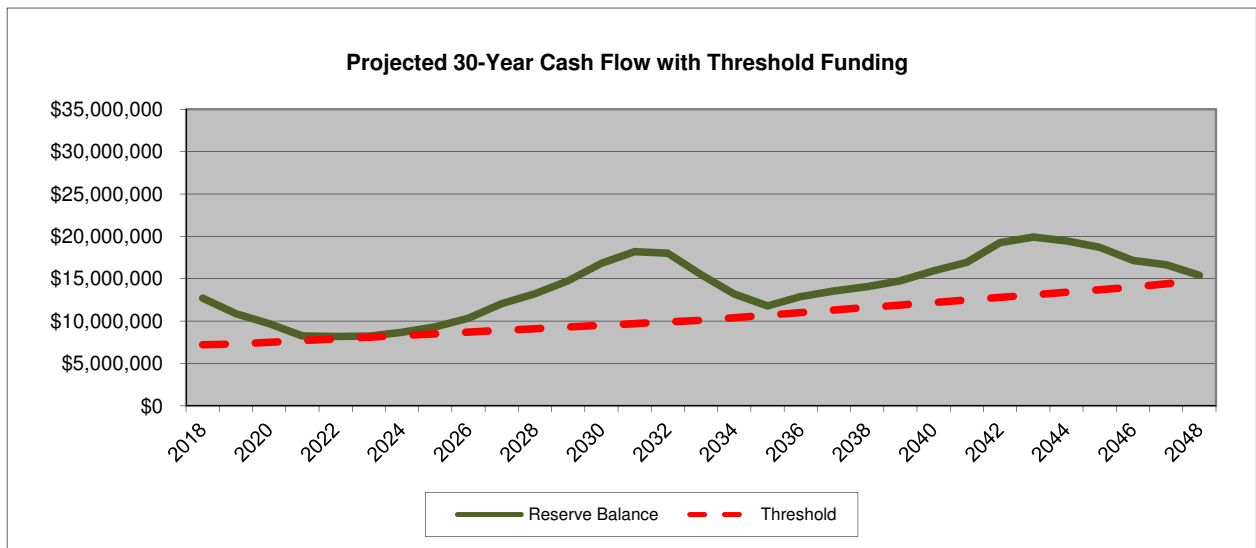
- 2.1** All patio installations shall be enclosed in a cabinet which meets all manufacturer's requirements.
- 2.2** The cabinet design shall be submitted to the Alterations Division prior to issuance of a Mutual Consent. The design shall address protection of the equipment from the elements.
- 2.3** 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.**

THIRD LAGUNA HILLS MUTUAL 2019 RESERVES PLAN Replacement Reserve 30-Year Funding Plan

Threshold (Min Balance): \$ 7,300,000
Indexed for projected inflation

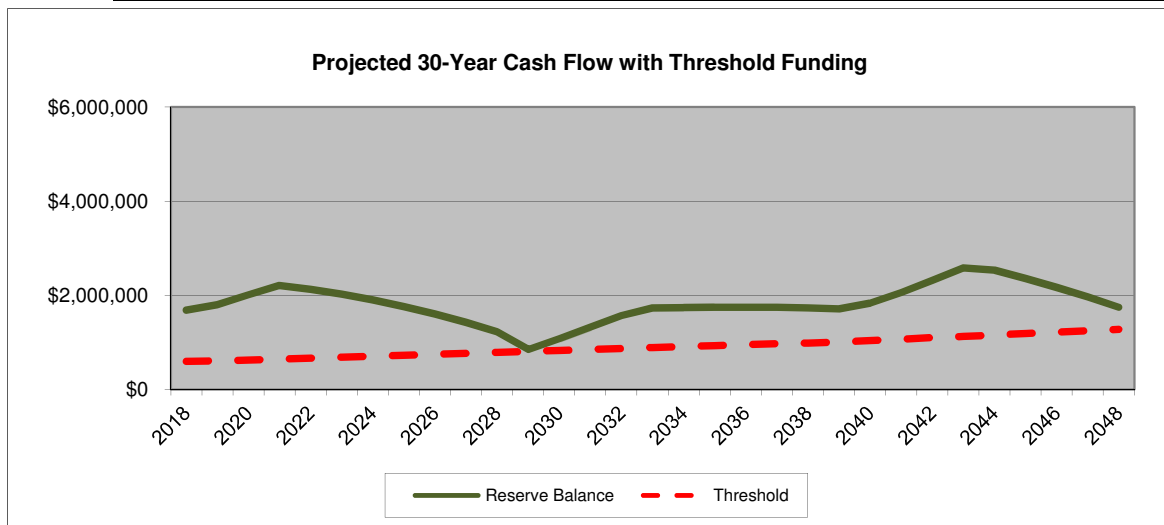
Year	Assessment		Interest Earnings	Other Additions	Planned Expenditures	Reserve Balance
	Per Manor Per Month	Total Contribution				
2018	\$ 135.00	\$ 9,885,240	\$ 186,332		\$ 11,460,472	\$ 12,708,122
2019	\$ 140.00	\$ 10,251,360	\$ 163,915		\$ 12,251,171	\$ 10,872,226
2020	\$ 145.00	\$ 10,617,480	\$ 178,445		\$ 11,968,171	\$ 9,699,980
2021	\$ 150.00	\$ 10,983,600	\$ 155,680		\$ 12,591,593	\$ 8,247,667
2022	\$ 155.00	\$ 11,349,720	\$ 142,626		\$ 11,544,912	\$ 8,195,102
2023	\$ 160.00	\$ 11,715,840	\$ 142,533		\$ 11,816,576	\$ 8,236,899
2024	\$ 165.00	\$ 12,081,960	\$ 146,693		\$ 11,790,881	\$ 8,674,671
2025	\$ 170.00	\$ 12,448,080	\$ 156,089		\$ 11,958,631	\$ 9,320,208
2026	\$ 175.00	\$ 12,814,200	\$ 170,586		\$ 11,959,031	\$ 10,345,963
2027	\$ 175.00	\$ 12,814,200	\$ 194,405		\$ 11,288,418	\$ 12,066,150
2028	\$ 175.00	\$ 12,814,200	\$ 219,367		\$ 11,875,991	\$ 13,223,726
2029	\$ 175.00	\$ 12,814,200	\$ 242,704		\$ 11,524,097	\$ 14,756,533
2030	\$ 175.00	\$ 12,814,200	\$ 273,947		\$ 11,019,056	\$ 16,825,623
2031	\$ 175.00	\$ 12,814,200	\$ 303,747		\$ 11,751,547	\$ 18,192,024
2032	\$ 175.00	\$ 12,814,200	\$ 314,050		\$ 13,306,802	\$ 18,013,471
2033	\$ 175.00	\$ 12,814,200	\$ 290,529		\$ 15,637,838	\$ 15,480,362
2034	\$ 175.00	\$ 12,814,200	\$ 248,771		\$ 15,343,906	\$ 13,199,426
2035	\$ 175.00	\$ 12,814,200	\$ 216,864		\$ 14,428,590	\$ 11,801,900
2036	\$ 175.00	\$ 12,814,200	\$ 214,128		\$ 11,946,219	\$ 12,884,009
2037	\$ 175.00	\$ 12,814,200	\$ 229,337		\$ 12,372,265	\$ 13,555,281
2038	\$ 180.00	\$ 13,180,320	\$ 239,510		\$ 12,918,304	\$ 14,056,807
2039	\$ 185.00	\$ 13,546,440	\$ 249,944		\$ 13,094,993	\$ 14,758,198
2040	\$ 190.00	\$ 13,912,560	\$ 266,243		\$ 13,001,219	\$ 15,935,782
2041	\$ 195.00	\$ 14,278,680	\$ 285,054		\$ 13,572,650	\$ 16,926,866
2042	\$ 200.00	\$ 14,644,800	\$ 313,834		\$ 12,631,759	\$ 19,253,740
2043	\$ 205.00	\$ 15,010,920	\$ 339,728		\$ 14,692,357	\$ 19,912,032
2044	\$ 205.00	\$ 15,010,920	\$ 341,632		\$ 15,791,354	\$ 19,473,230
2045	\$ 205.00	\$ 15,010,920	\$ 331,186		\$ 16,107,540	\$ 18,707,796
2046	\$ 205.00	\$ 15,010,920	\$ 311,064		\$ 16,876,319	\$ 17,153,461
2047	\$ 205.00	\$ 15,010,920	\$ 293,237		\$ 15,805,011	\$ 16,652,607
2048	\$ 205.00	\$ 15,010,920	\$ 278,126		\$ 16,530,347	\$ 15,411,307



**THIRD LAGUNA HILLS MUTUAL
2019 RESERVES PLAN
Elevator Reserve 30-Year Funding Plan**

Threshold (Min Balance): \$ 610,000
Indexed for projected inflation

<u>Year</u>	Assessment		<i>Interest Earnings</i>	<i>Planned Expenditures</i>	<i>Reserve Balance</i>
	<i>Per Manor Per Month</i>	<i>Total Contribution</i>			
2018	\$ 5.00	\$ 366,120	\$ 23,042	\$ 330,189	\$ 1,686,862
2019	\$ 6.00	\$ 439,344	\$ 24,265	\$ 346,698	\$ 1,803,773
2020	\$ 7.00	\$ 512,568	\$ 33,090	\$ 338,444	\$ 2,010,987
2021	\$ 7.00	\$ 512,568	\$ 36,642	\$ 346,905	\$ 2,213,292
2022	\$ 7.00	\$ 512,568	\$ 37,658	\$ 635,365	\$ 2,128,153
2023	\$ 7.00	\$ 512,568	\$ 36,029	\$ 651,250	\$ 2,025,500
2024	\$ 7.00	\$ 512,568	\$ 34,090	\$ 667,531	\$ 1,904,628
2025	\$ 7.00	\$ 512,568	\$ 31,829	\$ 684,219	\$ 1,764,805
2026	\$ 7.00	\$ 512,568	\$ 29,232	\$ 701,325	\$ 1,605,281
2027	\$ 7.00	\$ 512,568	\$ 26,287	\$ 718,858	\$ 1,425,278
2028	\$ 7.00	\$ 512,568	\$ 22,980	\$ 736,829	\$ 1,223,997
2029	\$ 7.00	\$ 512,568	\$ 17,975	\$ 906,300	\$ 848,240
2030	\$ 3.00	\$ 219,672	\$ 16,766	\$ -	\$ 1,084,678
2031	\$ 3.00	\$ 219,672	\$ 20,904	\$ -	\$ 1,325,254
2032	\$ 3.00	\$ 219,672	\$ 25,114	\$ -	\$ 1,570,040
2033	\$ 3.00	\$ 219,672	\$ 28,642	\$ 86,432	\$ 1,731,922
2034	\$ 3.00	\$ 219,672	\$ 30,124	\$ 240,808	\$ 1,740,911
2035	\$ 3.00	\$ 219,672	\$ 30,270	\$ 242,013	\$ 1,748,840
2036	\$ 3.00	\$ 219,672	\$ 30,356	\$ 248,063	\$ 1,750,804
2037	\$ 3.00	\$ 219,672	\$ 30,336	\$ 254,265	\$ 1,746,547
2038	\$ 3.00	\$ 219,672	\$ 30,206	\$ 260,622	\$ 1,735,804
2039	\$ 3.00	\$ 219,672	\$ 29,953	\$ 268,097	\$ 1,717,331
2040	\$ 3.00	\$ 219,672	\$ 30,829	\$ 130,964	\$ 1,836,869
2041	\$ 3.00	\$ 219,672	\$ 33,814	\$ 28,929	\$ 2,061,425
2042	\$ 3.00	\$ 219,672	\$ 37,997	\$ -	\$ 2,319,094
2043	\$ 3.00	\$ 219,672	\$ 42,506	\$ -	\$ 2,581,272
2044	\$ 3.00	\$ 219,672	\$ 44,378	\$ 310,411	\$ 2,534,911
2045	\$ 3.00	\$ 219,672	\$ 42,453	\$ 437,745	\$ 2,359,291
2046	\$ 3.00	\$ 219,672	\$ 39,284	\$ 448,689	\$ 2,169,558
2047	\$ 3.00	\$ 219,672	\$ 35,865	\$ 459,906	\$ 1,965,188
2048	\$ 3.00	\$ 219,672	\$ 32,188	\$ 471,404	\$ 1,745,645

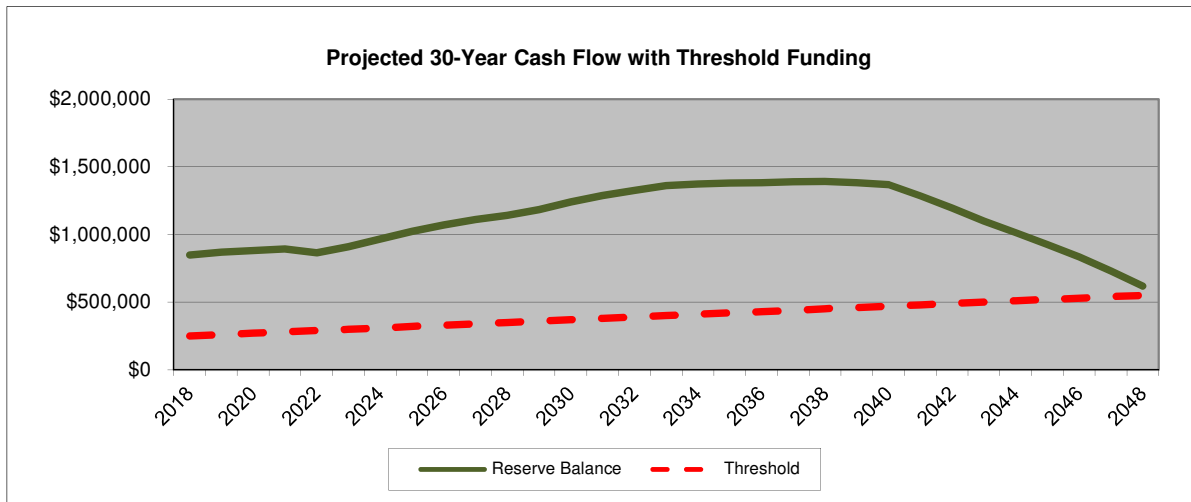


**THIRD LAGUNA HILLS MUTUAL
2019 RESERVES PLAN
Laundry Reserve 30-Year Funding Plan**

Threshold (Min Balance): \$ 260,000
Indexed for projected inflation

Year	Assessment		Interest Earnings	Planned Expenditures	Reserve Balance
	Per Manor Per Month*	Total Contribution			
2018	\$ 2.00	\$ 82,896	\$ 11,561	\$ 59,402	\$ 849,079
2019	\$ 1.00	\$ 73,224	\$ 11,948	\$ 64,542	\$ 869,709
2020	\$ 1.00	\$ 73,224	\$ 15,193	\$ 76,337	\$ 881,790
2021	\$ 1.00	\$ 73,224	\$ 15,387	\$ 78,245	\$ 892,156
2022	\$ 1.00	\$ 73,224	\$ 15,241	\$ 115,652	\$ 864,968
2023	\$ 2.00	\$ 146,448	\$ 15,386	\$ 118,012	\$ 908,791
2024	\$ 2.00	\$ 146,448	\$ 16,270	\$ 104,602	\$ 966,907
2025	\$ 2.00	\$ 146,448	\$ 17,264	\$ 107,217	\$ 1,023,402
2026	\$ 2.00	\$ 146,448	\$ 18,171	\$ 116,511	\$ 1,071,510
2027	\$ 2.00	\$ 146,448	\$ 18,929	\$ 126,204	\$ 1,110,683
2028	\$ 2.00	\$ 146,448	\$ 19,526	\$ 136,308	\$ 1,140,350
2029	\$ 2.00	\$ 146,448	\$ 20,156	\$ 123,596	\$ 1,183,358
2030	\$ 2.00	\$ 146,448	\$ 21,026	\$ 110,163	\$ 1,240,668
2031	\$ 2.00	\$ 146,448	\$ 21,940	\$ 120,401	\$ 1,288,656
2032	\$ 2.00	\$ 146,448	\$ 22,686	\$ 131,081	\$ 1,326,708
2033	\$ 2.00	\$ 146,448	\$ 23,323	\$ 134,358	\$ 1,362,121
2034	\$ 2.00	\$ 146,448	\$ 23,724	\$ 159,358	\$ 1,372,935
2035	\$ 2.00	\$ 146,448	\$ 23,879	\$ 163,342	\$ 1,379,921
2036	\$ 2.00	\$ 146,448	\$ 23,965	\$ 167,425	\$ 1,382,909
2037	\$ 2.00	\$ 146,448	\$ 24,053	\$ 163,341	\$ 1,390,068
2038	\$ 2.00	\$ 146,448	\$ 24,143	\$ 167,425	\$ 1,393,234
2039	\$ 2.00	\$ 146,448	\$ 24,086	\$ 180,235	\$ 1,383,533
2040	\$ 2.00	\$ 146,448	\$ 23,876	\$ 184,806	\$ 1,369,051
2041	\$ 2.00	\$ 146,448	\$ 23,035	\$ 251,943	\$ 1,286,591
2042	\$ 2.00	\$ 146,448	\$ 21,537	\$ 258,241	\$ 1,196,334
2043	\$ 2.00	\$ 146,448	\$ 19,909	\$ 263,826	\$ 1,098,866
2044	\$ 2.00	\$ 146,448	\$ 18,323	\$ 250,066	\$ 1,013,571
2045	\$ 2.00	\$ 146,448	\$ 16,834	\$ 249,703	\$ 927,150
2046	\$ 2.00	\$ 146,448	\$ 15,267	\$ 255,946	\$ 832,919
2047	\$ 2.00	\$ 146,448	\$ 13,562	\$ 262,345	\$ 730,584
2048	\$ 2.00	\$ 146,448	\$ 11,714	\$ 268,903	\$ 619,843

*Transferred from Surcharge to Shared Cost in 2019



THIRD LAGUNA HILLS MUTUAL

2019 BUSINESS PLAN

DESCRIPTION	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 PLAN	2019 PLAN	Per Manor Per Month		Increase/ (Decrease)
						2018 ASSESSMENT	2019	
REVENUES:								
Non-assessment Revenues:								
1 Fees and Charges to Residents	\$501,914	\$375,549	\$330,901	\$563,238	\$478,440	\$7.69	\$6.53	\$1.16
2 Miscellaneous	663,769	426,317	766,421	581,301	601,000	7.94	8.21	(0.27)
Total Revenues	\$1,165,683	\$801,866	\$1,097,323	\$1,144,539	\$1,079,440	\$15.63	\$14.74	(\$0.89)
EXPENSES:								
3 Employee Compensation	\$8,323,161	\$6,509,988	\$6,410,860	\$6,510,804	\$6,639,747	\$88.92	\$90.68	\$1.76
4 Expenses Related to Compensation	3,721,558	2,606,548	2,605,941	2,822,616	2,814,402	38.55	38.44	(0.11)
5 Material and Supplies	1,259,373	709,061	716,470	741,380	646,142	10.12	8.82	(1.30)
6 Electricity	478,787	421,327	376,806	246,561	246,561	3.37	3.37	0.00
7 Sewer	1,522,237	1,588,795	1,639,467	1,677,000	1,716,600	22.90	23.44	0.54
8 Water	2,335,660	2,575,110	2,706,828	2,532,507	2,710,627	34.59	37.02	2.43
9 Trash	488,455	454,293	458,710	529,881	534,407	7.24	7.30	0.06
10 Legal Fees	114,242	109,975	230,869	290,000	220,000	3.96	3.00	(0.96)
11 Professional Fees	93,175	126,157	103,610	156,914	184,589	2.14	2.52	0.38
12 Management Fee	147,192	0	0	0	0	0.00	0.00	0.00
13 Equipment Rental	17,504	17,229	7,661	14,388	7,244	0.20	0.10	(0.10)
14 Outside Services	1,142,703	1,487,505	1,351,796	1,396,431	1,092,186	19.07	14.92	(4.15)
15 Repairs and Maintenance	70,622	16,969	8,394	6,537	12,001	0.09	0.16	0.07
16 Other Operating Expense	131,704	274,059	136,139	134,080	155,289	1.83	2.12	0.29
17 Insurance	456,355	437,532	469,396	458,551	460,084	6.26	6.28	0.02
18 Property Insurance	681,034	665,445	703,375	857,745	852,719	11.71	11.65	(0.06)
19 Uncollectible Accounts	141,735	90,013	118,609	100,000	138,200	1.37	1.89	0.52
20 Allocated Expenses	1,153,924	852,374	772,014	1,132,329	1,078,023	15.46	14.72	(0.74)
Total Expenses	\$22,279,422	\$18,942,380	\$18,816,944	\$19,607,724	\$19,508,821	\$267.78	\$266.43	(\$1.35)
RESERVE CONTRIBUTIONS:								
21 Replacement Fund	\$5,125,680	\$9,885,240	\$9,885,240	\$9,885,240	\$10,251,360	\$135.00	\$140.00	\$5.00
22 Elevator Replacement Fund	292,896	366,120	366,120	366,120	439,344	5.00	6.00	1.00
23 Laundry Replacement Fund					73,224	0.00	1.00	1.00
24 Disaster Fund	2,050,272	2,196,720	2,196,720	2,028,305	2,028,305	27.70	27.70	0.00
25 Unappropriated Exp. Fund	439,344	439,344	805,464	732,240	585,792	10.00	8.00	(2.00)
Total Reserve Contributions	\$7,908,192	\$12,887,424	\$13,253,544	\$13,011,905	\$13,378,025	\$177.70	\$182.70	\$5.00
TOTAL MUTUAL	\$29,021,931	\$31,027,938	\$30,973,166	\$31,475,090	\$31,807,406	\$429.85	\$434.39	\$4.54
GOLDEN RAIN FOUNDATION								
26 GRF OPERATING	\$13,404,429	\$12,690,372	\$12,420,562	\$13,075,237	\$13,460,408	\$178.57	183.83	\$5.26
27 GRF RESERVE CONTRIBUTIONS	2,416,392	1,537,704	1,757,376	1,464,480	1,391,256	20.00	19.00	(\$1.00)
28 TOTAL GRF	\$15,820,821	\$14,228,076	\$14,177,938	\$14,539,717	\$14,851,664	\$198.57	\$202.83	\$4.26
28 TOTAL BASIC ASSESSMENTS	\$44,842,752	\$45,256,014	\$45,151,104	\$46,014,807	\$46,659,070	\$628.42	\$637.22	\$8.80
SURCHARGES (unique to units with common laundry facilities, elevators, and/or Garden Villa Rec Rooms)								
29 Laundry Revenue	(\$108,614)	(\$101,554)	(\$113,421)	(\$108,000)	(\$220,000)	(\$2.61)	(5.31)	(\$2.70)
30 Laundry Operating	269,621	280,874	267,167	194,927	220,020	4.70	5.31	0.61
31 Elevator Operating	301,843	346,146	328,855	329,190	337,230	14.86	15.22	0.36
32 Laundry Replacement Fund	124,344	124,344	82,896	82,896	0	2.00	0.00	(2.00)
33 Garden Villa Rec Room Fund	74,520	74,520	59,616	59,616	81,972	4.00	5.50	1.50
	\$661,714	\$724,330	\$625,114	\$558,629	\$419,222	\$22.95	\$20.72	(\$2.23)
TOTAL BUSINESS PLAN	\$45,504,466	\$45,980,344	\$45,776,218	\$46,573,436	\$47,078,292			

2019 BUSINESS PLAN
Revenue and Expenditure Report
THIRD LAGUNA HILLS MUTUAL

	2018 Budget	2019 Budget	VAR\$ B/(W)	VAR %
Non-Assessment Revenues:				
Fees and Charges for Services to Residents				
46501000 - Permit Fee	\$67,500	\$72,592	\$5,092	8%
46501500 - Inspection Fee	57,161	51,965	(5,196)	(9%)
46502000 - Resident Maintenance Fee	438,577	353,883	(84,694)	(19%)
Total Fees and Charges for Services to Residents	563,238	478,440	(84,798)	(15%)
Laundry				
46005000 - Coin Op Laundry Machine	108,000	220,000	112,000	104%
Total Laundry	108,000	220,000	112,000	104%
Miscellaneous				
46004500 - Resident Violations		10,000	10,000	0%
44501510 - Lease Processing Fee - Third	204,000	225,000	21,000	10%
44502500 - Non-Sale Transfer Fee - Third	13,000	3,000	(10,000)	(77%)
44503520 - Resale Processing Fee - Third	193,901	200,000	6,099	3%
44505500 - Hoa Certification Fee	6,000	9,000	3,000	50%
44507000 - Golf Cart Electric Fee	68,000	68,000		0%
44507200 - Electric Vehicle Plug-In Fee	12,000	6,000	(6,000)	(50%)
44507500 - Cartport Space Rental Fee	3,000	3,000		0%
47001500 - Late Fee Revenue	48,000	60,000	12,000	25%
47002020 - Collection Administrative Fee - Third	9,000		(9,000)	(100%)
47002500 - Collection Interest Revenue	22,000	12,000	(10,000)	(45%)
47501000 - Recycling	2,400	5,000	2,600	108%
Total Miscellaneous	581,301	601,000	19,699	3%
Total Non-Assessment Revenue	1,252,539	1,299,440	46,901	4%
Expenses:				
51011000 - Salaries & Wages - Regular	2,276,484	2,587,269	(310,785)	(14%)
51021000 - Union Wages - Regular	5,684,742	5,763,645	(78,903)	(1%)
51041000 - Wages - Overtime	40,308	25,095	15,213	38%
51051000 - Union Wages - Overtime	37,449	37,244	204	1%
51061000 - Holiday & Vacation	321,801	338,267	(16,465)	(5%)
51071000 - Sick	262,522	275,954	(13,432)	(5%)
51091000 - Missed Meal Penalty	1,758	858	900	51%
51101000 - Temporary Help	53,884	36,664	17,220	32%
51981000 - Compensation Accrual		5,826	(5,826)	0%
Total Employee Compensation	8,678,947	9,070,822	(391,875)	(5%)
52411000 - F.I.C.A.	647,182	677,880	(30,698)	(5%)
52421000 - F.U.I.	9,719	13,091	(3,372)	(35%)
52431000 - S.U.I.	48,533	56,129	(7,596)	(16%)
52441000 - Union Medical	1,902,800	1,913,209	(10,409)	(1%)
52451000 - Workers' Compensation Insurance	623,917	668,020	(44,104)	(7%)
52461000 - Non Union Medical & Life Insurance	233,653	267,211	(33,559)	(14%)
52471000 - Union Retirement Plan	310,962	312,663	(1,701)	(1%)
52481000 - Non-Union Retirement Plan	94,496	108,438	(13,942)	(15%)
52981000 - Compensation Related Accrual		970	(970)	0%
Total Expenses Related to Employee Compensation	3,871,261	4,017,611	(146,350)	(4%)
Materials and Supplies				
53001000 - Materials & Supplies	358,452	466,289	(107,836)	(30%)
53002500 - Printed Membership Materials	194		194	100%
53003000 - Materials Direct	1,200,324	1,088,103	112,221	9%
Total Materials and Supplies	1,558,970	1,554,392	4,579	0%

Version Final

2019 BUSINESS PLAN
Revenue and Expenditure Report
THIRD LAGUNA HILLS MUTUAL

	2018 Budget	2019 Budget	VAR\$ B/(W)	VAR %
Utilities and Telephone				
53301000 - Electricity	325,000	325,000		0%
53301500 - Sewer	1,677,000	1,716,600	(39,600)	(2%)
53302000 - Water	2,532,507	2,710,627	(178,120)	(7%)
53302500 - Trash	530,455	546,690	(16,235)	(3%)
Total Utilities and Telephone	5,064,962	5,298,917	(233,955)	(5%)
Legal Fees				
53401500 - Legal Fees	290,000	220,000	70,000	24%
Total Legal Fees	290,000	220,000	70,000	24%
Professional Fees				
53402000 - Audit & Tax Preparation Fees	48,000	57,600	(9,600)	(20%)
53403500 - Consulting Fees	34,614	6,053	28,560	83%
53403520 - Consulting Fees - Third	74,300	120,936	(46,636)	(63%)
Total Professional Fees	156,914	184,589	(27,676)	(18%)
Equipment Rental				
53501500 - Equipment Rental/Lease Fees	25,462	40,090	(14,628)	(57%)
Total Equipment Rental	25,462	40,090	(14,628)	(57%)
Outside Services				
53601000 - Bank Fees	3,929	3,929		0%
53704000 - Outside Services	77,476	121,480	(44,003)	(57%)
54603500 - Outside Services CC	10,377,739	10,846,711	(468,972)	(5%)
Total Outside Services	10,459,144	10,972,120	(512,975)	(5%)
Repairs and Maintenance				
53701000 - Equipment Repair & Maint	12,108	16,240	(4,133)	(34%)
53703000 - Elevator /Lift Maintenance	320,480	328,520	(8,040)	(3%)
Total Repairs and Maintenance	332,588	344,760	(12,173)	(4%)
Other Operating Expense				
53801000 - Mileage & Meal Allowance	7,694	15,252	(7,558)	(98%)
53801500 - Travel & Lodging	1,574	968	606	39%
53802000 - Uniforms	70,674	82,843	(12,169)	(17%)
53802500 - Dues & Memberships	3,204	1,992	1,212	38%
53803000 - Subscriptions & Books	1,851	2,004	(153)	(8%)
53803500 - Training & Education	11,016	14,902	(3,886)	(35%)
53901500 - Volunteer Support	1,175	1,175		0%
53903000 - Safety	41	186	(145)	(352%)
54001000 - Board Relations	5,000	3,666	1,333	27%
54001020 - Board Relations - Third	4,000	10,000	(6,000)	(150%)
54002000 - Postage	51,712	47,672	4,040	8%
54002500 - Filing Fees / Permits	1,497	761	736	49%
Total Other Operating Expense	159,438	181,422	(21,985)	(14%)
Insurance				
54401000 - Hazard & Liability Insurance	403,965	405,194	(1,229)	0%
54401500 - D&O Liability	47,514	47,818	(304)	(1%)
54402000 - Property Insurance	857,745	852,719	5,026	1%
54403000 - General Liability Insurance	7,072	7,072		0%
Total Insurance	1,316,295	1,312,803	3,493	0%
Uncollectible Accounts				
54602000 - Bad Debt Expense	100,000	138,200	(38,200)	(38%)
Total Uncollectible Accounts	100,000	138,200	(38,200)	(38%)

Version Final

2019 BUSINESS PLAN
Revenue and Expenditure Report
THIRD LAGUNA HILLS MUTUAL

	<u>2018 Budget</u>	<u>2019 Budget</u>	<u>VAR\$ B/(W)</u>	<u>VAR %</u>
Total Expenses	<u>32,013,982</u>	<u>33,335,726</u>	<u>(1,321,745)</u>	<u>(4%)</u>
Unallocated Revenue / (Expense)	<u>(\$30,761,443)</u>	<u>(\$32,036,287)</u>	<u>(\$1,274,844)</u>	<u>(4%)</u>
Allocated Expenses				
Allocated From Departments	<u>1,279,046</u>	<u>1,204,782</u>	<u>74,264</u>	<u>6%</u>
Total Allocated Expenses	<u>1,279,046</u>	<u>1,204,782</u>	<u>74,264</u>	<u>6%</u>
Net Revenue / (Expense)	<u>(\$32,040,489)</u>	<u>(\$33,241,068)</u>	<u>(\$1,200,580)</u>	<u>(4%)</u>

Version Final

**THIRD LAGUNA HILLS MUTUAL
2019 BUSINESS PLAN
Landscape Expenditures by Program**

DESCRIPTION	2015 ACTUALS	2016 ACTUALS	2017 ACTUALS	2018 BUDGET	2019 BUDGET	Increase/(Decrease) \$ %	
OPERATING FUND							
LAWN MAINTENANCE	\$1,205,299	\$1,209,523	\$1,414,141	\$1,315,839	\$1,396,778	\$80,939	6%
SHRUB-BED MAINTENANCE	2,199,557	2,255,070	2,010,200	2,300,782	2,385,680	84,898	4%
SLOPE MAINTENANCE	314,442	327,497	282,570	335,045	412,199	77,154	23%
TREE MAINTENANCE	733,911	0	4,031	0	0	0	0%
RESIDENT CHARGEABLE SERVICES	0	0	0	0	0	0	0%
PEST CONTROL	74,089	130,250	132,306	155,466	148,624	(6,842)	(4%)
CARPORT CLEANING	12,856	0	0	0	0	0	0%
GARDEN VILLA MAINTENANCE	67,656	139,786	107,962	65,718	50,063	(15,655)	(24%)
MISCELLANEOUS TASKS	146,175	137,668	287,394	148,723	177,375	28,652	19%
SUPPORT	524,295	314,800	381,147	422,727	429,628	6,901	2%
TOTAL OPERATING FUND	\$5,278,280	\$4,514,594	\$4,619,751	\$4,744,300	\$5,000,347	\$256,047	5%

**THIRD LAGUNA HILLS MUTUAL
2019 BUSINESS PLAN
Maintenance Expenditures by Program**

DESCRIPTION	2015 ACTUALS	2016 ACTUALS	2017 ACTUAL	2018 BUDGET	2019 BUDGET	Increase/(Decrease) \$ %	
OPERATING FUND							
JANITORIAL SERVICE	\$657,065	\$653,906	\$701,593	\$785,925	\$996,545	\$210,619	27%
PLUMBING SERVICE	540,721	676,691	776,888	562,159	674,483	112,324	20%
CARPENTRY SERVICE	359,579	418,726	469,859	370,816	385,731	14,915	4%
CONCRETE REPAIR/REPLACEMENT	256,288	272,459	344,015	277,636	375,171	97,535	35%
PEST CONTROL	212,391	240,244	279,081	298,968	260,405	(38,563)	(13%)
FIRE PROTECTION	82,236	71,824	72,010	100,820	175,556	74,736	74%
GUTTER CLEANING	128,022	206,502	144,723	166,799	151,554	(15,246)	(9%)
ELECTRICAL SERVICE	106,550	122,876	115,399	142,279	121,615	(20,665)	(15%)
APPLIANCE REPAIRS	89,256	113,354	129,690	93,901	85,379	(8,522)	(9%)
WELDING	54,814	41,294	97,283	75,046	85,307	10,260	14%
MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	43,599	71,831	41,725	66,061	58,050	(8,011)	(12%)
TRAFFIC CONTROL	17,830	14,495	15,717	29,721	30,359	638	2%
SOLAR MAINTENANCE	0	0	0	40,000	25,000	(15,000)	(38%)
CURB CUTS	0	0	0	20,000	10,000	(10,000)	(50%)
PAINT PROGRAM	1,553,188	4,005	0	0	0	0	0%
REPAIRS PRIOR-TO-PAINT	988,080	6,138	0	0	0	0	0%
GV MAILROOM RENOVATIONS	10,036	8,504	53,786	0	0	0	0%
BALCONY/BREEZEWAY RESURFACING	575,227	373,619	291,946	411,008	0	(411,008)	(100%)
BUILDING REHAB/DRY ROT	114,569	116,009	154,877	320,666	0	(320,666)	(100%)
ROOF REPAIRS	338,275	245,943	349,416	290,000	0	(290,000)	(100%)
PAINT- TOUCHUP	103,060	128,039	165,742	118,034	0	(118,034)	(100%)
PAVING MAINTENANCE & REPAIRS	149,686	129,474	84,634	163,751	0	(163,751)	(100%)
STAIR TREAD REPLACEMENTS	0	0	0	0	0	0	0%
TOTAL MAINTENANCE	\$6,380,471	\$3,915,932	\$4,288,384	\$4,333,590	\$3,435,153	(\$898,437)	(21%)

Lines 18-23 moved to reserves in 2019.

Line 17 moved to reseves in 2018.

Lines 15 and 16 moved to the reserves in 2016.

**THIRD LAGUNA HILLS MUTUAL
2019 RESERVES PLAN
Projected Fund Balances**

Fund	Year	Beginning Balance	Interest	Contributions	Assessment PMPM	Planned Expenditures	ENDING BALANCE
REPLACEMENT RESERVE FUND	2018	\$ 14,097,022	\$ 186,332	\$ 9,885,240	\$ 135.00	\$ (11,460,472)	\$ 12,708,122
	2019	\$ 12,708,122	\$ 163,915	\$ 10,251,360	\$ 140.00	\$ (12,251,171)	\$ 10,872,226
	2020	\$ 10,872,226	\$ 178,445	\$ 10,617,480	\$ 145.00	\$ (11,968,171)	\$ 9,699,980
	2021	\$ 9,699,980	\$ 155,680	\$ 10,983,600	\$ 150.00	\$ (12,591,593)	\$ 8,247,667
	2022	\$ 8,247,667	\$ 142,626	\$ 11,349,720	\$ 155.00	\$ (11,544,912)	\$ 8,195,102
	2023	\$ 8,195,102	\$ 142,533	\$ 11,715,840	\$ 160.00	\$ (11,816,576)	\$ 8,236,899
ELEVATOR REPLACEMENT RESERVE FUND	2018	\$ 1,627,889	\$ 23,042	\$ 366,120	\$ 5.00	\$ (330,189)	\$ 1,686,862
	2019	\$ 1,686,862	\$ 24,265	\$ 439,344	\$ 6.00	\$ (346,698)	\$ 1,803,773
	2020	\$ 1,803,773	\$ 33,090	\$ 512,568	\$ 7.00	\$ (338,444)	\$ 2,010,987
	2021	\$ 2,010,987	\$ 36,642	\$ 512,568	\$ 7.00	\$ (346,905)	\$ 2,213,292
	2022	\$ 2,213,292	\$ 37,658	\$ 512,568	\$ 7.00	\$ (635,365)	\$ 2,128,153
	2023	\$ 2,128,153	\$ 36,029	\$ 512,568	\$ 7.00	\$ (651,250)	\$ 2,025,500
LAUNDRY REPLACEMENT RESERVE FUND	2019	\$ 849,079	\$ 11,948	\$ 73,224	\$ 1.00	\$ (64,542)	\$ 869,709
	2020	\$ 869,709	\$ 15,193	\$ 73,224	\$ 1.00	\$ (76,337)	\$ 881,790
	2021	\$ 881,790	\$ 15,387	\$ 73,224	\$ 1.00	\$ (78,245)	\$ 892,156
	2022	\$ 892,156	\$ 15,241	\$ 73,224	\$ 1.00	\$ (115,652)	\$ 864,968
	2023	\$ 864,968	\$ 15,386	\$ 146,448	\$ 2.00	\$ (118,012)	\$ 908,791
DISASTER FUND	2018	\$ 8,728,229	\$ 123,972	\$ 2,028,305	\$ 27.70	\$ (1,774,461)	\$ 9,106,045
	2019	\$ 9,106,045	\$ 129,682	\$ 2,028,305	\$ 27.70	\$ (1,714,446)	\$ 9,549,586
	2020	\$ 9,549,586	\$ 135,593	\$ 2,028,305	\$ 27.70	\$ (1,757,000)	\$ 9,956,484
	2021	\$ 9,956,484	\$ 140,982	\$ 2,028,305	\$ 27.70	\$ (1,801,000)	\$ 10,324,771
	2022	\$ 10,324,771	\$ 145,823	\$ 2,028,305	\$ 27.70	\$ (1,846,000)	\$ 10,652,899
	2023	\$ 10,652,899	\$ 150,095	\$ 2,028,305	\$ 27.70	\$ (1,892,000)	\$ 10,939,299
UNAPPROPRIATED EXPENDITURES FUND	2018	\$ 2,762,888	\$ 37,949	\$ 732,240	\$ 10.00	\$ (836,680)	\$ 2,696,397
	2019	\$ 2,696,397	\$ 38,350	\$ 585,792	\$ 8.00	\$ (500,000)	\$ 2,820,539
	2020	\$ 2,820,539	\$ 39,997	\$ 585,792	\$ 8.00	\$ (513,000)	\$ 2,933,328
	2021	\$ 2,933,328	\$ 41,485	\$ 585,792	\$ 8.00	\$ (526,000)	\$ 3,034,605
	2022	\$ 3,034,605	\$ 42,812	\$ 585,792	\$ 8.00	\$ (539,000)	\$ 3,124,209
	2023	\$ 3,124,209	\$ 43,975	\$ 585,792	\$ 8.00	\$ (552,000)	\$ 3,201,976
TOTAL	2018	\$ 27,216,028	\$ 371,295	\$ 13,011,905	\$ 177.70	\$ (14,401,802)	\$ 26,197,426
	2019	\$ 27,046,504	\$ 368,160	\$ 13,378,025	\$ 182.70	\$ (14,876,856)	\$ 25,915,833
	2020	\$ 25,915,833	\$ 402,318	\$ 13,817,369	\$ 188.70	\$ (14,652,951)	\$ 25,482,569
	2021	\$ 25,482,569	\$ 390,176	\$ 14,183,489	\$ 193.70	\$ (15,343,743)	\$ 24,712,492
	2022	\$ 24,712,492	\$ 384,160	\$ 14,549,609	\$ 198.70	\$ (14,680,930)	\$ 24,965,331
	2023	\$ 24,965,331	\$ 388,018	\$ 14,988,953	\$ 204.70	\$ (15,029,837)	\$ 25,312,465
SURCHARGE:							
LAUNDRY REPLACEMENT RESERVE	2018	\$ 814,024	\$ 11,561	\$ 82,896	\$ 2.00	\$ (59,402)	\$ 849,079
	Note: Laundry Replacement Fund is transferred to shared cost in 2019.						
SURCHARGE:							
GARDEN VILLA REC ROOM FUND	2018	\$ 63,639	\$ 824	\$ 59,616	\$ 4.00	\$ (69,139)	\$ 54,940
	2019	\$ 54,940	\$ 660	\$ 81,972	\$ 5.50	\$ (97,580)	\$ 39,992
	2020	\$ 39,992	\$ 637	\$ 81,972	\$ 5.50	\$ (70,900)	\$ 51,701
	2021	\$ 51,701	\$ 789	\$ 81,972	\$ 5.50	\$ (72,700)	\$ 61,762
	2022	\$ 61,762	\$ 917	\$ 81,972	\$ 5.50	\$ (74,500)	\$ 70,151
	2023	\$ 70,151	\$ 1,021	\$ 81,972	\$ 5.50	\$ (76,400)	\$ 76,744
Note: Garden Villa Rec Room Fund surcharge applies only to manors within Garden Villa buildings.							

**THIRD LAGUNA HILLS MUTUAL
2019 RESERVES PLAN
Reserve Expenditures by Program**

DESCRIPTION		2015 ACTUALS	2016 ACTUALS	2017 ACTUAL	2018 BUDGET	2019 BUDGET	Increase/(Decrease) \$ %	
1	ALARM SYSTEMS	\$7,880	\$9,790	\$0	\$0	\$0	\$0	0%
2	BUILDING NUMBERS	0	2,391	4,196	33,970	33,970	0	0%
3	BUILDING STRUCTURES	1,057,800	1,448,293	1,588,675	3,152,327	2,732,992	(419,334)	(13%)
4	ELECTRICAL SYSTEMS	22,148	14,868	5,322	55,046	58,610	3,564	6%
5	ENERGY PROJECTS	0	40,000	5,157	50,000	50,000	0	0%
6	EXTERIOR LIGHTING	34,147	0	112,857	500,000	800,000	300,000	60%
7	FENCING	67,073	35,618	107,210	0	136,817	136,817	100%
8	GARDEN VILLA LOBBY	7,978	42,485	36,751	114,126	119,560	5,434	5%
9	GARDEN VILLA MAILROOM	0	0	0	23,649	70,173	46,524	197%
10	GARDEN VILLA RECESSED AREAS	0	0	36,350	195,000	250,440	55,440	28%
11	GARDEN VILLA REC ROOM HEAT PUMP/WATER HEATER	489	941	6,313	18,000	19,505	1,505	8%
12	GUTTERS	79,831	66,379	272,815	137,118	37,000	(100,118)	(73%)
13	LANDSCAPE MODERNIZATION	(3,164)	0	0	250,000	1,099,890	849,890	340%
14	MAILBOXES	11,104	2,454	12,988	19,389	36,483	17,094	88%
15	PAINT PROGRAM	0	1,347,231	1,703,787	1,602,744	2,008,631	405,886	25%
16	PRIOR TO PAINT	0	830,582	640,460	857,243	1,277,033	419,791	49%
17	PAVING/CONCRETE	68,128	273,304	296,129	597,000	844,499	247,499	41%
18	ROOFS	1,154,649	1,644,110	1,210,590	1,598,050	1,311,937	(286,113)	(18%)
19	TREE MAINTENANCE	0	88,966	738,686	826,476	213,630	(612,846)	(74%)
20	EXTERIOR WALLS	4,863	0	15,375	75,000	200,000	125,000	167%
21	WASTE LINE REMEDIATION	507,671	292,004	750,800	750,000	750,000	0	0%
22	WATER LINES - COPPER PIPE REMEDIATION	59,764	119,843	109,199	100,000	200,000	100,000	100%
23	ELEVATORS	295,105	306,727	306,380	330,189	346,698	16,509	5%
24	LAUNDRY COUNTERTOP/FLOOR REPLACEMENT	12,675	16,619	32,872	34,688	54,697	20,010	58%
25	LAUNDRY APPLIANCES REPLACEMENTS	41,461	32,890	17,075	24,714	9,844	(14,870)	(60%)
	OTHER SUPPL. APPROPRIATIONS	0	0	0	0	0	0	0%
TOTAL REPLACEMENT FUNDS		\$3,429,602	\$6,615,496	\$8,009,987	\$11,344,729	\$12,662,410	\$1,317,682	12%

Lines 3, 15, 16, 17 and 18 include major repairs moved from operations in 2019.

Line 7 was moved to operating in 2018 under Carpentry Services.

Line 9 was moved from operations to reserves in 2018.

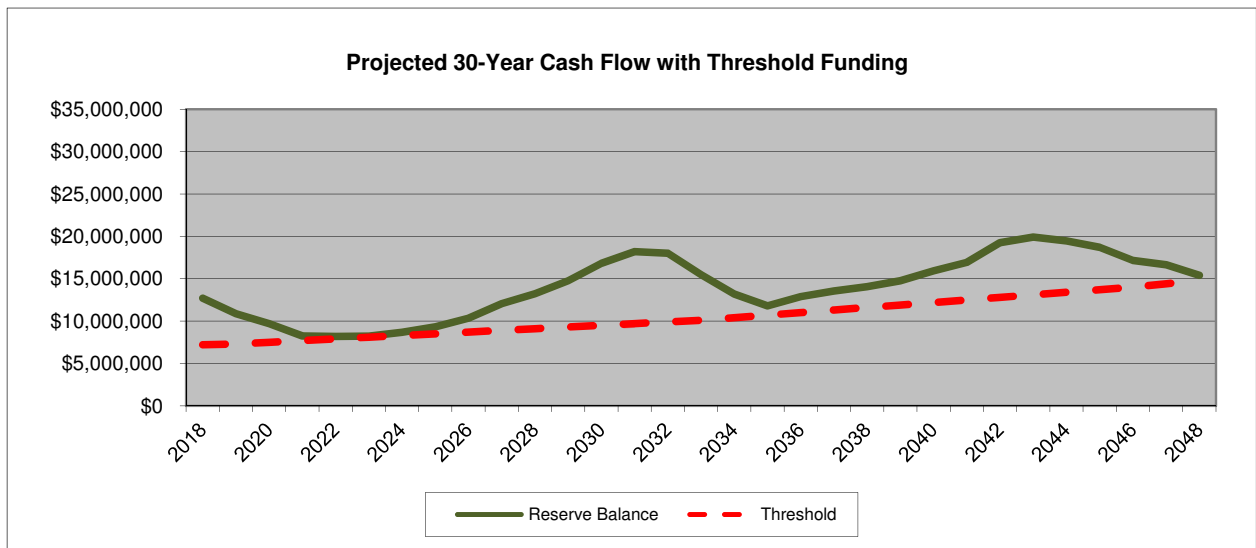
Line 9 was moved from operations to reserves in 2018.

GARDEN VILLA RECREATION ROOMS	\$46,517	\$65,036	\$114,123	\$69,139	\$97,580	\$28,441	41%
TOTAL GARDEN VILLA RECREATION ROOM FUND	\$46,517	\$65,036	\$114,123	\$69,139	\$97,580	\$28,441	41%

THIRD LAGUNA HILLS MUTUAL 2019 RESERVES PLAN Replacement Reserve 30-Year Funding Plan

Threshold (Min Balance): \$ 7,300,000
Indexed for projected inflation

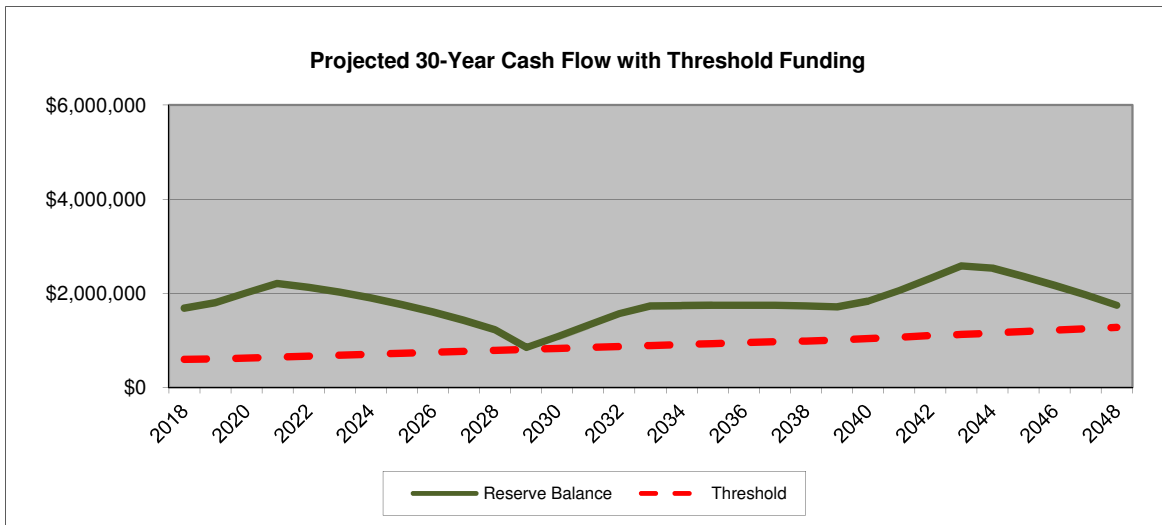
Year	Assessment		Interest Earnings	Other Additions	Planned Expenditures	Reserve Balance
	Per Manor Per Month	Total Contribution				
2018	\$ 135.00	\$ 9,885,240	\$ 186,332		\$ 11,460,472	\$ 12,708,122
2019	\$ 140.00	\$ 10,251,360	\$ 163,915		\$ 12,251,171	\$ 10,872,226
2020	\$ 145.00	\$ 10,617,480	\$ 178,445		\$ 11,968,171	\$ 9,699,980
2021	\$ 150.00	\$ 10,983,600	\$ 155,680		\$ 12,591,593	\$ 8,247,667
2022	\$ 155.00	\$ 11,349,720	\$ 142,626		\$ 11,544,912	\$ 8,195,102
2023	\$ 160.00	\$ 11,715,840	\$ 142,533		\$ 11,816,576	\$ 8,236,899
2024	\$ 165.00	\$ 12,081,960	\$ 146,693		\$ 11,790,881	\$ 8,674,671
2025	\$ 170.00	\$ 12,448,080	\$ 156,089		\$ 11,958,631	\$ 9,320,208
2026	\$ 175.00	\$ 12,814,200	\$ 170,586		\$ 11,959,031	\$ 10,345,963
2027	\$ 175.00	\$ 12,814,200	\$ 194,405		\$ 11,288,418	\$ 12,066,150
2028	\$ 175.00	\$ 12,814,200	\$ 219,367		\$ 11,875,991	\$ 13,223,726
2029	\$ 175.00	\$ 12,814,200	\$ 242,704		\$ 11,524,097	\$ 14,756,533
2030	\$ 175.00	\$ 12,814,200	\$ 273,947		\$ 11,019,056	\$ 16,825,623
2031	\$ 175.00	\$ 12,814,200	\$ 303,747		\$ 11,751,547	\$ 18,192,024
2032	\$ 175.00	\$ 12,814,200	\$ 314,050		\$ 13,306,802	\$ 18,013,471
2033	\$ 175.00	\$ 12,814,200	\$ 290,529		\$ 15,637,838	\$ 15,480,362
2034	\$ 175.00	\$ 12,814,200	\$ 248,771		\$ 15,343,906	\$ 13,199,426
2035	\$ 175.00	\$ 12,814,200	\$ 216,864		\$ 14,428,590	\$ 11,801,900
2036	\$ 175.00	\$ 12,814,200	\$ 214,128		\$ 11,946,219	\$ 12,884,009
2037	\$ 175.00	\$ 12,814,200	\$ 229,337		\$ 12,372,265	\$ 13,555,281
2038	\$ 180.00	\$ 13,180,320	\$ 239,510		\$ 12,918,304	\$ 14,056,807
2039	\$ 185.00	\$ 13,546,440	\$ 249,944		\$ 13,094,993	\$ 14,758,198
2040	\$ 190.00	\$ 13,912,560	\$ 266,243		\$ 13,001,219	\$ 15,935,782
2041	\$ 195.00	\$ 14,278,680	\$ 285,054		\$ 13,572,650	\$ 16,926,866
2042	\$ 200.00	\$ 14,644,800	\$ 313,834		\$ 12,631,759	\$ 19,253,740
2043	\$ 205.00	\$ 15,010,920	\$ 339,728		\$ 14,692,357	\$ 19,912,032
2044	\$ 205.00	\$ 15,010,920	\$ 341,632		\$ 15,791,354	\$ 19,473,230
2045	\$ 205.00	\$ 15,010,920	\$ 331,186		\$ 16,107,540	\$ 18,707,796
2046	\$ 205.00	\$ 15,010,920	\$ 311,064		\$ 16,876,319	\$ 17,153,461
2047	\$ 205.00	\$ 15,010,920	\$ 293,237		\$ 15,805,011	\$ 16,652,607
2048	\$ 205.00	\$ 15,010,920	\$ 278,126		\$ 16,530,347	\$ 15,411,307



**THIRD LAGUNA HILLS MUTUAL
2019 RESERVES PLAN
Elevator Reserve 30-Year Funding Plan**

Threshold (Min Balance): \$ **610,000**
Indexed for projected inflation

<u>Year</u>	Assessment		<i>Interest Earnings</i>	<i>Planned Expenditures</i>	<i>Reserve Balance</i>
	<i>Per Manor Per Month</i>	<i>Total Contribution</i>			
2018	\$ 5.00	\$ 366,120	\$ 23,042	\$ 330,189	\$ 1,686,862
2019	\$ 6.00	\$ 439,344	\$ 24,265	\$ 346,698	\$ 1,803,773
2020	\$ 7.00	\$ 512,568	\$ 33,090	\$ 338,444	\$ 2,010,987
2021	\$ 7.00	\$ 512,568	\$ 36,642	\$ 346,905	\$ 2,213,292
2022	\$ 7.00	\$ 512,568	\$ 37,658	\$ 635,365	\$ 2,128,153
2023	\$ 7.00	\$ 512,568	\$ 36,029	\$ 651,250	\$ 2,025,500
2024	\$ 7.00	\$ 512,568	\$ 34,090	\$ 667,531	\$ 1,904,628
2025	\$ 7.00	\$ 512,568	\$ 31,829	\$ 684,219	\$ 1,764,805
2026	\$ 7.00	\$ 512,568	\$ 29,232	\$ 701,325	\$ 1,605,281
2027	\$ 7.00	\$ 512,568	\$ 26,287	\$ 718,858	\$ 1,425,278
2028	\$ 7.00	\$ 512,568	\$ 22,980	\$ 736,829	\$ 1,223,997
2029	\$ 7.00	\$ 512,568	\$ 17,975	\$ 906,300	\$ 848,240
2030	\$ 3.00	\$ 219,672	\$ 16,766	\$ -	\$ 1,084,678
2031	\$ 3.00	\$ 219,672	\$ 20,904	\$ -	\$ 1,325,254
2032	\$ 3.00	\$ 219,672	\$ 25,114	\$ -	\$ 1,570,040
2033	\$ 3.00	\$ 219,672	\$ 28,642	\$ 86,432	\$ 1,731,922
2034	\$ 3.00	\$ 219,672	\$ 30,124	\$ 240,808	\$ 1,740,911
2035	\$ 3.00	\$ 219,672	\$ 30,270	\$ 242,013	\$ 1,748,840
2036	\$ 3.00	\$ 219,672	\$ 30,356	\$ 248,063	\$ 1,750,804
2037	\$ 3.00	\$ 219,672	\$ 30,336	\$ 254,265	\$ 1,746,547
2038	\$ 3.00	\$ 219,672	\$ 30,206	\$ 260,622	\$ 1,735,804
2039	\$ 3.00	\$ 219,672	\$ 29,953	\$ 268,097	\$ 1,717,331
2040	\$ 3.00	\$ 219,672	\$ 30,829	\$ 130,964	\$ 1,836,869
2041	\$ 3.00	\$ 219,672	\$ 33,814	\$ 28,929	\$ 2,061,425
2042	\$ 3.00	\$ 219,672	\$ 37,997	\$ -	\$ 2,319,094
2043	\$ 3.00	\$ 219,672	\$ 42,506	\$ -	\$ 2,581,272
2044	\$ 3.00	\$ 219,672	\$ 44,378	\$ 310,411	\$ 2,534,911
2045	\$ 3.00	\$ 219,672	\$ 42,453	\$ 437,745	\$ 2,359,291
2046	\$ 3.00	\$ 219,672	\$ 39,284	\$ 448,689	\$ 2,169,558
2047	\$ 3.00	\$ 219,672	\$ 35,865	\$ 459,906	\$ 1,965,188
2048	\$ 3.00	\$ 219,672	\$ 32,188	\$ 471,404	\$ 1,745,645

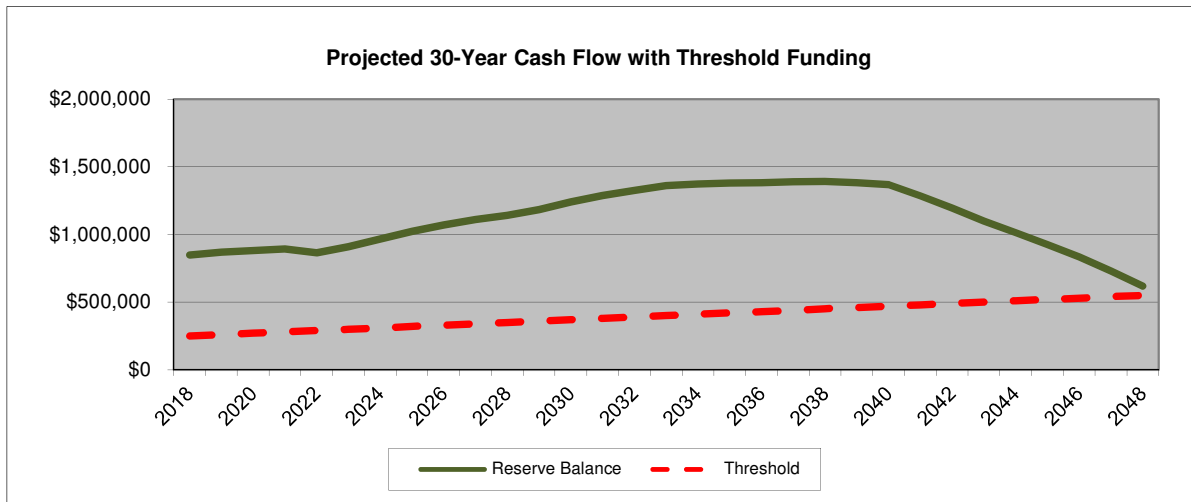


**THIRD LAGUNA HILLS MUTUAL
2019 RESERVES PLAN
Laundry Reserve 30-Year Funding Plan**

Threshold (Min Balance): \$ 260,000
Indexed for projected inflation

Year	Assessment		Interest Earnings	Planned Expenditures	Reserve Balance
	Per Manor Per Month*	Total Contribution			
2018	\$ 2.00	\$ 82,896	\$ 11,561	\$ 59,402	\$ 849,079
2019	\$ 1.00	\$ 73,224	\$ 11,948	\$ 64,542	\$ 869,709
2020	\$ 1.00	\$ 73,224	\$ 15,193	\$ 76,337	\$ 881,790
2021	\$ 1.00	\$ 73,224	\$ 15,387	\$ 78,245	\$ 892,156
2022	\$ 1.00	\$ 73,224	\$ 15,241	\$ 115,652	\$ 864,968
2023	\$ 2.00	\$ 146,448	\$ 15,386	\$ 118,012	\$ 908,791
2024	\$ 2.00	\$ 146,448	\$ 16,270	\$ 104,602	\$ 966,907
2025	\$ 2.00	\$ 146,448	\$ 17,264	\$ 107,217	\$ 1,023,402
2026	\$ 2.00	\$ 146,448	\$ 18,171	\$ 116,511	\$ 1,071,510
2027	\$ 2.00	\$ 146,448	\$ 18,929	\$ 126,204	\$ 1,110,683
2028	\$ 2.00	\$ 146,448	\$ 19,526	\$ 136,308	\$ 1,140,350
2029	\$ 2.00	\$ 146,448	\$ 20,156	\$ 123,596	\$ 1,183,358
2030	\$ 2.00	\$ 146,448	\$ 21,026	\$ 110,163	\$ 1,240,668
2031	\$ 2.00	\$ 146,448	\$ 21,940	\$ 120,401	\$ 1,288,656
2032	\$ 2.00	\$ 146,448	\$ 22,686	\$ 131,081	\$ 1,326,708
2033	\$ 2.00	\$ 146,448	\$ 23,323	\$ 134,358	\$ 1,362,121
2034	\$ 2.00	\$ 146,448	\$ 23,724	\$ 159,358	\$ 1,372,935
2035	\$ 2.00	\$ 146,448	\$ 23,879	\$ 163,342	\$ 1,379,921
2036	\$ 2.00	\$ 146,448	\$ 23,965	\$ 167,425	\$ 1,382,909
2037	\$ 2.00	\$ 146,448	\$ 24,053	\$ 163,341	\$ 1,390,068
2038	\$ 2.00	\$ 146,448	\$ 24,143	\$ 167,425	\$ 1,393,234
2039	\$ 2.00	\$ 146,448	\$ 24,086	\$ 180,235	\$ 1,383,533
2040	\$ 2.00	\$ 146,448	\$ 23,876	\$ 184,806	\$ 1,369,051
2041	\$ 2.00	\$ 146,448	\$ 23,035	\$ 251,943	\$ 1,286,591
2042	\$ 2.00	\$ 146,448	\$ 21,537	\$ 258,241	\$ 1,196,334
2043	\$ 2.00	\$ 146,448	\$ 19,909	\$ 263,826	\$ 1,098,866
2044	\$ 2.00	\$ 146,448	\$ 18,323	\$ 250,066	\$ 1,013,571
2045	\$ 2.00	\$ 146,448	\$ 16,834	\$ 249,703	\$ 927,150
2046	\$ 2.00	\$ 146,448	\$ 15,267	\$ 255,946	\$ 832,919
2047	\$ 2.00	\$ 146,448	\$ 13,562	\$ 262,345	\$ 730,584
2048	\$ 2.00	\$ 146,448	\$ 11,714	\$ 268,903	\$ 619,843

*Transferred from Surcharge to Shared Cost in 2019



THIRD LAGUNA HILLS MUTUAL

2019 RESERVES PLAN

Replacement Reserves Planned Expenditures

			<i>Building Structures</i>		<i>Electrical Systems</i>					
<i>Program</i>	<i>Alarm Systems</i>	<i>Building Numbers</i>	<i>Building Structures</i>	<i>Building Rehab Dry Rot (New)</i>	<i>Electrical Alternate Heat Source</i>	<i>Electrical Panel Maintenance</i>	<i>Electrical Systems</i>	<i>Energy Projects</i>	<i>Exterior Lighting</i>	<i>Fencing Split Rail</i>
Life in Years	40	40	Various	As Needed	30	As Needed	50	As Needed	As Needed	10
Quantity	81	3,397	Various		Various		6,102		Various	70,000
Unit	ea	ea	Various		ea		Manors		Street Lights	Linear Feet
Unit Cost	\$35,000	\$100	Various		\$356 - \$1,326		Various	Various	Various	\$14.56
Total Cost	\$2,835,000	\$339,700	\$146,162,450		\$9,223,052		\$0	\$50,000	\$3,120,000	\$1,019,050
2019	\$0	\$33,970	\$2,427,578	\$305,414	\$8,610	\$50,000	\$0	\$50,000	\$800,000	\$136,817
2020	\$51,250	\$34,819	\$2,774,447	\$202,567	\$5,088	\$51,250	\$51,250	\$51,250	\$82,000	\$104,453
2021	\$441,263	\$35,690	\$2,851,426	\$217,655	\$5,215	\$52,531	\$52,531	\$52,531	\$84,050	\$107,064
2022	\$452,294	\$36,582	\$1,797,911	\$221,667	\$5,345	\$53,845	\$53,845	\$53,845	\$86,151	\$109,741
2023	\$463,601	\$37,497	\$1,851,413	\$149,813	\$5,479	\$55,191	\$55,191	\$55,191	\$88,305	\$112,484
2024	\$0	\$38,434	\$1,906,750	\$174,859	\$5,616	\$56,570	\$56,570	\$56,570	\$90,513	\$115,296
2025	\$0	\$39,395	\$1,962,536	\$132,406	\$5,756	\$57,985	\$57,985	\$57,985	\$92,775	\$118,179
2026	\$0	\$40,380	\$1,568,814	\$139,456	\$5,900	\$59,434	\$59,434	\$59,434	\$95,095	\$121,133
2027	\$0	\$0	\$1,082,598	\$188,004	\$6,047	\$60,920	\$60,920	\$60,920	\$97,472	\$124,161
2028	\$0	\$0	\$1,109,663	\$400,468	\$6,199	\$62,443	\$62,443	\$0	\$99,909	\$127,265
2029	\$0	\$0	\$1,137,405	\$390,956	\$6,354	\$64,004	\$64,004	\$0	\$102,407	\$130,447
2030	\$0	\$0	\$1,165,840	\$259,303	\$6,512	\$65,604	\$65,604	\$0	\$104,967	\$133,708
2031	\$0	\$0	\$1,194,986	\$278,617	\$6,675	\$67,244	\$67,244	\$0	\$107,591	\$137,051
2032	\$0	\$0	\$1,224,861	\$283,753	\$6,842	\$68,926	\$68,926	\$0	\$110,281	\$140,477
2033	\$0	\$0	\$1,255,482	\$191,773	\$7,013	\$70,649	\$70,649	\$0	\$113,038	\$143,989
2034	\$0	\$0	\$1,286,869	\$223,835	\$7,189	\$72,415	\$72,415	\$0	\$115,864	\$147,589
2035	\$0	\$0	\$1,319,041	\$169,491	\$7,368	\$74,225	\$74,225	\$0	\$118,760	\$151,279
2036	\$0	\$0	\$1,352,017	\$178,516	\$7,552	\$76,081	\$76,081	\$0	\$121,729	\$155,061
2037	\$0	\$0	\$886,349	\$240,660	\$7,741	\$77,983	\$77,983	\$0	\$124,773	\$158,937
2038	\$0	\$0	\$908,508	\$512,633	\$7,935	\$79,933	\$79,933	\$0	\$127,892	\$162,910
2039	\$0	\$0	\$931,221	\$500,457	\$8,133	\$81,931	\$81,931	\$0	\$131,089	\$166,983
2040	\$0	\$0	\$954,501	\$331,930	\$8,337	\$83,979	\$83,979	\$0	\$134,367	\$171,158
2041	\$0	\$0	\$978,364	\$356,653	\$8,545	\$86,079	\$86,079	\$0	\$137,726	\$175,437
2042	\$0	\$0	\$1,002,823	\$363,228	\$8,759	\$88,231	\$88,231	\$0	\$141,169	\$179,823
2043	\$0	\$0	\$1,027,894	\$245,486	\$8,978	\$90,436	\$90,436	\$0	\$144,698	\$184,318
2044	\$0	\$0	\$1,053,591	\$286,527	\$9,202	\$92,697	\$92,697	\$0	\$148,316	\$188,926
2045	\$0	\$0	\$1,079,931	\$216,963	\$9,432	\$95,015	\$95,015	\$0	\$152,023	\$193,649
2046	\$0	\$0	\$1,106,929	\$228,515	\$9,668	\$97,390	\$97,390	\$0	\$155,824	\$198,491
2047	\$0	\$0	\$1,134,602	\$308,066	\$9,910	\$99,825	\$99,825	\$0	\$159,720	\$203,453
2048	\$0	\$0	\$1,162,967	\$656,213	\$10,157	\$102,320	\$102,320	\$0	\$163,713	\$208,539
TOTAL	\$1,408,408	\$296,766	\$41,497,320	\$8,355,884	\$221,556	\$2,195,135	\$2,145,135	\$497,726	\$4,232,216	\$4,508,817

THIRD LAGUNA HILLS MUTUAL

2019 RESERVES PLAN

Replacement Reserves Planned Expenditures

Program	Garden Villa Lobby	Garden Villa Mailrooms	Garden Villa Recessed Area	Garden Villa Rec Room		Gutter Replacement	Landscape Modernization	Mailboxes	Paint Program	
				GV Rec Room Heat Pumps	GV Rec Room Water Heaters				Paint Exterior	Touch Up Paint (New)
Life in Years	20	10	Various	15	10	Various	As Needed	40	10	As Needed
Quantity	53	53	53	53	53	Various		4,271	16,495,223	
Unit	Building	Building	Building	ea	ea	Various		Manor	Sq ft	
Unit Cost	\$11,956	\$5,000	\$4,044 - \$75,000	\$932	\$647	Various		\$233	Various	
Total Cost	\$633,668	\$265,000	\$4,189,332	\$49,396	\$34,291	\$5,205,020	\$17,039,890	\$995,236	\$17,996,443	
						0.9%				
2019	\$119,560	\$70,173	\$250,440	\$18,000	\$1,505	\$37,000	\$1,099,890	\$36,483	\$1,813,338	\$195,293
2020	\$122,549	\$15,375	\$274,563	\$3,375	\$3,515	\$37,925	\$1,107,000	\$25,503	\$1,867,371	\$200,175
2021	\$125,613	\$0	\$281,427	\$3,460	\$3,603	\$38,873	\$1,134,675	\$26,141	\$1,877,337	\$205,180
2022	\$64,377	\$0	\$288,463	\$3,546	\$3,693	\$39,845	\$1,163,042	\$26,794	\$1,936,820	\$210,309
2023	\$0	\$0	\$295,674	\$3,635	\$3,785	\$40,841	\$993,432	\$27,464	\$1,981,693	\$215,567
2024	\$0	\$0	\$303,066	\$3,726	\$3,880	\$41,862	\$1,131,408	\$28,150	\$2,025,173	\$220,956
2025	\$0	\$0	\$310,643	\$3,819	\$3,977	\$42,909	\$1,043,724	\$28,854	\$2,113,281	\$226,480
2026	\$0	\$59,434	\$318,409	\$3,914	\$4,076	\$43,981	\$950,949	\$29,576	\$2,110,238	\$232,142
2027	\$0	\$60,920	\$326,369	\$4,012	\$4,178	\$45,081	\$974,722	\$30,315	\$2,183,501	\$237,945
2028	\$0	\$62,443	\$334,528	\$4,113	\$4,282	\$46,208	\$999,090	\$31,073	\$2,234,825	\$243,894
2029	\$0	\$64,004	\$342,892	\$4,215	\$4,390	\$47,363	\$1,152,076	\$31,850	\$2,303,098	\$249,991
2030	\$0	\$65,604	\$351,464	\$4,321	\$4,499	\$48,547	\$918,461	\$32,646	\$2,390,705	\$256,241
2031	\$0	\$20,173	\$360,251	\$4,429	\$4,612	\$49,761	\$806,933	\$33,462	\$2,403,261	\$262,647
2032	\$82,407	\$0	\$369,257	\$4,540	\$4,727	\$51,005	\$827,107	\$34,299	\$2,480,631	\$269,213
2033	\$84,468	\$0	\$378,488	\$4,653	\$4,845	\$52,280	\$847,784	\$35,156	\$2,538,518	\$275,944
2034	\$0	\$0	\$387,950	\$4,769	\$4,966	\$53,587	\$868,979	\$36,035	\$2,590,507	\$282,842
2035	\$0	\$0	\$397,649	\$4,889	\$5,091	\$54,927	\$1,039,154	\$36,936	\$2,691,918	\$289,913
2036	\$0	\$76,081	\$65,226	\$5,011	\$5,218	\$56,300	\$912,971	\$37,859	\$2,689,969	\$297,161
2037	\$186,473	\$77,983	\$66,857	\$5,136	\$5,348	\$57,707	\$935,795	\$38,806	\$2,783,457	\$304,590
2038	\$191,135	\$79,933	\$68,528	\$5,264	\$5,482	\$59,150	\$959,190	\$39,776	\$2,847,903	\$312,205
2039	\$195,913	\$81,931	\$70,242	\$5,396	\$5,619	\$60,629	\$983,170	\$40,770	\$2,936,705	\$320,010
2040	\$200,811	\$83,979	\$71,998	\$5,531	\$5,759	\$272,092	\$1,175,707	\$41,790	\$3,049,798	\$328,010
2041	\$205,831	\$25,824	\$73,798	\$5,669	\$5,903	\$278,895	\$1,032,943	\$42,834	\$3,063,562	\$336,211
2042	\$63,293	\$0	\$75,643	\$5,811	\$6,051	\$285,867	\$1,058,766	\$43,905	\$3,160,732	\$344,616
2043	\$0	\$0	\$77,534	\$5,956	\$6,202	\$293,014	\$1,085,236	\$45,003	\$3,234,986	\$353,231
2044	\$0	\$0	\$79,472	\$6,105	\$6,357	\$300,339	\$1,112,366	\$46,128	\$3,303,864	\$362,062
2045	\$0	\$0	\$81,459	\$6,258	\$6,516	\$307,847	\$1,330,205	\$47,281	\$3,446,329	\$371,114
2046	\$0	\$97,390	\$83,495	\$6,414	\$6,679	\$315,544	\$1,168,680	\$48,463	\$3,443,564	\$380,391
2047	\$0	\$99,825	\$85,583	\$6,575	\$6,846	\$323,432	\$1,197,897	\$49,675	\$3,565,292	\$389,901
2048	\$0	\$102,320	\$87,722	\$6,739	\$7,017	\$101,297	\$1,227,844	\$50,916	\$3,648,472	\$399,649
TOTAL	\$1,642,429	\$1,143,393	\$6,559,089	\$159,281	\$148,623	\$3,484,108	\$31,239,197	\$1,103,941	\$78,716,848	\$8,573,885

THIRD LAGUNA HILLS MUTUAL

2019 RESERVES PLAN

Replacement Reserves Planned Expenditures

	Prior to Paint		Paving/Concrete					Roofs				
Program	Prior to Paint	Balcony Breezeway Resurfacing (New)	Paving: Asphalt	Paving: Parkway Concrete	Paving: Seal Coat	Concrete and Paving Repairs (New)	Golf Cart Parking & Striping (New)	Roofs Built-Up PVC Cool Roof	Roofs Metal	Roofs Tile	Roofs Preventive Maint.	Roof Emergency Repairs (New)
Life in Years	10	As Needed	30	60	5	As Needed		25	40	40	20	As Needed
Quantity	16,495,223		3,010,084	Varies	3,006,420		Varies	4,027,825	502,525	3,760,897	4,023,624	
Unit	Sq ft		sf	SF	sf		ea	sf	sf	sf	sf	
Unit Cost	Various		\$4.13	\$10	\$0.11		\$2,500	\$6.65	\$4.69	\$4.43	\$0.36	
Total Cost	\$9,943,320		\$12,431,600		\$322,649			\$26,785,000	\$2,356,800	\$16,660,800	\$1,448,505	
2019	\$848,669	\$428,364	\$543,223	\$50,000	\$72,300	\$128,976	\$50,000	\$1,098,632	\$0	\$0	\$103,305	\$110,000
2020	\$995,710	\$2,402	\$584,401	\$153,750	\$47,713	\$12,103	\$25,625	\$1,048,271	\$0	\$0	\$126,140	\$251,893
2021	\$1,027,506	\$284,909	\$441,775	\$157,594	\$64,363	\$69,059	\$26,266	\$1,012,897	\$0	\$0	\$63,572	\$285,692
2022	\$1,051,310	\$325,852	\$135,064	\$161,534	\$69,562	\$81,570	\$26,922	\$1,112,125	\$0	\$0	\$72,035	\$214,983
2023	\$1,073,781	\$335,740	\$138,440	\$165,572	\$70,886	\$55,681	\$27,595	\$1,177,687	\$0	\$0	\$70,208	\$277,003
2024	\$1,120,339	\$360,552	\$141,901	\$169,711	\$73,156	\$126,112	\$28,285	\$1,206,873	\$0	\$0	\$48,095	\$436,328
2025	\$1,119,052	\$666,119	\$145,449	\$173,954	\$74,992	\$110,087	\$28,992	\$1,226,850	\$0	\$0	\$31,986	\$387,110
2026	\$1,158,248	\$446,687	\$149,085	\$178,303	\$76,675	\$94,277	\$29,717	\$1,284,579	\$0	\$0	\$86,693	\$292,349
2027	\$1,185,064	\$354,757	\$152,812	\$182,760	\$78,703	\$65,967	\$30,460	\$1,301,971	\$0	\$0	\$57,882	\$425,730
2028	\$1,212,541	\$513,293	\$156,633	\$187,329	\$80,201	\$187,774	\$31,222	\$1,351,371	\$0	\$0	\$160,513	\$362,170
2029	\$1,086,368	\$548,343	\$160,548	\$192,013	\$82,769	\$165,101	\$32,002	\$1,362,682	\$0	\$0	\$136,293	\$140,809
2030	\$925,966	\$3,074	\$164,562	\$196,813	\$84,847	\$15,493	\$0	\$1,409,227	\$701,896	\$16,392	\$141,834	\$322,445
2031	\$955,770	\$364,707	\$168,676	\$201,733	\$86,751	\$88,401	\$0	\$1,452,194	\$1,176,127	\$0	\$47,324	\$365,709
2032	\$977,849	\$417,118	\$172,893	\$206,777	\$89,045	\$104,416	\$0	\$1,478,470	\$1,305,974	\$508,586	\$190,829	\$275,196
2033	\$998,620	\$429,775	\$177,215	\$211,946	\$90,740	\$71,276	\$0	\$0	\$0	\$5,805,868	\$184,720	\$354,587
2034	\$1,042,590	\$461,537	\$181,646	\$217,245	\$93,645	\$161,434	\$0	\$2,089,187	\$0	\$2,723,042	\$296,451	\$558,536
2035	\$1,040,413	\$852,689	\$186,187	\$222,676	\$95,996	\$140,921	\$0	\$3,374,651	\$0	\$0	\$38,010	\$495,534
2036	\$1,077,240	\$571,797	\$190,842	\$228,243	\$98,150	\$120,682	\$0	\$1,700,761	\$0	\$0	\$0	\$374,231
2037	\$1,102,107	\$454,119	\$195,613	\$233,949	\$100,746	\$84,443	\$0	\$1,927,161	\$0	\$0	\$0	\$544,970
2038	\$1,127,588	\$657,058	\$200,503	\$239,798	\$102,664	\$240,367	\$0	\$1,878,300	\$0	\$0	\$0	\$463,609
2039	\$1,331,718	\$701,925	\$205,516	\$245,792	\$105,951	\$211,343	\$0	\$1,286,694	\$0	\$931,324	\$0	\$180,248
2040	\$1,185,315	\$3,935	\$210,653	\$251,937	\$108,611	\$19,832	\$0	\$597,966	\$0	\$1,427,782	\$0	\$412,756
2041	\$1,223,467	\$466,856	\$215,920	\$258,236	\$111,048	\$113,161	\$0	\$1,729,735	\$0	\$631,822	\$0	\$468,139
2042	\$1,251,730	\$533,946	\$221,318	\$264,692	\$113,985	\$133,662	\$0	\$1,210,583	\$0	\$411,264	\$0	\$352,275
2043	\$1,278,318	\$550,148	\$226,851	\$271,309	\$116,155	\$91,239	\$0	\$2,126,832	\$0	\$631,670	\$0	\$453,901
2044	\$1,334,603	\$590,807	\$232,522	\$278,092	\$119,874	\$206,650	\$0	\$1,943,291	\$0	\$1,720,174	\$144,776	\$714,973
2045	\$1,331,817	\$1,091,514	\$238,335	\$285,044	\$122,883	\$180,390	\$0	\$1,943,437	\$0	\$1,379,329	\$233,856	\$634,326
2046	\$1,378,958	\$731,949	\$244,293	\$292,170	\$125,641	\$154,483	\$0	\$1,877,855	\$0	\$1,896,971	\$117,859	\$479,048
2047	\$1,410,790	\$581,311	\$250,401	\$299,474	\$128,964	\$108,095	\$0	\$2,061,816	\$0	\$831,699	\$133,548	\$697,608
2048	\$1,443,408	\$841,090	\$256,661	\$306,961	\$131,418	\$307,690	\$0	\$2,183,365	\$0	\$975,965	\$130,162	\$593,458
TOTAL	\$34,296,855	\$14,572,374	\$6,689,938	\$6,485,405	\$2,818,434	\$3,650,686	\$337,087	\$45,455,463	\$3,183,996	\$19,891,890	\$2,616,090	\$11,925,617

THIRD LAGUNA HILLS MUTUAL

2019 RESERVES PLAN

Replacement Reserves Planned Expenditures

Program	Tree Maintenance	Exterior Walls		Waste Lines		Water Lines Copper	Total Replacement Fund
		Common Walls	Perimeter Walls	Waste Lines	Waste Lines GV Garage		
Life in Years	34 Months	As Needed	Varies	70	35	70	
Quantity	26,265		30,184	6,102	53	6,102	
Unit	Hours		lf	Manors	Building	Manors	
Unit Cost	\$63		\$100 - \$200	\$8,000	\$19,900	\$5,125	
Total Cost	\$1,641,563	\$25,000/yr	\$9,055,261	\$8,500,000	\$1,054,700	\$31,272,750	
			2%				
2019	\$213,630	\$25,000	\$175,000	\$750,000	\$0	\$200,000	\$12,251,171
2020	\$546,876	\$25,625	\$172,146	\$768,750	\$0	\$141,040	\$11,968,171
2021	\$426,449	\$26,266	\$176,450	\$787,969	\$0	\$144,566	\$12,591,593
2022	\$522,211	\$26,922	\$180,861	\$807,668	\$0	\$148,180	\$11,544,912
2023	\$795,007	\$27,595	\$185,382	\$827,860	\$0	\$151,885	\$11,816,576
2024	\$597,589	\$28,285	\$190,017	\$848,556	\$0	\$155,682	\$11,790,881
2025	\$442,249	\$28,992	\$194,767	\$869,770	\$0	\$159,574	\$11,958,631
2026	\$976,186	\$29,717	\$199,637	\$891,514	\$0	\$163,563	\$11,959,031
2027	\$587,681	\$30,460	\$204,628	\$913,802	\$0	\$167,652	\$11,288,418
2028	\$454,641	\$31,222	\$209,743	\$936,647	\$0	\$171,844	\$11,875,991
2029	\$1,034,580	\$32,002	\$214,987	\$64,004	\$0	\$176,140	\$11,524,097
2030	\$663,170	\$32,802	\$220,361	\$65,604	\$0	\$180,543	\$11,019,056
2031	\$527,423	\$33,622	\$225,871	\$67,244	\$0	\$185,057	\$11,751,547
2032	\$1,027,809	\$34,463	\$231,517	\$68,926	\$0	\$189,683	\$13,306,802
2033	\$700,658	\$35,324	\$237,305	\$70,649	\$0	\$194,425	\$15,637,838
2034	\$696,351	\$36,207	\$243,238	\$72,415	\$115,285	\$199,286	\$15,343,906
2035	\$863,555	\$37,113	\$249,319	\$74,225	\$118,167	\$204,268	\$14,428,590
2036	\$771,270	\$38,040	\$255,552	\$76,081	\$121,121	\$209,375	\$11,946,219
2037	\$974,904	\$38,991	\$261,941	\$77,983	\$124,149	\$214,609	\$12,372,265
2038	\$824,494	\$39,966	\$268,489	\$79,933	\$127,253	\$219,974	\$12,918,304
2039	\$773,980	\$40,965	\$39,568	\$81,931	\$130,434	\$225,474	\$13,094,993
2040	\$1,247,373	\$41,990	\$40,557	\$83,979	\$133,695	\$231,111	\$13,001,219
2041	\$909,302	\$43,039	\$41,571	\$86,079	\$137,037	\$236,888	\$13,572,650
2042	\$663,130	\$44,115	\$42,611	\$88,231	\$140,463	\$242,811	\$12,631,759
2043	\$1,480,340	\$45,218	\$43,676	\$90,436	\$143,975	\$248,881	\$14,692,357
2044	\$894,227	\$46,349	\$44,768	\$92,697	\$147,574	\$191,327	\$15,791,354
2045	\$691,790	\$47,507	\$45,887	\$95,015	\$151,263	\$196,110	\$16,107,540
2046	\$1,583,087	\$48,695	\$47,034	\$97,390	\$155,045	\$201,013	\$16,876,319
2047	\$997,973	\$49,912	\$48,210	\$99,825	\$158,921	\$206,038	\$15,805,011
2048	\$744,982	\$51,160	\$49,415	\$102,320	\$162,894	\$211,189	\$16,530,347
TOTAL	\$23,632,916	\$1,097,568	\$4,740,509	\$10,037,502	\$2,067,274	\$5,768,190	\$397,397,549

THIRD LAGUNA HILLS MUTUAL

2019 RESERVES PLAN

Replacement Reserves Planned Expenditures

	<i>Elevators</i>								
<i>Program</i>	<i>Elevator Cab Door</i>	<i>Elevator Cab Door Operators</i>	<i>Elevator Cab Refurbish</i>	<i>Elevator Flooring</i>	<i>Elevator Call Buttons</i>	<i>Elevator Controllers</i>	<i>Elevator Hoistway Doors (3 stop)</i>	<i>Elevator Hoistway Doors (4 stop)</i>	<i>Elevator Machine Room Power Units</i>
Life in Years	30 Years	30 Years	40 Years	40 Years	30 Years	30 Years	30 Years	40 Years	30 Years
Quantity	82	82	82	82	82	82	29	82	82
Unit	ea	ea	ea	ea	ea	ea	ea	ea	ea
Unit Cost	\$12,234	\$4,733	\$8,160	\$2,040	\$8,400	\$50,600	\$4,906	\$4,906	\$9,557
Total Cost	\$1,003,188	\$388,106	\$669,120	\$167,280	\$688,800	\$4,149,200	\$142,280	\$260,029	\$783,707
2019	\$0	\$47,739	\$81,600	\$33,592	\$0	\$0	\$0	\$49,544	\$96,700
2020	\$0	\$48,932	\$83,640	\$17,510	\$0	\$0	\$0	\$50,783	\$99,118
2021	\$0	\$50,156	\$85,731	\$17,948	\$0	\$0	\$0	\$52,052	\$101,595
2022	\$0	\$0	\$0	\$0	\$90,459	\$544,907	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0	\$92,720	\$558,529	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$95,038	\$572,493	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$97,414	\$586,805	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$99,850	\$601,475	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$102,346	\$616,512	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$104,904	\$631,925	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$129,033	\$777,267	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$86,432	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$212,622	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2035	\$217,937	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2036	\$223,386	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2037	\$228,970	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2038	\$234,695	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2039	\$240,562	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2040	\$102,740	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2041	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2042	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2043	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2044	\$0	\$87,743	\$0	\$0	\$0	\$0	\$0	\$45,479	\$177,189
2045	\$0	\$107,924	\$0	\$0	\$0	\$0	\$111,879	\$0	\$217,942
2046	\$0	\$110,623	\$0	\$0	\$0	\$0	\$114,676	\$0	\$223,391
2047	\$0	\$113,388	\$0	\$0	\$0	\$0	\$117,542	\$0	\$228,976
2048	\$0	\$116,223	\$0	\$0	\$0	\$0	\$120,481	\$0	\$234,700
TOTAL	\$1,547,343	\$682,729	\$250,971	\$69,050	\$811,764	\$4,889,912	\$464,578	\$197,858	\$1,379,611

THIRD LAGUNA HILLS MUTUAL

2019 RESERVES PLAN

Replacement Reserves Planned Expenditures

Program	Elevators				Laundry Counters	Laundry Dryers	Laundry Floors	Laundry Washers	Laundry Water Heaters	TOTAL LAUNDRY FUND
	Elevator Door Protective Devices	Elevator Fuse	Elevator Solid State Soft Starters	TOTAL ELEVATOR FUND						
Life in Years	40 Years	30 Years	20 Years		20	10	25	15	10	
Quantity	82	82	82		287	415	243	457	159	
Unit	ea	ea	ea		ea	ea	ea	ea	ea	
Unit Cost	\$1,836	\$224	\$1,622		\$482	\$1,025	\$2,017	\$1,646	\$437	
Total Cost	\$150,552	\$18,401	\$132,988		\$138,334	\$467,400	\$383,993	\$684,600	\$69,483	
2019	\$18,475	\$2,244	\$16,804	\$346,698	\$14,903	\$0	\$39,794	\$5,933	\$3,911	\$64,542
2020	\$18,937	\$2,300	\$17,224	\$338,444	\$15,316	\$0	\$37,221	\$13,497	\$10,302	\$76,337
2021	\$19,410	\$2,358	\$17,655	\$346,905	\$15,698	\$0	\$38,152	\$13,835	\$10,560	\$78,245
2022	\$0	\$0	\$0	\$635,365	\$16,091	\$0	\$39,106	\$49,632	\$10,824	\$115,652
2023	\$0	\$0	\$0	\$651,250	\$15,961	\$0	\$40,083	\$50,873	\$11,094	\$118,012
2024	\$0	\$0	\$0	\$667,531	\$0	\$0	\$41,086	\$52,144	\$11,372	\$104,602
2025	\$0	\$0	\$0	\$684,219	\$0	\$0	\$42,113	\$53,448	\$11,656	\$107,217
2026	\$0	\$0	\$0	\$701,325	\$0	\$6,614	\$43,166	\$54,784	\$11,947	\$116,511
2027	\$0	\$0	\$0	\$718,858	\$0	\$13,559	\$44,245	\$56,154	\$12,246	\$126,204
2028	\$0	\$0	\$0	\$736,829	\$0	\$20,847	\$45,351	\$57,558	\$12,552	\$136,308
2029	\$0	\$0	\$0	\$906,300	\$0	\$28,491	\$23,242	\$58,997	\$12,866	\$123,596
2030	\$0	\$0	\$0	\$0	\$0	\$36,504	\$0	\$60,471	\$13,188	\$110,163
2031	\$0	\$0	\$0	\$0	\$0	\$44,900	\$0	\$61,983	\$13,517	\$120,401
2032	\$0	\$0	\$0	\$0	\$0	\$53,693	\$0	\$63,533	\$13,855	\$131,081
2033	\$0	\$0	\$0	\$86,432	\$0	\$55,035	\$0	\$65,121	\$14,202	\$134,358
2034	\$0	\$0	\$28,186	\$240,808	\$21,640	\$56,411	\$0	\$66,749	\$14,557	\$159,358
2035	\$0	\$0	\$24,076	\$242,013	\$22,181	\$57,821	\$0	\$68,418	\$14,921	\$163,342
2036	\$0	\$0	\$24,678	\$248,063	\$22,736	\$59,267	\$0	\$70,128	\$15,294	\$167,425
2037	\$0	\$0	\$25,295	\$254,265	\$15,035	\$60,749	\$0	\$71,882	\$15,676	\$163,341
2038	\$0	\$0	\$25,927	\$260,622	\$15,411	\$62,267	\$0	\$73,679	\$16,068	\$167,425
2039	\$0	\$0	\$27,535	\$268,097	\$24,421	\$63,824	\$0	\$75,521	\$16,470	\$180,235
2040	\$0	\$0	\$28,224	\$130,964	\$25,096	\$65,420	\$0	\$77,409	\$16,881	\$184,806
2041	\$0	\$0	\$28,929	\$28,929	\$25,724	\$67,055	\$62,517	\$79,344	\$17,304	\$251,943
2042	\$0	\$0	\$0	\$0	\$26,367	\$68,732	\$64,079	\$81,327	\$17,736	\$258,241
2043	\$0	\$0	\$0	\$0	\$26,154	\$70,450	\$65,681	\$83,361	\$18,180	\$263,826
2044	\$0	\$0	\$0	\$310,411	\$0	\$72,211	\$73,776	\$85,445	\$18,634	\$250,066
2045	\$0	\$0	\$0	\$437,745	\$0	\$74,016	\$69,007	\$87,581	\$19,100	\$249,703
2046	\$0	\$0	\$0	\$448,689	\$0	\$75,867	\$70,732	\$89,770	\$19,577	\$255,946
2047	\$0	\$0	\$0	\$459,906	\$0	\$77,763	\$72,500	\$92,014	\$20,067	\$262,345
2048	\$0	\$0	\$0	\$471,404	\$0	\$79,708	\$74,313	\$94,315	\$20,568	\$268,903
TOTAL	\$56,822	\$6,902	\$264,532	\$10,622,071	\$302,736	\$1,271,206	\$986,162	\$1,914,904	\$435,126	\$4,910,133

**THIRD LAGUNA HILLS MUTUAL
2019 RESERVES PLAN
Reserves Component Schedule**

<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Estimated Life</i>	<i>Average Remaining Life</i>	<i>TOTAL COST</i>	<i>FULLY FUNDED BALANCE</i>
Replacement Fund							
ALARM SYSTEMS						\$ 1,310,000	\$ 1,214,250
Alarm Systems	81	EA	\$ 35,000	40	3	\$ 1,310,000	\$ 1,214,250
BUILDING NUMBERS						\$ 271,760	\$ 247,982
Lighted Building Numbers	3,397	EA	\$ 100	40	4	\$ 271,760	\$ 247,982
FOUNDATIONS/STRUCTURES						\$ 31,597,533	\$ 14,860,017
Building Structures	1,405	BLDG	\$ 25,000	60	9	\$ 6,550,000	\$ 3,275,000
Building Structures Maint Ops	1,405	BLDG	\$ 5,000	60	9	\$ 3,342,330	\$ 1,671,165
Building Structures Carpentry	1,405	BLDG	\$ 12,000	60	13	\$ 8,633,279	\$ 3,377,890
Building Structures Carport Panels	1,866	STALL	\$ 350	40	15	\$ 539,424	\$ 269,712
Storage Cabinet GV	1,272	STALL	\$ 500	30	3	\$ 545,000	\$ 272,500
Foundations	1,405	BLDG	\$ 10,000	40	15	\$ 2,250,000	\$ 1,125,000
Building Structures Dry Rot Replacements	1,405	BLDG	\$ 50,000	60	9	\$ 9,737,500	\$ 4,868,750
Parapet Wall	35	WALL	\$ 46,000	60	3	\$ 1,877,500	\$ 938,750
ELECTRICAL SYSTEMS						\$ 5,172,550	\$ 3,460,585
Electrical Alternate Heat Source - Heat Pumps	4,274	EA	\$ 1,326	30	14	\$ 118,178	\$ 63,395
Electrical Alternate Heat Source - Wall Heater	9,988	EA	\$ 356	30	15	\$ 34,372	\$ 17,190
Electrical Systems		Various		Various		\$ 1,450,000	\$ 1,015,000
Exterior Lighting		Various		Various		\$ 3,120,000	\$ 1,960,000
Energy Projects		Various		Various		\$ 450,000	\$ 405,000
FENCING						\$ 1,053,962	\$ 595,392
Fencing - Split Rail	70,000	LF	\$ 15	10	4	\$ 1,053,962	\$ 595,392
GUTTERS						\$ 1,012,500	\$ 183,750
Gutters	81	BLDG	\$ 12,500	30	25	\$ 1,012,500	\$ 183,750
Gutter Replacement (1 & 2-story Bldgs)	1,405	BLDG	\$ 2,984	20	10	\$ 4,192,520	\$ 388,500
MAILBOXES						\$ 758,029	\$ 487,450
Mailboxes	4,271	MNR	\$ 233	40	14	\$ 758,029	\$ 487,450
PAINT - EXTERIOR						\$ 17,984,977	\$ 9,912,480
Full Cycle Exterior Paint	16,495,223	SF	\$ 1.02	10	4	\$ 16,838,187	\$ 9,275,745
Deck Topcoat Paint Follow-Up	16,495,223	SF	\$ 0.06	10	5	\$ 911,745	\$ 499,419
Lexan Signs	16,495,223	SF	\$ 0.01	10	5	\$ 155,044	\$ 79,816
Lead Abatement and Testing	16,495,223	SF	\$ 0.01	10	3	\$ 80,000	\$ 57,500
PAINT - PRIOR TO PAINT DRY ROT						\$ 9,620,244	\$ 5,237,423
Dry Rot Repairs	16,495,223	SF	\$ 0.43	10	5	\$ 6,968,088	\$ 3,784,037
Decking Repairs	16,495,223	SF	\$ 0.13	10	5	\$ 2,127,530	\$ 1,164,909
Balcony Dry Rot Repairs	16,495,223	SF	\$ 0.01	10	5	\$ 115,031	\$ 63,197
Lead Abatement and Testing	32,990,446	SF	\$ 0.01	10	5	\$ 409,596	\$ 225,280
PAVING						\$ 17,154,296	\$ 11,634,316
Paving	3,010,084	SF	\$ 4.13	30	10	\$ 12,431,647	\$ 8,123,114
Seal Coat	3,006,420	SF	\$ 0.11	5	2	\$ 322,649	\$ 198,702
Parkway Concrete Replacement	1,308,594	SF	\$ 9.50	60	10	\$ 4,400,000	\$ 3,312,500
PLUMBING						\$ 53,637,639	\$ 7,598,921
Water Lines - Copper	6,102	MNR	\$ 5,125	70	14	\$ 3,627,639	\$ 2,899,435
Waste Lines	6,102	MNR	\$ 8,000	70	20	\$ 48,816,000	\$ 4,256,000
Waste Lines - GV Garage	53	BLDG	\$ 19,900	35	22	\$ 1,194,000	\$ 443,486
REC ROOMS, GARDEN VILLA						\$ 1,196,687	\$ 438,056
GV Lobby	53	BLG	\$ 11,956	20	17	\$ 633,668	\$ 101,028
GV Mailrooms	53	BLG	\$ 5,000	10	4	\$ 265,000	\$ 149,500
GV Recessed Areas	53	BLG	\$ 4,044	5	2	\$ 214,332	\$ 137,496
GV Rec Room Heat Pumps	53	EA	\$ 932	15	4	\$ 49,396	\$ 29,264
GV Rec Room Water Heaters	53	EA	\$ 647	10	4	\$ 34,291	\$ 20,768

**THIRD LAGUNA HILLS MUTUAL
2019 RESERVES PLAN
Reserves Component Schedule**

<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Estimated Life</i>	<i>Average Remaining Life</i>	<i>TOTAL COST</i>	<i>FULLY FUNDED BALANCE</i>
ROOFS							
Built Up (Flat Rock/Cool Roof)	4,027,825	SF	\$ 6.65	25	15	\$ 26,785,036	\$ 10,621,421
Metal	502,525	SF	\$ 4.69	40	12	\$ 2,356,800	\$ 1,639,479
Preventive Maintenance	4,023,624	SF	\$ 0.36	20	11	\$ 1,448,505	\$ 674,447
Tile	3,760,897	SF	\$ 4.43	40	15	\$ 16,660,774	\$ 10,420,641
TREE MAINTENANCE							
Tree Maintenance	26,265	HRS	\$ 63	3	1	\$ 1,153,067	\$ 704,622
WALLS							
Perimeter Walls	60,368	LF	\$ 150	60	10	\$ 3,607,473	\$ 2,977,039
Common Walls		Various		Various		\$ 750,000	\$ 387,500
Elevator Replacement Fund							
ELEVATOR							
Cab Doors	82	EA	\$ 12,234	30	18	\$ 1,003,188	\$ 417,995
Cab Door Operators	82	EA	\$ 4,733	30	18	\$ 388,090	\$ 165,261
Cab Refurbish	82	EA	\$ 8,160	40	1	\$ 669,120	\$ 238,680
Cab Flooring	82	EA	\$ 2,040	40	1	\$ 167,280	\$ 68,238
Call Buttons	82	EA	\$ 8,400	30	7	\$ 688,800	\$ 561,478
Controllers	82	EA	\$ 50,600	30	7	\$ 4,149,200	\$ 3,238,400
Hoistway Doors (3 stop)	29	EA	\$ 4,906	30	28	\$ 142,280	\$ 19,624
Hoistway Doors (4 stop)	53	EA	\$ 4,906	30	4	\$ 260,029	\$ 147,767
Machine Room Power Units	82	EA	\$ 9,557	30	20	\$ 783,707	\$ 334,589
Protective Doors	82	EA	\$ 1,836	40	1	\$ 150,552	\$ 54,039
Elevator Fuses	82	EA	\$ 224	30	1	\$ 18,401	\$ 6,507
Solid State Soft Starters	82	EA	\$ 1,622	20	11	\$ 132,988	\$ 60,867
Laundry Replacement Fund							
LAUNDRY							
Countertops	287	EA	\$ 482	20	9	\$ 138,295	\$ 77,226
Dryers	415	EA	\$ 1,025	10	10	\$ 425,375	\$ 2,666
Floors	243	EA	\$ 2,017	25	9	\$ 493,715	\$ 320,862
Washers	457	EA	\$ 1,646	15	6	\$ 752,222	\$ 460,442
Water Heaters	159	EA	\$ 437	10	4	\$ 69,483	\$ 44,226
GRAND TOTAL						\$ 210,034,577	\$ 90,841,888

Summary

Projected Reserves Balance:	\$ 13,215,078
Fully Funded Balance:	\$ 90,841,888
Percent Funded:	15%
Projected Reserves Deficiency:	\$ (77,626,810)
Deficiency Per Unit:	\$ (12,722)



DELINQUENT CHARGES - PAYMENT PLAN AGREEMENT

Manor Number: _____

Charges Delinquency: _____

This Payment Plan Agreement (this "Payment Agreement") is a binding contract and agreement and is executed by the undersigned, Third Laguna Hills Mutual (the "Mutual"), on the one hand, and _____ ("Owner"), on the other hand. The Mutual and Owner may sometimes be collectively referred to as the "Parties."

1. Scope of Agreement. Owner is the legal owner of that certain real property commonly referred to as _____ (the "Subject Property"). This shall be a payment plan agreement between Owner and the Mutual, relative to the payment of all fines, fees, monetary penalties, reimbursement assessments, charges, late fees, interest, attorneys' fees and costs of collection, accruing on the Subject Property and owed by Owner to the Mutual on the account. The total amount as of the date of this Payment Agreement is \$_____.

2. Required Payments. Owner shall tender an upfront payment in the amount of \$_____ on or before _____. Thereafter, Owner shall make the following monthly payments:

a. Payment of \$_____ on or before _____;

b. _____

3. Monthly Statements. The Mutual shall not be obligated to send Owner monthly statements.

4. Continuing Monthly Assessments. Owner shall pay all regular and special assessments that come due in a timely manner and in addition to the payments required in paragraph 2 above.

5. Payment Destination. All payments and assessments required pursuant to this Payment Agreement shall be paid and sent directly to the Mutual. Notwithstanding this paragraph, at any time during the course of this Payment Agreement, the Mutual may require Owner to change the destination of the payments and the payee of such payments.

6. Sale; Refinance; Lien. If the Subject Property is sold or refinanced, the balance owing on the account must be paid in full and this Payment Agreement shall create a lien against the funds held in escrow relating to any such transaction.

7. Breach; Remedies. If any one payment is not received by the deadline stated or if this Payment Agreement is breached in any other way, the Mutual shall, after five days' written notice to Owner (or Owner's attorney) by email transmission, have the power and authority to pursue any and all collection remedies against Owner and/or Owner's property, including but not limited to non-judicial foreclosure, judicial foreclosure, or a lawsuit for purposes of securing a money judgment. Any additional late fees, interest, attorneys' fees and costs incurred will be charged to Owner's account.

8. Obligation to Pay All Charges. If this Payment 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 other charges incurred as a result of said breach before this agreement will be deemed "paid in full."

9. Contact Information. Owner must keep the Mutual up to date regarding Owner's contact information and any changes to same.

10. Compliance with Governing Documents. In addition to any obligation stated herein, Owner shall comply with the Mutual's governing documents in all respects. Any violation of the governing documents shall be considered a breach of this Payment Agreement.

11. Assignment of Rents. Owner hereby irrevocably assigns to the Mutual, absolutely and regardless of possession of the property, all money now due or to become due under any agreement for the use or occupation of the Subject Property, for the

purpose of collecting all assessments and amount owed pursuant to this Payment Agreement and the Mutual's governing documents, including late fees, costs, interest, expenses and attorneys' fees which are in default.

12. Waiver of Defenses. Owner acknowledges that all amounts claimed by the Mutual to be owed are in fact owed. Owner waives any defenses available related to or arising out of the Subject Property, the amounts owed under this Payment Agreement, and any other obligation stated herein.

13. Homestead Waiver. Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created against Subject Property and pursuant to law, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of California now in effect, or in effect from time to time hereafter.

14. Not Construed against Drafter. Neither the Mutual nor Owner shall be deemed to have been the drafter of this Agreement or of any of the particular provisions or provisions hereof and no part of this Agreement shall be construed against the Mutual or Owner.

15. Laws of California; Severability of Provisions. This Payment Agreement shall be controlled by and interpreted according to the laws of the State of California. The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision or the remainder of this Agreement.

16. Binding on Successors. The provisions of this Payment Agreement shall be deemed to obligate, extend to, and inure to the benefit of the successors, assigns, transferees, granters, heirs and representatives of each of the persons and entities referred to herein.

17. Enforcement; Attorneys' Fees and Costs. In the event litigation is commenced to enforce any of the provisions hereof or enforce this Payment Agreement in any other way, the prevailing party shall be entitled to recover attorney fees, costs and expenses from the opposing party related to such litigation, including such amounts that accrue prior to the litigation being initiated.

The undersigned, the Mutual and Owner, have read the foregoing Payment Agreement, have had an opportunity to fully consider the rights and consequences regarding executing same, fully understand the terms of this Payment Agreement and knowingly and voluntarily execute this Agreement.

IN WITNESS WHEREOF, THE MUTUAL AND OWNER CAUSE THIS PAYMENT AGREEMENT TO BE DULY EXECUTED ON THE DATE SET FORTH BELOW.

[CAUTION: PLEASE READ THIS ENTIRE AGREEMENT CAREFULLY BEFORE SIGNING.]

Print Name: _____

DL#: _____

SS#: _____

Mailing Address: _____

Cell Phone: _____

E-Mail: _____

Member Signature: _____

Date: _____

Mutual Officer Signature: _____

Date: _____

Return signed form by mail to:

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

Or deliver in person to:

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

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

**Friday, September 21, 2018 - 11:00 a.m.
Laguna Woods Village Community Center, 24351 El Toro Road
Willow Room**

**The purpose of this meeting is to discuss and consider resolutions on 30-day
review from the August 21, 2018 Regular Board Meeting.**

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

Directors absent: Bunny Carpenter and Steve Parsons

Staff present: Siobhan Foster, COO, Ernesto Munoz and Cheryl Silva

1. Call meeting to order / Establish Quorum

Director diLorenzo called the meeting to order at 10:31 a.m. and established that a quorum was present.

2. Pledge of Allegiance

Director Zalon led the Pledge of Allegiance

3. Approval of Agenda

Director Frankel made a motion to approve the agenda. The motion was seconded by Director Connelly

Director Bruninghaus amended the motion to add (6c) Approval of the Common Area Landscape (3197-B Nichelson)

Director Connelly made a motion to approve the agenda as amended. The motion was seconded by Director Zalon and passed by unanimous consent.

4. Open Forum (Three Minutes per Speaker) – No Members were present.

5. Responses to Open Forum Speakers-None

6. Unfinished Business

6a. Entertain a Motion to Adopt a Resolution to Revise the Traffic Rules & Regulations, Section 7.6 (AUGUST initial notification – 30 day notification to comply with Civil Code §4360 has been satisfied)

Director Baum read a summary of the following resolution:

RESOLUTION 03-18-139
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, September 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.

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

Director Baum made a motion to approve a resolution to revise the Traffic Rules & Regulations, Section 7.6. The motion was seconded by Director Frankel.

Discussion ensued among the Directors.

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

6b. Entertain a Motion to Adopt a Resolution to Revise the Non-Emergency Chargeable Maintenance Services Policy (AUGUST initial notification – 30 day notification to comply with Civil Code §4360 has been satisfied)

Director Baum read a summary of the following resolution:

Resolution 03-18-140
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, September 21, 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

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

Director Baum made a motion to approve a resolution to revise the Non-Emergency Chargeable Maintenance Service Policy. The motion was seconded by Director Bruninghaus.

Discussion ensued among the Directors.

Director Walsh asked staff if the awning cleaning could be included with the gutter cleaning.

Director Munoz commented that the gutter cleaning is part of the Landscape Department. The list can be updated if the Residents have needs that are not on the list.

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

This item was added to the agenda

6c. Entertain a Motion to Approve Common Area Landscape (3197-B Nicholson)

Director Bruninghaus made a motion to approve the Common Area Landscape at 3197-B (Nicholson). The motion was seconded by Director diLorenzo unanimous

7. Director's Comments

- Director Walsh asked how many Directors will be attending the Special Meeting on 9-28-18 to Count the Ballots because a quorum is required. The Board asked how many ballots are needed to certify the election. Siobhan Foster will find out and report back to the Board.
- Director Walsh asked the Board if we need a rule to prohibit residents from using common water spigot to have their carpets cleaned. Siobhan Foster will follow up with Tim Moy to see if this is a problem with residents using the common water spigot.
- Director Walsh asked the Board if a rule needs to be created regarding standing water at the Resident Manors that creates a problem with mosquitos that carry the Zika virus.
- Director Walsh asked for volunteers for "This Day" on Monday. Director Bhada volunteered to do "This Day" on Monday. Siobhan Foster will let Village Television know that Director Bhada will be doing the show.
- Director Zalon asked the Board to deal with Residents that overuse the water. Director Frankel commented that water use in three-story building is hard to measure.
- Director Bhada commented that the landscape at Gate 9 and 10 is looking better.
- Director diLorenzo asked the Directors for their input for service on the Committees.

8. Adjourn

The meeting was adjourned at 11:36 a.m.



Burt Baum, Secretary for the Board
Third Mutual Laguna Hills

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 assigned parking spaces.

- Contractors may park on a SPONSORING RESIDENT'S assigned parking space 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 1 - Proposed Non-Emergency Chargeable Maintenance Service List
TLHM Non-Emergency Maintenance Chargeable Services

Trade	Description of Service	Limitations	Estimated Cost Includes Service Charge, Labor and Materials - unless specified otherwise
Carpentry	Door Lock Services (Rekeying, Gate Locks, Storage Cabinets)		\$55.00
	Mailbox Lock Service	Mutual Supplied	\$43.00
	Installation of Entry Door Dead Bolt Lock	Resident Supplied	\$70.00
	Installation of Manor Address/Letter on Entry Door	Resident Supplied	\$41.00
	Rescreen Sliding Screen Doors	Mutual Supplied	\$77.00
	Rescreen Window Screens	Mutual Supplied	\$60.00
	Install/Replace Door Stops/Bumpers	Resident Supplied	\$55.00
	Install/Replace Bathroom Accessories (Towel Bars, Grab Bars, Toilet Paper Holders, Soap Dishes, or Toothbrush Holders)	Resident Supplied	\$55.00
	Sliding Closet Door Repair & Maintenance	Resident Supplied	\$77.00 - \$114.00
	Sliding Glass Door Repair & Maintenance	Resident Supplied	\$77.00 - \$114.00
	Sliding Window Repair & Maintenance	Resident Supplied	\$55.00 - \$114.00
Electrical	Light Bulb Replacement (Max 6 Bulbs per Visit)	Resident Supplied	\$59.00
	Door Bell Service	Resident Supplied	\$108.00
	Breaker Service (Electrical Panel)	Mutual Supplied	\$63.00
	Ceiling Heat (Thermostat) Service	Mutual Supplied	\$87.00
	Repair/Replace Outlets	Resident Supplied	\$59.00
	Repair/Replace Light Switches/Dimmer Switches	Resident Supplied	\$59.00
	Range Hood Filter Cleaning Service		\$92.00
	Replace Existing Light Fixture	Resident Supplied	\$92.00
	Replace Existing Smoke Detector	Resident Supplied	\$59.00
	Replace Smoke Detector Batteries	Mutual Supplied	\$59.00
Plumbing	Repair/Replace Faucet (Cartridge Style)	Resident Supplied	\$91.00
	Repair/Replace Faucet (Old Style)	Mutual Supplied	\$156.00
	Repair/Replace Toilet Seat	Resident Supplied	\$58.00
	Low Flow Toilet Replacement	Mutual Supplied	\$200.00
	Repair/Replace Angle Stop Valve	Mutual Supplied	\$137.00
	Repair/Replace Shower Head	Resident Supplied	\$58.00
	Repair/Replace Tub Spout	Resident Supplied	\$91.00
	Repair/Replace Fitting/Flange/Valve	Mutual Supplied	\$129.00
	Toilet Operation Repair Service	Mutual Supplied	\$91.00
	Mix-it Valve Service	Mutual Supplied	\$95.00
	Water Heater Repair	Mutual Supplied	\$98.00 - \$150.00
	Water Heater Replacement	Mutual Supplied Only & 10 yr. Mfg. Warranty	\$1,721.00
	Water Heater Service/Element Replacement	Mutual Supplied	\$171.00
	Water Shut Off & Turn On Request		\$58.00
	Ice Maker Hose Replacement	Resident Supplied	\$58.00
	Clothes & Dish Washer Hose Replacement	Resident Supplied	\$58.00
	Clogged Drain Repair "Resident Caused"		\$156.00
Paving	Pole/Bollard Installation (Water Heater Related)	Building Code/Permits	\$150.00 - \$300.00
	Stain/Oil Clean-up		\$126.00
Facilities			
	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	\$124.00
LIMITATIONS	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: 9/21/18
Resolution: 03-18-XXX

**ATTACHMENT 2 - 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, September 21, 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
30-Day notification to comply with Civil Code §4360 has been satisfied.

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

September 28, 2018

The Special Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Friday, September 28, 2018 at 9:00 a.m. at 24351 El Toro Road, Laguna Woods, California.

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

Directors Absent: Rosemarie diLorenzo, and Steve Parsons

Inspectors of Election: Dan Pabich of Martin & Chapman

Staff Present: Siobhan Foster, Eileen Paulin and Cheryl Silva

CALL TO ORDER

Vice President Walsh, chaired the meeting, and stated that it was a special meeting held pursuant to notice duly given, that the purpose of the meeting was to cause the counting of the Ballots for the 2018 Board of Director Election, pursuant to California Civil Code §5100. A quorum was established, and the meeting was called to order at 9:00 a.m.

Vice President Walsh announced that Jules Zalon submitted his letter of resignation as a Third Mutual Board Member on September 22, 2018. If elected, he stated he would not take a seat on the Third Board. His vacancy will be filled by appointment.

APPROVAL OF THE AGENDA

Without objection, the agenda was approved as written.

Director Baum made a motion to commence counting of the Third Mutual ballots, Director Bhada seconded the motion and the motion passed by unanimous consent.

The Inspectors of Election were certified by a notary and announced that a quorum of ballots has been established.

Mr. Dan Pabich explained the ballot count procedures and answered questions.

At 9:07 a.m. the Inspectors commenced opening of the ballots.

September 28, 2018

The Inspectors of Election began examining the irregular ballots at 10:00 a.m.

Martin and Chapman commenced scanning and counting of the ballots at 10:45 a.m.

The election results were announced at 11:11 a.m. and the following candidates were elected to fill three vacancies on the Board of Directors, term expiring 2021.

3 YEAR TERM

Pong "Paul" Chao	1479
Lenta "Lynn" Jarrett	1409
(1) Vacancy	

ADJOURNMENT

With no further business before the Board of Directors, the special meeting was adjourned at 11:30 a.m.



Burt Baum, Secretary of the Board
Third Laguna Hills Mutual

RESOLUTION 03-18-XXX
Variance Request

WHEREAS, Ms. Pao Chow Randall of 2231-P Via Puerta, a Casa Linda style unit, is requesting Board approval of a variance to retain the veneer wall coverings within the original patio footprint and,

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected Units on September 13, 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 September 24, 2018.

NOW THEREFORE BE IT RESOLVED, on October 16, 2018, the Board of Directors hereby denies the request to retain the veneer wall coverings within the original patio footprint;

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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RESOLUTION 03-18-xx
Approval of Non-standard Water Efficient Landscape – 5323 Moya

WHEREAS, the Board of Directors (the “Board”) of Third Laguna Hills Mutual (“Mutual”) held a meeting on October 16, 2018, at which a quorum of the Board was present;

WHEREAS, pursuant to the Mutual’s Governing Documents, the Association, acting through the Board, is responsible for the management and upkeep of the Mutual’s common areas, including the landscaping and trees;

WHEREAS, the Third Mutual Landscape Committee encourages water conservation and the elimination of turf in the community, and;

WHEREAS, the Third Mutual Landscape Committee recommended the approval of the conversion of turf to a water efficient landscape at 5232 Moya at the Member’s expense, with the elimination of stepping stones from the plan, and all future maintenance to be provided by the Member;

NOW, THEREFORE BE IT RESOLVED, October 16, 2018 that the Board of the Mutual hereby approves the conversion of turf to a water efficient landscape at 5232 Moya at the Member’s expense..

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

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STAFF REPORT

DATE: October 16, 2018
FOR: Board of Directors
SUBJECT: Key Policy

RECOMMENDATION

Entertain a Motion to approve a Resolution authorizing the Key Policy.

BACKGROUND

The Mutual has been operating a voluntary key file program for many years. Information for the program is included in the resale package (Attachment 1). The policy is not referenced in the Governing Documents and Staff cannot find a resolution authorizing the policy.

DISCUSSION

On August 27, 2018, the Architectural Controls and Standards Committee reviewed this Staff Report and Resolution. The Committee voted to recommend the item for approval by the Board.

On May 4, 2018, the Board passed Resolution 03-18-59, establishing the Emergency Policy for Interior Inspection of Unoccupied Manors. During discussions regarding access to unoccupied manors, the key policy was reviewed. Staff was directed to evaluate and update the policy as necessary.

Available data shows participation in the program at 69 percent. Although there is room for improvement, with this percentage of manors having a key on file, it is evident that the voluntary program has been functioning well in its current form. The Security Division has control of access to the keys which are kept in a locked cabinet in the Community Center Building. The cabinet is monitored by two security cameras, 24 hours a day.

The Security Department has implemented a robust system of checks and balances to ensure the integrity of the program (Attachment 2). Detailed data is recorded for each occurrence in which a key is removed from the key file; the Staff member that made access, the reason, the requestor, the time and date of removal, the duration of the use of the keys, and any other pertinent data. The data is entered into the database system and updated when the key is returned.

If the key is for maintenance purposes, Security stays in the manor with the maintenance Staff until the work is complete. A notice of entry is left in the manor when the work is complete. There has not been any record of misuse or abuse of keys in recent history.

Staff proposes to adopt the Key Policy by Resolution (Attachment 3).

Staff recommends approving the resolution authorizing the Key Policy and continuing the policy as it currently stands. Staff intends to market the policy to Members in the upcoming months.

FINANCIAL ANALYSIS

None.

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

Reviewed By: Eve Morton, Alterations Coordinator

Attachments:

Attachment 1: Resale Package Key Program Notice

Attachment 2: Key Access Procedure

Attachment 3: Resolution 03-18-XX, Proposed Resolution



Key File Program

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

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

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

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

Laguna Woods Village Community Center

Resident Services

24351 El Toro Road

Laguna Woods, CA

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PROCEDURES FOR ACCESS TO MANOR KEYS

1. RESIDENT LOCKOUTS

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

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

After Business Hours:

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

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

PROCEDURES FOR ACCESS TO MANOR KEYS

REQUEST PROCESSING

A. Information Required

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

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

B. Issuance of Service Order

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

C. Request Handling: Recording Actions Taken

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

PROCEDURES FOR ACCESS TO MANOR KEYS

REQUEST PROCESSING: AFTER HOURS, WEEKENDS AND HOLIDAYS

A. Information Required

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

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

B. Issuance of a Service Order

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

C. Request Handling

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

PROCEDURES FOR ACCESS TO MANOR KEYS

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

D. Arrival at Manor Procedures

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

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

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

PROCEDURES FOR ACCESS TO MANOR KEYS

OPEN AND STAND-BY

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

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

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

OPEN AND CLOSE FOR FUMIGATION

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

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

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

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

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

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

PROCEDURES FOR ACCESS TO MANOR KEYS

Work Order Invoice Instructions

DATE A	MUTUAL B	MANOR - LOCATION C	PLAN	W.C. CODE D	CLERK	ORDER NUMBER		
OWNER		MANOR ADDRESS		CUSTOMER NUMBER	PHONE			
SERVICE REQUESTED BY E		TYPE OF CALL	WORK CENTER F	SCHEDULED DATE	DATE COMPLETED G			
ITEM OF WORK REQUESTED H				OLD SERIAL NUMBER	NEW SERIAL NUMBER			
COMMENTS I				OLD MODEL NUMBER	NEW MODEL NUMBER	COLOR		
ITEM OF WORK PERFORMED		OTHER WORK NEEDED						
		CHARGE/REPEAT						
		TIME IN						
		TIME OUT						
SUB CATEGORY	STOCK NUMBER	QUANTITY	UNIT OF MEASURE	DESCRIPTION	EMPLOYEE NUMBER	HOURS	DATE	C
	Pulled from file:	J				*		
	P/U by Security:	K	X			*		
	Returned by Security:	L	X			*		
	Returned to File:		X			*		
						*		
						*		
						*		
						*		
						*		
						*		
						*		
						*		
						*		
If you have any questions regarding service please call: 597-4800				RESIDENT X EMPLOYEE	TOTALS:	QUANTITY	HOURS	
					SUPERVISOR/FOREMAN			

Required fields that need to be filled in by Security:

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

ATTACHMENT 3

RESOLUTION 03-18-XXX
KEY POLICY

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

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

NOW THEREFORE BE IT RESOLVED, October 16, 2018, that the Board of Directors approves this policy authorizing the Key File Program that shall follow the provisions of the Key File Policy as attached to the official minutes of this meeting;

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

September 7, 2018 Initial Notification

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

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STAFF REPORT

DATE: October 16, 2018
FOR: Board of Directors
SUBJECT: Unoccupied Manor Inspection Policy

RECOMMENDATION

Entertain a Motion to approve the Unoccupied Manor Inspection Policy.

BACKGROUND

On August 27, 2018, the Architectural Controls and Standards Committee reviewed this Staff Report and Resolution. The Committee voted to recommend the item for approval by the Board.

On May 4, 2018, with the advice of legal counsel, via Resolution 03-18-59, the Board voted to introduce an Emergency Unoccupied Manor Inspection Policy (Attachment 1). The Emergency Policy will be in effect for six months or until such time the Board enacts a permanent policy. The policy was established due to unoccupied manors presenting a number of concerns to Third Mutual and its residents. Those concerns increase the longer the manor is vacant. It is to the benefit of the Mutual to inspect the condition of unoccupied manors on a regular and consistent basis.

Recent events related to damage of Mutual property due to neglect in unoccupied units had prompted the adoption of the emergency policy. In denial of a claim filed for moisture intrusion and mold damages from an unoccupied unit that had occurred over time, the insurance carrier for the Village, Travelers Property Casualty Company of America, has stated that their policy contains the following clauses: "...we will not pay for loss or damage caused by or resulting from any of the following: continuous or repeated seepage or leakage of water or other liquid, or the presence or condensation of humidity, moisture or vapor that occurs over a period of 14 days or more..." and "...faulty, inadequate or defective maintenance of part or all of any property on or off the described premises."

Staff was directed to administer and monitor the Emergency Policy, review the Key File Program, and return a permanent policy for approval by the Board. This report addresses those issues.

DISCUSSION

As in the Emergency Policy, unoccupied manor inspections are triggered when a manor is unoccupied for six months. When that threshold is met and annually thereafter, the policy requires Staff to contact the Owner of Record (Owner) with written notification that the manor has been entered into the Unoccupied Manor Inspection program.

Staff has performed a full review of the database and determined that currently 110 manors meet the established criteria. The notification is sent in the form of a letter informing the owners of the intent of the policy and any further action required on their part. As of the writing of this report, Staff has sent out all of the initial notifications to the manors initially identified in the database. In response to the letters, Staff has received little negative feedback and several calls informing Staff that a few of the manors were currently for sale or under construction.

Since the CC&Rs require an Owner to grant entry to Staff, a return response authorizing inspection is not necessary in the Policy. The notification gives the Owner an avenue in which to object to access or establish occupancy, which would be reviewed by Staff and, if necessary, be referred to the Board for resolution. Failure to permit access may be subject to disciplinary action by the Board.

A second notice is sent out when an inspection date and time is scheduled. These notices are sent out a minimum of 15 days prior to the inspection time. This letter encourages owners to be present at the inspection.

Historically, access to unoccupied manors has been problematic for both emergencies and non-emergencies. Since access to unoccupied manors in an emergency is critical and entry for maintenance using a locksmith is expensive and time consuming, Staff proposes to strongly encourage owners of unoccupied units to participate in the Key File Program. Although participation in the program is significant, Staff encountered some resistance from owners regarding providing a key. Staff recommends keeping the key policy voluntary. When a manor is identified as unoccupied and no key is on file, the Owner will be notified and encouraged to provide one. Failure to provide a key will subject the owner to the additional cost of gaining access through the use of a locksmith.

The current Emergency Policy charges actual costs for administrative and inspection costs, including the cost of gaining access to the unit. After a review of the actual time involved in administering the program, Staff proposes that an inspection and administrative fee of \$100 be charged to the owner for each inspection. Manors without a key on file will incur an additional charge of a minimum of \$135.00 for locksmith services.

If the owners, or their representative, are not present for the inspection, Security personnel will be present for the inspection to ensure there is no adverse impact upon the manor interior due to the Mutual's inspection.

FINANCIAL ANALYSIS

The inspection and administrative fees of \$100 and a minimum \$135 locksmith fee are expected to offset the costs of administering this program.

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

Reviewed By: Eve Morton, Alterations Coordinator

Attachments:

Attachment 1: Resolution 03-18-59, Emergency Resolution to Adopt a Policy for Interior Inspection of Unoccupied Manors

Attachment 2: Proposed Resolution 03-18-XX Unoccupied Manor Inspection Policy

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ATTACHMENT 1

RESOLUTION 03-18-59

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 2

RESOLUTION 03-18-XX

POLICY FOR INTERIOR INSPECTION OF UNOCCUPIED MANORS

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

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

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

NOW THEREFORE BE IT RESOLVED, October 16, 2018, that the Board of Directors hereby approves the Unoccupied Manor Inspection Policy ("Policy");

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

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

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

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

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

RESOLVED FURTHER, that any necessary emergency maintenance or repairs

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

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

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

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

September 7, 2018 Initial Notification

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



STAFF REPORT

DATE: October 16, 2018
FOR: Board of Directors
SUBJECT: Revised Common Area Use Policy

RECOMMENDATION

Adopt the Revised Common Area Use Policy.

BACKGROUND

On August 27, 2018, the Architectural Controls and Standards Committee reviewed this Staff Report and Resolution. The Committee voted to recommend the item for approval by the Board.

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

Proposed Policy

RESOLUTION 03-18-XX

Common Area Use Policy

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

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

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

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

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

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

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

ATTACHMENT 2
Proposed Policy

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, October 16, 2018, that the Board has prepared a "Decision Tree", "Neighbor Awareness Notice of Hearing" form, and "Covenant To Run With The Land" form, and the Board hereby adopts the policy outlined in this Resolution to govern the Board's, the Committee's and Staff's decision process when Manor Owners apply to the Mutual for authorization to make or construct an Alteration to or within the Manor's Separate Interest; to, upon or within the Exclusive Use Common Area ("Policy");

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

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

ATTACHMENT 2

Proposed Policy

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

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

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

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

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

- (1) was not permitted by the Mutual, or any predecessor mutual; or
- (2) was not constructed according to the terms or conditions of that permit.

ATTACHMENT 2

Proposed Policy

“Grandfathering” merely means that such non-permitted or non-conforming Alterations will not be actively pursued by the Mutual, unless the Mutual determines that an Alteration poses a potential danger to persons or property, or a court of competent jurisdiction determines that the Alteration was not properly permitted;

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

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

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

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

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

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

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

September 7, 2018 Initial Notification

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

ATTACHMENT 3

REDLINES

RESOLUTION 03-18-XX

Common Area Use Policy

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

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

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

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

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

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

ATTACHMENT 3

REDLINES

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

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

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

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

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

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

NOW THEREFORE BE IT RESOLVED, October 16, 2018, that the Board has prepared a "Decision Tree", "Neighbor Awareness Notice of Hearing" form, and "Covenant To Run With The Land" form, and the Board hereby adopts the policy outlined in this Resolution ~~to govern~~ the Board's~~staff's~~, the Committee's and Staff's ~~the Board's~~ decision process when Manor Owners apply to the Mutual for authorization to make or construct an Alteration to or within the Manor's Separate Interest; to, upon or within the Exclusive Use Common Area ("Policy");

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

ATTACHMENT 3

REDLINES

BE IT RESOLVED FURTHER, that, in limited circumstances, ~~defined from time-to-time by the Committee and approved by the Board as set forth in the Policy,~~ staff~~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~~Staff~~ for any reason will be treated as a unique Variance Request to be investigated by staff~~Staff~~ and considered by the Committee for approval or denial, with potential appeal of the Committee’s decision to the Board, all in accordance with the Mutual’s Governing Documents;

BE IT RESOLVED FURTHER, that, if the proposed Alteration is to be located entirely within or upon an Exclusive Use Common Area already associated with the Manor, staff~~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~~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~~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 ~~in question altered in any dimension or manner,~~ shall remain Exclusive Use Common Area, licensed for the exclusive use of the Manor Owner, but shall not also become a part of the Manor’s Separate Interest. The Covenant will also require that the Manor Owner shall assume the responsibility for insuring, maintaining, repairing, replacing and restoring the area containing the Alteration, and shall agree to indemnify and hold harmless the Mutual for any and all claims pertaining to the Alteration;

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

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

ATTACHMENT 3

REDLINES

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

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

- (1) was not permitted by the Mutual, or any predecessor mutual; or
- (2) was not constructed according to the terms or conditions of that permit.

"Grandfathering" merely means that such non-permitted or non-conforming Alterations will not be actively pursued by the Mutual, unless the Mutual determines that an Alteration poses a potential danger to persons or property, or a court of competent jurisdiction determines that the Alteration was not properly permitted;

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

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

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

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

BE IT RESOLVED FURTHER, that, in accordance with the Mutual's CC&Rs, the existence in the Mutual of a prior Alteration comparable to an Alteration being sought by

ATTACHMENT 3

REDLINES

a Manor Owner shall have no precedential value and shall not obligate in any way ~~staff~~Staff, the Committee or the Board to approve any subsequent Manor Alteration Application;

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

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

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STAFF REPORT

DATE: October 16, 2018
FOR: Board of Directors
SUBJECT: Yellow Stake Program

RECOMMENDATION

End the 'yellow stake' program in Third Mutual and direct staff to establish a program for removing and re-planting existing areas with water efficient plants.

BACKGROUND

At the regular meeting of the Third Mutual Landscape Committee on September 6, 2018, the Committee voted to recommend to the Board of Directors that the 'yellow stake' program be eliminated.

For many years the 'yellow stake' program has provided an option for residents to maintain the planting areas immediately adjacent to their manors, either personally or through an outside maintenance service. Typically, without any approval from the Landscape Committee or Landscape Division staff, these plantings were installed by residents throughout the Village. Plantings were not supposed to have a higher irrigation requirement than common area landscape, as all areas are irrigated on the same schedule to insure proper water management. Art, benches, rocks, aggregate or other items were permitted within a 'yellow stake' area if they were in conformance with all applicable Governing Documents.

Following the placement of the yellow stakes, the area would be maintained by the unit owner/occupant. However, the Mutual retained the right to intercede if the appearance or level of care of the yellow stake plantings was found to be below standard; if the defined yellow stake area grew in size, taking over excessive amounts of Common Area; or if a dispute arose between residents. Currently, the 'yellow stake' areas continue to be Common Area and 'yellow stake' approval may be revoked by the Landscape Committee at any time. There has been no oversight or tracking of the manors with yellow stakes or the responsible party.

Due to issues arising out of the unmanaged expansion of yellow staked areas and the concern that these areas are becoming viewed as an expansion into Common Area, on February 20, 2018, the Third Mutual Board of Directors placed a moratorium on the 'yellow stake' program.

DISCUSSION

At their regular meeting of August 2, 2018, the Landscape Committee discussed the impacts of the 'yellow stake' areas, which currently have no controls or management by VMS staff. The Committee members expressed that many of these areas are being overwatered by residents due to the types of landscaping planted. In some cases, stakes have been placed by residents

near trees or surrounding unauthorized plantings located at some distance from their manors resulting in maintenance restrictions for landscape crews. These areas complicate maintenance by staff and tend to grow in size over time.

The Committee expressed a need to regain oversight of the areas and return them to standard or water efficient plantings. The Committee did not support 'grandfathering' existing non-standard plantings other than trees.

Staff recommends that the 'yellow stake' program start fresh, with all residents desiring to plant and or keep non-standard plants submitting a Landscape Alteration Request for review and approval by Staff and the Landscape Committee. Each request that is approved would be tracked as to the size and person(s) responsible for the care and maintenance of the area. No areas would be 'grandfathered' into the program. No areas that are not immediately adjacent to the applicant's manor would be permitted. All trees planted within yellow staked areas would be reviewed and considered on a case by case basis, as would trees planted away from the manors, but 'protected' by a yellow stake.

This would be a daunting task for staff and the Landscape Committee, but would provide a mechanism for gaining control of the areas and insuring they are water efficient and not a detriment to the Mutual or the maintenance programs in place. It is anticipated that this process would take place over time, with removal and replanting of areas not requested to be 'renewed' taking place simultaneously. An application period would be established, with the Communications and Marketing Department assisting in educating Third Mutual residents on the process and timelines. It is estimated that this process could take a year or more.

FINANCIAL ANALYSIS

There would be costs associated with the recommended action. Staff time would be necessary to evaluate each 'yellow stake' area and to determine the appropriate action necessary to restore the landscape. The notification process and removal costs have not been established at this time, which could result in future staff costs. Due to the unknown quantity of 'yellow stake' areas and the varied conversion cost for each, there is no accurate estimate for the total cost of this action.

Prepared By: Bruce Hartley, General Services Director

Reviewed By: Siobhan Foster, Chief Operation Officer

Committee Routing: Landscape Committee

ATTACHMENT(S)

ATT-1: Resolution 03-18-xx

RESOLUTION 03-18-XX
Yellow Stake Program

WHEREAS, the Board of Directors (the “Board”) of Third Laguna Hills Mutual (“Mutual”) held a meeting on October 16, 2018, at which a quorum of the Board was present;

WHEREAS, the Board has revisited the “yellow stake” program given information provided to the Board regarding overwatering of landscaping in such “yellow stake” areas, as well as the apparent widespread abuse of the program by Mutual members and residents, and;

WHEREAS, upon reviewing with the Mutual’s legal counsel, the Board has also determined that such “yellow stake” program raises the potential issue of an implicit grant of exclusive use of general common area to individual owners that may require approval of the membership and otherwise create an administrative burden for the Board and the Mutual; and

WHEREAS, on September 6 2018, the Landscape Committee recommended to eliminate the ‘Yellow Stake’ Program;

NOW THEREFORE BE IT RESOLVED, October 16, 2018, the Board of Directors eliminated the ‘Yellow Stake’ Program, and;

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

OCTOBER 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.

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STAFF REPORT

DATE: October 16, 2018
FOR: Landscape Committee
SUBJECT: Tree Trimming Policy for Solar Panels

RECOMMENDATION

Approve tree management policies for the maintenance of trees affecting roof-top solar generating systems in Third Mutual:

1. Trimming and/or removal of trees performed to the benefit of systems owned by the Mutual would be performed as needed at the expense of the Mutual.
2. Trimming and/or removal of trees to the benefit of a privately owned roof-top solar system would be considered a chargeable service, paid for by the requesting member unless routine scheduled trimming would achieve the desired results without any special consideration.
3. Determination of appropriate trimming and/or removal to be made by Staff on a case-by-case basis and would not be agendized for Committee approval.

DISCUSSION

With the increasing awareness of global warming, rising utility rates and government programs to support the installation of roof-top solar generating systems, the need has arisen to address requests for tree trimming or removal when the trees adversely affect the output of these systems. Third Mutual has roof-top solar arrays on multi-story buildings that generate a significant savings in community electrical costs. The arrays consist of 'strings' or groupings of individual solar panels that if partially shaded, stop generating electricity across the entire string. This may also occur with privately owned solar panels, which may be considered an alteration, with no Mutual responsibility for any maintenance or production goals. The Mutual owned systems were installed with Return on Investment calculations figured into the cost of the systems and the recovery period for the funds invested in the improvements. Trimming, crown reducing or removal of trees may be necessary to insure that energy production goals are met.

Staff is recommending that the Committee authorize staff to either crown reduce or remove trees that adversely affect the productivity of roof-top solar generating systems. Work performed to the benefit of systems owned by the Mutual would be performed as needed at the expense of the Mutual. Trimming or removal of trees to the benefit of a privately owned roof-top solar system would be considered a chargeable service, paid for by the requesting member unless routine scheduled trimming would achieve the desired results without any special consideration. Staff further recommends that the determination of appropriate trimming and/or removal would be made by staff on a case-by-case basis and not agendized for Committee approval.

FINANCIAL ANALYSIS

The trimming or removal cost for trees associated with roof-top solar generating systems would vary. Costs could range from \$300 per tree for trimming to \$2,800 per tree for complete removal, depending on the size of the tree and the circumstances. Mutual tree trimming and removal is included in the annual budget for the Mutual. If the work is to the benefit of a private solar system, it would be a chargeable service and have no financial impact, as the owner would fund the work.

Prepared By: Bruce Hartley, General Services Director

Reviewed By: Siobhan Foster, Chief Operating Officer

ATTACHMENT(S)

ATT 1: Third Landscape Committee Endorsement

ATT 2: Resolution 03-18-xx

ENDORSEMENT

Tree Trimming for Rooftop Solar Panels

A motion was made and carried unanimously to recommend the Board approve tree management policies for the maintenance of trees affecting roof-top solar generating systems in Third Mutual:

1. Trimming and/or removal of trees performed to the benefit of systems owned by the Mutual would be performed as needed at the expense of the Mutual.
2. Trimming and/or removal of trees to the benefit of a privately owned roof-top solar system would be considered a chargeable service, paid for by the requesting member unless routine scheduled trimming would achieve the desired results without any special consideration.
3. Determination of appropriate trimming and/or removal to be made by Staff on a case-by-case basis and would not be agendaized for Committee approval.

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RESOLUTION 03-18-xx
Tree Trimming for Rooftop Solar Panels

WHEREAS, the Board of Directors (the “Board”) of Third Laguna Hills Mutual (“Mutual”) held a meeting on October 16, 2018, at which a quorum of the Board was present;

WHEREAS, pursuant to the Mutual’s Governing Documents, the Association, acting through the Board, is responsible for the management and upkeep of the Mutual’s common areas, including the landscaping and trees;

WHEREAS, the Third Mutual Landscape Committee recommended the establishment of a “Tree Trimming Policy for Solar Panels” and;

WHEREAS, the Landscape Committee approved specific tree management policies for the maintenance of trees affecting roof-top solar generating systems, including:

1. Trimming and/or removal of trees performed to the benefit of systems owned by the Mutual would be performed as needed at the expense of the Mutual.
2. Trimming and/or removal of trees to the benefit of a privately owned roof-top solar system would be considered a chargeable service, paid for by the requesting member unless routine scheduled trimming would achieve the desired results without any special consideration.
3. Determination of appropriate trimming and/or removal to be made by Staff on a case-by-case basis and would not be agendaized for Committee approval.

NOW, THEREFORE BE IT RESOLVED, October 16, 2018 that the Board of the Mutual hereby introduces the “Tree Trimming for Rooftop Solar Panels” policy for the management of trees within the Mutual’s common areas.

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

OCTOBER 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.

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STAFF REPORT

DATE: October 16, 2018
FOR: Finance Committee
SUBJECT: Supplemental Funds for Tree Trimming

RECOMMENDATION

Recommend to the Board of Directors approval of a supplemental appropriation in the amount of \$150,000, to be funded from the Replacement Reserve, to complete scheduled trimming through September 2018 and un-scheduled tree trimming and palm trimming through December 2018 in Third Mutual.

BACKGROUND

In the 2018 Budget, Staff projected seven months of work would be necessary to complete the scheduled tree trimming in Third Mutual with a budget of \$826,475. To date, 10,764 trees have been inspected and/or trimmed. The tree crew fully utilized the 2018 funding at the end of August, with additional trees yet to be trimmed and insufficient funding to complete annual palm trimming or un-scheduled work.

The Landscape Committee, at the regular meeting of September 6, 2018 recommended that the Board approve supplemental funding in the amount of \$150,000 to complete tree trimming for September 2018 and provide funding only for off-schedule tree trimming, street light clearance and annual palm trimming through the end of the year.

On October 2, 2018, the Finance Committee reviewed the endorsement from Landscape and recommended approval of the supplemental funding.

DISCUSSION

The accelerated growth of the trees following the wet winter of 2017 and the emphasis on performing increased thinning of the trees has slowed the trimming cycle. In 2019 the tree crews will be trimming primarily in United Mutual, with the exception of off-scheduled tree trimming, street light clearance and annual species specific trimming (palm, carrotwood, etc.) in Third Mutual.

FINANCIAL ANALYSIS

Staff recommends additional funding of \$150,000 for tree trimming performed through September 2018 and remaining off-schedule work requirements for Third Mutual.

Prepared By: Bruce Hartley, General Services Director

Reviewed By: Siobhan Foster, Chief Operating Officer
Betty Parker, Chief Financial Officer

ATTACHMENT(S)

ATT-1: Landscape Division 2018 Third Mutual Tree Funding Projection
ATT-2: Resolution 03-18-xx

Landscape Division 2018 Third Mutual Tree Work

Tree Work	2018 Budget	2018 Actual thru July	2018 Projected Addl Hours	2018 Projected \$	2018 Projected YTD
Scheduled Trimming	\$826,475	\$669,512	3,931	\$245,700	\$915,212
Off-Schedule Trimming, Streetlights, Palms			980	\$61,250	\$61,250
Projected Total for 2018:			4,911	\$306,950	\$976,462
Projected Funds Needed:					\$149,987

Resolution 03-18-XX

Supplemental Funding for Tree Trimming

WHEREAS, Staff projected seven months of work would be necessary to complete the scheduled tree trimming in Third Mutual with a budget of \$826,475;

WHEREAS, the accelerated growth of the trees following the wet winter of 2017 and the emphasis on performing increased thinning of the trees has slowed the trimming cycle; and

WHEREAS, the tree crew fully utilized the 2018 funding at the end of August, with additional trees yet to be trimmed and insufficient funding to complete annual palm trimming or un-scheduled work.

NOW THEREFORE BE IT RESOLVED, on October 16, 2018, the Board of Directors of this Corporation hereby approves a supplemental appropriation in the amount of \$150,000, to be funded from the Replacement Reserve, to complete scheduled trimming through September 2018 and un-scheduled tree trimming and palm trimming through December 2018 in Third Mutual;

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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RESOLUTION 03-18-xxx
Third Mutual Committee Appointments

RESOLVED, October 16, 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

Steve Parsons, Chair
Roy Bruninghaus
John Frankel
Lynn Jarrett
Rosemarie diLorenzo, Alternate
Voting Advisors: Mike Butler and Mike Plean

Communications Committee (Bi-Monthly)

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

Energy Task Force

Paul Chao (Third)
John Frankel (Third)
Cush Bhada, 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
Roy Bruninghaus, Alternate

Finance (Committee of the Whole)

Jack Connelly, Chair

Steve Parsons, First Co-Chair

Rosemarie diLorenzo, Second Co-Chair

Non-Voting Advisors: John Hess, Wei-Ming Tao, Michael Cunningham

Garden Villa Recreation Room Subcommittee (Quarterly)

Lynn Jarrett, Chair

Rosemarie diLorenzo

Cush Bhada

Voting Advisors: Sharon Molineri, Stuart Hack, Randy Scott

Laguna Woods Village Traffic Hearings

John Frankel

Jack Connelly

Landscape

James Tung, Chair

Cush Bhada

Lynn Jarrett

John Frankel

Maintenance and Construction (Committee of the Whole)

Cush Bhada, Chair

Bunny Carpenter, First Co-Chair

John Frankel, Second Co-Chair

Paul Chao

New Resident Orientation

Per Rotation List

Water Conservation Committee (Bi-Monthly)

James Tung, Chair

John Frankel

Paul Chao

Lynn Jarrett

Third Mutual Parking & Golf Cart Task Force

Steve Parsons, Chair

John Frankel, Co-Chair

Bunny Carpenter

Lynn Jarrett

Third Mutual Resident Policy and Compliance Task Force

Roy Bruninghaus, Chair

Bunny Carpenter

Rosemarie diLorenzo

Steve Parsons

Stuart Hack, Advisor

RESOLVED FURTHER, that Resolution 03-18-114, adopted July 17, 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.

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RESOLUTION 03-18-xxx
GRF Committee Appointments

RESOLVED, October 16, 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
Jack Connelly

Community Activities Committee

Steve Parsons
Cush Bhada
Jack Connelly, Alternate

Finance Committee

Rosemarie di Lorenzo
Jack Connelly
Steve Parsons, Alternate

Landscape Committee

James Tung
John Frankel
Lynn Jarrett, Alternate

Maintenance and Construction Committee

John Frankel
Bunny Carpenter
Cush Bhada, Alternate
Paul Chao, Alternate

Media and Communication Committee

Roy Bruninghaus
Lynn Jarrett
Jack Connelly, Alternate
Bunny Carpenter, Alternate

Mobility and Vehicles Committee

John Frankel
Cush Bhada
Lynn Jarrett, Alternate

Security and Community Access Committee

Roy Bruninghaus
John Frankel
Steve Parsons, Alternate
Cush Bhada, Alternate

Disaster Preparedness Task Force

Roy Bruninghaus
John Frankel
Steve Parsons, Alternate

RESOLVED FURTHER, that Resolution 03-18-115, adopted July 17, 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.

Financial Report

As of August 31, 2018



INCOME STATEMENT

ACTUAL

(in Thousands)

TOTAL REVENUE

\$22,608

TOTAL EXPENSE

20,314

Revenue over Expense

\$2,294

Financial Report

As of August 31, 2018



INCOME STATEMENT - OPERATING

ACTUAL

(in Thousands)

Assessment Revenue	\$12,586
--------------------	-----------------

Non-assessment Revenue	\$945
------------------------	--------------

Total Revenue	\$13,531
---------------	-----------------

Total Expense	\$13,649
---------------	-----------------

Net Revenue/(Expense)	(\$118)
-----------------------	----------------

w/o Depreciation	(\$21)
------------------	---------------

Financial Report

As of August 31, 2018



INCOME STATEMENT – NON OPERATING

ACTUAL

(in Thousands)

Assessment Revenue	\$8,770
---------------------------	----------------

Non-assessment Revenue	\$308
-------------------------------	--------------

Total Revenue	\$9,078
----------------------	----------------

Total Expense	6,665
----------------------	--------------

Net Revenue/(Expense)	\$2,413
------------------------------	----------------

Financial Report

As of August 31, 2018



Through July, Third was better than budget by \$2,241K primarily in outside service reserve programs:

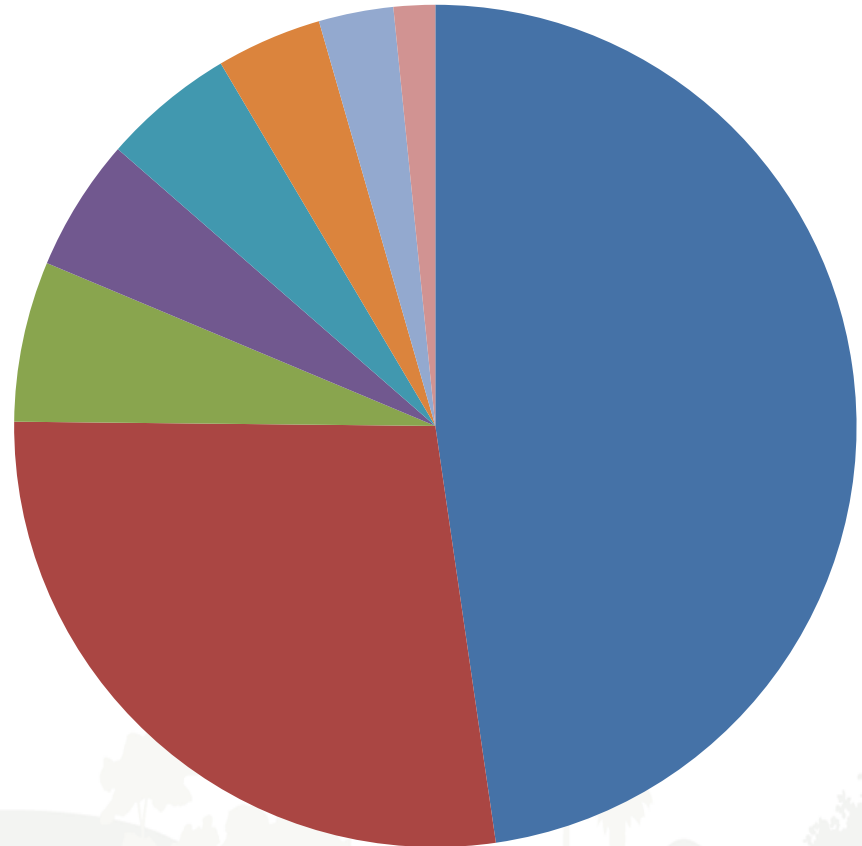
- **Building Structures;** staff presented consultant report in July; bid process is underway.
- **Disaster Fund;** insurance reimbursements for fire and damage restoration events.
- **Exterior Lighting;** acquisition of street lights from Edison is in progress.
- **Roof Replacements ;** PVC Cool Roof replacements are in progress and will be completed by year end.

Financial Report

As of August 31, 2018

Total Operating Expenses \$13,648,958

- 48% Employee Compensation & Related
- 27% Utilities and Telephones
- 6% Insurance
- 5% Net Allocation to Mutuals
- 5% Outside Services
- 4% Material and Supplies
- 3% Other Operating Expense
- 2% Repairs and Maintenance



Financial Report

As of August 31, 2018



NON OPERATING FUND BALANCES

ACTUAL

(in Thousands)

Beginning Balances: 1/1/18

\$28,094

Contributions & Interest

9,078

Expenditures

(6,665)

Current Balances: 8/31/18

\$30,507



Financial Report for October 16, 2018 Board Meeting

SLIDE 1 – Total revenue for Third through August 31, 2018 was \$22,608K compared to expenses of \$20,314K, resulting in more revenue than expense by \$2,294K.

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 \$12,586K coming in from assessments and \$945K coming from non-assessment revenue. This is compared to operating expenditures of \$13,649K. After backing out depreciation, which is not funded through operations, we can see a bottom line operating deficit of (\$21K) 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 August, Third was better than budget by \$2,241K primarily due to timing of reserve programs:

- Building Structures. Staff presented consultant's report to M&C, dry rot RFP was advertised, and bids submitted in late September are under review.
- Disaster Fund. Insurance reimbursements have been received for fire and water intrusion events, and less use of contingency funds. The disaster fund includes funding for emergency expenditures not covered by insurance, including insurance policy deductibles.
- Exterior Lighting, timing. This program is for the acquisition of street lights from Edison which was approved by the California Public Utility Commission (CPUC). Prior to transfer SCE will complete an audit of fixtures, anticipated in November.
- Roof Replacements; PVC Cool Roof replacements are in progress and will be completed by the end of the year.

SLIDE 5 – On this pie chart, we see the Operating expenses to date of \$13.6 Million by category, showing that our largest categories of expense are for compensation and utilities.

SLIDE 6 – The reserve balances on August 31, 2018 were \$30.5 Million. To date, contributions to reserves including assessments and interest earnings totaled over \$9.1 Million and expenditures to date totaled just under \$6.6 Million.

[No slide] – In closed session, we reviewed delinquencies for unpaid assessments totaling \$234K, 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 \$174K. 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, October 2, 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, Cush Bhada, John Frankel, Jack Connelly
Advisors: Wei-Ming Tao, John Hess, Michael Cunningham

MEMBERS ABSENT: Jules Zalon

STAFF PRESENT: Betty Parker, Steve Hormuth, Bruce Hartley, Justine Dellinger

Call to Order

Director Steve Parsons, Treasurer, chaired the meeting and called it to order at 1:33 p.m.

Approval of Meeting Agenda

A motion was made and carried unanimously to approve the agenda as presented.

Approval of Meeting Report for September 4, 2018

A motion was made and carried unanimously to approve the Committee report as presented.

Preliminary Financial Statements Dated August 31, 2018

The Committee reviewed financials and questions were addressed.

Bruce Hartley, General Services Director, addressed the Committee's questions regarding unfavorable variances in tree trimming and janitorial services.

Staff distributed water tracking charts updated with September billing data and Director Tung gave an update on irrigation pipe leaks.

Endorsement: Additional Funding for Tree Trimming

The Committee reviewed an endorsement from the Landscape Committee, recommending supplemental funding for tree trimming work. Mr. Hartley discussed existing service levels for the inspection and trimming cycle and noted some potential operational and equipment improvements that can be used to gain efficiencies.

A motion was made, seconded, and carried unanimously to recommend a supplemental appropriation in the amount of \$150,000 from the Unappropriated Expenditures Fund to provide funding for tree trimming through September 2018 in addition to off-schedule work and palm trimming through December 2018.

Solar Audit Update

Steve Hormuth, Controller, referenced the details of the Solar System Charges for buildings 2390, 2393, 2403 and 2399. Director Walsh provided an explanation of charges and addressed questions.

Discussion of Accruals

Mr. Hormuth explained that interim monthly financials report expenses when paid, with limited use of accruals for large expenditures such as labor, utilities, and insurance.

The Committee requested that Staff add a monthly accrual for legal fees and review the potential use of a central repository for invoices.

Discussion Electric Charge Fees

Betty Parker, Chief Financial Officer, informed the Committee there was no significant change in the average cost per Kilowatt (kW) per hour since the last fee updates. Discussion ensued regarding a new decal policy effective January 1 and the impact of solar generation on costs.

By consensus, the Committee agreed to maintain current annual rates in 2019, with \$240 for Electric Charge – PEV and \$155 for Electric Charge – Golf Carts.

Other Endorsements from Standing Committees

None.

Future Agenda Items

Committee Member Comments

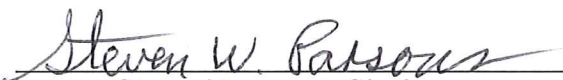
Director diLorenzo asked for an update on the credit card payment project. Mr. Hormuth stated that he is currently working with the IT Department on configuration and testing issues.

Date of Next Meeting

Tuesday, November 6, 2018 at 1:30 p.m. in the Board Room.

Recess to Closed Session

The meeting recessed at 3:27 p.m.


Steve Parsons, Chair

Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

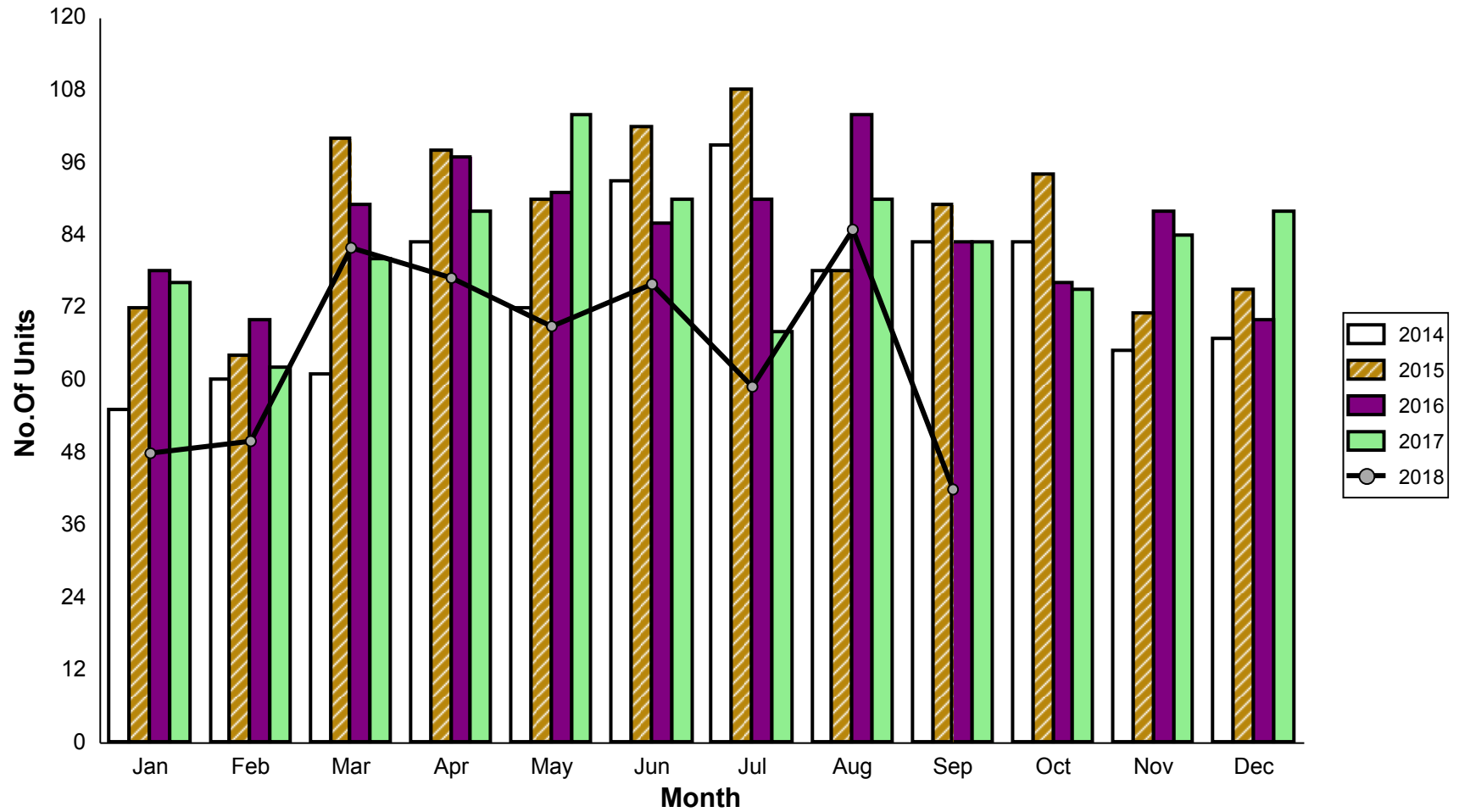
REPORT PERIOD

September, 2018

MONTH	NO. OF RESALES		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	85	90	\$28,612,100	\$29,277,556	\$340,620	\$325,306
September	42	83	\$17,185,192	\$25,481,938	\$409,171	\$310,755
October		* 75		* \$26,703,200		* \$356,043
November		* 86		* \$29,641,100		* \$344,664
December		* 88		* \$31,413,715		* \$356,974
TOTAL	588.00	743.00	\$206,663,627	\$237,837,536		
MON AVG	65.00	82.00	\$22,962,625	\$26,426,393	\$357,150	\$319,302

* Amount is excluded from percent calculation

Resales - 5 Year Comparison



Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

Third

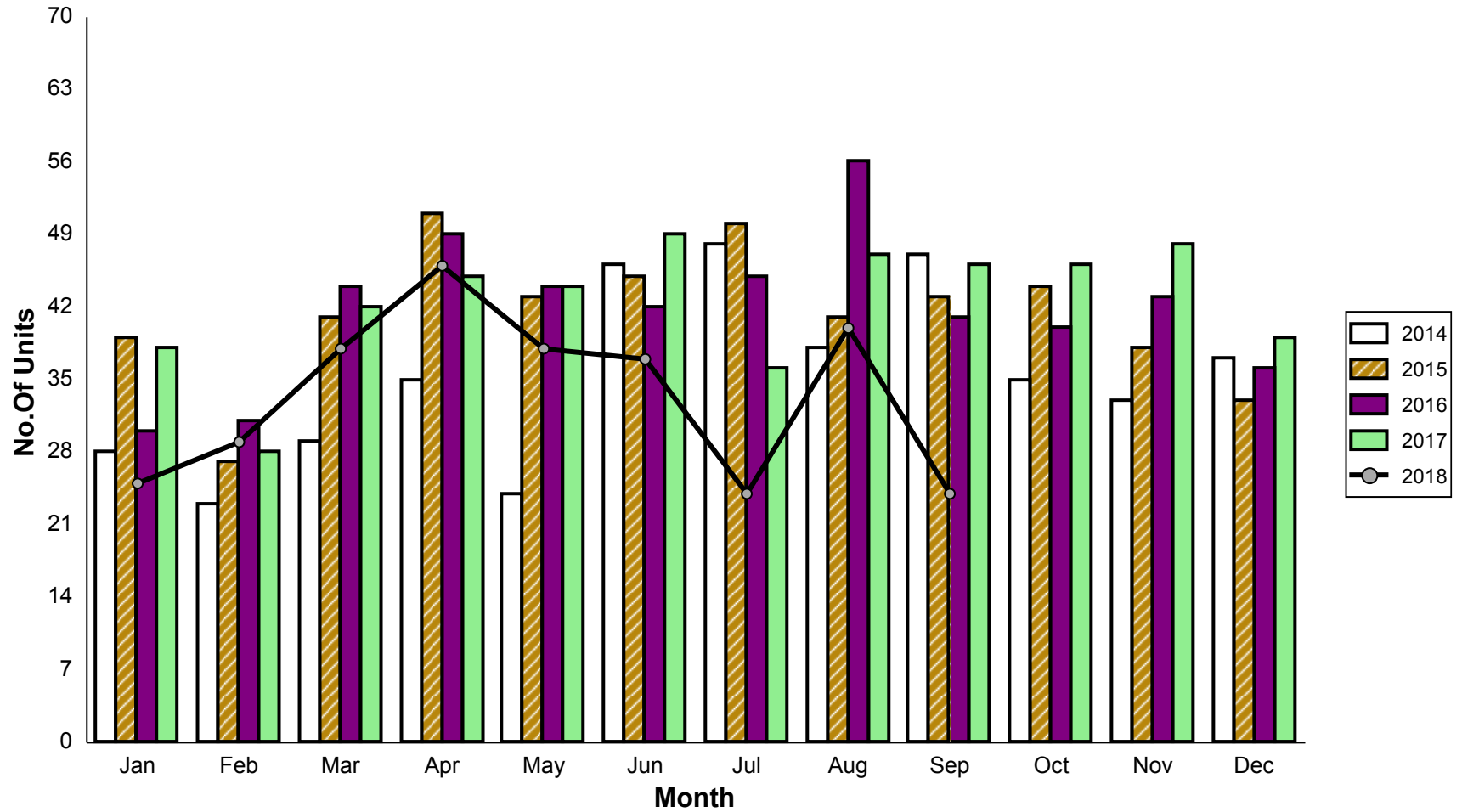
September, 2018

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	40	47	\$17,327,000	\$17,967,189	\$433,175	\$382,281
September	24	46	\$12,552,692	\$16,020,038	\$523,029	\$356,001
October		* 46		* \$18,804,700		* \$408,798
November		* 49		* \$19,847,200		* \$405,045
December		* 39		* \$18,834,275		* \$482,930
TOTAL	301.00	375.00	\$129,393,487	\$145,116,160		
MON AVG	33.00	41.00	\$14,377,054	\$16,124,018	\$430,667	\$385,659
% CHANGE - YTD	-19.7%		-10.8%		11.7%	

% Change calculated (ThisYear - LastYear)/LastYear

* Amount is excluded from percent calculation

Resales - 5 Year Comparison



Resales Report

Third Laguna Hills Mutual

September, 2018

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
09/11/2018	2171-A	3	\$225,250	Casa Linda	First Team Estates	Laguna Premier Realty, Inc	Granite Escrow
09/26/2018	2176-T	3	\$211,000	Coronado	Laguna Woods Properties	Century 21 Rainbow	Granite Escrow
09/26/2018	2332-C	3	\$295,000	Valencia	Laguna Premier Realty, Inc	Century 21 Astro	Pacific Closing Services
09/06/2018	2355-3A	3	\$549,900	Garden Villa	Century 21 Rainbow Realty	California Inc.	Granite Escrow
09/05/2018	3020-N	3	\$290,000	Casa Del Mar	FSBO	FSBO	Granite Escrow
09/13/2018	3228-B	3	\$730,000	El Doble	Century 21 Rainbow	HomeSmart Evergreen	Homestead Escrow
09/05/2018	3253-N	3	\$325,000	Casa Vista	HomeSmart Evergreen	HomeSmart Evergreen	Escrow Options Group
09/26/2018	3255-A	3	\$635,000	La Princesa	HomeSmart Evergreen	Reliance Real Estate	Granite Escrow
09/14/2018	3313-A	3	\$736,000	La Reina	Stanley Kerlick	Tu Kung Lee at Happy Realty	The Escrow Source
09/19/2018	3315-D	3	\$380,000	La Princesa	Monarch Realty Group	Betty Corcoran	The Escrow Source
09/24/2018	3325-C	3	\$778,542	La Reina	Laguna Premier Realty, Inc	No Broker	Granite Escrow
09/26/2018	3367-1C	3	\$235,000	Aragon	Re/Max Top Producers	Village Real Estate	Legacy First Escrow
09/25/2018	3367-3F	3	\$350,000	Aragon	First Team Estates	Berkshire Hathaway	Granite Escrow
09/21/2018	4005-3E	3	\$370,000	Villa Nueva	Tarbell Realtors	New Star Realty & Investment	Granite Escrow
09/26/2018	4007-3E	3	\$584,000	El Mirador	Laguna Premier Realty, Inc	Realty Benefit	Pacific Closing Services
09/20/2018	4008-2E	3	\$405,000	El Mirador	HomeSmart Evergreen	HomeSmart Evergreen	Escrow Options Group
09/07/2018	4008-2H	3	\$360,000	El Mirador	RE/MAX Coastal Homes	Laguna Premier Realty, Inc	Granite Escrow
09/14/2018	5038	3	\$905,000	Villa Paraisa	Bennion & Deville Fine Homes	Village Real Estate Services	Granite Escrow
09/11/2018	5084	3	\$1,025,000	Villa Serena	Century 21 Rainbow	Laguna Premier Realty, Inc	Homestead Escrow
09/14/2018	5312	3	\$880,000	Villa Paraisa	Coldwell Banker	Laguna Premier Realty, Inc	Homestead Escrow
09/04/2018	5349-Q	3	\$310,000	Casa Vista	The Uhrik Group	Prea Realty	Homestead Escrow
09/11/2018	5356-Q	3	\$489,000	Casa Vista	Laguna Premier Realty, Inc	Coldwell Banker	Escrow Network Group, Inc
09/10/2018	5439	3	\$1,049,000	Columbia	Villa Real Estate	Landmark Realtors	Granite Escrow
09/25/2018	5489-P	3	\$435,000	Casa Milano	Laguna Premier Realty, Inc	Surterre Properties, Inc.	Granite Escrow

Resales Report **Third Laguna Hills Mutual** **September, 2018**

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
<u>Number of Resales:</u>			<u>24</u>				
<u>Total Resale Price:</u>			<u>\$12,552,692</u>				
<u>Average Resale Price:</u>			<u>\$523,029</u>				
<u>Median Resale Price:</u>			<u>\$420,000</u>				

Monthly Resale Report

PREPARED BY
Community Services Department

MUTUAL
Third

September 2018

Month	NO. OF RESALES				TOTAL SALES VOLUME IN \$\$				AVG RESALE PRICE			
	2018	2017	2016	2015	2018	2017	2016	2015	2018	2017	2016	2015
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
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
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
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
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
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
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
August	40	47	56	41	\$17,327,000	\$17,967,189	\$21,085,200	\$12,231,250	\$433,175	\$382,281	\$376,521	\$298,323
September	24	46	41	43	\$12,552,692	\$16,020,038	\$12,651,500	\$15,332,500	\$523,029	\$356,001	\$308,573	\$356,570
October		46	40	44		\$18,804,700	\$13,386,500	\$12,924,787		\$408,798	\$334,663	\$293,745
November		49	43	38		\$19,847,200	\$16,453,200	\$12,332,000		\$405,045	\$382,633	\$324,526
December		38	36	33		\$18,509,275	\$12,528,800	\$11,532,800		\$487,086	\$348,022	\$349,479
TOTAL	301	375	383	380	\$129,393,487	\$145,116,160	\$130,988,139	\$122,498,843				
MON AVG	33.4	41.7	42.6	42.2	\$14,377,054	\$16,124,018	\$14,554,238	\$13,610,983	\$430,667	\$385,659	\$341,388	\$321,446
% CHANGE-YTD	-19.7%	-2.1%	0.8%	19.1%	-10.8%	10.8%	6.9%	16.4%	11.7%	13.0%	6.2%	0.0%

% Change calculated (This Year - Last Year)/Last Year

Percent calculation only includes YTD figures in black.



MONTHLY LEASING REPORT

Report Period:
September-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	24	24	383	1247	1678	1667	48	58	132	2
September	15	30	381	1241	1667	1648	42	45	102	0
October					0	1646				
November					0	1656				
December					0	1669				
Monthly Average	19.8	23.9	382.0	1226.4	1652.1	Jan-Sept 1657.6	51.6	53.2	121.2	0.7
Percentage Leased	1667 / 6102 = 27%									



OPEN MEETING

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL
ARCHITECTURAL CONTROL AND STANDARDS COMMITTEE**

**Monday, September 24, 2018 – 9:30 a.m.
Laguna Woods Village Community Center Sycamore Room
24351 El Toro Road**

REPORT

COMMITTEE MEMBERS PRESENT: Chair – Bill Walsh, Roy Bruninghaus, John Frankel

COMMITTEE MEMBERS ABSENT: Steve Parsons

OTHERS PRESENT: Burt Baum, Jack Connelly

ADVISORS PRESENT: Bob Hatch, Mike Butler, Michael Plean

STAFF PRESENT: Brett Crane, Gavin Fogg, Eve Morton

1. Call to Order

Chair Walsh called the meeting to order at 9:30 a.m.

2. Acknowledgement of Media

No media were present.

3. Approval of August 27, 2018 Report

Director Frankel moved to approve the Report. Director Bruninghaus seconded. The motion passed with a unanimous vote.

4. Approval of the Agenda

Director Bruninghaus moved to approve the Agenda. Advisor Plean seconded. The motion passed with a unanimous vote.

5. Committee Chair Remarks

None.

6. Member Comments - (Items Not on the Agenda)

None.

7. Department Head Update

None.

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.

None.

Items for Discussion and Consideration:

8. 2231-P (Casa Linda, II06_1) - Retain Veneer Wall Coverings within Original Patio Footprint

Director Frankel made a motion to not accept Staff's recommendation and approve this request. Advisor Hatch seconded. The vote was three in favor of the motion and five disapproved. The motion died.

Director Bruninghaus made a motion to accept Staff's recommendation and not approve this request. Advisor Plean seconded. A vote was cast and five were in favor of the motion and three disapproved. The motion passed.

The committee requested that Staff recommend to this Member to use alternate materials to build a similar wall covering and also to not attach it to the building.

The committee also requested that Staff address this type of alteration in existing Standards and tighten up wording if need be.

Reports:

None.

Items for Future Agendas

None.

Concluding Business:

9. Committee Member Comments

Director Bruninghaus thanked Chair Walsh for his hard work on the committee.

Director Frankel also thanked Chair Walsh.

Director Connelly thanked Chair Walsh and stated that the trend here is to try to help Members with their variance request which is commendable and different from other HOAs he has dealt with.

Advisor Hatch said he is ending his advisory role with the committee. He wrote a paper on his views regarding Common Area and hopes the committee will read it. He stated that the role of a committee advisor should be to be honest and frank and not be rubber stampers.

10. Date of next meeting – Monday, October 22, 2018

11. Adjourned at 10:17 a.m.

Chair, Bill Walsh

Kurt Wiemann, Staff Officer

Eve Morton, Alterations Coordinator, 268-2565

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OPEN MEETING

**REPORT OF REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL
MAINTENANCE AND CONSTRUCTION COMMITTEE**

Monday, October 1, 2018 – 1:00 PM

**Laguna Woods Village Community Center Board Room
24351 El Toro Road**

MEMBERS PRESENT: Bill Walsh – Chair, Bunny Carpenter, John Frankel, Burt Baum, Roy Bruninghaus, Jack Connelly, Cush Bhada, James Tung, Rosemarie di Lorenzo, Steve Parsons, Advisor: Steve Leonard

MEMBERS ABSENT: None

STAFF PRESENT: Ernesto Munoz – Staff Officer, Tim Moy, Laurie Chavarria

1. Call to Order

Chair Walsh called the meeting to order at 1:02 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 Bruninghaus asked that Item 12 be moved to closed session. Director Carpenter asked that the Project Log be pulled for discussion. Director Bhada asked that Create Video of Street Lights be added as Item 15.

The agenda was approved as amended.

4. Approval of Meeting Report for August 6, 2018

The meeting report from August 6, 2018 was approved as written.

5. Chair's Remarks

Chair Walsh had no remarks.

6. Member Comments (Items Not on the Agenda)

- Lynn Jarrett (4010-1C) commented on mailroom floor replacements.

7. Department Head Update

Staff Officer, Ernesto Munoz had no update at this time.

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.

A motion was made and unanimously carried to approve all items listed in the Consent Calendar. Item 10 was pulled from the Consent Calendar for discussion.

8. Programs Report

9. Maintenance Expenditures and Variance Explanations

10. Project Log

Ernesto Munoz provided an update on the following topics and answered questions from the Committee.

- Wasteline Remediation – The 2018 program will stop in mid-November, prior to the holidays with a total of 93 buildings lined.
- 2018 Electrical Systems – A portion of this contingency fund will be used to repair the electrical panels in 12 Garden Villa buildings.
- Laundry Equipment Improvements – If a contract is awarded by the Board in October, the vendor will be able to schedule the install in January of 2019.
- Pest Control for Termites – An update was provided on the actual number of buildings completed so far this year.
- Trash Chutes – The project has resumed now that a new trash chute door design has been approved for fabrication.
- 2018 Roofing Replacement – A total of 38 buildings have been reroofed this year.

- Seal Coat Program – The 2018 program work has been completed. Staff will review street repairs performed by ETWD in cul-de-sacs 326, 327 & 328 as well as some damage by the contractor's trucks on Bahia Blanca West, heading up from Avenida Sosiega.
- Building Address Signs – The pilot program for both the building address and cul-de-sac signs were completed. Staff is waiting for additional direction from the Committee. Although no direction was provided to staff at this time, Director Connelly volunteered to work with staff in the future.

Director Carpenter commented on breezeway top coat staining.

Reports:

11. Fire Avert Devices

Security Chief Tim Moy summarized the report and answered questions from the Committee.

A motion was made to authorize the purchase of five fire advert devices as a pilot project.

12. Appeal of 3165-A Plumbing Reimbursement Decision

This item was moved to closed session.

13. Cleaning of Alteration Patio Covers as a Chargeable Service (oral discussion)

Chair Walsh brought up a discussion on whether to offer cleaning of alteration awnings and patio covers as a chargeable service.

Discussion ensued regarding staffing levels, and gutter cleaning programs.

By consensus, the Committee decided not to consider offering this as a chargeable service at this time.

14. Motion Sensor Lights in Carports and GV Garages (oral discussion)

Director Connelly updated the Committee on the reason for the request. Due to the recent vandalism and petty thefts that have occurred, he would like to see motion sensor lights installed in Garden Villa garages.

Discussion ensued regarding crime stats, the difference between burglary and petty theft, modification of the existing lighting and the ten buildings that will have emergency lighting installation in 2019.

Director Connelly will work with Security Chief Tim Moy to discuss possible solutions.

15. Creating a Video of Existing & Upgraded Street Lights

Chair Walsh suggested that a before and after video of the street light upgrade project be produced by either TV 6 or volunteers from the Video Club.

Discussion ensued regarding photometric studies, the pilot project for new LED light fixtures, and the need for marketing of the project.

By consensus the Committee will ask the Video Club volunteers to work with Marketing Director Eileen Paulin so that a video of the project can be produced and cataloged for posterity.

Items for Future Agendas:

- Contract Award for Dry Rot Repairs (Closed Session, November)
- Revisions to Fumigation Program Notification
- Alteration Flooring Replacement Disbursement (due to moisture intrusion)
- Mailroom Flooring Replacement Program

Concluding Business:

Committee Member Comments

Various Committee Members thanked Chair Walsh for his service, guidance and leadership.

Date of Next Meeting – November 5, 2018

Adjournment

The meeting was recessed at 2:53 PM.

DRAFT

Cush Bhada

DRAFT

Bunny Carpenter



OPEN MEETING

REPORT FOR REGULAR MEETING OF THE VILLAGE ENERGY TASK FORCE

**Wednesday, September 12, 2018 - 9:30 A.M.
Laguna Woods Village Community Willow Room
24351 El Toro Road**

MEMBERS PRESENT: Bill Walsh – Chair, John Frankel, Burt Baum, Carl Randazzo, Juanita Skillman, Bert Moldow, Jim Juhan

Voting Advisor: Steve Leonard

MEMBER ABSENT: None

OTHERS PRESENT: Pat English, Judith Troutman, Annette Sabol-Soule, Yori Neumark, Frank Tybor, Doug Rook

STAFF PRESENT: Ernesto Munoz - Staff Officer, Brad Hudson, 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

Director Moldow added Community EV Charging Strategy as agenda item 12. The agenda was approved as amended.

4. Approval of Meeting Report for August 1, 2018

The Meeting Report of August 1, 2018, was approved as written.

5. Chairman's Remarks

Chair Walsh remarked that he was happy to see a lot of interest in energy issues from members of the community. He hopes to see more as the Task Force moves forward.

6. Member Comments (*Items Not on the Agenda*)

- Pat English (2022-D) commented on the various energy efficient vehicles she has owned, including her current hydrogen fueled car.
- Frank Tybor (5529-N) commented on hydrogen fueled cars.
- Judith Troutman (3011-B) commented that her son manages a Toyota dealership and will provide additional information on hydrogen cars to the Task Force.

Advisor Leonard, Chair Walsh and Director Moldow briefly responded to the members comments.

7. Department Head Update

Staff Officer Ernesto Munoz provided an update on the Third Mutual walkway lighting upgrades in Gates 5, 6, 7 & 8.

Discussion ensued regarding the concrete bases, additional lighting for walkways, motion sensor lights, walkway light installation program in United, the upcoming inventory of street lights by SCE, and the scope of work to be completed by Siemens.

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.

The Project Log was pulled for discussion. A motion was made and unanimously carried to approve the remainder of items under the consent calendar.

8. Project Log

Director Randazzo asked about completion dates on the Project Log.

Director Frankel asked if the new EMS system and future generator replacement will efficiently run the Community Center in a disaster.

Discussion ensued regarding solar, wind generators, and portable energy.

Staff Officer Ernesto Munoz briefly responded to questions from the Task Force.

9. SCE Street Light Outage Report

Reports:

10. Energy Efficient Accomplishments

Staff Officer Ernesto Munoz summarized the report and answered questions from the Task Force.

Discussion ensued regarding lighting timers in Third, solar generation in United, and GRF pagoda lights at Clubhouse 1.

11. Field Trip to UCI (oral discussion)

Director Moldow briefly summarized the reason for the field trip to UCI. He hopes the trip will educate staff and Board members on energy alternatives such as microgrids, fuel cells and wind power.

Discussion ensued regarding energy alternatives and other possible dates for the tour. Director Moldow will work with UCI to offer additional tour dates in October that are convenient for the Board and will send the information out to the Task Force via email.

By consensus, the Task Force decided that the energy consultant need not attend the UCI trip.

12. Community EV Charging Strategy

Director Moldow discussed the future of electric vehicles, and the need for charging stations throughout the community.

Discussion ensued regarding solar panels for EV charging at carports, quotes from Voltaic for EV charging at GRF facilities, single EV charging bollards at laundry rooms in United Mutual and infrastructure upgrades.

Items for Future Agendas:

- Officer Selections for Energy Task Force
- Electric Vehicle History Report with VIN Numbers
- 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

Village Energy Task Force
September 12, 2018
Page 4 of 4

d) Street Light Maintenance Contract

Member Comments:

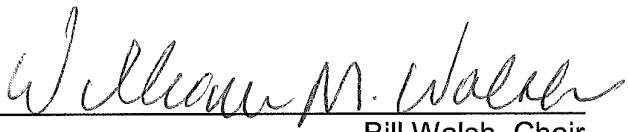
There were no member comments.

Concluding Business:

Date of next meeting – November 7, 2018

Adjournment

This meeting was adjourned at 11:39 AM

A handwritten signature in black ink, reading "William M. Walsh", is written over a horizontal line.

Bill Walsh, Chair
Third Laguna Hills Mutual