



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

**Tuesday, August 20, 2019 - 9:30 a.m.**

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

**NOTICE OF MEETING AND AGENDA**

- 1. Call meeting to order / Establish Quorum**
- 2. Pledge of Allegiance – Director Jarrett**
- 3. Acknowledge Media**
- 4. Approval of Agenda**
- 5. Approval of Minutes**
  - a. July 8, 2019 – All Boards All Directors Meeting (2020 Budget)
  - b. July 12, 2019 – Special Open Meeting (2020 Budget)
  - c. July 16, 2019 – Regular Open Meeting
  - d. July 18, 2019 – Special Workshop (LED Pilot Presentation)
- 6. Report of the Chair**
  - a. **Presentation from the Toll Roads Regarding New Stickers—Barbara Thomas**
- 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. CEO/COO Report**

Please silence your cell phones.

**10. 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. Finance Committee Recommendations:

(1) Recommendation to Approve a Resolution to Record Lien against Member ID# 932-670-28

(2) Recommendation to Approve a Resolution to Record Lien against Member ID# 931-710-89

b. Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual financials for the month of June, 2019, and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code §5501.

c. Approve a Resolution to Revise the Third GRF Committee Assignment

**11. Unfinished Business**

a. Entertain a Motion to Adopt a Resolution to Revise the Appeal Policy (**JULY initial notification-28-day notification for Member comment and review to conform to Civil Code §4360 has been satisfied**)

b. Entertain a Motion to Adopt a Resolution to Revise Move-In and Move-Out Policy (**JULY initial notification-28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)

c. Entertain a Motion to Adopt the Revised the Exterior Paint Color Palette (**JULY initial notification-28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)

d. Entertain a Motion to Adopt a Resolution to Revise Alteration Standard 38: Patio Enclosures (**JULY initial notification-28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)

e. Entertain a Motion to Adopt a Resolution to Revise Alteration Standard 22: Patio & Balcony Covers (**JULY initial notification-28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)

f. Entertain a Motion to Approve the Garden Villa and LH21 Laundry Room Rules (**JULY initial notification-28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)

g. Entertain a Motion to Approve the Garden Villa Recreation Room Rules (**JULY initial notification-28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)

- h. Entertain a Motion to Approve the Proposed Changes to Traffic School Eligibility (**JULY initial notification-28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)
- i. Entertain a Motion to Adopt the Revised Interior Inspection of Vacant Manors and Fee Schedule (**JULY initial notification-28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)
- j. Entertain a Motion to Enter into an Agreement with SageView Advisory Group for Investment Management Services
- k. Recommendation to Deny Off-Schedule Trimming Request: 3250-O (Corboz) – six Peppermint Trees based on no noticeable trunk damage, pest or disease, no surface rooting, and well-balanced canopies

## **12. New Business**

- a. Recommendation to Deny Tree Removal Request: 3513-A (Sandusky) – One Southern Magnolia tree
- b. Recommendation to Review the Request for Tree Removal/Off Schedule Trimming Request: 2379-B (King) – Four Indian Laurel Fig trees.
- c. Entertain a Motion to Introduce a Resolution Prohibiting All New Planting of Fruit Trees and Vegetables in Common Area (**AUGUST initial notification-must postpone 28-days for Member comments and suggestions to conform to Civil Code §4360**)
- d. Entertain a Motion to Introduce a Resolution for a Co-Occupancy Policy (**AUGUST initial notification-must postpone 28-days for Member comments and suggestions to conform to Civil Code §4360**)
- e. Entertain a Motion to Introduce a Resolution to Revise the Lease Policy (**AUGUST initial notification-must postpone 28-days for Member comments and suggestions to conform to Civil Code §4360**)
- f. Entertain a Motion to Introduce a Resolution for an Alternative Heat Source Policy (**AUGUST initial notification-must postpone 28-days for Member comments and suggestions to conform to Civil Code §4360**)
- g. Entertain a Motion to Introduce a Resolution to Revise Standard 41: Solar Panels, 1-Story Buildings (**AUGUST initial notification-must postpone 28-days for Member comments and suggestions to conform to Civil Code §4360**)
- h. Entertain a Motion to Approve the 2020 Collection and Lien Enforcement Policy (**AUGUST initial notification-must postpone 28-days for Member comments and suggestions to conform to Civil Code §4360**)

### **13. Committee Reports**

- a. Report of the Finance Committee / Financial Report – Director Pearlstone. The Committee met on August 6, 2019; next meeting September 3, 2019, at 1:30 p.m. in the Board Room
  - (1) Treasurer's Report
  - (2) Third Finance Committee Report
  - (3) Resales/Leasing Reports
- b. Report of the Architectural Controls and Standards Committee – Director Parsons. The Committee met on July 22, 2019; next meeting August 26, 2019, at 9:30 a.m. in the Board Room.
- c. Report of the Communications Committee – Director McCary. The Committee met on July 24, 2019, at 9:30 a.m. in the Board Room.
- d. Report of the Maintenance and Construction Committee – Director Bhada. The Committee met on July 1, 2019; next meeting September 9, 2019, at 1:00 p.m. in the Board Room.
  - Report of the Parking and Golf Cart Task Force – Director Parsons. The Task Force met on July 9, 2019 at 10:00 a.m. in the Sycamore Room; Next meeting TBA.
- e. Report of the Landscape Committee – Director Jarrett. The Committee met on August 1, 2019; next meeting September 5, 2019, at 9:30 a.m. in the Board Room.
- f. Report of the Water Subcommittee – Director Karimi. The subcommittee met on July 10, 2019; next meeting October 9, 2019, at 10:00 a.m. in the Sycamore Room.
- g. Report of the Resident Policy and Compliance Task Force – Director Bruninghaus. The Task Force met on July 24, 2019; next meeting August 29, 2019, at 1:00 p.m. in the Board Room.
- h. Report of the Village Energy Task Force – Director Parsons. The Task Force met on July 3, 2019; next meeting September 4, 2019, at 1:30 p.m. in the Board Room.

### **14. GRF Committee Highlights**

- a. Community Activities Committee – Director Carpenter. The Committee met on July 11, 2019, and July 23, 2019; next meeting September 12, 2019, at 1:30 p.m. in the Board Room.



- b. Finance Committee – Director Pearlstone. The Committee met on June 19, 2019; next meeting August 21, 2019, at 1:30 p.m. in the Board Room.
- c. Landscape Committee – Director Jarrett. The Committee met on August 14, 2019.
- d. Maintenance & Construction Committee – Directors Carpenter and Frankel – The Committee met on August 14, 2019; next meeting October 9, 2019, at 9:30 a.m. in the Board Room
  - PAC Renovation Ad Hoc Committee – Pearlstone. The Committee met on August 15, 2019 at 2:00 p.m. in the Board Room
- e. Media and Communications Committee – Director Annie. The Committee met on August 19, 2019; next meeting September 16, 2019, at 1:30 p.m. in the Board Room
- f. Mobility and Vehicles Committee-Director Frankel – The Committee met on August 7, 2019; next meeting October 2, 2019, at 1:30 p.m. in the Board Room
- g. Security and Community Access Committee – Director Parsons. The Committee met on June 24, 2019; next meeting August 26, 2019, at 1:30 p.m. in the Board Room
  - Disaster Preparedness Task Force – Director Frankel. The Task Force met on July 30, 2019; next meeting September 24, 2019, 9:30 a.m. in the Board Room
- h. Report of the Laguna Woods Village Traffic Hearings – Director Frankel. The hearings were held on July 17, 2019; next hearings August 21, 2019, at 9:00 a.m. in the Board Room and 1:00 p.m. in the Sycamore Room

**15. Future Agenda Items--** *All matters listed under Future Agenda Items are 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. Parking Report
- b. Census Report

**16. Director's Comments**

**17. 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) June 7, 2019—Special Closed Meeting*

*(b) July 16, 2019—Regular Closed Session*

*Discuss and Consider Member Matters*

*Discuss Personnel Matters*

*Discuss and Consider Contractual Matters*

*Discuss and Consider Litigation Matters*

**18. Adjourn**



Village Management Services, Inc.

## MINUTES OF THE ALL BOARDS ALL DIRECTORS

**July 8, 2019**

The Open Meeting of the All Boards All Directors on Monday, July 08, 2019, at 1:30 P.M., at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Beth Perak - Chair, Rosemarie diLorenzo, Juanita Skillman, Ryna Rothberg

Directors Absent: None

Staff Present: Jeff Parker, Betty Parker, Chris Swanson, Siobhan Foster

Others Present: GRF: Annette Sabol Soule, Joan Milliman, Judith Troutman, Pat English, Bert Moldow, Ray Gros

United Mutual: Gary Morrison, Manuel Armendariz, Cash Achrekar, Carl Randazzo, Sue Margolis; Elsie Addington, Andre Torng, Maggie Blackwell

Third Mutual: Steve Parsons, Jon Pearlstone, John Frankel, Roy Bruninghaus

### **CALL TO ORDER**

GRF President Beth Perak served as Chair of the meeting and stated that it was a special meeting held pursuant to notice duly given and that a quorum was present. The meeting was called to order at 1:33 P.M.

### **ACKNOWLEDGMENT OF THE PRESS**

A representative from the Globe was in attendance.

### **APPROVAL OF AGENDA**

A motion was made and carried unanimously to approve the agenda with the following amendments:

- Conduct Member Comments before review of the 2020 Business Plan.

### **MEMBERS COMMENTS (ITEMS NOT ON THE AGENDA)**

Members of the community provided comments on a various topics regarding the proposed 2020 Business Plan.

### **REVIEW PRELIMINARY 2020 BUSINESS PLAN WITH CEO**

Jeff Parker, CEO, presented the 2020 Business Plan providing an over view of all three corporations. Throughout the presentation, questions were asked and answers were provided. No action was directed on this item.

**BOARD MEMBER COMMENTS**

Director Perak thanked everyone for a team effort.

**ADJOURNMENT**

There being no further business to come before the Board of Directors, the meeting adjourned at 3:36 PM.

  
Beth Perak, Chair  
All Boards All Directors



## **MINUTES OF THE SPECIAL OPEN MEETING OF THE THIRD LAGUNA HILLS MUTUAL BOARD OF DIRECTORS**

**July 12, 2019**

A special meeting of the Third Laguna Hills Mutual Board of Directors, A California non-profit mutual benefit corporation, was held on Friday, July 12, 2019 at 9:30 a.m., at 24351 El Toro Road, Laguna Woods California.

**MEMBERS PRESENT:** Rosemarie diLorenzo, Steve Parsons, Bunny Carpenter, Roy Bruninghaus, Jon Pearlstone, Annie McCary, Lynn Jarrett, John Frankel, Reza Karimi

**MEMBERS ABSENT:** Cush Bhada

**OTHER MEMBERS:** Diane Phelps, Larry Cunningham, Wei-Ming Tao, Juanita Skillman, Andre Torng

**STAFF PRESENT:** Jeff Parker, Betty Parker, Siobhan Foster, Christopher Swanson, Jose Campos, Kurt Weimann, Ernesto Munoz, Chris Laugenour, Chris Naylor, Laurie Chavarria, Guy West, Ian Barnette, Brett Crane

### **CALL TO ORDER**

Rosemarie diLorenzo, President of the Corporation, chaired the meeting and stated that it was a special meeting held pursuant to notice duly given. A quorum was established, and the meeting was called to order at 9:33 a.m.

### **ACKNOWLEDGMENT OF THE MEDIA**

None.

### **APPROVAL OF THE AGENDA**

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

### **CHAIR REMARKS**

Director diLorenzo thanked the Board for being heavily involved throughout the budgeting process and preparing for this meeting.

### **MEMBER COMMENTS**

Doug Gibson (5289) commented on reserve levels published in the Globe.

### **REVIEW PRELIMINARY 2020 BUSINESS PLAN, VERSION 1**

Betty Parker, CFO, presented Version 1 of the 2020 Business Plan. Throughout the presentation, discussion ensued. Action items are as followed for the Version 2 of the 2020 Business Plan:

- Review 2020 Year End Projection Worksheet for Laundry Revenue
- Increase 2020 revenue assumptions for Chargeable Services by \$100,000
- Increase 2020 revenue assumptions for Resident Violations by \$20,000
- Reduce 2020 expenses for Trash by \$25,000
- Decrease 2020 expenses for Water by \$158,063
- Review expenses in Professional Fees Accounts 53403500 and 53403520 and present possible reductions at Version 2.
- Review current Uniform Policy for existing Staff as well as the onboarding of new Staff and recommend possible reduction to Director Pearlstone.
- Director Parsons directed Staff to present any changes to allocations percentages to the Board for approval before implementation occurs.
- Decrease contributions to the Unappropriated Expenditures Funds by \$2.00 per manor per month.
- Increase contribution to the Disaster Fund by \$2.00 per manor per month.
- Decrease Job Code JA910930000, Elevator Replacements, by at minimum of \$50,000 and review Elevator contract to identify areas effecting this increase.
- Review 2020 Budget for Reserve Program, Garden Villa Lobby, for possible reductions that are recommended by the Garden Villa Association and report back.
- The Board requested that a meeting be scheduled with Ernesto Munoz, Maintenance and Construction Director and Directors diLorenzo, Carpenter and Pearlstone to discuss new criteria for selecting buildings for Water Line Copper Pipe Remediation and possible reductions to the 2020 budget for Job Code JA370140000.
- The Board requested a review of all service levels provided by Janitorial in Third Laguna Hills Mutual for possible reductions.

By Consensus, the Board directed Staff to present at Version 2 a total increase of \$15.00 per manor, per month, inclusive of GRF increases.

#### **BOARD MEMBER COMMENTS**

None.

#### **DATE OF NEXT MEETING**

It was noted that the proposed budget will be adopted by resolution at the regular board meeting on Thursday, August 8, 2019 at 1:30 p.m.

#### **ADJOURNMENT**

There being no further business to come before the Board of Directors, the meeting adjourned at 12:16 p.m.

**DRAFT**

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Roy Bruninghaus, Secretary



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

**Tuesday, July 16, 2019 - 9:30 a.m.  
Laguna Woods Village Community Center Board Room 24351 El Toro Road,  
Laguna Woods, California**

Directors Present: Rosemarie diLorenzo, Steve Parsons, Bunny Carpenter, Roy Bruninghaus, Jon Pearlstone, John Frankel, Lynn Jarrett, Reza Karimi, and Annie McCary

Directors Absent: Cush Bhada

Staff Present: Jeff Parker, CEO, Siobhan Foster, Eileen Paulin, Chris Spahr, Blessilda Wright, Frances Gomez and Cheryl Silva

Others Present: Wei-Ming Tao (VMS), Ralph Engdahl (VMS), and Annette Sabol Soule (GRF)

**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 McCary led the Membership in the Pledge of Allegiance.

Moment of Silence in remembrance of Director Jack Connelly.

**3. Acknowledge Media**

President diLorenzo acknowledged the presence of the media.

**4. Approval of Agenda**

Director Bruninghaus made a motion to approve the agenda. Director Parsons seconded the motion.

Director Carpenter stated that she would be giving the report of the GRF Community Activities Committee instead of Director Pearlstone. Without objection, the agenda was corrected.

President diLorenzo called for the vote, and the motion passed unanimously.

## **5. Approval of Minutes**

### **a. June 18, 2019 – Regular Open Session**

Director Bruninghaus made a motion to approve the June 18, 2019, Regular Open Session minutes, as presented. Director Parsons seconded the motion.

President diLorenzo called for the vote, and the motion passed unanimously.

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

President diLorenzo commented that because the annual elections for directors are only a couple of months away, the Bylaws do not require the Board to appoint a new Director to fill the vacant seat left by Director Connelly. Candidate applications for the election are now available from the Corporate Secretary. Third's upcoming 2020 Budget Meetings are open meetings, and residents are welcome to attend.

David Pietarila, Animal Services Officer with the City of Laguna Beach, discussed problems with coyotes, snakes, bats, skunks and bees. He announced that there will be a presentation on July 17 at noon at Clubhouse 5. He suggested that residents should be aggressive with coyotes: yell, throw things, threaten, etc. He urged residents to contact [coyotes@lagunabeachcity.net](mailto:coyotes@lagunabeachcity.net), if they see a coyote.

## **7. Open Forum**

Several Members spoke about various issues:

- Benefits of the Laguna Woods Foundation;
- Geese in the parking garage areas;
- Members smoking in the buildings and the need for a building to be designated as a non-smoking building;
- Changes to the non-smoking policy;
- New dryers—20 minutes is not enough time to dry clothes – 25 minutes is better;
- Landscaping overgrowth near Bahia Blanca W.

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

Board Members responded to the Members' concerns and requests:

- Jeff Parker, CEO, gave a status report on the geese problem. He said that gates have been installed at buildings 5519 and 5515, and an inspector will assess building 5510. He urged members not to feed the geese.
- President diLorenzo responded that the Non-Smoking Policy follows the smoking rules of the City of Laguna Woods. The Village (GRF, Third, and United) needs to re-evaluate the current non-smoking policy to see if the Village's policy can be revised.
- President diLorenzo commented that the Board will look into the dryer issue.

## **9. CEO Report**

Jeff Parker, CEO, and Siobhan Foster, COO, reported on the following subjects:



- Third Board 2020 Budget Meeting will be held on Thursday, August 8 at 1:30 p.m. in the Board Room.
- New Revenues and Shared Cost Meeting will be held on Wednesday, July 17 at 1:30 p.m. in the Board Room.
- Staff is evaluating customer service and how to improve communication with residents.
- SB-754, a bill on election by acclamation, passed the California Senate and will now go to the Assembly.
- RFID construction at gates 1, 3, 7 and 9 is complete. Gates 4, 10 and 14 will be closed on June 24 for RFID construction. Gates 10 and 14 are expected to reopen on Monday, July 22.
- Five new vehicle charging stations are being installed at the Community Center.
- During the July 2 GRF Board Meeting, the GRF Board voted not to renew the Fox Sports West and Fox Sports Prime Ticket channels because of the 25% increase in their cost.
- Revisions to the Club Rules will be considered at the next GRF Board Meeting on August 6.
- Garden Center Farmers Market will be held on Saturday, July 27 from 9 a.m. to noon at Garden Center 1.

Jeff Parker, CEO, answered questions from the Board.

#### **10. Consent Calendar**

##### **10a. Architectural Control and Standards Committee Recommendations:**

- (1) Recommendation to Approve—5479-C (Casa Rosa, RP103A/P46) Request to Replace Existing Window and Sliding Glass Door with French Door

#### **RESOLUTION 03-19-66** **VARIANCE REQUEST**

**WHEREAS**, Mr. Manshik Song of 5479-C Paseo Del Lago W, a Casa Rosa style unit, is requesting Board approval of a variance to replace the existing living room window and sliding glass door with a French door and side panels; and,

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected units on June 6, 2019, notifying them that an application to make an alteration to a neighboring unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on June 24, 2019.

**NOW THEREFORE BE IT RESOLVED**, on July 16, 2019, the Board of Directors hereby approved the request to replace the existing living room window and sliding glass door with a French door and side panels;

**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 5479-C and all future Mutual members at 5479-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.

**10b. Landscape Committee Recommendations:**

- (1) Recommendation to Approve Landscape Revision Request—5586-B (Maroz) & 5587-A (Phelps) at the expense of requestors to revise existing turf between units and convert to drought tolerant planting

**RESOLUTION 03-19-67**

**APPROVE LANDSCAPE REVISION REQUEST – 5587-A & 5586-B**

**WHEREAS**, on July 8, 2019, the Landscape Committee reviewed a request for revision of the landscaping adjacent to Manors 5586-B and 5587-A at the expense of the requestors. The request was received from the Members at 5587-A and 5586-B who are requesting permission to revise the existing turf area between the two manors and convert it to drought tolerant planting;

**WHEREAS**, the Committee recommended approving the request or revision of the landscaping adjacent to Manors 5586-B and 5587-A at the expense of the requestors;

**WHEREAS**, upon approval of the concept plans, Staff will work with the architect who will develop irrigation plans that will function with the existing control system and supply piping. The residents will provide completed plans for Staff approval prior to commencing work.

The residents will bear the cost of construction and once complete, the Mutual will perform the maintenance. Staff recommends the approval of this request with the following conditions:

1. All costs for design and construction of the improvement are the responsibility of the Property's Member Owners at 5587-A and 5586-B. Upon completion of a 90-day establishment period, the Mutual will perform maintenance for the revised landscaping.
2. A Variance for Landscape Alterations has been granted in the Common Area between Units 5587-A and 5586-B for removal of turf and planting of drought tolerant material, subject to the attached plans stamped approved and is subject to the final inspection by the Division. Any variations to the approved attached plans are not allowed and could result in a stop work notice and/or severe fines to the Member.

3. The requesting members understand that the area will remain Common Area subject to the use and passage of all members of Third Mutual.

**NOW THEREFORE BE IT RESOLVED**, July 16, 2019, the Board of Directors approves the request for revision of the landscaping of the existing turf area between Manors 5586-B and 5587-A and convert it to drought tolerant planting at the expense of the requestors, and;

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

- (2) Recommendation to Approve Tree Removal Request—3100-A-Via Serena (Kim)  
– Shamel Ash Tree

**RESOLUTION 03-19-68**  
**APPROVE A TREE REMOVAL REQUEST**  
**OF SHAMEL ASH TREE – 3100-A**

**WHEREAS**, September 20, 2011, that the Board of Directors adopted Resolution 03-11-149, Tree Removal Guidelines:

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

**WHEREAS**, on July 8, 2019, the Landscape Committee reviewed a request for a tree removal of one Shamel Ash tree. The request was received from the Member at 3100-A, who cited the reason as structural damage to the interior walls of the manor due to lifting up of the manor foundation by the large Ash tree roots in the front yard.;

**WHEREAS**, the Committee recommended approving the request for the removal of one Shamel Ash tree located at 3100-A Via Serena North based on structural damage to the interior walls of the manor due to lifting up of the manor foundation by the large Ash tree roots in the front yard;

**NOW THEREFORE BE IT RESOLVED**, July 16, 2019, the Board of Directors approves the removal of one Shamel Ash tree located at 3100-A, and;

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

**10c. Update Resolution for Third/GRF Committee Appointments**

**RESOLUTION 03-19-69**  
**THIRD MUTUAL COMMITTEE APPOINTMENTS**

**RESOLVED**, July 16, 2019 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  
Reza Karimi  
Rosemarie diLorenzo, Alternate  
Voting Advisors: Mike Butler and Mike Plean  
Staff Advisor: Siobhan Foster

**Communications Committee**

Annie McCary, Chair  
Roy Bruninghaus, Co-Chair  
Bunny Carpenter  
Lynn Jarrett  
Reza Karimi  
Jack Connelly, Alternate

**Executive Hearing Committee**

Steve Parsons, Chair  
Rosemarie diLorenzo  
Annie McCary  
Bunny Carpenter  
Jon Pearlstone  
Cush Bhada, Alternate  
Reza Karimi, Alternate

**Finance (Committee of the Whole)**

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

- **Investment Task Force**

Jon Pearlstone  
Mike Cunningham

**Garden Villa Recreation Room Subcommittee (Quarterly)**

Lynn Jarrett, Chair  
Jon Pearlstone  
Cush Bhada  
Voting Advisors: Sharon Molineri, Stuart Hack, Randy Scott

**Landscape**

Lynn Jarrett, Chair  
Jon Pearlstone, Co-Chair  
Cush Bhada  
Reza Karimi  
Annie McCary  
Advisors: James Tung

**Maintenance and Construction**

Cush Bhada, Chair  
Bunny Carpenter, Co-Chair  
Rosemarie diLorenzo  
John Frankel  
Jon Pearlstone  
Steve Parsons, Alternate  
Non-Voting Advisor: Steve Leonard

**New Resident Orientation**

Per Rotation List

**Water Conservation Committee (Bi-Monthly)**

Reza Karimi, Chair  
Cush Bhada  
Lynn Jarrett  
John Frankel, Alternate  
Advisor: Katheryn Freshley

**Parking & Golf Cart Task Force**

Steve Parsons, Chair  
John Frankel  
Bunny Carpenter

Lynn Jarrett

**Resident Policy and Compliance Task Force**

Roy Bruninghaus, Chair  
Bunny Carpenter  
Rosemarie diLorenzo  
Steve Parsons  
Reza Karimi  
Voting Advisors: Stuart Hack, Cindy Baker

**RESOLVED FURTHER**, that Resolution 03-19-60, adopted June 18, 2019, is hereby superseded and canceled; and,

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

**RESOLUTION 03-19-70**  
**GRF COMMITTEE APPOINTMENTS**

**RESOLVED**, July 16, 2019 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  
Jon Pearlstone  
Steve Parsons, Alternate

**Finance Committee**

Rosemarie diLorenzo  
Jon Pearlstone  
Steve Parsons, Alternate

**Landscape Committee**

Lynn Jarrett  
Reza Karimi  
Jon Pearlstone, Alternate

**Maintenance and Construction Committee**

John Frankel  
Bunny Carpenter  
Cush Bhada, Alternate  
Steve Parsons, Alternate

**PAC Task Force**

Jon Pearlstone  
Cush Bhada  
John Frankel, Alternate

**Energy Task Force**

Steven Leonard, Chair  
John Frankel  
Cush Bhada  
Steve Parsons, Alternate  
Reza Karimi, Alternate  
Voting Advisors: Sue Stephens, Bill Walsh

**Media and Communication Committee**

Lynn Jarrett  
Roy Bruninghaus  
Bunny Carpenter, Alternate  
Annie McCary, Alternate

**Mobility and Vehicles Committee**

John Frankel  
Jon Pearlstone,  
Lynn Jarrett, Alternate  
Cush Bhada, Alternate

**Security and Community Access Committee**

Annie McCary  
Steve Parsons,  
Roy Bruninghaus, Alternate  
Reza Karimi, Alternate

**Disaster Preparedness**

Annie McCary  
John Frankel  
Steve Parsons, Alternate  
Roy Bruninghaus, Alternate

**Laguna Woods Village Traffic Hearings**

John Frankel  
Annie McCary  
Reza Karimi, Alternate

**RESOLVED FURTHER**, that Resolution 03-19-61, adopted June 18, 2019, 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.

- 10d.** Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual financials for the month of May 2019, and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code §5501.

Director Parsons made a motion to approve the consent calendar as presented. Director Bruninghaus seconded the motion, and it passed unanimously.

**11. Unfinished Business**

- 11a.** Entertain a Motion to Adopt a Resolution to Revise Alteration Standard 4: Air Conditioning Units/Heat Pumps

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

**RESOLUTION 03-19-71**  
**ALTERATION STANDARD 4:**  
**AIR CONDITIONING UNITS/HEAT PUMPS**

**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 Controls and Standards Committee recognizes the need to revise Alteration Standard 4: Air Conditioning Units/Heat Pumps and,

**NOW THEREFORE BE IT RESOLVED**, July 16, 2019, that the Board of Directors of this Corporation hereby adopts Alteration Standard 4: Air Conditioning Units/Heat Pumps as attached to the official meeting minutes;

**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.

JUNE Initial Notification

28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied.

Director Bruninghaus made a motion to adopt a resolution to revise alteration standard 4: air conditioning units/heat pumps. The motion was seconded by Director Parsons.

Discussion ensued among the Directors.



Vice President Parsons called for the vote, and the motion passed unanimously (8-0-0 President diLorenzo was absent for the vote).

## **12. New Business**

### **12a. Recommendation to Deny—3391-B (Malaga, P102A/P42) – Patio Enclosure on Previously Extended Common Area**

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

#### **RESOLUTION 03-19-72** **VARIANCE REQUEST**

**WHEREAS**, Ms. Esther Wen of 3391-B Punta Alta, a Malaga style unit, is requesting Board approval of a variance to construct a patio enclosure on a previously extended Common Area patio; and,

**WHEREAS**, a Neighborhood Awareness Notice was sent to Owners of affected units on May 15, 2019, 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 May 28, 2019.

**NOW THEREFORE BE IT RESOLVED**, on July 16, 2019, the Board of Directors hereby denies the request to construct a patio enclosure on a previously extended Common Area patio;

**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 3391-B and all future Mutual members at 3391-B;

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

Director Bruninghaus made a motion to deny the variance request for 3391-B Punta Alta. The motion was seconded by Director Parsons.

Discussion ensued among the Directors.

Vice President Parsons called for the vote, and the motion passed unanimously (8-0-0 President diLorenzo was absent for the vote).

- 12b.** Recommendation to Deny Off-Schedule Trimming Request: 3250-O (Corboz)– Six Peppermint Trees based on no noticeable trunk damage, pest or disease, no surface rooting, and well-balanced canopies

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

**RESOLUTION 03-19-XX**  
**DENY AN OFF SCHEDULE TRIMMING**  
**OF SIX PEPPERMINT TREES – 3250-O**

**WHEREAS**, September 20, 2011, that the Board of Directors adopted Resolution 03-11-149, Tree Removal Guidelines:

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

**WHEREAS**, on July 8, 2019, the Landscape Committee reviewed a request for off-schedule trimming of six Peppermint trees. The request was received from the Member at 3250-O who cited the reasons as overgrown and view obstruction;

**WHEREAS**, the Committee recommended denying the request for off schedule trimming of six Peppermint trees located at 3250-O San Amadeo based on no noticeable trunk damage, pest or disease, no surface rooting, and well-balanced canopies;

**NOW THEREFORE BE IT RESOLVED**, July 16, 2019, the Board of Directors denies the off schedule trimming of six Peppermint trees located at 3250-O, and;

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

Director Bruninghaus made a motion to deny an off-schedule trimming of six (6) peppermint trees (3250-O). Director Jarrett seconded the motion.

Discussion ensued among the Directors.

The Member spoke on this issue; she is willing to pay for the tree trimming.

Director Jarrett made a motion to table this item. Director Parsons seconded the motion.

President diLorenzo called for the vote on the motion to table this item, and the motion passed unanimously.

**12c. Entertain a Motion to Introduce a Resolution to Revise the Appeal Policy**

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

**DRAFT RESOLUTION 03-19-XX**  
**APPEAL POLICY**

**WHEREAS**, Third Laguna Hills Mutual's ("Third") Governing Documents require a Member to seek approval from the Board of Directors ("Board") on various matters of Corporate business by way of the Committee structure or Management;

**WHEREAS**, the Board recognized that need to amend the Appeal Policy to align with the current California Civil Code; and

**NOW THEREFORE BE IT RESOLVED**; August xx, 2019, that the Board of Directors of this Corporation hereby adopts the amended Appeal Policy, as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 03-13-105 adopted October 15, 2013 is hereby superseded in its entirety and cancelled;

**RESOLVED FURTHER**, that this Appeal Policy and the mechanisms for appeals of decisions described herein shall supersede any prior or contrary appeal procedure or right of Members on the decisions subject to this Appeal Policy as may be found in Third's Governing Documents, as may be applicable;

**RESOLVED FURTHER**, that the foregoing Appeal Policy shall apply to decisions on matters heard and decided by the Board as described therein, but shall not otherwise affect the ability of Members to appeal committee and/or management decisions on matters not heard by the Board as may otherwise be provided for in Third's Governing Documents; and

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

**JULY Initial Notification**

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

Director Bruninghaus made a motion to introduce a resolution to revise the appeal policy and place it on 28-day review. Director McCary seconded the motion.

Discussion ensued among the Directors.

The motion passed without objection to introduce the resolution for 28-day review.

**12d. Entertain a Motion to Introduce a Resolution to Limit Move-In and Move-Out Times**

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

**DRAFT RESOLUTION 03-19-XX**  
**MOVE-IN/MOVE- OUT HOURS**

**WHEREAS**, the Resident Policy and Compliance Task Force has recommended revising the Move-In/Move-Out Hours, to fairly and reasonable address timeframes for residents moving into the Community; and

**WHEREAS**, the current Move-In Hours allow for moves to commence between the hours of 7:00 AM and 6:00 PM with completion by 10:00 PM, of the same day; and

**WHEREAS**, no vehicle of any household goods carrier shall be loaded, unloaded, or permitted to be loaded or unloaded, in or upon any real property managed by this Corporation unless such loading or unloading occurs during the designated times; and

**WHEREAS**, no household goods shall be deposited, permitted to be deposited, permitted to remain, carried, or permitted to be carried, prior to loading or subsequent to unloading of any vehicle of a household goods carrier, in or upon any real property managed by this Corporation except during the hours that such loading or unloading is permitted;

**NOW THEREFORE BE IT RESOLVED**, August xx, 2019, the Board of Director of this Corporation hereby adopts changing the Move-In/Move-Out hours to commend between the hours of 7:00 AM and 4:00 PM with completion by 8:00 PM.; and

**RESOLVE FURTHER**, that Resolution M3-73-221 adopted August 24, 1973 is hereby superseded and canceled; and

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

**JULY Initial Notification**

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

Director Bruninghaus made a motion to introduce a resolution to limit move-in and move-out times and place it on 28-day review.

Discussion ensued among the Directors.

The motion passed without objection to introduce the resolution for 28-day review.

**12e. Entertain a Motion to Introduce a Resolution to Revise Exterior Paint Color Palette**

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

**DRAFT RESOLUTION 03-19-XX**  
**REVISED EXTERIOR PAINT COLOR PALETTE**

**WHEREAS**, the Board of Directors refreshes the Mutual's exterior paint color palette every few years in order to offer updated classic and timeless designs with a touch of current trends;

**WHEREAS**, there are ten new color groups for single and multi-story buildings, and four new color groups for three-story buildings, for use on the Mutual's structures during the execution of the Mutual's Exterior Paint Program;

**WHEREAS**, to maintain the operational and logistical efficiencies of the current program, staff will implement the new Exterior Paint Color Palette starting with the first cul-de-sac to be painted on the Mutual's 2020 Exterior Paint Program scope and continue with all future executions of the Mutual's Exterior Paint Program, until otherwise directed.

**NOW THEREFORE BE IT RESOLVED**, August xx 2019, that the board of Directors of the Corporation hereby establishes a new Exterior Paint Color Palette, as attached to the official minutes of this

meeting, to be effective with structures in the first cul-de-sac on the Mutual's 2020 Exterior Paint Program scope and all subsequent annual paint program scopes; and

**RESOLVED FURTHER**, that the Exterior Paint Color Palette Option 7 with Delicate White as the Entry Door and Garage Door color shall be the designated default option and shall be applied on all buildings where no member voters are cast or a majority vote could not be reached for a particular color palette option.

**RESOLVED FURTHER**, that all original Mutual maintained manor front entry doors in a three-story building shall be the same color, and the Owners of each three-story building shall select by majority vote the color for use on all of their building's manor front entry doors from either of the building's selected Pop-outs/Entry Door/Accent Walls Color or one of the Entry Door Option Color; and

**RESOLVED FURTHER**, that the Members of each three-story building shall select by majority vote the color for all of their building's metal handrails, stair steps and stair stingers from either of the building's selected Body Color or Trim Color or Black; and

**RESOLVED FURTHER**, that all requests for door color changes outside of the approved exterior paint color palette will remain a variance request, subject to approval by the Board;

**RESOLVED FURTHER**, that all garage doors on multi-unit buildings will be painted the designated color by majority vote from the color scheme option selected for the building (whichever is selected for the building following established Board approved color selection procedures) in which the garage doors are located; and

**RESOLVED FURTHER**, that alteration metal garage doors with a white/off-white factory finish are exempted from being painted during the Exterior Paint Program when white/off-white is part of the approved color scheme for that building; and

**RESOLVED FURTHER**, that the Third Laguna Hills Mutual Exterior Paint Color Selection Procedure, as attached to the official minutes of this meeting, shall remain as written with updates to include the new Exterior Paint Color Palette options for single, multi-story, and three-story buildings; and

**RESOLVED FURTHER**, that Resolutions 03-14-143 adopted December 16, 2014 and Resolution 03-15-27 adopted February 17, 2015 are 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.

**JULY Initial Notification**

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

Director Bruninghaus made a motion to introduce a resolution to revise exterior paint color palette and place it on 28-day review.

Discussion ensued among the Directors.

The motion passed without objection to introduce the resolution for 28-day review.

**12f. Entertain a Motion to Introduce a Resolution to Revise Alteration Standard 38: Patio Enclosures**

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

**DRAFT RESOLUTION 03-19-XX**  
**ALTERATION STANDARD 38: PATIO ENCLOSURES**

**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 Controls and Standards Committee recognizes the need to revise Alteration Standard 38: Patio Enclosures and,

**NOW THEREFORE BE IT RESOLVED,** August xx, 2019, that the Board of Directors of this Corporation hereby adopts Alteration Standard 38: Patio Enclosures as attached to the official meeting minutes;

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

**JULY Initial Notification**

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

Director Bruninghaus made a motion to introduce a resolution to revise alteration standard 38: patio enclosures and place it on 28-day review.

Discussion ensued among the Directors.

A Member spoke against this policy.

The motion passed without objection to introduce the resolution for 28-day review.

**12g. Entertain a Motion to Introduce a Resolution for Revise Alteration Standard 22: Patio & Balcony Covers**

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

**DRAFT RESOLUTION 03-19-XX**  
**ALTERATION STANDARD 22: PATIO AND BALCONY COVER/  
ALUMINUM AND VINYL**

**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 Controls and Standards Committee recognizes the need to revise Alteration Standard 22: Patio and Balcony Cover / Aluminum and Vinyl and,

**NOW THEREFORE BE IT RESOLVED**, August xx, 2019, that the Board of Directors of this Corporation hereby adopts Alteration Standard 22: Patio and Balcony Cover / Aluminum and Vinyl as attached to the official meeting minutes;

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

**JULY Initial Notification**

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

Director Bruninghaus made a motion to introduce a resolution to revise alteration standard 22: patio and balcony covers and place it on 28-day review.

Discussion ensued among the Directors.



A Member spoke against this issue.

The motion passed without objection to introduce the resolution for 28-day review.

**12h. Entertain a Motion to Introduce the Garden Villa and LH21 Laundry Room Rules**

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

**DRAFT RESOLUTION 03-19-XX**  
**GARDEN VILLA AND LH-21 LAUNDRY ROOM RULES**

**WHEREAS**, the Garden Villa Association has recognized the need to adopt a Garden Villa and LH-21 Laundry Room Rules to set forth guidelines for use by Residents;

**NOW THEREFORE BE IT RESOLVED**, August xx, 2019, that the Board of Directors of this Corporation hereby adopts the Garden Villa and LH-21 Laundry Room Rules as attached to the official minutes of this meeting; and

**RESOLVE FURTHER**, that this policy applies to the buildings listed below which the laundry rooms are located; Garden Villa Buildings No. 969, 2353, 2354, 2355, 2369, 2370, 2381, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 3241, 3242, 3243, 3244, 3420, 3421, 3499, 4006, 4007, 4008, 4009, 4010, 4011, 5370, 5371, 5372, 5499, 5500, 5510, 5511, 5515, 5517, 5518, 5519 and LH-21 Buildings No. 3335, 3336, 3337, 3338, 3363, 3364, 3365, 3366, 3367, 3371, 3486, 3498, 3500, 3501, 3510, 4001, 4002, 4003, 4004, 4005, 4012, 4013, 4014, 4015, 4025, 4026, 5368, and 5369;

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

**JULY Initial Notification**

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

Director Bruninghaus made a motion to introduce a resolution for Garden Villa and LH21 Laundry Room Rules and place it on 28-day review.

Discussion ensued among the Directors.

The Board directed staff to include in the Garden Villa and LH-21 Laundry Room Rules a policy for replacing washer and dryers on the weekend.

The motion passed without objection to introduce the resolution for 28-day review.

**12i. Entertain a Motion to Introduce the Garden Villa Recreation Room Rules**

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

**DRAFT RESOLUTION 03-19-XX**  
**GARDEN VILLA RECREATION ROOM RULES**

**WHEREAS**, the Garden Villa Association has recognized the need to adopt a Garden Villa Recreation Room Rules to set forth guidelines for use by Residents and their guests;

**NOW THEREFORE BE IT RESOLVED**, August xx, 2019, that the Board of Directors of this Corporation hereby adopts the Garden Villa Recreation Room Rules, as attached to the official minutes of this meeting; and

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

**JULY Initial Notification**

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

Director Bruninghaus made a motion to introduce a resolution for Garden Villa Recreation Room Rules and place it on 28-day review.

Discussion ensued among the Directors.

The Board directed staff to include rules for recreation room rental requests.

The motion passed without objection to introduce the resolution for 28-day review.

**12j. Entertain a Motion to Introduce Proposed Changes to Traffic School Eligibility**

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

**DRAFT RESOLUTION 03-19-XX**  
**VEHICLE, TRAFFIC AND PARKING RULES**

**WHEREAS**, the Security Department is responsible for the administration of the Laguna Woods Village Vehicle, Traffic, and Parking Rules; including coordination of Traffic School; and

**WHEREAS**, Traffic School is designed for Laguna Woods Village drivers, to addresses traffic safety topics, and is available to an individual once during any three-year period; and

**WHEREAS**, the Board has identified violations that are ineligible for Traffic School, such as certain parking violations that are not related to the material discussed in Traffic School and serious moving violations that endanger the Community;

**NOW THEREFORE BE IT RESOLVED**, on August xx, 2019, the Board of Directors of this Corporation hereby introduces the Traffic School section of the Vehicle, Traffic and Parking Rules, as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 03-18-139 approved on September 21, 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 as written.

**JULY Initial Notification**

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

Director Bruninghaus made a motion to introduce a resolution for proposed changes to Traffic School eligibility and place it on 28-day review.

Discussion ensued among the Directors.

The motion passed without objection to introduce the resolution for 28-day review.

- 12k.** Entertain a Motion to Approve a Supplemental Appropriation for Cul-de-Sac Sign Replacement Installation in 2019

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

**RESOLUTION 03-19-73**  
**SUPPLEMENT FUNDING FOR CUL-DE-SAC SIGN REPLACEMENT IN 2019**

**WHEREAS**, the 2019 Reserves Plan appropriated funding in the amount of \$33,970 from the Facilities Fund to replace 122 cul-de-sac signs in 2019; and

**WHEREAS**, on May 29, 2019, during the Business Planning Meeting, the Maintenance & Construction Committee directed staff to complete the remaining 77 cul-de-sac signs, originally to be completed in 2020, in 2019 with a supplemental appropriation.

**NOW THEREFORE BE IT RESOLVED**, on July 16, 2019, the Board of Directors of this Corporation hereby authorizes a supplemental appropriation of \$23,000, for the replacement of the remaining 77 cul-de-sac signs to be installed and completed in 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 Bruninghaus made a motion to approve a supplemental appropriation for cul-de-sac sign replacement installation in 2019. Director Parsons seconded the motion.

Discussion ensued among the Directors.

President diLorenzo called for the vote, and the motion passed unanimously.

**121. Entertain a Motion to Approve the Third Laguna Hills Mutual Finance Committee Charter**

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

**RESOLUTION 03-19-74**  
**THIRD MUTUAL FINANCE COMMITTEE CHARTER**

**RESOLVED**, that pursuant to Article VII, Section 1 of the Bylaws, the Finance Committee is hereby established as a standing committee of this Corporation; and

**RESOLVED FURTHER**, July 16, 2019, that the Board of Directors of this Corporation hereby assigns the duties and responsibilities of the Finance Committee of this Corporation as follows:

1. Annually review the proposed Third Laguna Hills Mutual Business Plan

and recommend to the Board action regarding the same, including the amount of the assessment required to meet the following year's operating budget and reserve contributions.

2. Regularly review the financial statements and reports of Third Laguna Hills Mutual and review the performance of the managing agent related to the budget and operational efficiencies and make recommendations to the Board.
3. Review the investment of funds of Third Mutual to determine if they are in accordance with the investment policy. Review and recommend changes to the Board, as necessary, to the Mutual's investment policy.
4. Regularly review the status and sufficiency of the Mutual reserve accounts.
5. Review on a regular basis delinquent accounts for assessments, fines, fees, and chargeable services by directing staff and making recommendations to the Board for actions in accordance with the Third Mutual Collection and Lien Enforcement Policy. Review and recommend changes to the Board, as necessary, to the Mutual collection policies.
6. Review any unplanned expenditure proposed by the Board or other Committees to determine the impact on and adequacy of related reserves and recommend appropriate action to the Board.
7. Function as an advisory and liaison body to the managing agent in matters pertaining to financial performance measurements, membership, leasing, and occupancy; and coordinate these matters with other standing committees having related concerns.
8. Perform such additional functions as may be assigned or referred to this committee by the President as well as those that are necessary and prudent to fulfill the Committee's duties and responsibilities.
9. Direct the preparation of a request for proposal for the annual financial audit of Third Laguna Hills Mutual. Review reports and recommendations from auditors and recommend to the Board any appropriate action.
10. Regularly review all insurance and risk management programs for Third Laguna Hills Mutual and recommend to the Board actions to be taken to maintain adequate protection and coverage.
11. In coordination with GRF and Corporate Members, examine the need for review of managing agent organizational entities. Review the implementation of consultant findings and make recommendations to

the Board.

12. Receive update from members of the GRF Finance Committee, appointed from Third Mutual, and consider the latest developments and key financial data provided from GRF to create a more comprehensive understanding of community finances and allow for more informed decisions.

**RESOLVED FURTHER;** that Resolution 03-14-128, adopted November 18, 2014, is hereby superseded and cancelled.

Director Bruninghaus made a motion to revise the resolution for the Third Laguna Hills Mutual Finance Committee Charter. The motion was seconded by Director Pearlstone.

Discussion ensued among the Directors.

President diLorenzo called for the vote, and the motion passed unanimously.

- 12m.** Entertain a Motion to Re-Introduce the Interior Inspection of Vacant Manors and Fee Schedule

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

**DRAFT RESOLUTION 03-19-XX**  
**POLICY FOR INTERIOR INSPECTION OF UNOCCUPIED MANORS**  
MAY 2018, RESOLUTION 03-18-59  
REVISED OCTOBER, RESOLUTION 03-18-145  
REVISED AUGUST 2019, RESOLUTION 03-19-XX

**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**, August xx, 2019, that the Board of Directors hereby adopts 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 an administrative fee of \$100.00 as set by the Mutual for each such inspection. An additional fee of \$135.00 may be charged if gaining entrance into the Manor is required;

**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 03-18-145 adopted October 16, 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.

**JULY Initial Notification**

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

Director Bruninghaus made a motion to introduce a resolution for interior inspection of vacant manors and fee schedule and place it on 28-day review.

Discussion ensued among the Directors.

The motion passed without objection to introduce the resolution for 28-day review.

**12n. Entertain a Motion to Approve the Third Laguna Hills Mutual Water Sub-Committee Charter**

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

**RESOLUTION 03-19-75**

**THIRD MUTUAL HILLS MUTUAL WATER SUB-COMMITTEE CHARTER**

**WHEREAS**, the Water Conservation Sub-Committee is hereby established pursuant to Article VII Section 1 of the Bylaws of the Corporation;

**NOW THEREFORE BE IT RESOLVED**, July 16, 2019, that the Board of Directors of this Corporation hereby assigns the duties and responsibilities of this Water Sub-Committee as follows:

1. Serve as collaboration between the Third Laguna Hills Mutual ("Third") Board and the Village Management Services ("VMS") Landscape Department regarding water conservation and consumption issues.
2. Maintain a working relationship with the El Toro Water District and the Orange County Fire Authority.
3. Stay informed on actions planned or taken by the El Toro Water District and other water management corporations who maintain



control of water assets used by Third. These actions include but are not limited to resource allocations, cost fluctuations, facility infrastructure located on Third property, and improvements projected by El Toro Water District.

4. Establish an ongoing Water Education Program for the residents of Third. Develop appropriate public relations programs and policies that educate, promote and project a positive image of the water usage of Third to its residents.
5. Maintain a working knowledge of legislation that could possibly impact the water resources used by TLHM. Inform the Board of impending and proposed legislation by the State of California.
6. Make recommendations to the Third Landscape Committee, other Third Committees including the Communications Committee, or to the Third Board of Directors on matters related to conservation best practices and other areas of responsibility in this charter.
7. Perform such other duties related to areas of responsibility in this charter as may be assigned by the Third President or Third Board.

**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.

Director Bruninghaus made a motion to approve the resolution for the Third Laguna Hills Water Sub-Committee Charter. The motion was seconded by Director Jarrett.

Discussion ensued among the Directors.

President diLorenzo called for the vote, and the motion passed unanimously.

### **13. Committee Reports**

- 13a.** Report of the Finance Committee / Financial Report – Director Pearlstone presented the Treasurer's Report. Director Parsons commented on the Resale and Lease Activity Reports. The Committee met on July 2 2019; next meeting August 6, 2019, at 1:30 p.m. in the Board Room
- 13b.** Report of the Architectural Controls and Standards Committee – Director Parsons reported on the last meeting. The Committee continues to update Third's Architectural Standards. The Committee met on June 24, 2019; next meeting July 22, 2019, at 9:30 a.m. in the Sycamore Room

- 13c.** Report of the Communications Committee – Director McCary and President diLorenzo reported that the Committee will start meeting quarterly. The Committee met on June 5, 2019; next meeting July 24, 2019 at 9:30 a.m. in the Board Room.
- 13d.** Report of the Maintenance and Construction Committee – Director diLorenzo and Director Carpenter reported that the Committee did not meet in June. The Committee met on July 1, 2019; next meeting September 9, 2019 at 1:00 p.m. in the Board Room.
- Report of the Parking and Golf Cart Task Force – Director Parsons. The Task Force met on July 9, 2019; next meeting July 17 at 8:30 a.m. in the Oak Room.
- 13e.** Report of the Landscape Committee – Director Jarrett reported from the last meeting. Priority is on clearing the brush on the slopes for fire prevention in the Community. The Committee met on July 8, 2019; next meeting August 1, 2019, at 9:30 a.m. in the Board Room
- 13f.** Report of the Water Subcommittee – Director Karimi. The Subcommittee met on July 10, 2019; next meeting October 9, 2019 at 10:00 a.m. in the Sycamore Room.
- 13g.** Report of the Resident Policy and Compliance Task Force – Director Bruninghaus gave an update from the last meeting. The Task Force will address the Non-Smoking Policy at the next meeting. The Task Force met on June 12, 2019; next meeting July 24, 2019, at 2:00 p.m. in the Board Room.
- 13h.** Report of the Village Energy Task Force – Director Parsons gave an update from the last meeting. The Task Force met on July 3, 2019; next meeting September 4, at 1:30 p.m. in the Board Room.
- 14. GRF Committee Highlights**
- 14a.** Community Activities Committee – Director Carpenter reported on highlights from the last Committee meeting. The Committee is working on revising the Club use policy. The Committee met on July 11, 2019; next meeting September 12, 2019 at 1:30 p.m. in the Board Room.
- 14b.** Finance Committee – Director Pearlstone reported on highlights from the last Committee meeting. The Committee met on June 19, 2019; next meeting August 21, 2019 at 1:30 p.m. in the Board Room.
- 14c.** Landscape Committee – Director Jarrett reported on highlights from the last Committee meeting. The Committee did not meet in July; next meeting August 14, 2019, at 1:30 p.m. in the Board Room .

**14d.** Maintenance & Construction Committee – Director Frankel reported on highlights from the last Committee meeting. The Committee met on June 12, 2019; next meeting August 14, 2019, at 9:30 a.m. in the Board Room.

- PAC Renovation Ad Hoc Committee – The next meeting will be on August 16, 2019 at 2:00 p.m. in the Board Room

**14e.** Media and Communications Committee – Director McCary reported on highlights from the last Committee meeting. The Committee met on July 15, 2019; next meeting August 19, 2019, at 1:30 p.m. in the Board Room.

**14f.** Mobility and Vehicles Committee – Director Frankel reported on highlights from the last Committee meeting. The Committee met on June 5, 2019; next meeting August 7, 2019, at 1:30 p.m. in the Board Room.

**14g.** Security and Community Access Committee – Director Parsons gave an update from the last Committee meeting. The Committee met on June 24, 2019; next meeting August 26, 2019, at 1:30 p.m. in the Board Room.

- Disaster Preparedness Task Force – Director McCary reported on the last meeting. There will be a Good Neighbor barbecue on August 22. The Task Force did not meet in June, 2019; next meeting July 30, 2019, at 9:30 a.m. in the Board Room.

**14h.** Report of the Laguna Woods Village Traffic Hearings – Director Frankel gave an update from the last meeting. The Traffic Hearings were held on June 19, 2019; next hearing will be July 17, 2019, at 9:00 a.m. in the Board Room.

**15. Future Agenda Items** – *All matters listed under Future Agenda Items are Resolutions on 28-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.*

**15a.** Introduce a Co-Occupancy Policy

**15b.** Parking Report

**15c.** Resolution to Revise the Lease Policy

**15d.** Census Report

**16. Director's Comments**

- Director Karimi commented that residents should contact Animal Control for coyote issues and Resident Services for bee problems.
- Director Jarrett thanked everyone for the Landscape Modernization Project Presentation

**17. Recess**

The Board recessed at 11:56 a.m. and reconvened in Executive Session at 12:30 p.m.

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

*During the June, 2019, Regular Executive Session, the Board:*

*Approved the Agenda*

*Approved the Following Meeting Minutes;*

*(a) May 21, 2019 – Regular Executive Session*

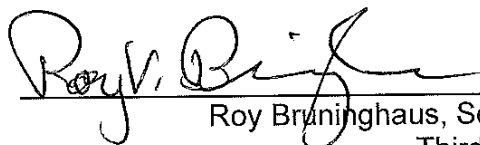
*Discussed and Considered Member Matters*

*Discussed and Considered Legal and Litigation Matters*

*Discussed and Considered Contractual Issues*

**19. Adjourn**

With no further business to come before the Board of Directors, the meeting was adjourned at 4:18 p.m.

A handwritten signature in black ink, appearing to read "Roy Brunninghaus", is written over a horizontal line.

Roy Brunninghaus, Secretary of the Board  
Third Laguna Hills Mutual



## **OPEN MEETING**

### **REPORT OF SPECIAL OPEN WORKSHOP OF THE BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL**

**Thursday, July 18, 2019 – 9:00 AM**

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

**MEMBERS PRESENT:** Rosemarie di Lorenzo – President, Steve Parsons, Bunny Carpenter, John Frankel, Lynn Jarrett and Advisor Steve Leonard

**MEMBERS ABSENT:** Cush Bhada, Jon Pearlstone, Reza Karimi, Annie McCary, Roy Bruninghaus

**STAFF PRESENT:** Ernesto Munoz – Staff Officer, Laurie Chavarria, Guy West, Angel Fuertes, Jackie Brown, Chris Naylor, Siobhan Foster

#### **1. Call to Order/Establish a Quorum**

President di Lorenzo called the meeting to order at 9:04 AM and stated that the meeting is being held pursuant to notice duly given, and noted there was a quorum present.

#### **2. Approval of the Agenda**

The agenda was approved as written.

#### **3. Member Comments (Items Not on the Agenda)**

- Bill Walsh (3162-C) commented on how to report street light outages to Resident Services.

Staff Officer Ernesto Munoz and President di Lorenzo responded to the member comment and addressed the procedure for reporting street light outages.

#### **4. Street Light LED Conversion Pilot Presentation and Discussion #2 – Siemens Industry**

Staff Officer Ernesto Munoz provided a brief history on the street light acquisition project; the light fixture audit; the refund from Southern California Edison and what staff learned from the first pilot program (Pilot 1).

Advisor Steve Leonard and President di Lorenzo questioned the reason for selection of only one additional fixture to be used at the four pilot locations. Discussion ensued.

Staff Officer Ernesto Munoz then introduced Siemens Industry representative, Gary Kochetkov. Mr. Kochetkov gave a PowerPoint presentation and discussed the recommendation from the first pilot; the light quality and performance of the recommended fixture; and the scope of work Siemens was provided by VMS in order to perform the second LED conversion pilot project. The scope included a recommendation for an additional pilot project utilizing proposed fixtures for streets, intersections and cul-de-sacs, where pole heights differ and lighting needs vary. The proposed pilot (Pilot 2) will cover a number of variables to address all the comments made during Pilot 1, including various locations; different pole heights; different fixture temperatures (Kelvin); and different road widths.

Dialog took place during the presentation. Each proposed fixture (Options 1, 2, 3, & 4) was reviewed and compared for unit cost, wattage options, light distribution options, photometric performance, energy savings, LPW spell out Range, light color, warranty, average luminance, uniformity and pole spacing tolerance.

Siemens recommends the King K427 light fixture due to overall value and a satisfactory performance; however as a secondary endorsement, the Hubbell Beacon Slide was recommended for its overall superior performance, even though this fixture has a higher cost than the King K427 light fixture.

Staff Officer Ernesto Munoz displayed a Google Earth map which depicted the exact locations of each pilot (cul-de-sac, intersection, street, and areas with taller poles).

Discussion ensued regarding using multiple fixtures in the next pilot; future lighting technology; wireless capability; the variety of light fixture choices; fixture warranties; LED bulbs with distribution configurations; choosing the correct fixture for the individual location; the basis of the foundation for the recommendation by Siemens; mast arm cobra head lights and an estimated eight weeks for the pilot project start time once Siemens is authorized to move forward.

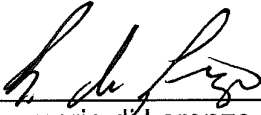
Member Comments were as follows:

- Bill Walsh (3162-C) commented on using diffusers with the 30 foot poles; lighting for short cul-de-sacs; cobra head fixtures on thoroughfares and the Hubbell Beacon Slide.

Various Board members, Staff Officer Ernesto Munoz and Mr. Kochetkov responded to the member comment.

By consensus, staff was directed to move forward with the second pilot as recommended, using the Hubbell Beacon Slide as a comparable fixture to the King K427. Use of the Hubble fixture is contingent upon pricing and the allocated budget for the LED fixture conversion project. Staff will review costs and allocated funding, then email this information to the Board Members, for authorization to implement the pilot using the Hubbell Beacon Slide as a comparable fixture.

**Adjournment** – The meeting was adjourned at 11:12 AM.

  
\_\_\_\_\_  
Rosemarie di Lorenzo, President

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### **RESOLUTION 03-19-XX**

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

**WHEREAS**, Member ID 932-670-28; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-670-28 and;

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

### **RESOLUTION 03-19-XX**

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

**WHEREAS**, Member ID 931-710-89; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-710-89 and;

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

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**RESOLUTION 03-19-xx**  
**GRF Committee Appointments**

**RESOLVED**, August 20, 2019 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  
Jon Pearlstone  
Steve Parsons, Alternate

**Community Activities Committee**

Bunny Carpenter  
Cush Bhada  
Annie McCary, Alternate  
Jon Pearlstone, Alternate

**Finance Committee**

Rosemarie diLorenzo  
Jon Pearlstone  
Steve Parsons, Alternate

**Landscape Committee**

Lynn Jarrett  
Reza Karimi  
Jon Pearlstone, Alternate

**Maintenance and Construction Committee**

John Frankel  
Bunny Carpenter  
Cush Bhada, Alternate  
Steve Parsons, Alternate

**PAC Task Force**

Jon Pearlstone  
Cush Bhada  
John Frankel, Alternate

**Media and Communication Committee**

Roy Bruninghaus  
Annie McCary  
Bunny Carpenter, Alternate  
Lynn Jarrett, **Alternate**

**Mobility and Vehicles Committee**

John Frankel  
Jon Pearlstone,  
Lynn Jarrett, Alternate  
Cush Bhada, Alternate

**Security and Community Access Committee**

Annie McCary  
Steve Parsons,  
Roy Bruninghaus, Alternate  
Reza Karimi, Alternate

**Disaster Preparedness**

Annie McCary  
John Frankel  
Steve Parsons, Alternate  
Roy Bruninghaus, Alternate

**Laguna Woods Village Traffic Hearings**

John Frankel  
Annie McCary  
Reza Karimi, Alternate

**RESOLVED FURTHER**, that Resolution 03-19-70, adopted July 16, 2019, 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.



## STAFF REPORT

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**DATE:** August 20, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Appeal Policy

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### **RECOMMENDATIONS**

Adopt the attached resolution amending the current Appeal Policy.

### **BACKGROUND**

Third Laguna Hills Mutual's ("Third") Governing Documents require a Member to seek approval from the Board of Directors ("Board") on various matters of Corporate business by way of the Committee structure for review of a question that may/will ultimately be determined by the Board.

On October 15, 2013, Third approved an Appeals Policy for alteration requests, common area improvement requests, and other Corporate business matters. The Appeal Policy allows a Member to appeal a Board decision in an Open Meeting within 30 days and a final appeal within one year. In addition, part of the process requires the appropriate Committee review the information again and submit their recommendation to the Board for final decision.

Civil Code Section §4765 provides that decisions made by the Board or of a committee having the same composition as the Board relating to a Member's architectural and/or landscape request that occur in an Open Session Board meeting in compliance with the requirements of Civil Code §4900 et seq. (the Open Meeting Act) may be final, without the right of an Member to appeal said decision.

Civil Code Section §4355(B) allows for the issuances of a document that repeats existing law or the governing documents without 28 day posting to the Membership.

### **DISCUSSION**

The current appeal policy does not align with Civil Code §4765; allowing for Board decisions to be final. The proposed amendment would streamline the process and provide guidelines for a Member if they meet the criteria for an appeal. In addition, the proposed amendment has been expanded to include landscape requests, Lease Authorization Permits, and Care Provider Permits. The proposed amendment was reviewed by legal counsel and comments are incorporated.

Committee and Management decisions will continue to be appealable until the Board makes a final decision in either Open or Closed Session meetings.

### **FINANCIAL ANALYSIS**

None

**Prepared By:** Blessilda Wright, Compliance Supervisor

**Reviewed By:** Francis Gomez, Operations Manager  
Tim Moy, Chief of Security  
Siobhan Foster, Chief Operating Officer

**ATTACHMENT(S)**

Attachment 1: Appeal Policy

Attachment 2: Resolution for Appeal Policy

**Appeal Policy**  
**Resolution 03-19-XX; Adopted August 20, 2019**

**I. Purpose**

Third Laguna Hills Mutual ("Third") requires a Member to seek approval from the Board of Directors ("Board") on certain matters of Corporate business by way of the committee structure for review of a question that may ultimately be determined by the Board in Open session, including without limitation, certain architectural and landscape approvals, and variance requests, or in Executive Session, including without limitation, approvals for Lease Authorization Permits, Co-occupancy Applications, Caregiver Applications, non-escrow membership transfer applications and Resale, as well as decisions on discipline of members for governing document violations and reimbursement for expenses incurred by Third.

Depending on the circumstances and the powers granted to the Committee (as defined below), the Committee may either act to approve or deny a Member's request, or, if such request requires Board consideration, forward the Committee's recommendations regarding the Member's request to the Board for its consideration and decision.

The purpose of this document is to set forth the Appeal Policy for appeals of certain decisions by the Board, Committees, or Management on architectural and landscape matters, Lease Authorization Permits, Co-occupancy Applications, Caregiver Applications, non-escrow membership transfer applications and Resale related matters, as well as decisions made regarding Member discipline and reimbursement to Third by Members for expenses incurred by Third for which the Member is responsible, including without limitation when applicable, legal fees and costs.

A decision made by a Committee or Management, within its powers, to deny a Member's request shall be appealable to the Board if permitted by the Community Rules and/or required by statute. However, except as specifically provided in this Policy or otherwise in the Community Rules (as defined below), or as may otherwise be required by law, **all decisions, including other matters of Corporate business made by the Board, whether in an Open Meeting or in Executive Session, shall be final and not subject to additional review or a right of appeal by Third Members.**

## II. Definitions

For the purposes of this Policy:

- a. **Committee** is a group of individuals appointed by the Board for a specific function. For example, the Architectural Control and Standards Committee and Landscape Committee review Member requests for nonstandard architectural or landscape changes and make recommendations to the Board for approval or denial.
- b. **Community Rules** shall mean and refer to the Articles of Incorporation and Bylaws of Third, the recorded Covenants, Conditions, and Restrictions ("CC&Rs"); and any rules and regulations adopted by Third. Any reference to the "**Governing Documents**" shall, for purposes of this Policy, be deemed a reference to the Community Rules set forth in this definition.
- c. **Executive Hearing Committee** is comprised of three (3) Directors and two (2) alternate Directors for the purpose of making decisions on disciplinary/confidential matters in Executive Session, including without limitation, discipline for Governing Document violations and decisions regarding the imposition of reimbursement assessments on Members for Common Area damage.
- d. **Executive Session** is defined as a closed meeting of the Board to address disciplinary/confidential matters as described in Civil Code Section 4935.
- e. **Management** shall mean and refer to Village Management Services, Inc., the managing agent for Third.
- f. **Member** is defined as any person who is an owner of a Unit in Third's development who has been approved for membership in Third.
- g. **Open Meeting** is defined as a meeting open to the Members of Third as provided in the Open Meeting Act as codified in the Civil Code at Section 4900 et seq. Per Civil Code Section 4765, decisions made by the Board relating to a Member's architectural and/or landscape request that occur in an Open Session meeting may be final.
- h. **Subject Matter Expert** ("SME") is defined as the Staff Member from Management with the highest level of expertise in the specialized job, task, or skill pertinent to a Member's appeal request.



### III. Architectural and Landscape Decisions

As further described in the Community Rules, including without limitation, the Architectural Review Procedures, applications for Standard Plan alterations submitted to the Manor Alterations and Permits Division may typically be approved without Board review.

An application with plans not in conformance with the approved Standard Plan alterations or for which neighbor objections have been received are considered and reviewed by the Architectural Control and Standards Committee ("ACSC").

Applications that are not in conformance with Third's architectural standards may be recommended for denial by the ACSC.

Meanwhile, an application that may otherwise meet the application requirements, but with plans that do not conform to the approved Standard Plan alterations, requires the approval of a variance request, which must be submitted for review by the ACSC. The ACSC reviews the architectural application, variance request, and other documentation provided regarding the proposed alteration at its regularly scheduled meetings and makes a written recommendation to the Board as to whether the architectural/variance request should be granted or denied.

Similarly, requests by Members for landscape modification are submitted to the Landscape Division for review by Management and/or the Landscape Committee, which may approve standard landscape alterations without Board review. Nonstandard landscape requests will be reviewed by the Landscape Committee, who will then make a written recommendation to the Board as to whether the landscape modification should be approved or denied.

The recommendation from the ACSC or Landscape Committee, as may be applicable, on a matter to be ultimately determined by the Board is considered by the Board at the next regularly scheduled Open Meeting, at which time the Board will either approve (either with or without conditions) or deny the Member's architectural/variance or landscape modification request.

**Such decisions made by the Board at an Open Meeting are not subject to appeal, in accordance with Civil Code Section 4765.** Nor shall decisions made by the Board on such matters in Executive Session, as may be applicable, be subject to appeal.

Notwithstanding the foregoing, if new relevant information is brought to the Board's attention relating to a matter previously decided by the Board, the Board may, in its sole discretion, revisit such decision due to extraordinary circumstances, but it shall have no obligation to do so and no Member shall be entitled to such reconsideration as a matter of right.

The SME will review any request for reconsideration based on extraordinary circumstances if submitted in writing within thirty (30) days from the Board's determination or the discovery of such extraordinary circumstances; in no event, however, shall any reconsideration request be considered by the Board after one (1) year from the date of the original, final decision by the Board. Reconsideration of the Board's decision may be considered in the following circumstances: (1) the application or documentation provided had an error which would otherwise have resulted in approval; (2) the Board or recommending Committee misinterpreted provisions of the application or the requirements of law or the Community Rules in its decision; (3) an aberration from the review and approval procedures as laid out in the Community Rules is discovered; and (4) any other situation in which the Board, in its sole discretion, believes that an additional review is necessary to ensure the equal and fair treatment of all Members.

#### **IV. Disciplinary Decisions**

The Executive Hearing Committee makes decisions on disciplinary/confidential matters, including discipline for governing document violations and decisions regarding the imposition of reimbursement assessments on Members for Common Area damage, in Executive Session meetings, to which the Member has been invited to be heard, and issues written decisions to Members within fifteen (15) days from the date of the noticed hearing in accordance with the hearing and enforcement procedures in Third's Community Rules.

Within thirty (30) days of receipt of a written decision by the Executive Committee relating to Member discipline or a reimbursement by the Member to Third, made at an Executive Session meeting, the Member may appeal to the Board the Executive Committee's decision by providing an explanation, in writing, as to why the Member believes the Committee made an incorrect decision, along with any additional evidence or documentation pertinent to the Member's appeal.

Upon receipt of such appeal request, the information will be reviewed by the SME for consideration. If approved, a new hearing will be scheduled before the Board, at which the Board will consider the written appeal as well as any evidence or documentation previously provided, after which the Board will make a decision and provide notice of same in accordance with Third's Governing Documents and applicable statute.

**No further appeals, other than as directly referenced above, will be granted upon reconsideration by the Board of the matter that was the subject of the initial hearing before the Executive Committee and a final determination by the Board. In addition, the decision on any such matter heard directly before the Board (rather than first being heard by the Executive Committee) shall be final and not subject to appeal.**

## **V. Occupancy and Membership Decisions**

Pursuant to Third's Lease Policy, Care Provider Policy, Resale Policy and the Governing Documents, a Member seeking authorization to occupy or obtain Membership must submit the required Permit application to the Community Services Division along with all required supporting documentation. The application is then reviewed by Management, who may either approve or deny the application based on the conformance of the application to the requirements in the Lease Policy, Care Provider Policy, Resale Policy, and the Governing Documents and ability of the Member to pursue such action as otherwise specified in the Community Rules and/or based on prior disciplinary action against the Member.

If Management denies the request within its authority (without consideration by the Board), the Member may appeal such decision to the Board upon written appeal by providing an explanation, in writing, as to why the Member believes Management made an incorrect decision, along with any additional documentation pertinent to the Member's appeal. Upon receipt of such appeal request, the information will be reviewed by the SME for consideration as well as any evidence or documentation previously provided, for consideration by the Board, which will make a final decision on the Member's application.

In some instances, Management may refer the approval/denial decision directly to the Board, and provide a recommendation for approval or denial of the application based on its review of the submitted application and documentation.

**A decision on the approval or denial by the Board, whether in an Open Meeting or in Executive Session shall be final, and not subject to appeal or further review by the Member.**

Notwithstanding the foregoing, if new relevant information is brought to the Board's attention relating to a matter previously decided by the Board, the Board may, in its sole discretion, revisit such decision due to extraordinary circumstances, but it shall have no obligation to do so and no Member shall be entitled to such reconsideration as a matter of right.

The SME will review any request for reconsideration based on extraordinary circumstances if submitted in writing within thirty (30) days from the Board's determination or the discovery of such extraordinary circumstances; in no event, however, shall any reconsideration request be considered by the Board after one (1) year from the date of the original, final decision by the Board. Reconsideration of the Board's decision may be considered in the following circumstances: (1) the application or documentation provided had an error which would otherwise have resulted in approval; (2) the Board or recommending Committee misinterpreted provisions of the application or the requirements of law or the Community Rules in its decision; (3) an aberration from the review and approval procedures as laid

out in the Community Rules is discovered; and (4) any other situation in which the Board, in its sole discretion, believes that an additional review is necessary to ensure the equal and fair treatment of all Members.

## **RESOLUTION 03-19-XXX**

### **Appeal Policy**

**WHEREAS**, Third Laguna Hills Mutual's ("Third") Governing Documents require a Member to seek approval from the Board of Directors ("Board") on various matters of Corporate business by way of the Committee structure or Management;

**WHEREAS**, the Board recognized that need to amend the Appeal Policy to align with the current California Civil Code; and

**NOW THEREFORE BE IT RESOLVED**; August 20, 2019, that the Board of Directors of this Corporation hereby approves the amended Appeal Policy, as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 03-13-105 adopted October 15, 2013 is hereby superseded in its entirety and cancelled;

**RESOLVED FURTHER**, that this Appeal Policy and the mechanisms for appeals of decisions described herein shall supersede any prior or contrary appeal procedure or right of Members on the decisions subject to this Appeal Policy as may be found in Third's Governing Documents, as may be applicable;

**RESOLVED FURTHER**, that the foregoing Appeal Policy shall apply to decisions on matters heard and decided by the Board as described therein, but shall not otherwise affect the ability of Members to appeal committee and/or management decisions on matters not heard by the Board as may otherwise be provided for in Third's Governing Documents; and

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

JULY Initial Notification

28-day notification for Member comment and review to conform to Civil Code §4360 has been satisfied.

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# Appeal Policy Flow Chart

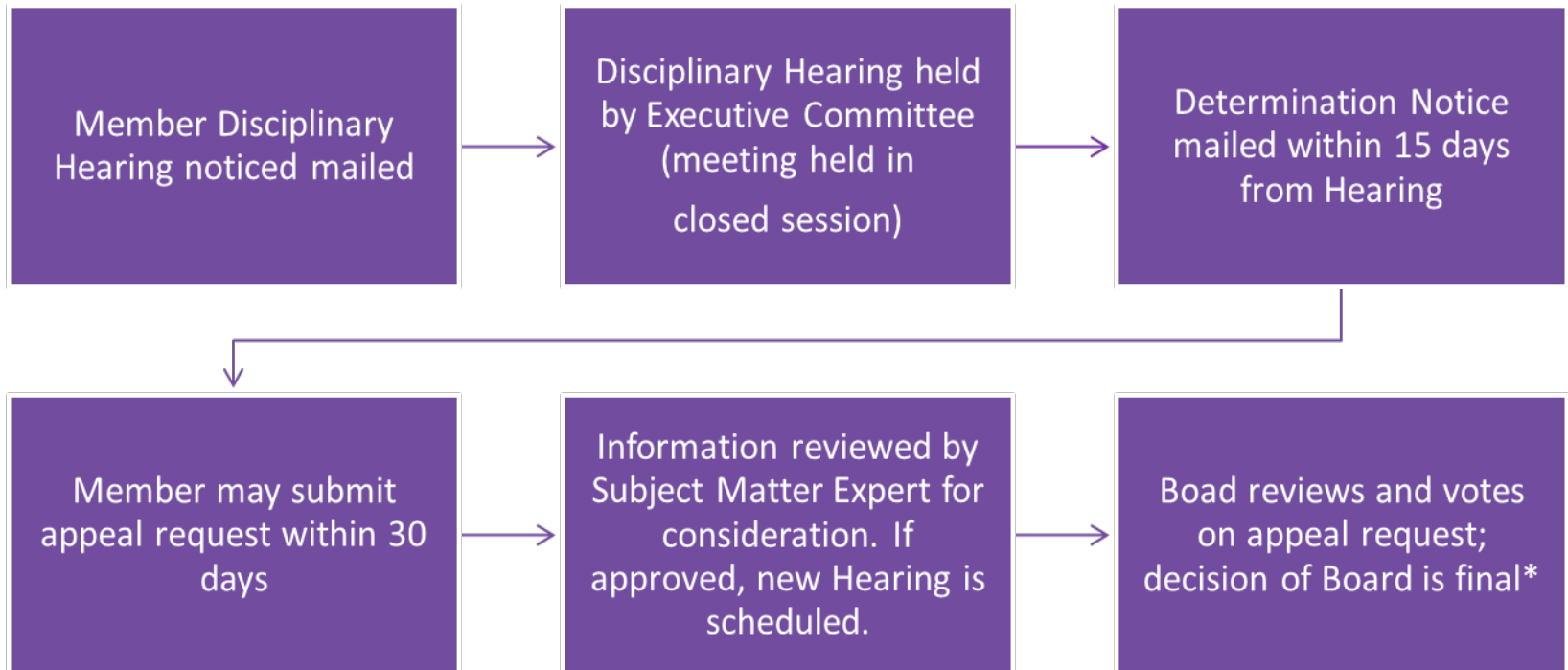
# Architectural and Landscape Decisions:



\*Board Members who are on the Architectural Control and Standards Committee providing the recommendation should recuse themselves from the Board vote

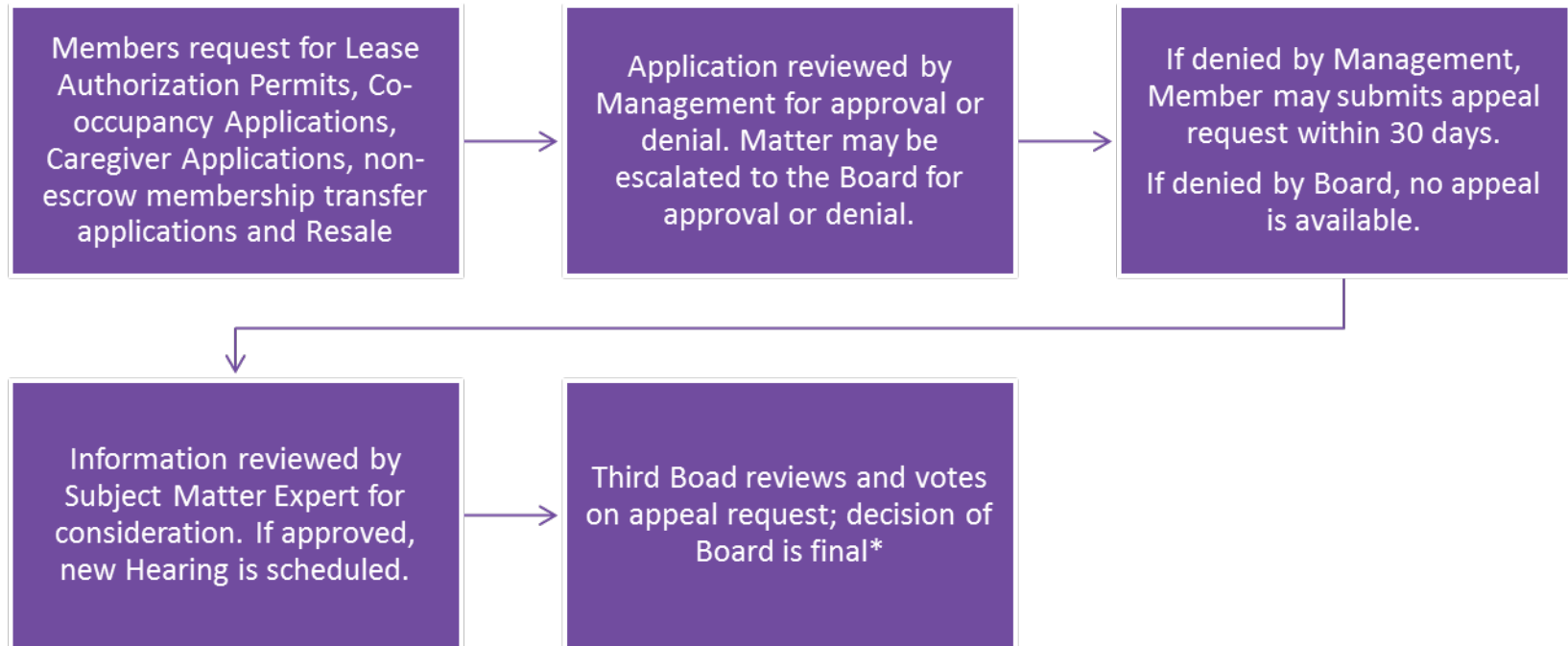


# Disciplinary Decisions:



\*Board Members who are on the Executive Committee should recuse themselves from the Board vote

# Occupancy and Membership Decisions:



\*Board Members who are on the Executive Committee providing the recommendation should recuse themselves from the Board vote



## STAFF REPORT

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**DATE:** August 20, 2019  
**FOR:** Resident Policy & Compliance Task Force  
**SUBJECT:** Move In/Move-Out Procedure

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### **RECOMMENDATION**

Receive and file report.

### **BACKGROUND**

A Move-In Guide is provided to new Residents by the Community Services Division when approved for residency. The guide outlines move in hours, elevator pads, home improvements and remodeling, contractor parking, speed limit, representatives of new residents, unpacking, storage of personal items, move-in prior to close of escrow, stay-over of seller after close of escrow, new resident orientation, and non-resident owners (Attachment 1). Specifically, the Move-In Guide provides the hours permitted for loading and unloaded. Resolution M3-73-221, Move-In Hours, state: Move-In hour are between 7:00 am and 6:00 pm with move in completed not later than 10:00 pm.

The Move-In/Move Out process is coordinated by the Security and Community Services Divisions.

### **DISCUSSION**

The current procedure provides Resident's with clear instruction on how to move in/out of the Community. In addition, the Security and Community Services Divisions work together to ensure approved Residents are moving in and out of the Community. The permitted hours align with the City of Laguna Woods quiet hours and allow Residents who are employed to move in after their work hours.

**Prepared By:** Blessilda Wright, Compliance Supervisor

**Reviewed By:** Pamela Bashline, Community Services Manager  
Francis Gomez, Operations Manager  
Tim Moy, Chief of Security

### **ATTACHMENT(S)**

Attachment 1: Resolution 03-19-XX, Move-In/Move-Out Hours  
Attachment 2: Move In Guide

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## **ENDORSEMENT**

### **Move In – Out Policy**

Blessilda Wright, Compliance Supervisor, presented the current Move In – Move Out Policy. The Resident Policy and Compliance Task Force members commented and asked questions.

Director Bruninghaus made a motion to amend the current Move In – Move Out time frame to 7:00 a.m. to 4:00 p.m. with move-in completed not later than 8:00 p.m. Director Parsons seconded the motion.

By unanimous vote, the motion carried.

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## **RESOLUTION 03-19-XX**

### **Move-In/Move- Out Hours**

**WHEREAS**, the Resident Policy and Compliance Task Force has recommended revising the Move-In/Move-Out Hours, to fairly and reasonable address timeframes for residents moving into the Community; and

**WHEREAS**, the current Move-In Hours allow for moves to commence between the hours of 7:00 AM and 6:00 PM with completion by 10:00 PM, of the same day; and

**WHEREAS**, no vehicle of any household goods carrier shall be loaded, unloaded, or permitted to be loaded or unloaded, in or upon any real property managed by this Corporation unless such loading or unloading occurs during the designated times; and

**WHEREAS**, no household goods shall be deposited, permitted to be deposited, permitted to remain, carried, or permitted to be carried, prior to loading or subsequent to unloading of any vehicle of a household goods carrier, in or upon any real property managed by this Corporation except during the hours that such loading or unloading is permitted;

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, the Board of Director of this Corporation hereby approves changing the Move-In/Move-Out hours to commend between the hours of 7:00 AM and 4:00 PM with completion by 8:00 PM.; and

**RESOLVE FURTHER**, that Resolution M3-73-221 adopted August 24, 1973 is hereby superseded and canceled; and

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

JULY Initial Notification

28-day notification for Member comment and review to conform to Civil Code §4360 has been satisfied.

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## So you're **moving into** Laguna Woods Village.

Welcome to Laguna Woods Village. To help make your move easier, we've prepared this simple checklist. If you have any questions, please call Resident Services at 949-597-4600. Have a great moving day.



Laguna Woods Village®

### Before Moving Day

- ☐ 30 days before, if you plan on having anyone doing work on your new place before you move in (painting, carpets, plumbing, that kind of thing), be sure to call and get Day Passes for them.
- ☐ 30 days before, bring your Move-In Hold Harmless document to Resident Services.
- ☐ At least two weeks in advance, call Resident Services to get Day Passes for movers, tradespeople and anyone helping with your move.
- ☐ Two weeks before, arrange for **elevator pads** through Resident Services, for no charge, to avoid damage to the elevators. Please remember, you are responsible for any damage done by your movers or workers. Things to be careful of include elevators, landscape, sprinklers and lobby furniture.
- ☐ At least one week before, call Village Security at 949.580.1400 to alert them of your move and reserve a space for your moving van.

Community Services 949.597.4600  
Village Security at 949.580.1400

### Moving Day

- ☐ Third and United moving hours are from 7 a.m. to 10 p.m. (*but you can't get started after 6 p.m.*), seven days a week.
- ☐ The Towers moving hours are from 8 a.m. to 4 p.m., Monday through Saturday. No moving on Sundays or holidays.
- ☐ Please remind your movers that the speed limit is 25 MPH, and 10 or 15 MPH in cul-de-sacs, as posted.
- ☐ Also remind your movers to use the provided elevator pads to avoid damage.
- ☐ Sorry, no music playing in public areas while you're moving.
- ☐ Please break down your empty boxes and stack them flat **NEXT TO**, not **IN** the trash bins.
- ☐ Please do not store anything on patios or balconies. Use your carport storage cabinets or your enclosed garage.
- ☐ Finally: remember to lift with your legs, not with your back.



## So you're **moving out of** Laguna Woods Village.

Please use this checklist to help everything go smoothly, and good luck!



Laguna Woods Village®

### Before Moving Day

- ☐ When the property is listed, arrange for a resale inspection by calling Resident Services.
- ☐ 30 days before, if you plan on having anyone do work ahead of your move out (like uninstalling kitchen appliances or electrical fixtures), be sure to call and get Day Passes for them.
- ☐ Two weeks before your move, call Resident Services to get Day Passes for movers, tradespeople and any friends who will be helping out on moving day.
- ☐ Two weeks before, arrange for **elevator pads** through Resident Services, for no charge, to avoid damage to the elevators. Please remember, you are responsible for any damage done by your movers or workers. Things to be careful of include elevators, landscape, sprinklers and lobby furniture.
- ☐ Two weeks before, call Resident Services to schedule a pick-up for bulky trash items or hazardous waste.
- ☐ One week before, take medicines to Laguna Woods City Hall, and they'll dispose of them properly.

### Moving Day

- ☐ United and Third moving hours are from 7 a.m. to 10 p.m. (*but you can't get started after 6 p.m.*), seven days a week.
- ☐ The Towers moving hours are from 8 a.m. to 4 p.m., Monday through Saturday. No moving on Sundays or holidays.
- ☐ Please remind your movers that the speed limit is 25 MPH, and 10 or 15 MPH in cul-de-sacs, whichever is posted.
- ☐ Also remind your movers to use the provided elevator pads to avoid damage.
- ☐ Sorry, no music playing in public areas while you're moving.
- ☐ Remember to turn in your Community ID Cards, RFID tags and community decals from the window of your vehicle(s) to Village Security in order to avoid a fine.
- ☐ For Phase 1 move-ins with large moving trucks/vans, use the Gate 3 entrance at 25002 Moulton Parkway.

**Resident Services 949.597.4600**  
**Village Security at 949.580.1400**





## STAFF REPORT

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**DATE:** August 20, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Revision to Exterior Paint Color Palette

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### **RECOMMENDATION**

Approve a revision to the Exterior Paint Color Palette, to be implemented during the 2020 Paint Program Cycle.

### **BACKGROUND**

On December 16, 2014, the Board of Directors adopted Resolution 03-14143, which established a new exterior color palette for three-story Buildings. On February 17, 2015 the Board of Directors adopted Resolution 03-15-27, which revised the exterior paint color palette for single- and two-story Buildings, eliminating two previously established color options.

The current Exterior Paint Color Palette includes ten color groups for single-story and two-story buildings, and three color groups for three-story buildings.

### **DISCUSSION**

At the May 6, 2019 Maintenance and Construction Committee meeting, staff was directed to work with a design consultant to produce a new Exterior Paint Color Palette for single-, two-story, and three-story buildings.

Staff partnered with the PPG Business Development of HOA, Multi-family, and Commercial Buildings Division to design a new Exterior Paint Color Palette proposal to be reviewed and implemented during the 2020 Paint Program Cycle.

According to the Mutual's design consultant, PPG, the proposed exterior paint color options reflect an updated "classic and timeless" design with a touch of current trends.

The Mutual's three-story buildings are defined as Garden Villas, El Miradors, Casa Dorados, Villa Capris, Villa Puertes, Aragons, Sierras, Villa Nuevas, Castillas, Las Brisas, and Casa Contentas style models. Four new paint color palette options have been proposed by the Mutual's design consultant with these style buildings in mind. Multi-story residential buildings are currently trending with timeless body colors such as off-whites, grays, and beiges incorporated with medium greens, blues, and dark gray accents.

Single and two-story residential buildings are currently trending with timeless body colors such as off-whites and light beiges that incorporate a darker trim. Alternatively, these trending paint colors are often reversed with darker body colors and lighter accent and trim colors. These

paint color schemes work well with shades of blues, greens, and russets incorporated as options for entry doors or accent colors. Ten new paint color palette options have been proposed by the Mutual's design consultant for single and two-story buildings.

The warm toned color options feature natural and inviting shades, designed to evoke feelings of warmth and maximize a resort-like curb appeal popular throughout the Southern California region. The cool toned color options feature combinations that bring forth a stately and classic appearance, with cool neutrals pairing well with the natural architectural and landscape designs already featured throughout the Village.

To maintain the operational and logistical efficiencies of the current program, staff recommends implementing the Revised Exterior Paint Color Palette in the first cul-de-sac to be painted on the Mutual's 2020 Exterior Paint Program scope and all future executions of the Mutual's Exterior Paint Program.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Abel Lucero, Maintenance Operations Supervisor  
Melody Thomas, Maintenance Programs Coordinator

**Reviewed By:** Velny Soren, Maintenance Operations Manager  
Ernesto Munoz, P.E., Maintenance and Construction Director

### **ATTACHMENT(S)**

**Attachment 1:** Proposed Exterior Paint Color Palette  
**Attachment 2:** Proposed Resolution 03-19-XX

## **ENDORSEMENTS (to Board)**

### **Revisions to the Exterior Paint Color Palette**

The current Exterior Paint Color Palette includes ten color groups for single-story and two-story buildings, and three color groups for three-story buildings.

At the May 6, 2019 Maintenance and Construction Committee meeting, staff was directed to work with a design consultant to produce a new Exterior Paint Color Palette for single-, two-story, and three-story buildings.

Single and two-story residential buildings are currently trending with timeless body colors such as off-whites and light beiges that incorporate a darker trim. Alternatively, these trending paint colors are often reversed with darker body colors and lighter accent and trim colors. These paint color schemes work well with shades of blues, greens, and russets incorporated as options for entry doors or accent colors. Ten new paint color palette options have been proposed by the Mutual's design consultant for single and two-story buildings.

The warm toned color options feature natural and inviting shades, designed to evoke feelings of warmth and maximize a resort-like curb appeal popular throughout the Southern California region. The cool toned color options feature combinations that bring forth a stately and classic appearance, with cool neutrals pairing well with the natural architectural and landscape designs already featured throughout the Village.

To maintain the operational and logistical efficiencies of the current program, staff recommends implementing the Revised Exterior Paint Color Palette in the first cul-de-sac to be painted on the Mutual's 2020 Exterior Paint Program scope and all future executions of the Mutual's Exterior Paint Program.

A motion was made and unanimously carried to recommend the Board approve a revision to the Exterior Paint Color Palette, to be implemented during the 2020 Paint Program Cycle, which will include a change to the door color for Option 7 from Dark Granite to a contrasting red color.

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## **Attachment 1: Proposed Exterior Paint Color Palette (pg. 1 of 2)**

### **Third Laguna Hills Mutual Revised Exterior Paint Color Palette Resolution 03-19-XX August 20, 2019**

#### **Residential Buildings – Single Story and Two Story Buildings**

##### **Option #1**

Body: Delicate White  
Trim/Fascia: Southern Breeze  
Pop-outs/Entry Door/Accent Walls/Garage Door: Dusty Trail  
Entry Door Option: Red Clay or Delicate White  
Garage Door: Delicate White or Delicate White

##### **Option #2**

Body: Fog  
Trim/Fascia: Delicate White  
Pop-outs/Entry Door/Accent Walls/Garage Door: Solstice  
Entry Door Option: Celestial Blue or Delicate White  
Garage Door: Fog or Delicate White

##### **Option #3**

Body: Smoky Slate  
Trim/Fascia: Purity  
Pop-outs/Entry Door/Accent Walls/Garage Door: Dusty Trail  
Entry Door Option: Autumn Gray or Delicate White  
Garage Door: Smoky Slate or Delicate White

##### **Option #4**

Body: Gray Stone  
Trim/Fascia: Fog  
Pop-outs/Entry Door/Accent Walls/Garage Door: Armory  
Entry Door Option: Deep Emerald or Delicate White  
Garage Door: Gray Stone or Delicate White

##### **Option #5**

Body: Stonehenge Greige  
Trim/Fascia: Moth Gray  
Pop-outs/Entry Door/Accent Walls/Garage Door: Summer Wheat  
Entry Door Option: Poppy Pods or Delicate White  
Garage Door: Stonehenge Greige or Delicate White

##### **Option #6**

Body: Edelweiss  
Trim/Fascia: Summer Wheat  
Pop-outs/Entry Door/Accent Walls/Garage Door: Oyster Shell  
Entry Door Option: Glazed Granite or Delicate White  
Garage Door: Edelweiss or Delicate White

##### **Option #7**

Body: Toasted Almond  
Trim/Fascia: Blank Canvas  
Pop-outs/Entry Door/Accent Walls/Garage Door: Dusty Trail  
Entry Door Option: Apple-A-Day or Delicate White  
Garage Door: Toasted Almond or Delicate White

## **Attachment 1: Proposed Exterior Paint Color Palette (pg. 2 of 2)**

### **Option #8**

Body: Stony Creek  
Trim/Fascia: Delicate White  
Pop-outs/Entry Door/Accent Walls/Garage Door: Toasted Almond  
Entry Door Option: Meander or Delicate White  
Garage Door: Stony Creek or Delicate White

### **Option #9**

Body: Adobe White  
Trim/Fascia: Golden Ecru  
Pop-outs/Entry Door/Accent Walls/Garage Door: Applesauce Cake  
Entry Door Option: Baked Bean or Delicate White  
Garage Door: Adobe White or Delicate White

### **Option #10**

Body: Winter Feather  
Trim/Fascia: Willow Springs  
Pop-outs/Entry Door/Accent Walls/Garage Door: Moth Gray  
Entry Door Option: Silent Night or Delicate White  
Garage Door: Winter Feather or Delicate White

## **Residential Buildings – Three Story Buildings**

### **Option #7**

Body: Toasted Almond  
Trim/Fascia: Blank Canvas  
Pop-outs/Entry Door/Accent Walls/Garage Door: Dusty Trail  
Entry Door Option: Apple-A-Day or Delicate White  
Garage Door: Toasted Almond or Delicate White

### **Option #8**

Body: Stony Creek  
Trim/Fascia: Delicate White  
Pop-outs/Entry Door/Accent Walls/Garage Door: Toasted Almond  
Entry Door Option: Meander or Delicate White  
Garage Door: Stony Creek or Delicate White

### **Option #9**

Body: Adobe White  
Trim/Fascia: Golden Ecru  
Pop-outs/Entry Door/Accent Walls/Garage Door: Applesauce Cake  
Entry Door Option: Baked Bean or Delicate White  
Garage Door: Adobe White or Delicate White

### **Option #10**

Body: Winter Feather  
Trim/Fascia: Willow Springs  
Pop-outs/Entry Door/Accent Walls/Garage Door: Moth Gray  
Entry Door Option: Silent Night or Delicate White  
Garage Door: Winter Feather or Delicate White

Body, Trim, and Accent paint color placement will vary per building model, size, and elevation. Color Options shall not be intermixed or combined with other Color Options.



## **Attachment 2: Proposed Resolution 03-19-XX**

### **RESOLUTION 03-19-XX Revised Exterior Paint Color Palette**

**WHEREAS**, the Board of Directors refreshes the Mutual's exterior paint color palette every few years in order to offer updated classic and timeless designs with a touch of current trends;

**WHEREAS**, there are ten new color groups for single and multi-story buildings, and four new color groups for three-story buildings, for use on the Mutual's structures during the execution of the Mutual's Exterior Paint Program;

**WHEREAS**, to maintain the operational and logistical efficiencies of the current program, staff will implement the new Exterior Paint Color Palette starting with the first cul-de-sac to be painted on the Mutual's 2020 Exterior Paint Program scope and continue with all future executions of the Mutual's Exterior Paint Program, until otherwise directed.

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, that the board of Directors of the Corporation hereby establishes a new Exterior Paint Color Palette, as attached to the official minutes of this meeting, to be effective with structures in the first cul-de-sac on the Mutual's 2020 Exterior Paint Program scope and all subsequent annual paint program scopes; and

**RESOLVED FURTHER**, that the Exterior Paint Color Palette Option 7 with Delicate White as the Entry Door and Garage Door color shall be the designated default option and shall be applied on all buildings where no member voters are cast or a majority vote could not be reached for a particular color palette option.

**RESOLVED FURTHER**, that all original Mutual maintained manor front entry doors in a three-story building shall be the same color, and the Owners of each three-story building shall select by majority vote the color for use on all of their building's manor front entry doors from either of the building's selected Pop-outs/Entry Door/Accent Walls Color or one of the Entry Door Option Color; and

**RESOLVED FURTHER**, that the Members of each three-story building shall select by majority vote the color for all of their building's metal handrails, stair steps and stair stingers from either of the building's selected Body Color or Trim Color or Black; and

**RESOLVED FURTHER**, that all requests for door color changes outside of the approved exterior paint color palette will remain a variance request, subject to approval by the Board;

**RESOLVED FURTHER**, that all garage doors on multi-unit buildings will be painted the designated color by majority vote from the color scheme option selected for the building (whichever is selected for the building following established Board approved color selection procedures) in which the garage doors are located; and

**RESOLVED FURTHER**, that alteration metal garage doors with a white/off-white factory finish are exempted from being painted during the Exterior Paint Program when white/off-white is part of the approved color scheme for that building; and

**RESOLVED FURTHER**, that the Third Laguna Hills Mutual Exterior Paint Color Selection Procedure, as attached to the official minutes of this meeting, shall remain as written with updates to include the new Exterior Paint Color Palette options for single, multi-story, and three-story buildings; and

**RESOLVED FURTHER**, that Resolutions 03-14-143 adopted December 16, 2014 and Resolution 03-15-27 adopted February 17, 2015 are 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.

JULY Initial Notification

28-day notification for Member comment and review to conform to Civil Code §4360 has been satisfied.



## STAFF REPORT

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**DATE:** August 20, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Revision of Alteration Standard 38: Patio Enclosures

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### **RECOMMENDATION**

Approve a resolution to adopt revisions to Alteration Standard 38: Patio Enclosures.

### **BACKGROUND**

On June 24, 2019, the Architectural Controls and Standards Committee (ACSC) reviewed this Standard. The Committee voted to recommend the item for approval by the Board.

The Architectural Controls and Standards Committee (ACSC) requested staff to review and revise the current Alteration Standards for applicability, usefulness, and current technology.

There are currently 39 Alteration Standards available for Members to use to perform alterations to their unit. Many have not been reviewed or updated for years to reflect changes in technology, materials, and work methods.

Alteration Standard 38: Patio Enclosures was last revised in January 2018, via Resolution 03-18-13.

### **DISCUSSION**

Due to the continued popularity of the various components involved in the remodel process, the ACSC has reviewed the existing Alteration Standard 38: Patio Enclosures. The following sections are proposed to be revised as follows:

Please refer to Attachment 2: Redline of Proposed Updates to Alteration Standard 38: Patio Enclosures.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Brett Crane, Permits, Inspections and Restoration Manager

**Reviewed By:** Alisa Rocha, Alterations Coordinator

**ATTACHMENT(S)**

**Attachment 1:** Resolution 03-19-XX Revise Alteration Standard 38: Patio Enclosures

**Attachment 2:** Redline of Proposed Updates to Alteration Standard 38: Patio Enclosures

## **Attachment 1**

### **RESOLUTION 03-19-XX**

**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 Controls and Standards Committee recognizes the need to revise Alteration Standard 38: Patio Enclosures and,

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, that the Board of Directors of this Corporation hereby adopts Alteration Standard 38: Patio Enclosures as attached to the official meeting minutes;

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

JULY Initial Notification

28-day notification for Member comment and review to conform to Civil Code §4360 has been satisfied.

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## **Section ~~STANDARD~~ 38: PATIO ENCLOSURES**

**ADOPTED SEPTEMBER 2006, RESOLUTION 03-06-43  
GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49  
REVISED AUGUST 2019, RESOLUTION 03-19-XX**

### **1.0 GENERAL REQUIREMENTS**

See Standard Section 1: General Requirements

### **2.0 SPECIFICATIONS/ APPLICATIONS**

**2.1** A patio is a concrete slab area that adjoins the manor at ground level, and does not serve as a walkway or landing.

**2.2** An enclosure can only be installed on the manor's original patio footprint.

**2.23** A patio enclosure cannot be installed in an area where a Standard Plan exists for a room addition. No concrete landings are permitted.

**2.34** Enclosures may not extend beyond the original construction footprint of an original patio. (In accordance with the current Common Area Useage Policy.)

**2.5** If a patio lies beneath a balcony, the newly constructed enclosure must have an approved gutter system.

**2.56** Patios may be partially enclosed with the exception of 3-story buildings. Patio enclosures shall encompass the entire footprint in 3-story buildings.

**2.67** No doors are permitted in patio enclosures installed on the 1<sup>st</sup> story manors of 3-story buildings.

**2.78** In no case shall additional plumbing, heating fixtures or air conditioning units be added as part of such enclosure, nor shall existing central HVAC systems condition an enclosure.

**2.89** Air conditioners/heat pumps cannot exhaust into an enclosure.

**2.910** Plastic panels as produced by the manufacturer of patio covers or enclosures may be installed per ~~International Conference of Building Officials (I.C.B.O.)~~ California Building Code approved specifications outlined by the manufacturer. No corrugated, non-structural panels will be allowed.

**2.4011** Any changes to the existing structure to allow for track or framework must be approved in writing prior to issuance of a ~~permit consent~~.

**2.4112** All work and material required to complete patio enclosures shall conform to all applicable city codes and/or state ordinances not included herein. Plans and specifications shall be submitted to Permits and Inspections at time of application for ~~permit consent~~.

### **3.0 SURFACE PREPARATION**

**3.1** Prior to any installation, existing patio surfaces (~~slabs, wood beams, wood fascia, etc.~~) shall be checked ~~by staff~~ for any defects or irregularities which might affect such installation or cause any future damages to the building.

**3.2** All attachments to the patio slab must be directly to the patio surface, not applied over any type of material applied over the patio surface.

### **4.0 FRAME OR TRACK**

**4.1** Frames and/or tracks are to be of aluminum only. ~~Wood framing is prohibited~~. The dimensions shall be kept to a minimum to optimize the area of glass firmly in place. All aluminum shall be anodized bronze unless others exist if attached to a dark painted surface; aluminum or white powder coated color if attached to a light surface. Pre-existing enclosures on the building shall set color precedence on the same elevation.

**4.2** All glass and screens must be readily removable (~~from the interior only~~) by lifting out of a track without the use of tools.



- 4.3 All frames must be inside of existing handrails as indicated on approved drawing details and provide sufficient clearance for future maintenance of the handrail.
- 4.4 Slump stone kneewalls may be utilized as part of the patio enclosure if the wall is constructed to accept the application.
- 4.5 Enclosures shall have proper downspouts with splash blocks in accordance with Mutual Standard:18 Gutters/Downspouts.

## 5.0 TYPE OF GLASS

- 5.1 All glass used must be clear in nature and be of tempered-type safety glass; no less than 1/8" thick. ~~Installation of a structure with glass that is thicker than 1/8" could be considered a habitable room addition and California Building Code specifications for engineering would be required for the structure, and may require Board approval., to be determined by the Permits and Inspections office.~~
- 5.2 Glass ~~shall~~ may be single or dual pane type (at the discretion of the Alterations Office). See 4.2
- 5.3 Frosted, bottle-type, stained, or louvered-glass type shall not be allowed.
- 5.4 Solar glass, tinted glass, smoke-type glass or film that is applied to glass at the time of manufacture shall be accepted provided it conforms to Sec. 5.5.
- 5.5 Reflective tints or films applied to glass after manufacture may be applied to glass providing it does not have a reflectivity factor of more than 15%. Documentation of such material must be on hand and approved before such application.

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## STAFF REPORT

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**DATE:** August 20, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Revision of Alteration Standard 22: Patio and Balcony Covers / Aluminum and Vinyl

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### **RECOMMENDATION**

Approve a resolution to adopt revisions to Alteration Standard 22: Patio and Balcony Cover / Aluminum and Vinyl.

### **BACKGROUND**

On June 24, 2019, the Architectural Controls and Standards Committee (ACSC) reviewed this Standard. The Committee voted to recommend the item for approval by the Board.

The Architectural Controls and Standards Committee (ACSC) requested staff to review and revise the current Alteration Standards for applicability, usefulness, and current technology.

There are currently 39 Alteration Standards available for Members to use to perform alterations to their unit. Many have not been reviewed or updated for years to reflect changes in technology, materials, and work methods.

Alteration Standard 22: Patio and Balcony Cover / Aluminum and Vinyl was last revised in January 2018, via Resolution 03-18-13.

### **DISCUSSION**

Due to the continued popularity of the various components involved in the remodel process, the ACSC has reviewed the existing Alteration Standard 22: Patio and Balcony Cover / Aluminum and Vinyl. The following sections are proposed to be revised as follows:

Please refer to Attachment 2: Redline of Proposed Updated to Alteration Standard 22: Patio and Balcony Cover / Aluminum and Vinyl

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Brett Crane, Permits, Inspections and Restoration Manager

**Reviewed By:** Alisa Rocha, Alterations Coordinator

**ATTACHMENT(S)**

**Attachment 1:** Resolution 03-19-XX Revise Alteration Standard 22: Patio and Balcony Cover / Aluminum and Vinyl

**Attachment 2:** Redline of Proposed Updated to Alteration Standard 22: Patio and Balcony Cover / Aluminum and Vinyl

## **Attachment 1**

### **RESOLUTION 03-19-XX**

**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 Controls and Standards Committee recognizes the need to revise Alteration Standard 22: Patio and Balcony Cover / Aluminum and Vinyl and,

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, that the Board of Directors of this Corporation hereby adopts Alteration Standard 22: Patio and Balcony Cover / Aluminum and Vinyl as attached to the official meeting minutes;

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

JULY Initial Notification

28-day notification for Member comment and review to conform to Civil Code §4360 has been satisfied.

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~~THIRD LAGUNA HILLS MUTUAL~~  
**STANDARD 22: PATIO AND BALCONY COVERS**  
**ALUMINUM AND VINYL**

**JANUARY 1989**  
**REVISED JANUARY 2003, RESOLUTION 03-03-08**  
**REVISED JANUARY 2008, RESOLUTION 03-08-08**  
**GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49**  
**REVISED AUGUST 2013, RESOLUTION 03-13-83**  
**REVISED AUGUST 2019, RESOLUTION 03-19-XX**

**1.0 GENERAL REQUIREMENTS**

See Standard Section 1: General Requirements

**2.0 DEFINITIONS**

- 2.1** Patio: A paved area that adjoins the manor at ground level, which does not serve as a walkway or landing.
- 2.2** Balcony: A platform that projects from the wall of a manor and is enclosed by a parapet or railing.

~~**3.0 BUILDING TYPES**~~

- ~~**3.1** Aluminum or vinyl patio covers will not be allowed in Casa Palma, Casa Sienna, Casa Lorenzo or Casa Monaco.~~

~~**3.04.0 APPLICATIONS**~~

- ~~**3.1** Wood is strictly prohibited from being used for any part of construction.~~
- ~~**3.2** All patio and balcony covers must be built as per standard plan drawings (when available). The maximum allowable overhang dimension will be 6 inches to accommodate the flat roof's incorporated gutter system. See Section 45.0 for exceptions.~~

- 3.3** Patio cover roofs shall not extend beyond the height of an existing ~~8-foot tall~~ patio wall.
- 3.4** Patio covers will span only the patio area as defined by the original patio slab, ~~or wall or as indicated on the standard plan drawing.~~ Balcony covers will span the entire width of the balcony.
- 3.5** Covers may be installed over atriums such that the minimum open area of the atrium is left open and unobstructed as per building code requirements, typically 3'-0". The cover may not extend above the height of the existing walls.
- 3.6** Posts shall be of aluminum or vinyl including alumawood-type and vinyl-clad materials. Plant-ons are optional, but if installed, must be of matching aluminum or vinyl material. ~~fabrication, including alumawood and vinyl-clad materials.~~ Headers must also be of aluminum or vinyl fabrication, including alumawood and vinyl-clad materials.
- 3.7** All posts for patio covers must be anchored to the concrete slab and be located on or inside of block walls if any. Attachments to block walls must meet all building code requirements.
- 3.8** All posts on balcony covers must be anchored to the balcony deck in accordance with all building code requirements. All penetrations must be sealed to prevent moisture intrusion into balcony deck.
- 3.9** ~~Plastic panels as produced by the manufacturer may be installed per approved specifications as outlined by the manufacturer's recommendations.~~ No corrugated non-structural panels will be allowed. Only those covers with State of California state approved engineering specifications will be accepted.
- 3.10** Plastic skylight panel ~~as produced by the manufacturer,~~ may be installed per approved specifications as outlined by the manufacturer's recommendations.
- 3.11** Color options for aluminum materials are factory-finished white or almond. ~~or anodized bronze.~~ Color options for vinyl materials are white, taupe or tan.



- 3.12** If access to existing downspouts is blocked, then new downspouts of similar design, material and quality must be installed and painted the appropriate color. Downspouts shall not empty into other patio areas or hinder maintenance in any way. **Splashblocks must be installed at each downspout that drains directly into Common Area planters (See Standard 18: Gutters/Downspouts).**

#### **4.05.0 PATIOS OVER WHICH A BALCONY EXISTS**

- 4.1** Patio covers may not extend beyond the original construction footprint of a manor that lies beneath a balcony **for which a manor above exists**, exclusive of the required 6" overhang for the incorporated gutter system.
- 4.2** Flat roofs may not replace existing eyebrow covers if the **enclosure proposed roof** extends beyond the original construction footprint.
- 4.3** Existing flat roofs may be replaced with a flat roof of equal or lesser **dimensions size**.
- 4.4** The color of the patio cover roof surface must be factory-finished almond. Almond colored caulking shall be used and the width of the caulk lines shall be kept to a minimum.

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## **STAFF REPORT**

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**DATE:** August 20, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Garden Villa and LH-21 Laundry Room Rules

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### **RECOMMENDATION**

Adopt Garden Villa and LH-21 Laundry Room Rules.

### **BACKGROUND**

On June 27, 2019, the Garden Villa Association proposed the Third Laguna Hills Mutual (Third) Board of Directors (Board) consider adopting Laundry Room Rules for Garden Villa and LH-21 buildings.

The Garden Villa Buildings are No. 969, 2353, 2354, 2355, 2369, 2370, 2381, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 3241, 3242, 3243, 3244, 3420, 3421, 3499, 4006, 4007, 4008, 4009, 4010, 4011, 5370, 5371, 5372, 5499, 5500, 5510, 5511, 5515, 5517, 5518, and 5519. Each Garden Villa Building has a laundry room on each floor with one washer and one dryer; with a total of 318 machines.

The LH-21 Buildings are No. 3335, 3336, 3337, 3338, 3363, 3364, 3365, 3366, 3367, 3371, 3486, 3498, 3500, 3501, 3510, 4001, 4002, 4003, 4004, 4005, 4012, 4013, 4014, 4015, 4025, 4026, 5368, and 5369. Thirteen of the LH-21 Buildings have a laundry room on each floor with two washers and two dryers; with a total of 156 machines. The remaining LH-21 Buildings have a laundry room on each floor with one washer and one dryer; with a total of 90 machines.

### **DISCUSSION**

Currently there are no set guidelines regarding the use of Laundry Rooms in Garden Villas or LH-21 buildings. The proposed Laundry Room Rules include hours of operations and guidelines for use of the laundry rooms and washer and dryers.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Blessilda Wright, Compliance Supervisor

**Reviewed By:** Francis Gomez, Operations Manager

Tim Moy, Chief of Security  
Siobhan Foster, Chief Operating Officer

**ATTACHMENT(S)**

Attachment 1: Garden Villa and LH-21 Laundry Room Rules  
Attachment 2: Resolution 03-19-XX

**Garden Villa and LH-21 Laundry Room Rules**  
**Resolution 03-19-XX; Adopted August XX, 2019**

**I. Purpose**

The purpose of this document is to define the policies of Third Laguna Hills Mutual ("Third") regarding the use of Garden Villa and LH-21 Laundry Rooms.

**II. Definitions**

For the purposes of this policy:

- a. Community Rules - the Articles of Incorporation and Bylaws of Third, the recorded Covenants, Conditions, and Restrictions (CC&R's) applicable to any Manor; and any rules and regulations adopted by Third.
- b. LH-21 Building No. - 3335, 3336, 3337, 3338, 3363, 3364, 3365, 3366, 3367, 3371, 3486, 3498, 3500, 3501, 3510, 4001, 4002, 4003, 4004, 4005, 4012, 4013, 4014, 4015, 4025, 4026, 5368, and 5369.
- c. Laundry Rooms – located on each floor of Garden Villa and LH-21 buildings.
- d. Garden Villa Building No. – 969, 2353, 2354, 2355, 2369, 2370, 2381, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 3241, 3242, 3243, 3244, 3420, 3421, 3499, 4006, 4007, 4008, 4009, 4010, 4011, 5370, 5371, 5372, 5499, 5500, 5510, 5511, 5515, 5517, 5518 and 5519.
- e. Resident is defined as an individual approved to reside in a Garden Villa or LH-21 building.

**III. Conditions**

Use of Laundry Rooms:

- a. Laundry rooms may be used only during the hours of 7:00 AM and 10:00 PM, with washers and dryers last cycle to be finished by 10:00 PM.
- b. Laundry room doors may not have locks on them.
- c. Laundry rooms are for the exclusive use of building residents only.
- d. Laundry rooms are to be used only by the residents of the floor on which the laundry room is located, with these exceptions:
  - 1. If a washer or dryer is out of order, residents may use the washer or dryer on another floor until the washer or dryer on their floor is repaired.
  - 2. If all the washers and dryers are in use on your floor, and they are not in use on another floor.
- e. Keep washer doors open when not in use.
- f. Turn dryers to off position when finished and clean lint traps.
- a. Do not overload machines. Machines will stop mid cycle if there are too many articles in them. Machines may not be large enough for most bedspreads, quilts and rugs.

- g. Do not wash or dry pet blankets or rugs in the washer and dryer. They will clog the machines and leave residue that will affect other users of the machines.
- h. Do not wash or dry tennis shoes.

#### **IV. Procedure**

- a. Repair services are requested by residents by calling the Resident Services Department.
- b. Third's policy is to avoid having any machine out of use for more than 24 hours. If a machine cannot be repaired within 24 hours, the unusable machine will be removed, and a loaner machine will be installed in its place, within 24 hours of notice that it is unusable.

#### **V. Enforcement**

Third Members are personally responsible for ensuring that the rules, regulations, and policies are followed by anyone they allow into the Community. This includes any Co-occupant, Lessee, or Guest.

Third is authorized to take disciplinary action against a Member, lessee or guest found to be in violation of the Garden Villa and LH-21 Laundry Room Rules. When a violation occurs the Board is obligated to evaluate and impose if appropriate, member-discipline as set forth in the governing documents. The Board of Directors has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action.

## **RESOLUTION 03-19-XX**

### **Garden Villa and LH-21 Laundry Room Rules**

**WHEREAS**, the Garden Villa Association has recognized the need to adopt a Garden Villa and LH-21 Laundry Room Rules to set forth guidelines for use by Residents;

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, that the Board of Directors of this Corporation hereby adopts the Garden Villa and LH-21 Laundry Room Rules as attached to the official minutes of this meeting; and

**RESOLVE FURTHER**, that this policy applies to the buildings listed below which the laundry rooms are located; Garden Villa Buildings No. 969, 2353, 2354, 2355, 2369, 2370, 2381, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 3241, 3242, 3243, 3244, 3420, 3421, 3499, 4006, 4007, 4008, 4009, 4010, 4011, 5370, 5371, 5372, 5499, 5500, 5510, 5511, 5515, 5517, 5518, 5519 and LH-21 Buildings No. 3335, 3336, 3337, 3338, 3363, 3364, 3365, 3366, 3367, 3371, 3486, 3498, 3500, 3501, 3510, 4001, 4002, 4003, 4004, 4005, 4012, 4013, 4014, 4015, 4025, 4026, 5368, and 5369;

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

JULY Initial Notification

28-day notification for Member comment and review to conform to Civil Code §4360 has been satisfied.

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## **STAFF REPORT**

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**DATE:** August 20, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Garden Villa Recreation Room Rules

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### **RECOMMENDATION**

Adopt the Garden Villa Recreation Room Rules.

### **BACKGROUND**

On December 20, 2011, the Board of Directors created the Garden Villa Recreation Room Subcommittee to serve as a liaison to advise the Board of repairs and replacements within the recreation rooms as required.

### **DISCUSSION**

The purpose of the rules is to set guidelines regarding the use and maintenance of the Garden Villa Recreation Rooms. Presently, each Garden Villa building has its own set of guidelines.

### **FINANCIAL ANALYSIS**

None

**Prepared By:** Blessilda Wright, Compliance Supervisor

**Reviewed By:** Francis Gomez, Operations Manager  
Tim Moy, Chief of Security  
Siobhan Foster, Chief Operating Officer

### **ATTACHMENT(S)**

Attachment 1: Garden Villa Recreation Room Rules  
Attachment 2: Resolution 03-19-XX

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**Garden Villa Recreation Room Rules**  
**Resolution 03-19-XX; Adopted August XX, 2019**

**I. Purpose**

The purpose of this document is to define the policies of Third Laguna Hills Mutual (“Third”) regarding the use of Garden Villa Recreation Rooms.

**II. Definitions**

For the purposes of this policy:

- a. Building Captain - a volunteer resident of a Garden Villa Unit who provides assistance to residents of the building they are assigned to.
- b. Community Rules - the Articles of Incorporation, Bylaws, the recorded Covenants, Conditions, and Restrictions (CC&Rs); and any rules and regulations adopted by Third. Any reference to the “Governing Documents” shall, for purposes of this Policy, be deemed a reference to the Community Rules set forth in this definition.
- c. Garden Villa Recreation Rooms – are located in 53 Garden Villa buildings.
- d. Rec Room – a room in each building used for a variety of purposes; has restrooms, refrigerator, stove, billiard table, card tables, and chairs. Also known as a “Recreation Room”.
- e. Residents are defined as an individual approved to reside in a Garden Villa Unit.

**III. Conditions**

- a. Recreation Rooms in Garden Villa buildings may be used only by residents of the building and guests of residents. A resident must be present in the Recreation Room when non-residents use the Recreation Room.
- b. Scheduling the use of Recreation Rooms is the responsibility of the Building Captain.
- c. All residents (including lessees) are entitled to have a key to the Recreation Room. Keys may not be reproduced and given or loaned to any non-resident.
- d. Recreation Rooms may not be used for commercial purposes of any kind, for overnight sleeping, as a place to live or for a place to house and use exercise equipment.
- e. Residents who live in a Garden Villa building and are members of a Club registered with the Recreation Services Department may use the Recreation Rooms for meetings of that Club, provided the Resident is present at that Club meeting.
- f. No monetary or other compensation may be collected for the use of the Recreation Rooms.

- g. An insert and a plastic cover are provided for the protection of billiard tables. These are to be on the billiard table at all times, except when the table is being used to play billiards.
- h. Food, hot and cold, may be served in Recreation Rooms. Kitchen tabletops and folding tables supplied by the residents of the building are to be used for serving hot and warm foods and liquids.
- i. It is the responsibility of residents who use the Recreation Room to avoid staining the carpet or dropping food on the carpet. It is also the responsibility of residents who use the Recreation Room to clean up food dropped on the carpet and clean up any stains on the carpet. While Staff will attempt to clean carpet stains when requested, residents should be aware that the cost to clean, repair and replace carpet adds to the cost of maintaining the Recreation Rooms.
- j. Only when the billiard table is not in use and has the protective insert in place and plastic cover on it may the table be used for food service. However, no liquids or warm or hot food may be placed on the billiard tabletop. Maintenance of billiard tables is paid for out of the Recreation Room monthly assessment paid by manor owners.
- k. The extra monthly Recreation Room assessment, assessed by the Garden Villa Association, is used for the refurbishment of Recreation Rooms. Including the original issued equipment of: counter tops, rest rooms refrigerator, stove, flooring, ceiling, heater/air conditioners, cue tips, ball rack, four card tables, 24 card table chairs, billiard table, bridge, nine cue sticks, cue stick rack, 19 billiard balls, ball rack, flooring and painting of walls.
- l. Residents may add furnishings to Recreation Rooms. It is up to each building to set and enforce its own rules regarding this. Recreation Rooms are not a dumping ground for old furniture. Manor owners are responsible for removing non-used, non-original issue furnishings left in the Recreation Rooms.
- m. Requests for repairs and replacements are made through the Resident Services Division.
- n. Recreation Rooms are cleaned every week by VMS Staff. Residents who use the Recreation Rooms are required to clean the room after usage.
- o. Food is not to be stored in Recreation Rooms other than for same-day usage.
- p. Pets are not permitted in the Recreation Rooms unless a service dog.

**V. Enforcement**

Third Members are personally responsible for ensuring that the rules, regulations, and policies are followed by anyone they allow into the Community. This includes any Co-occupant, Lessee, or Guest.

Third is authorized to take disciplinary action against a Member found to be in violation of the Garden Villa Recreation Room Policy. When a violation occurs the Board is obligated to evaluate and impose if appropriate, member-discipline

as set forth in the governing documents. The Board of Directors has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action. Additionally, the Board may seek reimbursement for remediation cost associated with damage to the Recreation Room.

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## **RESOLUTION 03-19-XX**

### **Garden Villa Recreation Room Rules**

**WHEREAS**, the Garden Villa Association has recognized the need to adopt a Garden Villa Recreation Room Rules to set forth guidelines for use by Residents and their guests;

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, that the Board of Directors of this Corporation hereby adopts the Garden Villa Recreation Room Rules, as attached to the official minutes of this meeting; and

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

JULY Initial Notification

28-day notification for Member comment and review to conform to Civil Code §4360 has been satisfied.

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## STAFF REPORT

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**DATE:** August 20, 2019  
**FOR:** Resident Policy & Compliance Task Force  
**SUBJECT:** Traffic School Eligibility

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### **RECOMMENDATION**

Staff recommends the Board amend the Laguna Woods Village Vehicle, Traffic, and Parking Rules to specify the types of traffic violations eligible for Traffic School.

### **BACKGROUND**

The Security Department is responsible for the administration of the Laguna Woods Village Vehicle, Traffic, and Parking Rules; including coordination of Traffic School. Traffic School is a two hour class that any individual can attend for traffic violations in lieu of paying the appropriate traffic fine. Traffic School is designed for Laguna Woods Village drivers, addresses traffic safety topics, and is available to an individual once during any three-year period.

On April 22, 2019, the Golden Rain Foundation (GRF) Security & Community Access Committee (SCAC) reviewed and approved the recommended changes to the Traffic School eligibility. On May 8, 2019, the GRF Board approved the changes to the Traffic School eligibility and forwarded the matter to the housing Mutual for consideration.

### **DISCUSSION**

Staff recommends that certain violations be ineligible for Traffic School, including Parking, RV Lot Parking, and Handicap Parking. In addition, specific moving violations such as Reckless Driving, Unlicensed Driver, and Hit and Run are serious violations that endanger the Community and should not be permitted to avoid the higher fine by signing up for Traffic School. Other parking violations including the Electric Charging fines, are not related to the material discussed in Traffic School. The proposed change will provide consistency and remove the alternative in the Rules and Regulation allowing individuals to use Traffic School to avoid paying the appropriate traffic fines.

### **FINANCIAL ANALYSIS**

The traffic fines are designed primarily as a deterrent to help enforce community rules and regulations. The revenue collected is used to offset the administrative costs associated with a citation such as enforcement, filing, data entry, correspondence with the driver/Owner, and scheduling traffic hearings. A \$20 fee is charged to partially offset administrative costs and the modifications proposed above are not anticipated to have a significant impact on revenue.

**Prepared By:** Blessilda Wright, Compliance Supervisor

**Reviewed By:** Francis Gomez, Operations Manager  
Tim Moy, Chief of Security

Siobhan Foster, Chief Operating Officer  
Betty Parker, Chief Financial Officer

ATTACHMENT(S)

Attachment 1: Redline Laguna Woods Village Vehicle, Traffic, and Parking Rules

Attachment 2: Schedule of Traffic Monetary Penalties with asterisks for violations ineligible for  
Traffic School

Attachment 3: Resolution 03-19-XX

## **ENDORSEMENT**

### **Traffic School Eligibility**

Tim Moy, Chief of Security, presented a proposal to make changes to Traffic School Eligibility. The Resident Policy and Compliance Task Force members commented and asked questions.

Director Parsons made a motion to approve the proposed changes to Traffic School Eligibility and to advise Residents that Traffic School can be taken voluntarily even without a Traffic Violation. Director Karimi seconded the motion.

By unanimous vote, the motion carried.

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## LAGUNA WOODS VILLAGE VEHICLE, TRAFFIC, AND PARKING RULES

**Adopted May 6, 2014, Resolution 90-14-21;  
Revised: September 19, 2017, Resolution 03-17-76; June 7, 2016, Resolution 90-16-24 and Resolution 90-16-26; April 12, 2016, Resolution 01-16-32; May 5, 2015, Resolution 09-15-29; April 7, 2015; January 20, 2015; ~~and~~  
December 2, 2014, Resolution 90-14-73; and August XX,XXX; Resolution 03-19-XX**

The following Vehicle, Traffic, and Parking Rules are strictly enforced and applicable to all pedestrians and persons controlling or operating vehicles on any real property regulated by the Golden Rain Foundation of Laguna Woods (GRF). This generally refers to the streets, sidewalks, parking areas, clubhouses, grounds, and other amenities overseen by GRF.

### [TABLE OF CONTENTS]

#### 1. PREFACE

In order to promote safety, all drivers, pedestrians, and vehicles must follow the same rules of the road as are expected on public streets, unless otherwise specified in herein.

Enforcement is the responsibility of the Laguna Woods Village Security Division, unless otherwise designated by law. All persons must stop when directed or signaled by a member of Security and provide all items of identification as requested, such as GRF identification card, driver's license, vehicle registration, gate pass, etc.

Security Officers will issue Notices of Violation for violation of these rules. Persons in violation may be subject to a fine and other disciplinary action. Vehicles parked in violation may be subject to a fine, and towed-away at the vehicle owner's expense. The MEMBER is responsible for any violation occurring in their ASSIGNED PARKING. The MEMBER is responsible for any violation committed by their delegate, invitee, renter or lessee, and any invitee of a delegate, renter or lessee.

#### 2. DEFINITIONS

Words appearing in ALL CAPITAL LETTERS are defined in this section.

**a. ABANDONED VEHICLE** - A MOTOR VEHICLE having either of the following attributes:

- i. Appears deserted, neglected, unsightly, or INOPERABLE.
- ii. If in UNASSIGNED PARKING, has not been moved within a 21 day period unless previously receiving written authorization from the Security Division. (See Section 7.5 - Resident's Extended Parking).

**b. ASSIGNED PARKING** - A defined parking location such as a carport, parking garage space, or MANOR driveway or garage that has both of the following attributes:

- i. Is regulated by a Mutual Corporation or GRF.
- ii. Is allotted as an exclusive use area of a particular MANOR.

- a. Fines and other disciplinary actions may be greater for repeated violations within a 3 year period.
- b. GRF, at its discretion may approve case-by-case exceptions to these rules.
- c. GRF endorses the traffic rules of the Mutual Corporations.
- d. GRF will appoint a committee, named Laguna Woods Village Traffic Hearings, for the purpose of enforcement hearings with respect to the notices of violation, and the imposition of the corresponding fines when the committee considers the violation to have been committed as charged. The Laguna Village Traffic Hearings will be comprised of the following:
  - i. One director of GRF, and one director of each of the Mutual, each to be appointed by the board of directors of which s/he is a member;
  - ii. Members of the Traffic Hearing shall rotate as the presiding member each month, with the presiding member refraining from voting on the issue of guilt to innocence of the person charged with the violation under consideration unless a member is absent and/or the vote of the presiding member is necessary to render a majority verdict;
  - iii. The Traffic Hearings will schedule Hearings as necessary to adjudicate Notices of Violation.
  - iv. The Traffic Hearings are held as an open meeting in which the alleged violator is invited to attend. The alleged violator has the right to request their hearing be held in close session.
- e. Notices of violation, traffic hearings, assessment of fines and other disciplinary actions are administrative processes of GRF and the Mutual Corporations in Laguna Wood Village.

#### **4. ENFORCEMENT**

Enforcement of these rules is the responsibility of the Laguna Woods Village Security Division, unless otherwise designated by law. Security Officers will issue a Notice of Violation for any violation of these rules.

- a. All persons must stop when directed or signaled by any member of Security, and provide all items of identification as requested, such as GRF identification card, driver's license, vehicle registration, and gate pass.
- b. Violations may result in tow-away at the vehicle owner's expense.
- c. Traffic Hearings:
  - i. Following a Notice of Violation, the alleged violator will be sent a letter, Traffic Hearing Notice, scheduling a hearing date and time. This letter will be sent at least 15 days before the hearing.
  - ii. At the Traffic Hearing, time will be given to hear testimony and consider evidence from the alleged violator and Security staff.
  - iii. If an alleged violator chooses not to attend their hearing, the Committee will make its decision based on the Notice of Violation and other evidence presented.
  - iv. After each hearing, the Committee will render its decision.
  - v. The Traffic Hearing will be documented by a written report of the proceedings.

- vi. A letter stating the Committee's decision will be sent to the alleged violator within 10 days following the hearing. If the Committee finds the individual guilty, the letter will inform the violator of the penalty and present the choice of paying the scheduled fine or, if eligible, attend Traffic School.
- d. Traffic School:
  - i. The Laguna Woods Village Traffic School will be a 2 hour class addressing traffic safety topics, and designed for Laguna Woods Village drivers.
  - ii. Traffic School is available to a violator once during any 3 year period.
  - iii. The Security Division will provide instructors to teach Traffic School.
  - iv. Every attendee must pay an administrative fee prior to attending Traffic School.
  - iv.v. Following citations are ineligible for Traffic School-: Parking, RV Lot Parking, Handicap Parking, and specific Moving Violations (Hit and Run, Valid Driver's Licenses Not Produced and Reckless Driving.
- e. For On-Duty EMPLOYEES, the Notice of Violation will be forwarded to the managing agent's Director of Human Resources for handling according to the managing agent's disciplinary policy.

## 5. FINES

See Schedule of Traffic Monetary Penalties

## 6. VEHICLE TOW AWAY

The California Vehicle Code authorizes private property tow-away at the vehicle owner's expense. Vehicles may be towed immediately or after a 96 hour waiting period as indicated below.

- a. Immediate Tow Away – any vehicle with the following conditions:
  - i. In a space designated for handicapped parking while not displaying a valid disabled (handicapped) license plate or placard.
  - ii. In a no parking zone.
  - iii. Within 15 feet of a fire hydrant.
  - iv. Blocking an entrance or exit.
  - v. Blocking a roadway or posing a hazard to traffic.
  - vi. Posing a safety or environmental hazard.
- b. Resident's Private Tow Away - An ASSIGNED PARKING space (e.g. carport, driveway, garage) is provided for the exclusive use of the RESIDENT who controls (is in lawful possession of) that location. No vehicle may be parked in any ASSIGNED PARKING location without that controlling RESIDENT'S written permission. California Vehicle Code §22658 allows a person in lawful possession of private property (the controlling RESIDENT) to order the immediate tow-away of any vehicle parked without permission in that person's ASSIGNED PARKING space. Tow-away is made at the vehicle owner's expense. Because the tow-away is made from a restricted use common area location, the towing is a private matter between the RESIDENT ordering tow-away, the vehicle owner, and the towing company. GRF, the Mutual

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Security Division				
SCHEDULE OF TRAFFIC MONETARY PENALTIES				
Moving Violations	1st	2nd	3rd	4th (or more)
600 - Speeding ( 6 - 10 MPH )	\$25.00	\$50.00		
601 - Speeding ( 11 - 15 MPH )	\$50.00	\$100.00		
602 - Speeding ( 16 MPH and Over)	\$100.00	\$200.00		
610 - Failure to Stop	\$50.00	\$100.00	\$200.00	
620 - Right of Way	\$25.00	\$50.00		
630 - Turn Signal	\$25.00	\$50.00		
640 - Left of Center	\$25.00	\$50.00		
* 650 - Hit and Run	\$200.00	\$400.00		
* 660 - Valid Driver's License Not Produced	\$200.00	\$400.00		
* 680 - Reckless	\$150.00	\$300.00	\$300.00	\$300.00
* 690 - Headlight Violation	\$25.00	\$25.00	\$25.00	\$25.00
691 - Riding a Bicycle on Sidewalk	\$25.00	\$25.00	\$50.00	\$50.00
<b>695 - Other Moving</b>	\$25.00	\$50.00		
Parking Violations	1st	2nd	3rd	4th (or more)
* 010 - Abandoned Vehicle	\$25.00	\$25.00	\$50.00	\$50.00
* 700 - No Parking Zone	\$25.00	\$50.00	\$75.00	\$100.00
* 714 - Unpermitted Electric Plug-In (EV)	\$240.00	\$480.00	\$480.00	\$480.00
<b>000 - Unpermitted Electric Plug-In (Golf Cart)</b>	<b>\$100.00</b>	<b>\$150.00</b>	<b>\$200.00</b>	<b>\$250.00</b>
* 716 - Unattended Extension Cords & Battery Charger	\$50.00	\$100.00	\$150.00	\$150.00
* 720 - Limited Time Parking	\$25.00	\$25.00	\$50.00	\$75.00
* 721 - Recreational Vehicle Parked over 6 Hr. Limit	\$25.00	\$25.00	\$50.00	\$75.00
* 722 - Advertising on Vehicle Parked Overnight	\$25.00	\$25.00	\$50.00	\$75.00
* 723 - Vehicle Used for Storage	\$50.00	\$100.00	\$150.00	\$200.00
* 724 - Parked on sidewalk or Grass	\$25.00	\$25.00	\$50.00	\$75.00
* 725 - Expired Vehicle Registration	\$50.00	\$100.00	\$150.00	\$150.00
* 726 - Parked Obstructing Access	\$25.00	\$25.00	\$50.00	\$75.00
* 727 - No Valid GRF Vehicle Decal or Parking Permit Displayed	\$25.00	\$25.00	\$50.00	\$50.00
* 800 - Fire Hydrant	\$25.00	\$50.00	\$50.00	\$50.00
<b>* 730 - Other Parking Violations</b>	\$25.00	\$25.00	\$50.00	\$50.00
Handicap Parking Violations	1st	2nd	3rd	4th (or more)
* 810 - Handicapped Parking				
<b>With Placard &amp; Handicap I.D. verification</b>	\$0.00	\$25.00	\$50.00	\$75.00
* 811 - Handicapped Parking				
<b>No Placard or Handicap I.D. Displayed</b>	\$150.00	\$200.00	\$250.00	\$275.00
Pedestrian Violations	1st	2nd	3rd	4th (or more)
* 750 - Pedestrian Violations	\$25.00	\$25.00	\$50.00	\$50.00
RV Parking Violations	1st	2nd	3rd	4th (or more)
* 820 - Hazardous Material	\$75.00	\$100.00	\$150.00	
* 830 - Wheel Block	\$25.00	\$50.00	\$75.00	\$100.00
* 840 - Jack Support (R & R Section "W" Violation)	\$25.00	\$50.00	\$75.00	\$100.00
* 850 - Maintenance or Repair	\$25.00	\$50.00	\$75.00	\$100.00
* 860 - Miscellaneous (Minor)	\$25.00	\$50.00	\$75.00	
* 870 - Miscellaneous (Major)	\$50.00	\$100.00	\$150.00	
RV Lot Parking Violations				
* Miscellaneous (Minor)	* Miscellaneous (Major)		* Miscellaneous (Major)	
Flat Tires	Expired Registration		Unauthorized vehicle in space	
Failure to provide Registration paperwork	Utilizing RV vehicle as living quarters		Vehicle utilized for storage	
	Clutter		Generator running unattended	
	Storage outside of vehicle		Portable sheds or tents erected outside of vehicle	
	Wash-rack violation		Illegal Jack (R & R Section "X" Violation)	

\* violation ineligible for traffic school

Checks Payable to "GRF" w/ reference# in memo box  
Pay in person by leaving check in "Payment box"  
or mailing to:

Attention: Security Division  
24351 El Toro Road  
Laguna Woods, CA 92637

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### **RESOLUTION 03-19-XX**

#### **Vehicle, Traffic and Parking Rules**

**WHEREAS**, the Security Department is responsible for the administration of the Laguna Woods Village Vehicle, Traffic, and Parking Rules; including coordination of Traffic School; and

**WHEREAS**, Traffic School is designed for Laguna Woods Village drivers, to addresses traffic safety topics, and is available to an individual once during any three-year period; and

**WHEREAS**, the Board has identified violations that are ineligible for Traffic School, such as certain parking violations that are not related to the material discussed in Traffic School and serious moving violations that endanger the Community;

**NOW THEREFORE BE IT RESOLVED**, on August 20, 2019, the Board of Directors of this Corporation hereby amends the Traffic School section of the Vehicle, Traffic and Parking Rules, as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 03-18-139 approved on September 21, 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 as written.

JULY Initial Notification

28-day notification for Member comment and review to conform to Civil Code §4360 has been satisfied.

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## STAFF REPORT

---

**DATE:** August 20, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Unoccupied Manor Inspection Policy

---

### **RECOMMENDATION**

Entertain a motion to amend the Policy for Interior Inspection of Unoccupied Manors to identify the costs associated with 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 was intended to 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.

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, stated that its 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 with a permanent policy for approval by the Board within six months. This report addresses those issues. On October 16, 2018, the Board unanimously adopted Resolution 03-18-145, Policy for Interior Inspection of Unoccupied Manors. The resolution does not reflect the intent to recover actual costs for administrative and inspection costs.

On July 2, 2019, the Third Finance Committee requested staff to provide a revised Resolution to include fees for the Vacant Manor Inspection.

## **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:** Brett Crane, Permits, Inspections and Restoration Manager

**Reviewed By:** Alisa Rocha, Alterations Coordinator

**Attachments:**

Attachment 1: Redline Resolution 03-18-145, Policy for Interior Inspection of Unoccupied Manors

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ATTACHMENT 1

**RESOLUTION 03-19-XX**

**POLICY FOR INTERIOR INSPECTION OF UNOCCUPIED MANORS**

MAY 2018, RESOLUTION 03-18-59

REVISED OCTOBER, RESOLUTION 03-18-145

REVISED AUGUST 2019, RESOLUTION 03-19-XX

**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**, August 21, 2019, that the Board of Directors hereby adopts 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 an administrative fee of \$100.00 as set by the Mutual for each such inspection. An additional fee of \$135.00 may be charged if gaining entrance into the Manor is required;

**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 03-18-145 adopted October 16, 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.

JULY

initial notification-28-day notification for Member comment and review to conform to Civil Code §4360 has been satisfied



## STAFF REPORT

---

**DATE:** July 16, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Investment Manager

---

### **RECOMMENDATION**

The Finance Committee recommends entering into an agreement with SageView Advisory Group to provide investment management services for Third Laguna Hills Mutual.

### **BACKGROUND**

On November 6, 2018 an Investment Task Force was formed and chartered to conduct an in-depth analysis of investments on behalf of the Golden Rain Foundation, United Laguna Woods Mutual, and Third Laguna Hills Mutual (Corporations) to ensure exceptional service from a professional investment manager, maximize yields within the Board-approved investment policies, and minimize fees.

The Task Force held several meetings to discuss and evaluate investment performance and issued a Request for Information (RFI) to several firms. Three firms responded with qualified proposals and were interviewed by the Task Force, including SageView Advisory Group, Port Capital, and the incumbent Merrill Lynch/BlackRock. After further evaluation and research, the Task Force reached a consensus to recommend changing service providers to SageView.

Representatives from SageView presented their proposal to GRF Finance on June 19, 2019 (Attachment 1, also issued to board members on June 13, 2019) and by a unanimous vote, the Committee recommended that all investment management services for the Corporations be awarded to SageView Advisory Group. Fees are proposed at 7 basis points for a portfolio of index funds or 20 basis points for an actively managed bond portfolio. For the latter, current fees are 26 basis points or approximately \$125,000 annually on the combined portfolio values.

On July 2, 2019 the GRF Finance Committee discussed the Task Force recommendation and by consensus agreed with the selection of SageView as the new investment advisory group.

### **DISCUSSION**

#### *Option 1: Continue with incumbents Merrill Lynch / Black Rock*

The proposal from BlackRock includes a reduction in their current fee from 26 to 24 basis points for an actively managed portfolio. The committee agreed that BlackRock has multi-asset portfolio managers in Irvine, CA that may better serve the Community if they desire to move away from a bond portfolio, currently serviced by an investment manager in New York.

#### *Option 2: Select SageView as Investment Advisory Group*

The proposal from SageView includes two fee alternatives: 20 basis points for an actively managed portfolio or 7 basis points using index funds.

Subsequent to contract award, the Investment Task Force will work with the selected investment manager to review market performance and investment strategies, bringing forward recommendations for using funds or an actively managed bond portfolio that will optimize the stated goals of safety, liquidity, and yield.

### **FINANCIAL ANALYSIS**

In 2018, Third Mutual earned interest on investments of \$486,123.

**Prepared By:** Betty Parker, CFO

**Attachments:**  
ATT1 – SageView Proposal



# SageView Advisory Group Capabilities Laguna Woods – Village Management Services

June 19, 2019

DAN QUIRK, CFA, CFP  
*Senior Investment Advisor*

MALLORY ARMIJO, CFA  
*Investment Analyst*

# MEETING AGENDA

1

SageView Overview

2

Investment Analytics

3

Let's Work Together

# 1

## SAGEVIEW OVERVIEW



# SageView's Milestones and Business Overview

**\$100+ B**

ASSETS UNDER  
ADVISEMENT

**24**

OFFICE  
LOCATIONS

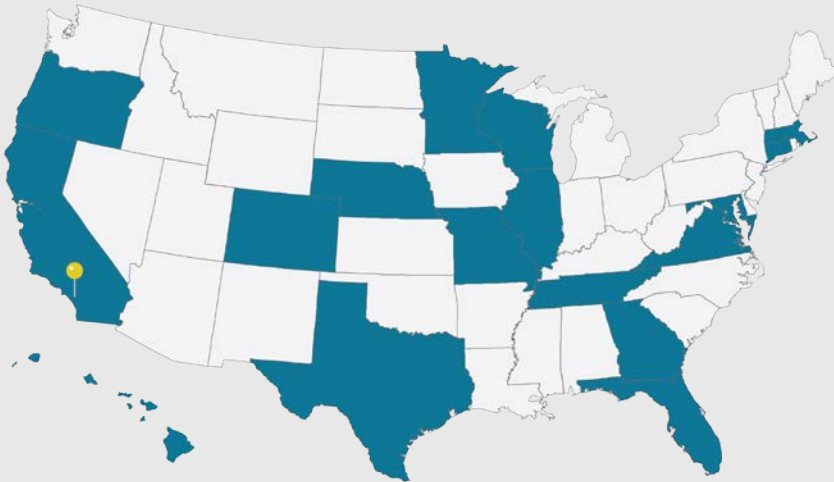
**1,200+**

Clients

**130+**

NUMBER OF  
EMPLOYEES

## OUR LOCATIONS



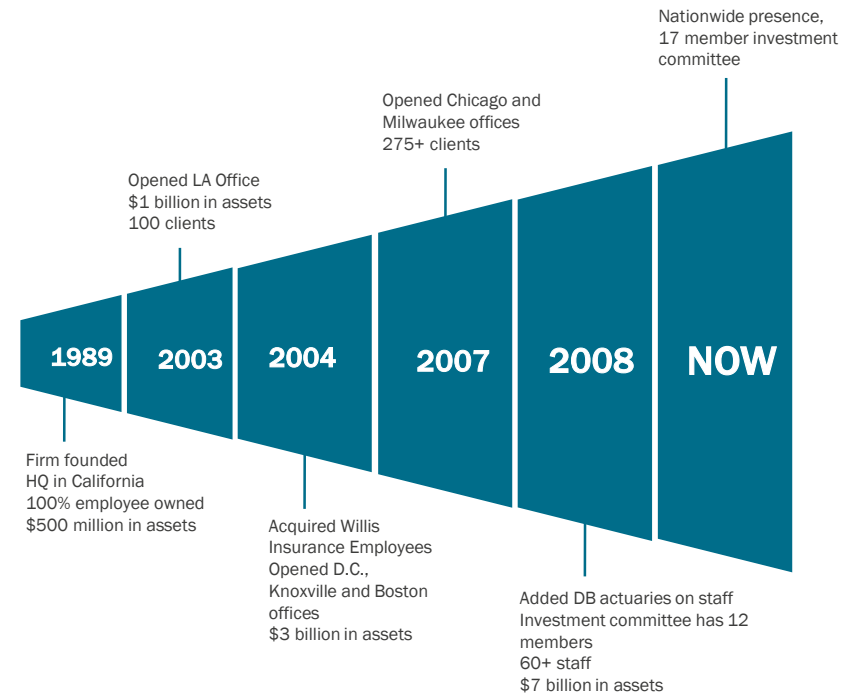
Atlanta, GA  
Austin, TX  
Boston, MA  
Chicago, IL  
Dallas, TX  
Denver, CO

Honolulu, HI  
Houston, TX  
Irvine, CA  
Kansas City, MO  
Knoxville, TN  
Los Angeles, CA

Milwaukee, WI  
Minneapolis, MN  
Nashville, TN  
Omaha, NE  
Orinda, CA  
Pasadena, CA

Portland, OR  
Richmond, VA  
San Francisco, CA  
Washington, DC  
West Hartford, CT  
West Palm Beach, FL

## OUR MILESTONES







## Recognized As One of the Best

- Listed as number one Wealth Management Firm in the Forbes “50 Top Wealth Managers” list released in April 2013
- One of the few firms in the country certified by CEFEX (Center for Fiduciary Excellence)
- One of the Top 5 firms in the country, 2008 through 2018, as ranked by *PLANADVISER*
- SageView received DALBAR ERISA 3(38) Certification





# Our Wide Range of Clients

## RETAIL

Callaway  
GOLF



C&K MARKET INC.

HIBBETT SPORTS

destination  
maternity



MULTIMEDIA GAMES



## LAW FIRMS

BRYDON  
SWEARINGEN  
ENGLAND

McDONALD-CARANO-WILSON

COBLENTZ,  
PATCH, DUFFY  
& BASS LLP  
ATTORNEYS AT LAW

GREENBERG GLUSKER  
The Corporate Law Group

KILPATRICK  
TOWNSEND

KAZAN, McCLAIN,  
SATTERLEY & GREENWOOD  
A PROFESSIONAL LAW CORPORATION  
KAZANLAW.COM

Baker Manock  
& Jensen PC  
ATTORNEYS AT LAW

## MANUFACTURING

DENSO

Ansell

uponor

MAPEI

ResMed

CABOT

ASIN

LENNOX

BOHLER UDDEHOLM  
United States

BARCO

## HIGHER ED

THE UNIVERSITY OF  
ALABAMA



LOYOLA  
UNIVERSITY MARYLAND

MERCER  
UNIVERSITY



INDIANA UNIVERSITY FOUNDATION

BABSON

OGLETHORPE  
UNIVERSITY

## HEALTHCARE

City of Hope

empath  
health

Cambridge Health Alliance

NEW ENGLAND BAPTIST  
HOSPITAL

sunrise  
Community



Tidewell  
HOSPICE

Huntington  
Hospital

Ardent  
HEALTH SERVICES

BEVERLY  
HOSPITAL

## FOOD/BEVERAGE

Earthbound Farm  
ORGANIC

SANTA MONICA  
SEAFOOD  
Since 1929

J. LOHR  
VINEYARDS & WINES



TREASURY  
WINE ESTATES

Cott

NEW ENGLAND COFFEE  
Family Coffee Roasters Since 1916

Ruby  
Tuesday

au bon pain.

ARYZTA  
Passion for good food

BAR  
S  
A Sigma Company

## TECHNOLOGY

Infinera

informatica



ZHONE

MARVELL

NETSUITE

analogic

DigitalGlobe

splunk

FLEXTRONICS

INTEGRAL  
SYSTEMS

KRATOS  
DEFENSE & SECURITY SOLUTIONS

QUEST  
SOFTWARE

## TRAVEL/TRANSPORT

TESLA  
MOTORS

IMSCO

TRUDELL  
TRAILER SALES

HOLT  
of California

CAT

travel and  
transport

LME  
Lakeville Motor  
EXPRESS

## GOVERNMENTAL



TUA  
TULLAHOMA  
UTILITIES AUTHORITY



THE UNIVERSITY OF  
ALABAMA



STARS





# SageView Gives Back



LEARN MORE AT  
[SAGEVIEWFOUNDATION.ORG](http://SAGEVIEWFOUNDATION.ORG)

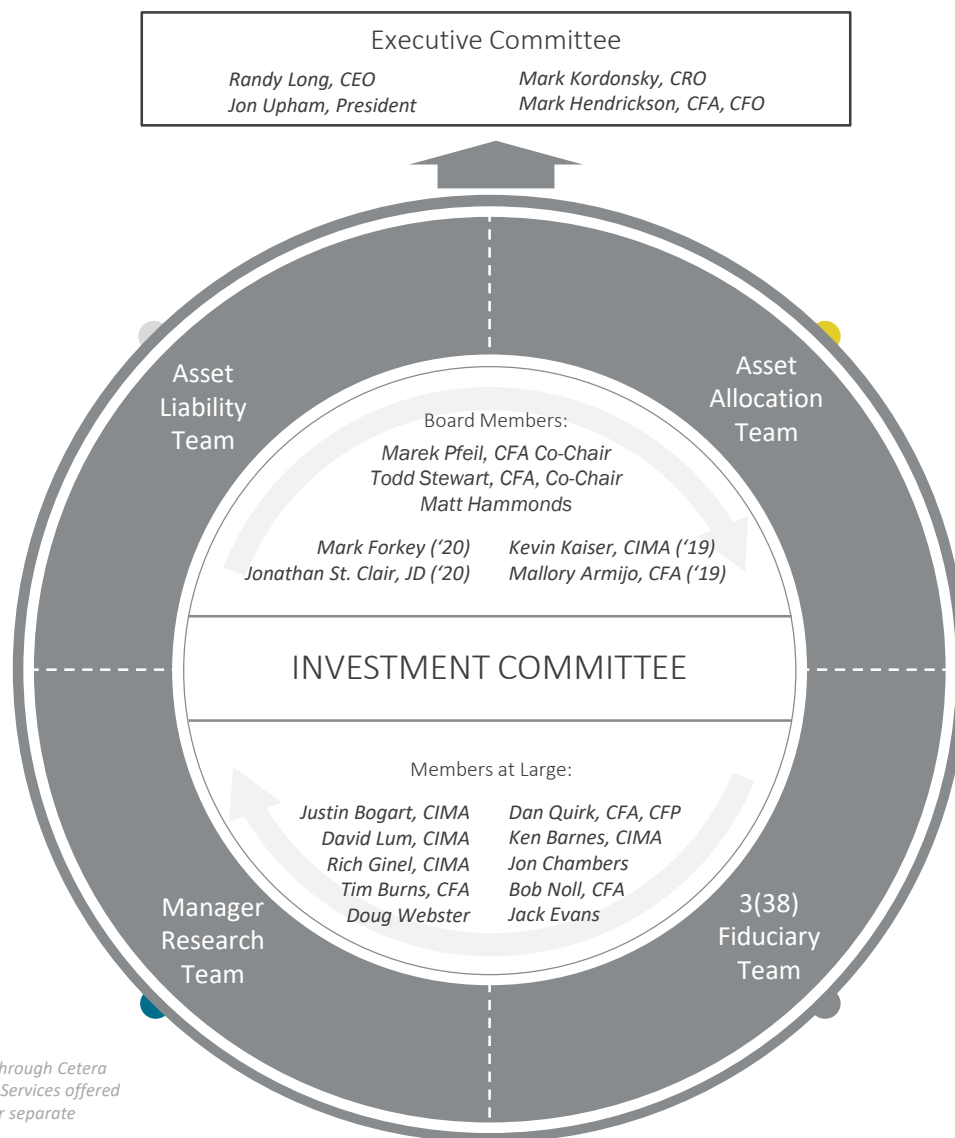


# 2

## INVESTMENT ANALYTICS



# SageView Investment Team Structure



Chairperson: Rich Ginel, CIMA

**Investment Advisory:**

1. David Lum, CIMA
2. Rich Ginel, CIMA
3. Ken Barnes, CIMA
4. Todd Stewart, CFA
5. Patrick Raynor, CFA

**Actuarial Expertise:**

4. Larry McNamara, EA, FSPA, CFA
5. Dan Homan, EA, MAAA

Chairperson: Todd Stewart, CFA

**US Value: Bijan Khairollahi**

1. Bijan Khairollahi
2. Ann Cheu
3. Matt Hammonds
4. Ken Barnes, CIMA

**US Growth: Valerie McKellar**

5. Jack Evans
6. Valerie McKellar
7. Patrick Raynor, CFA
8. Kevin Kaiser, CIMA

**Foreign Equity: Mallory Armijo, CFA**

9. Mallory Armijo, CFA
10. Marty Cosgrove, CFA

**Fixed Income: Bob Noll, CFA**

11. Marek Pfeil, CFA
12. Stuart Payment
13. Bob Noll, CFA
14. Kerrie Casey

**Asset Allocation & Alts: Justin Bogart**

15. Todd Stewart, CFA
16. Dan Quirk, CFA, CFP
17. Justin Bogart, CIMA

Chairperson: Marek Pfeil, CFA

**Tactical Team:**

1. Mallory Armijo, CFA
2. David Lum, CIMA
3. Marek Pfeil, CFA
4. Todd Stewart, CFA
5. Jack Evans
6. Brock Becker, CFP
7. Chris Martin, CFP
8. John Majors, FSA, CFA

Chairperson: Matt Hammonds

**Legal & Risk Expertise:**

1. Mark Kordonsky
2. Jonathan St. Clair, J.D.

**Investment Consulting Expertise:**

3. Marek Pfeil, CFA
4. Matt Hammonds
5. Kevin Kaiser, CIMA
6. Mallory Armijo, CFA
7. Patrick Raynor, CFA
8. Todd Stewart, CFA

Registered Representative with and securities offered through Cetera Advisor Networks, LLC, Member FINRA/SIPC. Advisory Services offered through SageView Advisory Group, LLC. Cetera is under separate ownership from any other named entity.



# Quantitative and Qualitative Assessment

SageView's quantitative due diligence process is disciplined, metrics-driven, performance-focused, and yet simple to follow and act upon. Informed by behavioral finance, it is uniquely client-focused.

We continually evaluate both our quantitative and qualitative process to ensure that both are dynamic and improving.

## QUANTITATIVE MEASURES

### Performance Ranking

- Trailing 1, 3, 5 and 10 year returns
- Rolling 12-month returns (10 years)
- Rolling 36-month returns (10 years)

### Ratio statistics

- Alpha
- Sharpe Ratio (36 months)
- Up Capture Ratio
- Down Capture Ratio

### Style consistency

### Expense ratio

## QUALITATIVE CRITERIA

- Firm structure/ownership
- Asset size and growth/negative cash flow
- Manager tenure
- Investment team structure
- Investment philosophy and strategy
- Portfolio construction
- Operations, compliance, trading strategies
- Risk controls



## Sample Portfolio

Fund	Percentage	YTM	Duration	Expense Ratio
Vanguard Treasury Money Market (VUSXX)	5%	2.3%	0.1	0.09%
Fidelity Short-Term Treasury (FUMBX)	30%	2.5%	2.6	0.03%
Fidelity Intermediate-Term Treasury (FUAMX)	10%	2.6%	6.3	0.03%
Vanguard MBS Admiral (VMBSX)	25%	3.3%	4.4	0.07%
Vanguard Short-Term Corporate (VSCSX)	15%	3.3%	2.6	0.07%
Vanguard Intermediate Corporate (VICBX)	15%	3.9%	6.2	0.05%
Total Portfolio	100%	3.0%	3.8	0.05%

### Key Attributes:

- Streamlined portfolio construction
- Highly diversified, with thousands of underlying issuers
- Attractive yield of just over 3.04%, 2.97% net of all fees
- Duration of 3.8 years, which can be easily adjusted
- Ultra low expense ratios
- Strong credit quality - 70% Treasury/Agency, 30% IG corporate
- Improved portfolio dynamics, that lowers interest rate risk
- Compares to current portfolios with yields near 2.6% before fees





# Rigorous Fund Benchmarking

## Fund Performance Summary

As of 03/31/2019

Fund Benchmark Category	Asset class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	SageView Ranking
Vanguard Treasury Money Market Investor	Money Market-Taxable	5.00%	0.58	0.58	2.04	1.12	0.69	0.36	0.09	Index
ICE BofAML US 3M Trsy Bill TR USD*			0.60	0.60	2.12	1.19	0.74	0.43		
Cat: Morningstar Money Market - Taxable			0.49	0.49	1.66	0.81	0.50	0.26	0.48	
Fidelity® Shrt-Term Trs Bd Index	Short Government	30.00%	1.26	1.26	3.17	0.90	1.18	1.37	0.03	Index
BBgBarc Treasury 1-5 Yr TR USD*			1.23	1.23	3.17	0.95	1.26	1.45		
Cat: Morningstar Short Government			1.04	1.04	2.43	0.77	0.87	1.20	0.71	
Vanguard Short-Term Corp Bd Idx Admiral	Short-Term Bond	15.00%	2.65	2.65	4.39	2.29	2.19	NA	0.07	Index
BBgBarc USD Corp Bd 1-5 Yr TR USD*			2.61	2.61	4.42	2.41	2.30	4.30		
Cat: Morningstar Short-Term Bond			1.71	1.71	2.97	1.87	1.45	2.77	0.73	
Fidelity® Interm Trs Bd Index	Intermediate Government	10.00%	2.40	2.40	5.30	0.89	2.59	3.01	0.03	Index
BarCap US Treasury 5-10 Yr TR USD*			2.44	2.44	5.28	0.98	2.68	3.10		
Cat: Morningstar Intermediate Government			2.05	2.05	3.77	0.98	1.86	2.53	0.80	
Vanguard Mortgage-Backed Secs Idx Adm	Intermediate Government	25.00%	2.09	2.09	4.22	1.66	2.47	NA	0.07	Index
BBgBarc US MBS Float Adjusted TR USD*			2.12	2.12	4.34	1.75	2.53			
Cat: Morningstar Intermediate Government			2.05	2.05	3.77	0.98	1.86	2.53	0.80	
Vanguard Interm-Term Corp Bd Idx Instl	Corporate Bond	15.00%	5.43	5.43	6.18	3.41	3.91	NA	0.05	Index
BBgBarc US Credit Corp 5-10 Yr TR USD*			5.41	5.41	6.11	3.55	3.98	7.31		
Cat: Morningstar Corporate Bond			5.02	5.02	4.61	3.71	3.58	6.33	0.70	

\*Investment Policy Benchmark





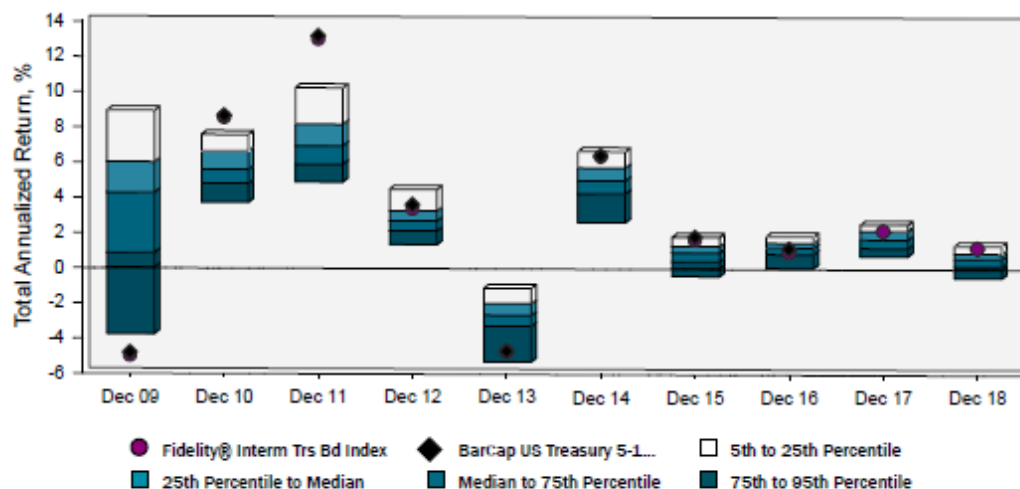
# Detailed Fund Level Analytics

## Fidelity® Interm Trs Bd Index

As of 12/31/2018

	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Alpha 3Yr	Beta 3Yr	Sharpe Ratio 3Yr	Standard Deviation 3Yr	Expense Ratio
Fidelity® Interm Trs Bd Index	3.49	1.23	1.23	1.46	2.48	2.65	-0.07	1.02	0.12	4.26	0.03
BarCap US Treasury 5-10 Yr TR USD	3.40	1.22	1.22	1.52	2.55	2.76	0.00	1.00	0.14	4.15	-
Morningstar Intermediate Government	1.95	0.51	0.51	1.05	1.76	2.46	-0.15	1.06	0.02	2.50	0.79

Performance To Date  
January 2009 - December 2018



### Portfolio Composition



Cash (0.49%)
Domestic Stock (0.00%)
Foreign Stock (0.00%)
Domestic Bond (99.51%)
Foreign Bond (0.00%)
Preferred Bond (0.00%)
Convertible Bond (0.00%)
Other (0.00%)

### Portfolio Statistics

Average Eff. Duration	6.28
Average Credit Quality	AAA

### Portfolio Data

Ticker	FUAMX
Prospectus Objective	Government Bond - Treasury
Morningstar Category	Intermediate Government
Net Assets \$MM	\$1,976
Turnover Ratio	43%
Total Number of Holdings	55
Average Mkt Cap \$MM	-
Manager Name	Brandon Bettencourt
Manager Tenure (yrs.)	4.59
Mstar Rating	4

Bond Credit Analysis	Fund	Category
AAA	100.00	94.34
AA	0.00	4.30
A	0.00	0.40
BBB	0.00	0.26
BB	0.00	0.04
B	0.00	0.04
Below B	0.00	0.03
Not Rated	0.00	0.60



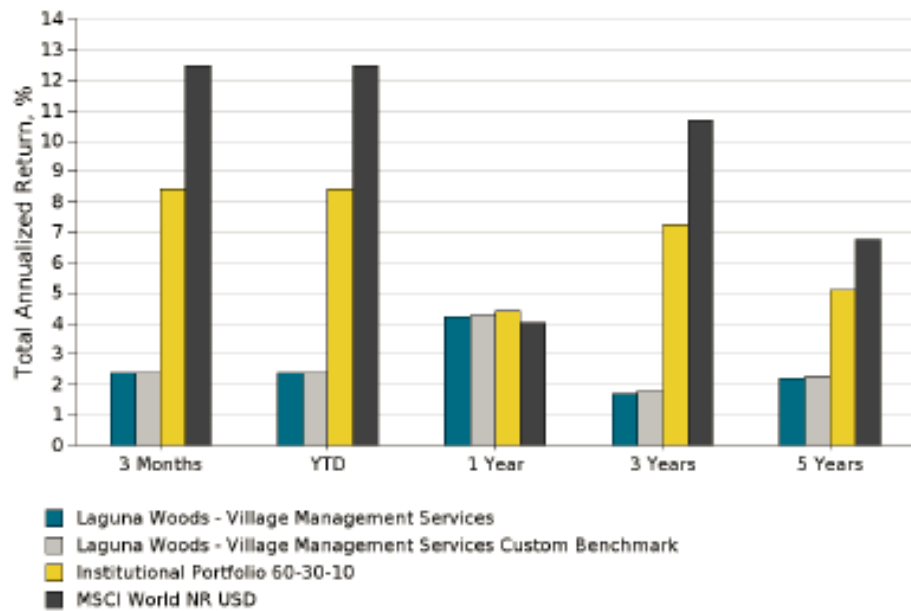
# Rigorous Portfolio Benchmarking

## Portfolio Return vs. Custom Benchmark

As of 03/31/2019

Performance As Of March 31, 2019	3 Month	YTD	1 Year	3 Year	5 Year	Std Dev 5 Yr	Prospectus Exp Ratio
Laguna Woods - Village Management Services	2.38	2.38	4.23	1.69	2.19	2.02	0.05
Laguna Woods - Village Management Services Custom Benchmark	2.37	2.37	4.26	1.78	2.26	1.97	NA
Laguna Woods - Village Management Services Custom Category Averages Benchmark	2.06	2.06	3.27	1.45	1.69	1.95	0.73
Institutional Portfolio 60-30-10	8.43	8.43	4.42	7.26	5.10	6.59	NA
MSCI World NR USD	12.48	12.48	4.01	10.68	6.78	10.98	NA

<sup>1</sup>Industry Average Exp Ratio 1.04%. Based on plan assets \$10Mll - \$24.9Mll



Benchmark	Weight
BBgBarc Treasury 1-5 Yr TR USD	30.00%
BBgBarc US MBS Float Adjusted TR USD	25.00%
BBgBarc USD Corp Bd 1-5 Yr TR USD	15.00%
BBgBarc US Credit Corp 5-10 Yr TR USD	15.00%
BarCap US Treasury 5-10 Yr TR USD	10.00%
ICE BofAML US 3M Trsy Bill TR USD	5.00%

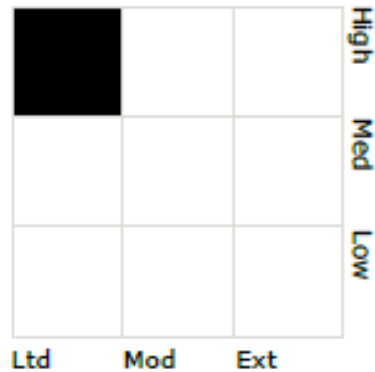


# Detailed Portfolio Level Analytics

## Fixed Income Style Box

Morningstar Fixed Income Style

Box™



## Fixed-Income Stats

Average Eff Duration	3.9
Average Eff Maturity	6.0
Average Coupon	3.0
Average Price	-

## Fixed Income Sectors



## Maturity Breakdown

1-3 Yr %	27.44
3-5 Yr %	19.47
5-7 Yr %	13.50
7-10 Yr %	13.50
10-15 Yr %	2.81
15-20 Yr %	1.30
20-30 Yr %	20.39
30+ Yr %	0.91

	%
• Government	40.4
• Municipal	0.0
• Corporate	29.4
• Securitized	24.7
• Cash & Equivalents	5.5
• Derivative	0.0
<b>Total</b>	<b>100.0</b>





# Considerations for Adding Equities: Higher Returns

## Asset Class Returns

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	2004 - 2018	
																Ann.	Vol.
REITs 31.6%	EM Equity 34.5%	REITs 35.1%	EM Equity 39.8%	Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	REITs 17.2%	REITs 8.5%	REITs 22.4%
EM Equity 25.0%	Comdty. 21.4%	EM Equity 32.6%	Comdty. 16.2%	Cash 1.8%	High Yield 39.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 23.6%	Fixed Income 8.0%	Small Cap 14.6%	EM Equity 8.3%	EM Equity 22.1%
DM Equity 20.7%	DM Equity 14.0%	DM Equity 26.9%	DM Equity 11.6%	Asset Alloc. 25.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 19.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Large Cap 13.6%	Large Cap 7.8%	Small Cap 18.6%
Small Cap 18.3%	REITs 12.2%	Small Cap 18.4%	Asset Alloc. 7.1%	High Yield -26.9%	REITs 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.5%	High Yield -4.1%	DM Equity 10.1%	Small Cap 7.3%	Comdty. 18.6%
High Yield 13.2%	Asset Alloc. 8.1%	Large Cap 15.8%	Fixed Income 7.0%	Small Cap -33.8%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	EM Equity 10.0%	High Yield 7.3%	DM Equity 17.6%
Asset Alloc. 12.8%	Large Cap 4.9%	Asset Alloc. 15.3%	Large Cap 3.3%	Comdty. -33.6%	Large Cap 25.3%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -3.8%	Asset Alloc. 9.1%	Asset Alloc. 6.2%	Large Cap 14.5%
Large Cap 10.9%	Small Cap 4.6%	High Yield 13.7%	Cash 4.8%	Large Cap -37.0%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.6%	High Yield 6.3%	DM Equity 5.2%	High Yield 11.0%
Comdty. 9.1%	High Yield 3.6%	Cash 4.8%	High Yield 3.2%	REITs -37.7%	Comdty. 18.3%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Comdty. 6.3%	Fixed Income 3.9%	Asset Alloc. 10.3%
Fixed Income 4.3%	Cash 3.0%	Fixed Income 4.3%	Small Cap -1.6%	DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Fixed Income 2.9%	Cash 1.3%	Fixed Income 3.3%
Cash 1.2%	Fixed Income 2.4%	Comdty. 2.1%	REITs -13.7%	EM Equity -33.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.3%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 0.6%	Comdty. -2.3%	Cash 0.8%

Source: Barclays, Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.



# Considerations for Adding Equities: Correlation Benefits

	U.S. Large Cap	EAFE	EME	Bonds	Corp. HY	Munis	Currency.	EMD	Cmdty.	REITs	Hedge funds	Private equity	Ann. Volatility
U.S. Large Cap	1.00	0.87	0.76	-0.16	0.72	-0.07	-0.46	0.54	0.56	0.73	0.88	0.77	14%
EAFE		1.00	0.92	-0.05	0.81	0.03	-0.66	0.70	0.58	0.68	0.89	0.80	17%
EME			1.00	0.09	0.86	0.08	-0.72	0.82	0.63	0.67	0.81	0.74	20%
Bonds				1.00	0.21	0.88	-0.16	0.53	-0.02	0.32	-0.10	-0.27	3%
Corp. HY					1.00	0.15	-0.57	0.84	0.63	0.80	0.76	0.57	10%
Munis						1.00	-0.19	0.53	-0.12	0.36	-0.07	-0.21	4%
Currencies							1.00	-0.65	-0.56	-0.39	-0.44	-0.62	7%
EMD								1.00	0.51	0.71	0.59	0.42	7%
Commodities									1.00	0.41	0.61	0.65	15%
REITs										1.00	0.68	0.48	18%
Hedge funds											1.00	0.78	5%
Private equity												1.00	10%

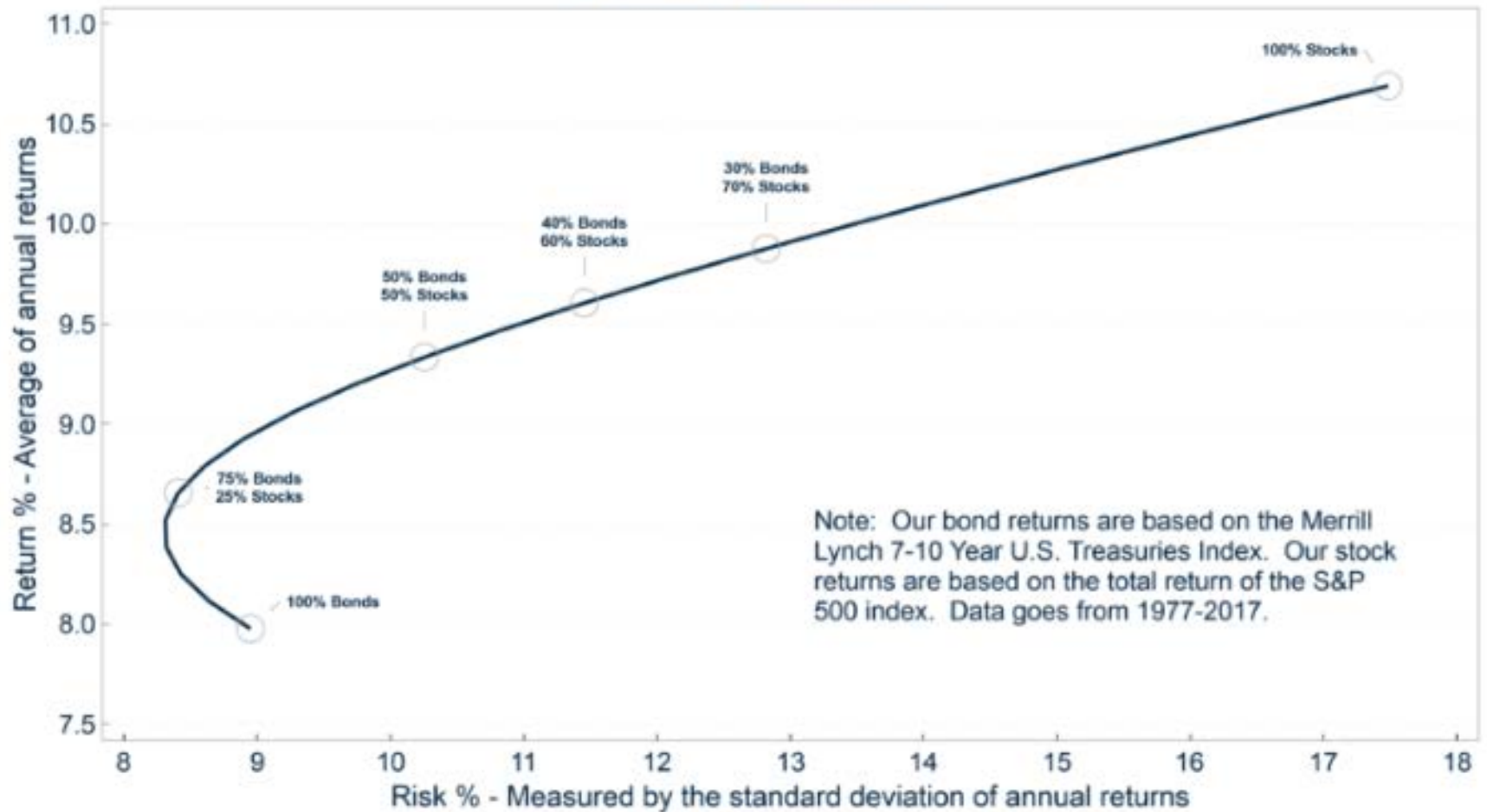
Source: Barclays Inc., Bloomberg, Cambridge Associates, Credit Suisse/Tremont, FactSet, Federal Reserve, MSCI, Standard & Poor's, J.P. Morgan Asset Management.





# Considerations for Adding Equities: Efficient Frontier

## An Efficient Frontier The Power of Diversification



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## Considerations for Adding Equities: Higher Risk Adjusted Returns

- By adding a small equity allocation, it is possible to modestly increase a portfolio's expected return profile while keeping overall portfolio risk and volatility measures largely unchanged.
- Sharpe Ratios, a measure of risk-adjusted returns, tend to improve due to the negative correlation and positive diversification benefits between stocks and bonds.



3

LET'S WORK  
TOGETHER





# Services and Pricing

SageView is proposing its fiduciary investment management services for VMS, covering three distinct fixed income portfolios

- Golden Rain Foundation of Laguna Woods
- United Laguna Woods Mutual
- Third Laguna Hills Mutual

**FIDUCIARY Investment Management Fees**  
**\$35,000 for all three portfolios using funds (0.07% of assets)**  
**or**  
**0.20% of assets for directly and actively managed bond portfolio**  
**(i.e. no funds)**

## SERVICE SUMMARY

- Investment Management Services for three fixed income portfolios
- On-going Investment Selection and Monitoring
- Investment Policy Statement ( IPS) establishment and monitoring
- Two onsite portfolio reviews per year
- Meeting Minutes
- Fiduciary Vault for Portfolio Documentation Storage



THANK YOU



[www.sageviewadvisory.com](http://www.sageviewadvisory.com)

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*Agenda Item # 11j*  
Page 25 of 26

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## **RESOLUTION 03-19-XX**

### **Deny an Off Schedule Trimming of Six Peppermint Trees – 3250-O**

**WHEREAS**, September 20, 2011, that the Board of Directors adopted Resolution 03-11-149, Tree Removal Guidelines:

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

**WHEREAS**, on July 8, 2019, the Landscape Committee reviewed a request for off-schedule trimming of six Peppermint trees. The request was received from the Member at 3250-O who cited the reasons as overgrown and view obstruction;

**WHEREAS**, the Committee recommended denying the request for off schedule trimming of six Peppermint trees located at 3250-O San Amadeo based on no noticeable trunk damage, pest or disease, no surface rooting, and well-balanced canopies; and,

**WHEREAS**, on July 16, 2019, the Board of Directed reviewed this resolution and tabled it for further review.

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, the Board of Directors hereby denies the off schedule trimming of six Peppermint trees located at 3250-O, 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 03-19-XX**

### **Deny the Request for Removal of of One Southern Magnolia Tree**

**WHEREAS**, September 20, 2011, that the Board of Directors adopted Resolution 03-11-149, Tree Removal Guidelines:

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

**WHEREAS**, on August 1, 2019, the Landscape Committee reviewed a request for a tree removal of one Southern Magnolia tree. The request was received from the Member at 3513-A, who cited the reasons as overgrown, litter, and debris;

**WHEREAS**, the Committee recommended denying the request for the removal of one Southern Magnolia Tree located at 3513-A Bahia Blanca West based on the tree removal guidelines for not removing a tree based on litter or debris;

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, the Board of Directors denies the request for the removal of one Southern Magnolia Tree located at 3513-A, 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 03-19-XX**

### **Review the Removal or Off Schedule Trimming Request of Four Indian Laurel Fig Trees**

**WHEREAS**, September 20, 2011, that the Board of Directors adopted Resolution 03-11-149, Tree Removal Guidelines:

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

**WHEREAS**, on August 1, 2019, the Landscape Committee reviewed a request for a tree removal or off schedule trimming of four Indian Laurel Fig trees. The request was received from the Member at 2379-B, who cited the reasons as litter, debris, and a slip and fall hazard;

**WHEREAS**, the Committee recommended approving the request for the off schedule trimming of four Indian Laurel Fig trees located at 2379-B Via Mariposa West based on the amount of litter from the trees;

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, based upon Resolution 03-11-149 which states trees should not be removed merely because they are messy, the Board of Directors hereby denies the off schedule trimming of four Indian Laurel Fig trees located at 2379-B, and;

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

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## STAFF REPORT

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**DATE:** August 20, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Prohibition of Fruit Trees and Vegetable Planting

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### **RECOMMENDATION**

Approve a resolution prohibiting the planting of fruit trees and vegetable planting, and authorizing the removal of unmaintained fruit trees.

### **BACKGROUND**

Resolution 03-11-30 (Attachment 1), revised on March 15, 2011, permits the planting of fruit trees, with limitations, in Common Area. The resolution sets forth qualifications for fruit trees and their maintenance. The resolution contains a reference to the discontinued Yellow Stake program.

Resolution M3-84-122 (Attachment 2), revised in 1984, prohibited the growing of vegetables in the Common Area.

On August 1, 2019, the Landscape Committee approved the proposed resolution and is recommending approval by the Board.

### **DISCUSSION**

There are currently more than 7,000 fruit trees within the Village. These fruit trees were either planted by Members or by Staff as a chargeable service. The resolution that was adopted in 2011, permitted only dwarf type fruit trees, however these can grow to well over 12 feet tall and produce almost as much fruit as the full size variety.

Fruit trees and vegetable gardens are highly attractive to rodents as a convenient and consistent source of food. Resolution M3-84-122 prohibited the growing of vegetables in the Common Area and authorized Staff to remove any plant that is discovered. The reasoning in the existing resolution prohibits planting due to chemical spraying. The proposed resolution would prohibit planting in an effort to reduce rodent populations.

Rodent control experts agree that the most effective methods to reduce rodent populations is to remove their food sources. Since 2012, the Mutuals have experienced a 110% increase in calls and complaints regarding issues with rodents; 953 calls in 2012, to almost 2,000 in 2018 (Appendix 1).

Staff recommends approving a resolution prohibiting all new plantings of fruit trees and vegetables in Common Area (Attachment 3). The proposed resolution authorizes staff to remove any unmaintained existing fruit trees. Additionally, Staff recommends revising the resale policy to include removal of fruit trees in Common Area at resale. Landscaping Staff will work with the Marketing and Communications Division to initiate communications to the real estate community to inform them of the change in policy.

### **FINANCIAL ANALYSIS**

There is no financial impact expected at this time; there is potential for future savings to the Pest Control work center.

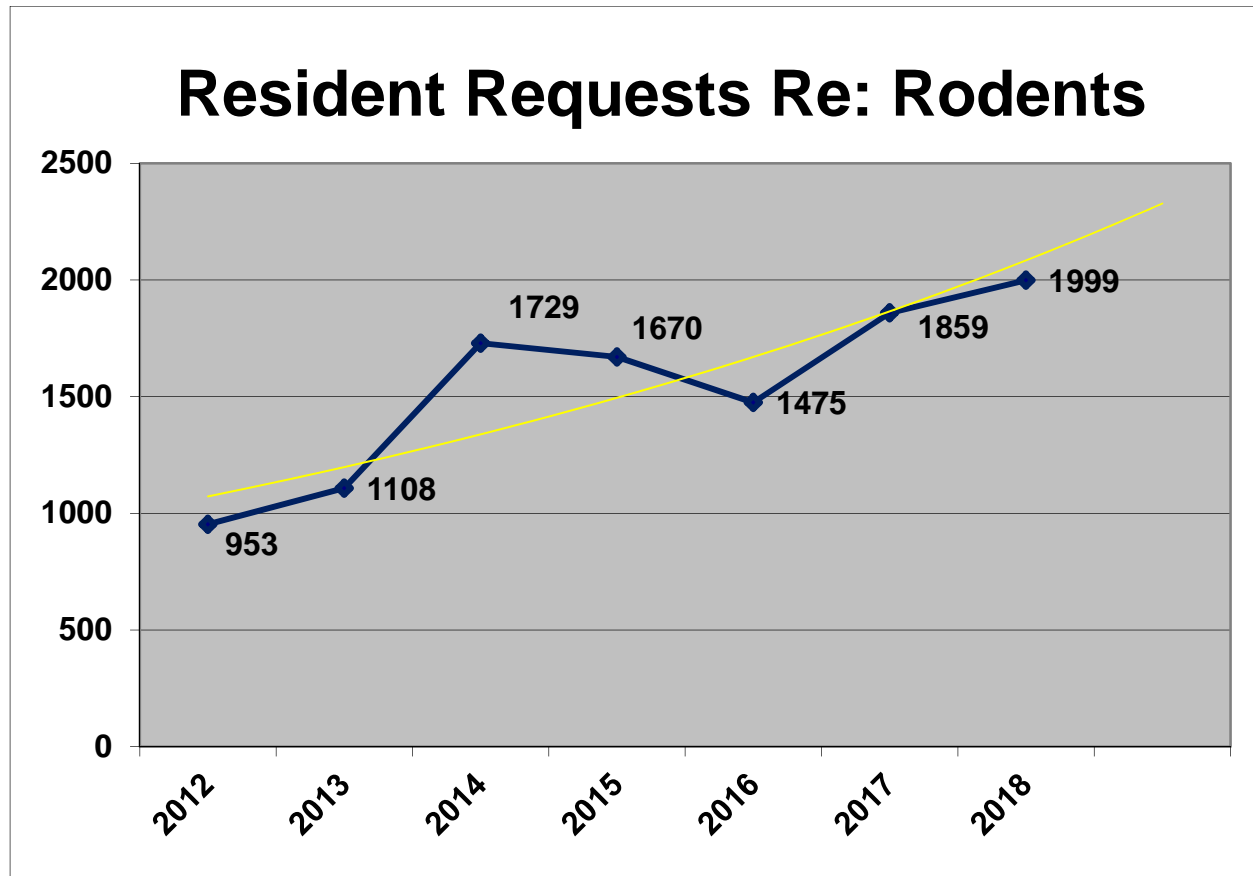
**Prepared By:** Kurt Wiemann, Senior Field Services Manager

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

### **ATTACHMENT(S)**

Appendix 1:	Rodent Call Chart
Attachment 1:	Resolution 03-11-30 (existing)
Attachment 2:	Resolution M3-84-122 (existing)
Attachment 3:	Resolution 03-19-XXX (proposed)

Appendix 1



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**ATTACHMENT 1**

(EXISTING RESOLUTION)

**RESOLUTION 03-11-30**  
**Planting of Fruit Trees on Common Area**  
Revised March 2011

**RESOLVED**, March 15, 2011, that the planting of fruit trees in common areas managed by this Corporation shall be permitted under the following conditions:

1. Any fruit tree henceforth planted in a common area must be of the dwarf variety;
2. Any dwarf fruit tree planted must be planted either within the courtyard or directly adjacent to the manor or patio slab;
3. Any fruit tree presently planted in the common area must be marked by the installing resident, or his or her successor, with a yellow stake and fully maintained in a manner acceptable to the corporation; the same procedure shall apply to all dwarf fruit trees planted pursuant to this resolution;

**RESOLVED FURTHER**, that the managing agent is hereby authorized to remove any fruit tree located in a common area owned by this Corporation if the previously stated conditions are not met and the compliance process has been followed; and

**RESOLVED FURTHER**, that this resolution shall become in full force and effect on March 15, 2011; and

**RESOLVED FURTHER**, that the Resolution M3-84-121 adopted on September 18, 1984, 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 as written.

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**ATTACHMENT 2**

(EXISTING RESOLUTION)

**RESOLUTION M3-84-122**

**Vegetable Plantings**

Revised November 15, 1984

**WHEREAS**, certain chemical sprays used by the Landscaping Division of the managing agent could cause harm to human health if wind drift should cause such sprays to reach items intended for human consumption; and

**WHEREAS**, two garden centers have been provided by the Golden Rain Foundation of Laguna Hills for the purpose of providing a place for residents to grow tomatoes, or other vegetables, and other crops;

**NOW THEREFORE BE IT RESOLVED**, that the planting and growing of tomatoes, or other vegetables in the common areas managed by this corporation is prohibited;

**RESOLVED FURTHER**, that the managing agent is hereby authorized and directed to remove any tomatoes or other vegetables found planted in a common area of this corporation;

**RESOLVED FURTHER**, that this resolution shall become in full force and effect on November 15, 1984; and

**RESOLVED FURTHER**, that resolution No. 810 adopted on October 28, 1977, is hereby cancelled.

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**ATTACHMENT 3**

**(PROPOSED RESOLUTION)**

**RESOLUTION 03-19-XXX  
Fruit Tree and Vegetables Policy**

**WHEREAS**, fruit trees in the Common Area were planted by or at the request of Members as part of the discontinued “Yellow Stake” program;

**WHEREAS**, fruit trees are not maintained or trimmed by the Mutual and are the responsibility of the Member to maintain;

**WHEREAS**, the maintenance of fruit trees is passed on to new Members with the purchase of the residence;

**WHEREAS**, fruit trees and vegetable gardens are a known attractant and food source for wildlife and rodents, and unmaintained fruit trees exacerbate the problem and;

**WHEREAS**, two Garden Centers have been provided by the Golden Rain Foundation for the purpose of providing a place for residents to grow tomatoes or other crops.

**WHEREAS**, there has been a consistent increase in rodent activity over the past six years.

**NOW THEREFORE BE IT RESOLVED**, on August 20, 2019, that the Board of Directors of this Corporation hereby prohibits the planting of any fruit trees in Common Area and requires Members to maintain existing fruit trees on Common Area and in Exclusive Use Common Areas;

**RESOLVED FURTHER**, the planting of vegetables in Common Area is prohibited;

**RESOLVED FURTHER**, to maintain the health and safety of the Members, fruit trees found to be unmaintained will be removed, with notice, by the Mutual.;

**RESOLVED FURTHER**, existing fruit trees in Common Area are to be removed in the resale process;

**RESOLVED FURTHER**, Resolution 03-11-30, revised March 15, 2011, and Resolution M3-84-122, revised November 15, 1984, are hereby superseded in their entirety and no longer in effect;

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

**AUGUST Initial Notification**

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

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## STAFF REPORT

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**DATE:** August 20, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Co-occupancy Policy

---

### **RECOMMENDATION**

Approve Co-occupancy Policy.

### **BACKGROUND**

Third Laguna Hills Mutual (Third) Bylaws and Covenants, Conditions and Restrictions (CC&Rs) recognize three general classifications of occupants: 1) Member(s) (Qualifying Residents); 2) Non-Member Co-Occupants residing with a Member, and 3) Lessees. Policy has documented membership approval and lease authorization approval. In order to provide clarity with respect to allowable co-occupancy in Third, a Co-occupancy Policy has been developed.

Co-occupants, by definition, do not have a formal lease agreement with the Qualifying Resident, do not regularly pay a set sum of money for the use of a portion(s) of the Unit, and reside with the Member, both of whom regard the Unit to be their principal residence and having equal responsibility to uphold Third's governing documents.

Third's CC&Rs authorize the Board of Directors to establish income requirements for co-occupants, individually or collectively – such that average monthly income exceeds average monthly housing expenses. If the person(s) seeking to co-occupy are unable to satisfy the required average monthly income level, another financially responsible person (Guarantor) may enter into a contract with the Mutual. The Board is further authorized by the CC&Rs to adjust the average income level from time to time.

The Resident Policy and Compliance Task Force studied select issues that consume a great amount of Director and Staff time. One such issue relates to an increasing number of individuals aging in place on a fixed income who resort to inviting others to reside in their home without obtaining Board permission to do so. The Board seeks to induce such undocumented occupants, for a one-time finite period, to submit co-occupancy applications and become registered with Third and the Golden Rain Foundation.

### **DISCUSSION**

Third has a responsibility to know who is residing in the Mutual. Anecdotal instances of unauthorized occupancy result in disciplinary hearings. In addition to educating Members regarding co-occupancy and requiring the submission of a specialized application along with current financial documentation, Third proposes to identify a Staff person who specializes in the review and processing of co-occupancy applications. Using a checklist, the subject matter

expert will make herself/himself available to walk individuals through the co-occupancy application process.

By way of a co-occupancy policy, the Board anticipates a reduction in the number of unauthorized occupants, a reduction in the number of disciplinary hearings triggered by unauthorized occupants, and the increased residential longevity of aging members who find their fixed incomes are insufficient to sustain themselves, alone, in their homes.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Pamela Bashline, Community Services Manager

**Reviewed By:** Blessilda Wright, Compliance Supervisor  
Siobhan Foster, COO

### **ATTACHMENT(S)**

ATT 1 – Co-occupancy Policy  
ATT 2 – Endorsement  
ATT 3 – Resolution

## **ENDORSEMENT (to Board)**

### **Discuss & Consider Co-occupancy Policy**

Third Laguna Hills Mutual (Third) Bylaws and CC&Rs recognize three general classifications of occupants: 1) Members (Qualifying Residents); 2) non-member co-occupants residing with a Member and 3) lessees. Policy has documented membership approval and lease authorization approval. In order to provide clarity with respect to allowable co-occupancy in Third, a Co-occupancy Policy has been developed.

Co-occupants, by definition, do not have a formal lease agreement with the Qualifying Resident, do not regularly pay a set sum of money for the use of a portion(s) of the unit, and resides with the Member, both of whom regard the unit to be their principal residence and having equal responsibility to uphold Third's governing documents.

Third Covenants, Conditions and Restrictions (CC&Rs) authorize the Board of Directors to establish income requirements for co-occupants, individually or collectively – such that average monthly income exceeds average monthly housing expenses. If the person(s) seeking to co-occupy are unable to satisfy the required average monthly income level, another financially responsible person (Guarantor) may enter into a contract with the Mutual. The Board is further authorized by the CC&Rs to adjust the average income level from time to time.

The Resident Policy and Compliance Task Force studied select issues that consume a great amount of Director and staff time. One such issue relates to an increasing number of individuals aging in place on a fixed income who resort to inviting others to reside in their home without obtaining Board permission to do so. The Board seeks to induce such undocumented occupants, for a one-time finite period, to submit co-occupancy applications and become registered with Third and the Golden Rain Foundation.

On July 24, 2019, the Resident Policy and Compliance Task Force reviewed and discussed the Co-occupancy Policy. Chair Bruninghaus stated the Co-Occupancy Policy would provide guidelines for Members who wish to have a co-occupant for various reasons. The Task Force sent the policy to legal for review.

Director Karimi made a motion to approve the Co-Occupancy Policy. Director Parsons seconded the motion.

By unanimous vote, the motion carried

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**Co-Occupancy Policy**  
**Resolution 03-19-XX; Adopted September 17, 2019**

**I. Purpose**

The purpose of this document is to define the policy of Third Laguna Hills Mutual (Third) regarding Members who seek approval from Third for an individual to be a Co-occupant of the Member's Unit. This Policy shall apply for occupancy by a resident with a Member, not to occupancy of the Member's Unit by a lessee/tenant, which is governed by and subject to provisions of Third's governing documents relating to leasing, including without limitation, the Lease Policy.

**II. Definitions**

- a. Application – the form prescribed by Third to apply for approval to Co-occupy the Unit (Exhibit A).
- b. Approval – written authorization to Co-occupy the Unit granted by Third or authorized VMS Staff Member(s).
- c. Assessment – the monthly amount which Members are bound to pay pursuant to the terms of the Bylaws and CC&Rs. Also known as carrying charges.
- d. Charge – a fee, fine, and/or monetary penalty that Third may levy upon a Member(s) pursuant to the Governing Documents.
- e. Co-habitants – persons who live together as spouses or persons who are domestic partners within the meaning of Section 297 of the California Family Code.
- f. Community – Laguna Woods Village.
- g. Co-occupant – a person who resides with a Qualifying Resident and who satisfies at least one of the following criteria and shall provide such additional certification or information as the Corporation or its managing agent may require:
  - i. At least forty-five (45) years of age; or
  - ii. A spouse of a Qualifying Resident; or
  - iii. A co-habitant of a Qualifying Resident, or
  - iv. A provider of primary economic support to a Qualifying Resident; or
  - v. A provider of primary physical support to a Qualifying Resident. (refer to the Private Caregiver Policy)

- vi. A permanently physically or mentally impaired or terminally ill adult who is a dependent child of the Qualifying Resident or Co-Occupant
- h. Golden Rain Foundation (GRF) – the Golden Rain Foundation of Laguna Hills, a California nonprofit mutual benefit corporation.
- i. Governing Documents – the Articles of Incorporation and Bylaws of Third, the recorded Covenants, Conditions, and Restrictions (CC&R's) applicable to any Unit, the Rules and Regulations, and any Resolutions or Policies of the Board, as the same may be lawfully amended or modified from time to time.
- j. Guarantor – Person(s) accepting financial responsibility for an occupant residing in Third. Each guarantor shall enter into an agreement with Third to become financially responsible, jointly and severally, for all expenses associated with the applicant's residency.
- k. Identification (ID) Card – photo ID card issued by GRF to Members, Co-occupants, and Lessees of the Community authorizing use and access to the Community Facilities.
- l. Landlord and Tenant Relationship – for purposes of this document, shall mean a formally executed written agreement between the Owner and a Co-occupant, authorizing the Co-occupant to occupy space in the Manor for a specified dollar amount of periodic payment to the Owner.
- m. Member – Any person entitled to membership in Third as provided in the Articles and By-laws.
- n. Qualifying Resident – any person who is at least 55 years of age and who has been approved by the Board of Directors for occupancy of a Unit.
- o. Staff Member – individual employed by Village Management Services, Inc. (VMS), authorized agent to act on behalf of Third.
- p. Third – the corporate homeowners association that was formed in 1970 and by 1984 had acquired the assets and liabilities by vote of each of the 59 individual mutuals within the larger Leisure World (now Laguna Woods Village), a common interest development, with full authority to “manage, operate, and maintain” them
- q. Unit – a dwelling unit owned by the Member. Also known as a Manor.

- r. Vehicle Decal – identifying marker, supplied by GRF, to residents; a decal is required for parking within the Community other than by guests or contractors.

### **III. Fees**

See Schedule of Fees.

### **IV. Terms and Conditions**

#### **a. General Information**

- i. Third is an independent-lifestyle and age-restricted senior citizen community, as defined by California Civil Code §51.3. No form of healthcare or assisted living is provided by Third. Each resident is responsible for his/her own health, safety, care and welfare.
- ii. Authorization for Co-occupancy shall be effective only when approved in writing by Third and issued in writing by an authorized VMS Staff Member of Third.
- iii. An Application to reside in a Unit shall be made on the form prescribed by Third (Exhibit A). Any changes in such form shall not be deemed a change in this Co-Occupancy Policy which requires notice to the Member(s) of Third.
- iv. Approval of the Co-occupancy Application by Third, in and of itself, does not confer any right on the Co-occupant other than the revocable right to occupy the Unit named on the Application.
- v. Third shall, to the extent required by law, provide notice of potential asbestos-containing materials used during construction (Exhibit B) to any approved Co-occupant at the time of approval of a Co-occupancy Application.
- vi. Appearance of the Community is important, and residents, including without limitation Qualifying Residents and approved Co-occupants, are required to keep their balconies, patios, walkways, and carports free of clutter per the Governing Documents.
- vii. The Resident Services Department will notify the Member(s) of the approval or denial status of the application, or of the need for additional information to approve or deny said application, within seven (7) business days of submittal of the complete application.
- viii. Guest occupancy is permitted for a maximum period of sixty (60) days per twelve (12) month period, per guest, solely in conjunction with the occupancy by a Qualifying Resident or Co-occupant. No

guest may occupy a Unit in the absence of a Qualifying Resident or Co-occupant.

- ix. Unless otherwise required by law, the maximum number of persons allowed to occupy a Unit is equal to the number of original construction bedrooms plus one: no more than two persons in a one bedroom Unit; no more than three persons in a two bedroom Unit; no more than four persons in a three bedroom Unit. There is an additional monthly GRF fee for each person in excess of two occupying a Unit.
- x. Third and Member(s) have the right to terminate Co-Occupant status at any time, without cause. Subject to any restriction or limitation on such right provided by law, including without limitation Civil Code § 51.3.
- xi. Members seeking an individual to share expenses and/or mutual companionship must complete a Co-Occupancy application for review and consideration by Third. A Co-occupant may not be in a landlord-tenant relationship with or a lessee of a Member, and a Lease Authorization for such co-occupancy will be rejected in accordance with Third's Lease Policy.
- xii. Advertisements by Members for prospective Co-occupants in any print media and/or any websites must state the following:
  - 1. Laguna Woods Village is a 55 and older Community
  - 2. Duration of stay must be longer than 60 days
  - 3. Must apply for and receive Approval for Co-occupancy in Third
  - 4. Co-occupant will be bound by and subject to the provisions of Third's governing documents.

b. Occupancy

- i. Co-occupant(s) shall be entitled to occupy only the Unit indicated on the Co-occupancy Application.
- ii. The Member(s) and Co-occupant cannot have a Landlord-Tenant relationship. Landlord-Tenant occupancy at Third is governed by Third's Lease Policy, which prohibits leasing of less than the entirety of a Unit and room rentals.
- iii. Both Co-occupant(s) and Member(s) must reside in the Unit; the Board reserves the right to require proof of residency of any Member or Co-occupant who has received Approval for Co-Occupancy.

- iv. Individuals may reside in the Unit as a Co-occupant only if they co-occupy with the Member(s) who is/are in residence, and meet the requirements of a Co-Occupant as described in the governing documents, including without limitation this Co-Occupancy Policy.
- v. Approved Co-occupant(s) will receive a Resident ID and may use the facilities and receive the services made available by GRF, unless such privileges have been revoked against the Member with whom the Co-occupant(s) resides. The facilities and services may be modified or discontinued by GRF at any time.
- vi. Member shall at all times be responsible for the conduct and deportment of the Co-occupant, and subject to disciplinary and/or enforcement action in accordance with Third's enforcement policies and procedures due to violations of the Governing Documents by a Co-occupant.
- vii. Co-occupant shall be subject to the same rules, regulations, and restrictions of the Governing Documents that apply to Members, except with respect to payment of carrying charges. If at any point in time Co-occupant becomes the legal or equitable owner of the Membership, Co-occupant must apply for Membership in Third in the form generally used by Third and pay all amounts required pursuant to the Membership application.
- viii. Member(s) and Co-occupant(s) shall be equally responsible for payment of any charges incurred by Co-occupant(s) in respect to service provided by GRF or Third that is not included within the Assessments paid by Member(s).
- ix. As a condition of any Co-occupant Approval, Member(s) agrees to pay to Third an additional fee each month for each Co-occupant in excess of two at the rate prescribed by Third, which may change from time to time.
- x. Member(s) shall be responsible for cancelling the Co-occupancy status and returning Co-occupant's ID Card and Vehicle Decal when Co-occupant ceases to reside in the Unit. Use by the Member of a Co-occupant ID Card and/or Vehicle Decal after the termination of residency by the Co-occupant shall be a violation of this Policy and subject to disciplinary action by Third.
- xi. Co-occupant shall not have been convicted of a felony within the last 20 years or a misdemeanor involving moral turpitude within five

years immediately preceding the date of application. Approval granted due to false or misleading information on a Co-Occupancy Application shall be subject to immediate revocation by Third of the Co-occupant's residency and disciplinary action against the Member in accordance with Third's enforcement policies and procedures.

**V. Procedure**

- a. The Member(s) must complete and submit the Co-Occupancy Application for Board review and receive Approval prior to the occupancy of his/her Unit by a Co-occupant. The Application is available for download at [www.lagunawoodsvillage.com](http://www.lagunawoodsvillage.com) or upon request from the Resident Services Department.
- b. The Board or authorized VMS Staff Member(s) will review the Application and approve or deny the request in writing, or, as may be applicable, request additional information necessary to process the Application.
- c. Upon receipt of an Application, the Resident Services Department will research if the Member(s) has/have received notices of rules violations or is subject to any outstanding Charges or Assessments before approval of the application. A Co-occupancy application will not be approved if the Member has any outstanding Charges or Assessments.
- d. The Resident Services Department will notify the Member(s) of the results within seven business days, unless it notifies the Member(s) that it requires additional time to review and/or requests additional information from the Member(s) while conducting its review.
- e. The Resident Services Department hours of operation are Monday-Friday, federal holidays excepted, 8:00 A.M. to 5:00 P.M., phone number (949) 597-4323. Mailing address is P.O. Box 2220, Laguna Hills, CA 92654-2220.

## **VI. Enforcement**

Third is authorized to take disciplinary action against a Member(s) whose Unit may be found in violation of the Governing Documents. When a complaint is lodged regarding the occurrence of a violation, the Board of Directors has a fiduciary duty to investigate said violation(s) and impose, if appropriate, disciplinary measures as set forth in the Governing Documents.

In accordance with its enforcement and disciplinary powers pursuant to the Governing Documents, the Board has the authority to, without limitation, impose monetary fines, suspend Member(s) privileges, and/or bring forth legal action against a Member whose Unit is found to be in violation. The Member(s) are entirely responsible for ensuring that the Governing Documents and all Community rules and policies are followed by anyone they allow into the Community. This includes, without limitation, any Co-occupant, Lessee, Guest, Care Provider, Vendor, invitee or contractor. Any disciplinary action, restriction or revocation of a Member's privileges applies to the Member's Co-occupant(s) and any guest or invitee of either the Member or Co-occupant.

The Member(s) and Co-occupant(s) must read and agree to comply with and be bound by all the Governing Documents and the Community Rules.

Nothing contained herein shall relieve Member(s) of the performance of any obligation owed to Third and/or GRF under the Governing Documents.

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

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## **RESOLUTION 03-19-XX**

### **Co-Occupancy Policy**

**WHEREAS**, the Board of Directors (the “Board”) of Third Laguna Hills Mutual (“Third”) held a meeting on September 17, 2019, at which a quorum of the Board was present;

**WHEREAS**, Third is an independent-lifestyle and age-restricted senior citizen community, as defined by California Civil Code §51.3; no form of healthcare or assisted living is provided by Third; and each resident is responsible for his/her own health, safety, care and welfare;

**WHEREAS**, authorization for co-occupancy of any manor by a Member is effective only when approved in writing by Third and issued in writing by an authorized VMS staff member(s);

**WHEREAS**, Third and Member(s) have the right to terminate the Co-Occupant status of an approved Co-Occupant of the Member’s manor at any time, without cause; however, Civil Code §51.3 may be interpreted to inhibit this right of termination under certain circumstances;

**WHEREAS**, in order to be approved for co-occupancy, the Member(s) and Co-occupant cannot have a landlord-tenant relationship during the duration of the Co-occupancy;

**WHEREAS**, pursuant to any co-occupancy approved by Third, both Member(s) and Co-occupant will reside in the Unit, and when necessary, the Board reserves the right to require proof of residency;

**WHEREAS**, in accordance with Third’s governing documents, including without limitation, Declarations of Covenants, Conditions, and Restrictions, Bylaws and Operating Rules (collectively, the “Governing Documents”), Member(s) shall be responsible for the conduct and deportment of the Co-occupant of Member’s manor;

**WHEREAS**, Third is authorized to take disciplinary action against a Member(s) whose dwelling may be found in violation of the Governing Documents. When a complaint is lodged regarding the occurrence of a violation, the Board has a fiduciary duty to investigate and impose disciplinary action or take other enforcement action, as may be appropriate, as set forth in the Governing Documents;

**WHEREAS**, this Co-Occupancy Policy itemizes, consolidates and clarifies the procedures and requirements for authorization of a Co-Occupant to reside in a Member’s manor, including the administrative handling of Co-occupancy applications;

**NOW THEREFORE BE IT RESOLVED**, September 17, 2019, the Board of Directors of Third hereby introduces the Co-Occupancy Policy as attached to the official minutes of this meeting; and

**RESOLVE FURTHER**, that this policy supersedes all existing Co-Occupancy documents and procedures to the extent such documents or procedures contradict the Co-Occupancy Policy, except as required by law, and shall be put into effect immediately; and

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

AUGUST Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.



## STAFF REPORT

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**DATE:** August 20, 2019  
**FOR:** Third Board  
**SUBJECT:** Leasing Policy Amendment  
Require New Lease Application in Lieu of Lease Amendment Form

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### **RECOMMENDATION**

Recommend further revision of the Lease Authorization Policy to require the execution of a new lease authorization application and the cost for same when adding or subtracting individuals during an approved lease term.

### **BACKGROUND**

A Lease Authorization Policy was adopted on June 20, 2017 and subsequently amended December 19, 2017 and May 21, 2019. Lease Policy clarifications enumerated and adopted, among others, by Resolution 03-19-51, eliminated the Lease Amendment form. The form permitted individuals to be added or subtracted as lessees during the approved lease term, frequently disguising unapproved room rentals or subleases.

Within days of Resolution 03-19-51 becoming effective, multiple lessors and lessees offered to execute a new lease application maintaining their status quo: unit leased, rental income intact, tenancy not disrupted, and elimination of potential eviction proceedings, financial hardships and/or necessary cosmetic maintenance and repairs to the unit. Staff recommends documentation of the Board's position with respect to adding or subtracting individuals during the approved lease term.

### **DISCUSSION**

The burden of executing a new lease authorization form and the cost for same to add or subtract individuals during an approved lease term may deter some of this activity. Since the corporation seeks long term residency rather than short term tenancies, multiple lease authorizations at a particular unit will be readily observable by way of this clarification and can be reported to the Compliance department and/or the Board of Directors as appropriate.

Therefore, staff recommends the Lease Authorization Policy be further revised to stipulate that adding or subtracting individuals during the approved lease term shall be accomplished by executing a new lease application for Board review. An exception to policy may be considered by the Board in the event of an individual passing away. However, all other terms and conditions of lease application submittals should remain the same, providing transparency and clarity.

**FINANCIAL ANALYSIS**

None.

**Prepared By:** Pamela Bashline, Community Services Manager

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

**ATTACHMENT(S)**

ATT 1 – Endorsement  
ATT 2 – Lease Policy (relined)  
ATT 3 – Lease Policy (clean)  
ATT 4 – Resolution

## **ENDORSEMENT (to Board)**

### **Discuss & Consider Amendment to the Lease Policy**

A Lease Authorization Policy was adopted on June 20, 2017 and subsequently amended December 19, 2017 and May 21, 2019. Lease Policy clarifications enumerated and adopted, among others, by Resolution 03-19-51, eliminated the Lease Amendment form. The form permitted individuals to be added or subtracted as lessees during the approved lease term, frequently disguising unapproved room rentals or subleases.

Within days of Resolution 03-19-51 becoming effective, multiple lessors and lessees offered to execute a new lease application maintaining their status quo: unit leased, rental income intact, tenancy not disrupted, and elimination of potential eviction proceedings, financial hardships and/or necessary cosmetic maintenance and repairs to the unit. Staff recommends documentation of the Board's position with respect to adding or subtracting individuals during the approved lease term.

On July 24, 2019, the Resident Policy and Compliance Task Force discussed further revisions to the Lease Policy. The amendments require the execution of a new application and the cost for same when adding or subtracting individuals during an approved lease term.

Ms. Bashline presented the proposed Lease Policy. She explained that if a landlord wants to make changes to a lease during the term of the lease, the proposed change to the Lease Policy will require the landlord to write a new lease and apply for a new lease authorization. Doing so makes it easier to track who is living in the unit.

Director Parsons made a motion to approve the proposed changes to the Lease Policy. Director Karimi seconded the motion.

By unanimous vote, the motion carried

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**Lease Policy**  
**Resolution 03-19-51 Adopted May 21, 2019**  
**Revised September XX, 2019, Resolution 03-19-XX**

**I. Purpose**

Third Laguna Hills Mutual (Third) authorizes Members, as defined in the CC&Rs, to lease their Manors. Any lease by a Member automatically transfers the right to use the Community Facilities from the Member to the Lessee (Bylaws Article 3, Section 3.2 and 3.3).

The purpose of this document is to set forth the Lease Policy; this Lease Policy shall be a governing document of Third and shall be enforceable against all Members.

**II. Definitions**

- A. Agent – individual employed by Village Management Services, Inc. (VMS) authorized to act on behalf of Third.
- B. Application – the Lease Authorization form prescribed by Third to apply for approval to lease a Manor (Exhibit C).
- C. Approval – written authorization to lease a Manor in the Community granted by the Third Board or authorized VMS staff member(s).
- D. Assessment – the monthly charge that Third levies against all Members and their Manors and collects monthly pursuant to its Governing Documents.
- E. Charge – fee, fine, and/or monetary penalty that Third and/or GRF may levy upon a Member pursuant to their Governing Documents.
- F. Community – Laguna Woods Village.
- G. Community Rules - the Articles of Incorporation and Bylaws of Third, the recorded Covenants, Conditions, and Restrictions (CC&R's) applicable to any Manor; and any rules and regulations adopted by Third and/or GRF. Any reference to the "Governing Documents" shall, for purposes of this Lease Policy, be deemed a reference to the Community Rules set forth in this definition.
- H. Co-occupant – any person who seeks to reside with a Qualifying Resident who is approved, in advance, in writing, by the Board of Directors for

occupancy and who shall be at least 45 years of age unless such person is the spouse or cohabitant.

- I. Golden Rain Foundation (GRF) – the non-profit mutual benefit corporation organized to manage and maintain the Community Facilities and services for the Community.
- J. Identification (ID) Card – photo ID card issued by GRF to Members, Co-occupants, and Lessees of the Community authorizing use and access to the Community Facilities.
- K. Lease Authorization Office - located in the Resident Services Department in the Community Center which ensures that a Lease Application comports with the Governing Documents.
- L. Lease Authorization Extension - Parties to the lease may request an extension of time at the end of the lease authorization period if the original period is shorter than 12 months, subject to the Board of Director's prior written approval.
- M. Lease Authorization Renewal – Parties to the lease authorization may request a renewal no more than 60 days prior to the end of the 12 month period.
- N. Lessee – individual who leases a Manor from a Member.
- O. Manor – a residential condominium unit in Third.
- P. Member – a person who has been approved by Third as being entitled to membership in Third and has an appurtenant right of membership in GRF.
- Q. Non-Resident Member – a Member who does not personally reside in the Member's Manor.
- R. Non-Resident Member Pass – gate entry pass authorizing a non-resident Member access to the Community for the purpose of inspecting his/her property on an as needed basis. This pass does not authorize use of or access to the Community Facilities during any lease period.
- S. Owner – person or persons, partnership or corporation, and the successors and assigns of each of the foregoing, in whom title to a Manor is vested, as shown by the official records of the office of the County Recorder of Orange County, California.



- T. Qualifying Resident – person who resides in the Manor, is at least 55 years of age and has been approved by the Board of Directors for occupancy in accordance with the provisions of the CC&R's.
- U. Resident – person who has been approved by the Board of Directors for occupancy.
- V. Rush – Application submitted fewer than 10 business days before the lease effective start date.
- W. Village Management Services, Inc. (VMS) – managing agent for Third and GRF.

### III. Fees

Following are the fees associated with this Lease Policy and which may be required by Third (the following fees may be changed at any time by Third and such change(s) shall not constitute a rule change to this Lease Policy which requires notice to the Third Members):

THIRD Fees	
Authorization Processing	\$170.00
Authorization Rush Fee	\$100.00
Authorization Renewal (see Section II, M)	\$110.00
Authorization Extension (see Section II, L)	\$ 70.00

GRF Fees	
* Additional Occupant (For each person in excess of two (monthly), Must be paid in advance for the term of the lease.	\$ 90.00
Non-return of:	
➤ ID Card(s)	\$125.00
➤ Decal(s)	\$125.00
➤ Pass(es)	\$ 25.00

\* General charge due from all residents, whether or not a lease is in place.

#### **IV. Terms and Conditions**

##### **A. General Information**

1. Authorization to Lease (Authorization) shall be effective only when approved in advance in writing by Third and issued in writing by an authorized VMS staff member(s) of Third; the approval of any Lease shall be limited to the term specified herein. The term may not exceed twelve (12) months subject to Article II Section M above. The copy of a pending and fully executed Lease must be provided to Third prior to the Lessee's move-in to the Member's Manor.
2. Renewal of the Authorization to Lease shall require the prior written approval of Third, provided, however, that Third shall not be obligated or have any duty to approve such extension or renewal regardless of a Member or Lessee's circumstances.
3. Third shall, to the extent required by law, provide notice of potential asbestos-containing materials used during construction (Exhibit A). Any changes in the notice in Exhibit A as may be required by law or otherwise shall not be deemed a change to this Lease Policy which requires notice to the Members of Third.
4. Laguna Woods Village is an independent-lifestyle and age-restricted senior citizen housing development (as defined by California Civil Code [§ 51.3](#)). No form of healthcare or assisted living is provided by Third. Each Resident is responsible for his/her own health, safety, care and welfare, subject to the conditions and restrictions regarding care providers from Third Governing Documents and Third's "Care Provider Policy."
5. Appearance of the Community is important, and Residents are required to keep their balconies, patios, walkways, and carports free from clutter, trash and debris per the approved Community Rules and Regulations.
6. Third, GRF and VMS are not parties to the terms of a lease between the Member and Lessee, and will not be involved in resolving any disputes between the Member and Lessee; provided, however that if a Member is in violation of the Community Rules or this Lease Policy, or if a Lessee is violating the Community Rules or this Lease Policy, Third shall have all rights and remedies available to it under the Community Rules and this Lease Policy.
7. The Lease Authorization Office will notify the Member of the Approval/Denial status of the application within ten (10) business days of its written submittal.

A rush fee of one hundred dollars (\$100.00) will be imposed by Third on any Member requests for expedited services prior to the routine ten (10) business days of processing. No representation or warranty is made that Third will be able to complete a Rush Authorization approval request in the Members' requested time frame.

8. Third has adopted a Non-Smoking Policy and is authorized to take disciplinary action against a Member who is in violation of said Policy including but not limited to a Member's Lessee.
9. The Member is at all times responsible for the acts or omissions of, without limitation, the Member's Lessee, guest, care provider, vendor, invitee or contractor as well as the guests, care providers, invitees or contractors of the Member's Lessee.

B. Charges

1. Member and Lessee acknowledge that the Member is obligated to pay Charges and Assessments imposed by GRF and/or Third pursuant to this Lease Policy and the Governing Documents. See Section III of this Lease Policy.
2. The Member may incur additional Charges and fees in connection with facilities and services provided by GRF. Some examples are: golf course fee, room reservation fees, and cable services upgrade charges. ALL CHARGES, FEES, FINES, AND ASSESSMENTS ARE SUBJECT TO CHANGE AND ANY SUCH CHANGES SHALL NOT BE DEEMED TO BE A CHANGE IN THIS LEASE POLICY WHICH REQUIRES NOTICE TO THE MEMBERS OF THIRD.
3. Payment for chargeable repair services is the responsibility of the Member who must indicate on the Authorization to Lease application whether Lessee may request such services. In any event, the Member shall be responsible for the chargeable repair services.
4. There is a fee collected by the Lease Authorization Office to review and process any new/extension/renewal applications which include but are not limited to analysis of payment and disciplinary history.
5. An authorized and/or designated VMS staff member(s) for the Third Board of Directors, assumes responsibility for obtaining approval and issuing Lessee ID Cards.

C. Assignment of Rents

1. If a Member is delinquent in his or her payment of any GRF and/or Third Charges and/or Assessments, as required under the Governing Documents, Member and Lessee each acknowledge and agree that the Member hereby assigns to and confers upon Third, the right to collect and retain the rent payable by the Lessee and to apply the same to any delinquent Charges and Assessments, as well as any late fees, attorneys' fees, or other costs and expenses permissible by law or the Governing Documents which may be incurred or assessed by Third in connection with the delinquent Assessment and/or GRF and/or Third Charges.
2. Member and Lessee acknowledge and agree that, concurrent with notice in writing to the Member, Third shall be entitled to directly receive the rent by delivering to the Lessee at the Manor a Notice of Assignment of Rents (Exhibit B). Upon receipt of such Notice, the Lessee shall directly forward all payments of rent required under the Lease to Third at the address set forth in the Notice until the Lessee shall receive a second notice to the effect that the Lessee may again resume making rental payments directly to the Member. Any changes in the Notice of Assignment of Rents form in Exhibit B shall not be deemed a change to this Lease Policy which requires notice to the Members of Third.
3. To the fullest extent permitted by law, such payments of rent paid directly to Third shall continue until the delinquent Assessments or Charges and any late fees, attorneys' fees, or other collection costs and expenses incurred by the Member are paid in full. In the event that the payment of rent received by THIRD is in excess of the amounts owed by the Member, then Third shall refund the difference, less any processing fee(s), to the Member within thirty (30) business days of receipt of such rental payment.
4. Member acknowledges and agrees that the Lessee shall not be in breach of the Lease solely as a result of making rental payments directly to Third, and further that the Member shall not take any other action or avail itself of any other remedies against the Lessee under the Lease or otherwise based on the Lessee's direct payment of rent to Third following receipt of a Notice of Assignment of Rents.
5. Member and Lessee acknowledge and agree that Third shall not have any obligation either to the Member or the Lessee to fulfill the duties of the Member or the Lessee under their Lease, nor shall Third have any obligations to any other third party based on its direct receipt of the rent to cover delinquent Assessments or Charges and associated costs and expenses as

set forth above. It is specifically agreed that Third is not and will not be assuming any of the responsibility of the Member or the Lessee to fulfill any of the terms, conditions and covenants between the Member and the Lessee pursuant to the Lease between the Member and the Lessee, and shall not be deemed to be a landlord or party to a landlord-tenant relationship with Member or Lessee for any reason or at any time.

D. ID Cards and Privileges

1. Lessee ID Cards shall be issued for a period not longer than the duration of the Lease Authorization.
2. Lessee ID cards are not issued until all paperwork required pursuant to this Lease Policy is received and the Application has been approved in advance, in writing by Third.
3. Lessee ID cards will be available no sooner than seven (7) days prior to the lease start date unless Third approves a Lease under the Rush standards referenced herein under Article IV, Section A(7).
4. Member acknowledges and agrees that the privileges of membership in GRF are granted and assigned to Lessee for the duration of the Authorization to Lease and the Lease itself; and Member hereby surrenders all Resident ID Card(s) and Resident Decal(s) and the right to such privileges while the Authorization and/or Lease is in effect in accordance with the Governing Documents.
5. Lessee may use the facilities and receive the services made available by GRF to all Members. The facilities and services may be modified or discontinued by GRF at any time.
6. At the end of the Lease Authorization period, the Member is required to return all gate entry passes including ID cards, automobile decals, guest passes, business passes, and care provider passes in order to avoid a GRF non-return fee. (See Section III, Fees).

E. Occupancy

1. It is highly recommended that Members obtain/perform both background and credit checks on new Lessees as well as check references provided by the Lessee to protect such Member's interests, given that the Member will be held responsible for the acts and/or omissions of their Lessees that violate Third's Governing Documents.

2. No person, including but not limited to a Lessee, may reside in a Manor without the prior written approval of the Third Board of Directors or VMS authorized staff member(s). Contact Resident Services Department at (949) 597-4600 for any change in residency status.
3. An application to reside in a Manor shall be made on the form prescribed by the Third Board pursuant to Article II, Section 1 of the CC&Rs. The current form is attached hereto as Exhibit C. Any changes in such form shall not be deemed a change in this Lease Policy which requires notice to the Members of Third.
4. Manor leases must be for a period not less than sixty (60) days.
5. Any leases longer than twelve (12) months will require a Lease Authorization to be renewed annually and is subject to the terms and conditions set forth herein.
6. The Manor, together with the parking space assigned to such Manor, must be made available to the Lessee during the entire term of the Lease Authorization.
7. Relatives and other guests may stay overnight for a total of sixty (60) days in any twelve (12) month period. Relatives and guests may not stay in a Manor during the absence of the Qualifying Resident or Co- Occupant.
8. Unless otherwise required by law, the maximum number of persons allowed to occupy a Manor is equal to the number of original construction bedrooms plus one; no more than two persons in a one bedroom Manor; no more than three persons in a two bedroom Manor, no more than four persons in a three bedroom Manor. There is an additional monthly GRF fee for each person in excess of two.
9. The Manor shall be used and occupied solely as a private residential dwelling and for no other purpose.
10. No person shall reside in a Manor, other than those listed on the approved Authorization to Lease.
11. No business or commercial venture may be conducted in the Manor.
12. The Member and/or Lessee shall not assign any interest therein and shall not sublet the Manor or any part thereof or any right or privilege appurtenant thereto, pursuant to a formal agreement or otherwise, or permit any other person to occupy or use the premises or any portion thereof. To assure

compliance with these provisions and the other Third governing documents, Leases shall not be amended to add additional Lessees to an approved Lease during the approved Lease period. Any change in the occupancy of a Manor during the term of a previously approved Lease Authorization shall require the Member to obtain new Lease Authorization approval from the Lease Authorization Office and to execute a new lease with the Lessees who will occupy the Manor.

13. No room rental arrangements, nor subleases, shall be permitted and no Member or Lessee may advertise for any room rental or rent sharing agreement (for example only, listed on Craigslist, Nextdoor, or any similar website), nor shall any Member or Lessee be permitted to obtain a Lease Authorization Amendment to amend a lease for the purpose of adding a roommate and/or other Lessees during the term of an Authorization to Lease. Third will not approve any Lease Authorization Amendment submitted for the purpose of adding additional persons to a Lease during the term of a Lease Authorization. Any change in the occupancy of a Manor during the term of a previously approved Lease Authorization shall require the Member to obtain new Lease Authorization approval from the Lease Authorization Office and to execute a new lease with the Lessees who will occupy the Manor.

14. No Manor or any portion thereof may be used for vacation rentals or advertised for such use (for example only, listed on Airbnb, VRBO or any similar website), nor may any Manor be leased to a corporate housing company including any nonprofit housing organization.

F. Move In/Move Out and Bulky Items Delivery/Pick Up

1. When moving into the Community, Lessee(s) must break down and stack moving boxes next to trash dumpsters or at curbside for routine pick-up.
2. The use of an elevator, when moving into or out of a multi-story building, requires the placement of elevator protection pads, which can be requested by calling the Security Department (949) 580-1400. Similarly, individuals are required to order elevator protection pads when arranging for delivery or removal of bulky items, such as furniture.
3. Each Member is responsible for any damage caused by his or her movers or deliveries to the elevator, lobby furniture, common area and/or other Third property.
4. No oversized furniture, appliances, non-broken down boxes or other similar items may be discarded outside of the Manor at any time, except to the extent permitted by the Community Rules.

G. Alteration, Repairs and Maintenance

1. Member(s) are required to obtain prior written approval in advance of construction from Third for any structural alterations to the building or landscape changes. Applications may be obtained from the Resident Services Department. Resident Services is located at the Community Center and may be reached at (949) 597-4600.

The Member and Lessee(s) understand that the Manor shall not be altered, repaired or changed without prior written authorization of Member and Third. Unless otherwise provided by written agreement, all alterations, improvements and changes that may be required shall be performed either by or under the direction of Third; shall be the property of Member; and shall remain upon and be surrendered with the Manor.

2. Lessee shall authorize Third, Member, and/or their respective authorized VMS staff member(s) to enter into and upon the Manor at all reasonable times for the purposes of (a) inspection, (b) responding to emergencies (c) maintaining the building in which the Manor is situated, and (d) making repairs, alterations, or additions to any portion of the common areas or said building, including but not limited to the erection of scaffolding, props or other mechanical devices.

Lessee shall not be entitled to any abatement of rent payable by Lessee hereunder or to any rebate of rent to Lessee or damages for any loss of occupation or quiet enjoyment of the premises on account of any such entry by Third. No landlord-tenant relationship is created by way of Third's need to enter a Manor or perform work to any common areas accessible only through a Lessee's Manor.

H. Insurance

1. Lessee's personal property is not insured by Third.
2. Renters' insurance is strongly recommended. (See Section I, Rights and Remedies, Item 1, 2, and 3).

I. Rights and Remedies

1. As a material part of the consideration to be rendered to Member under an Authorization to Lease, Lessee hereby waives, to the maximum extent authorized by law, all claims against Member and Third for damages to personal property in, upon or about said Manor and for injuries to persons in, upon or about said premises from any cause arising at any time.



2. Lessee shall, to the fullest extent permissible by law, hold Member, Third, GRF, and VMS harmless from any liability on account of any damage or injury to person or personal property arising from the use of the Manor by Lessee arising from the failure of Lessee to keep the Manor in good condition as provided herein or failure to perform or observe any of Lessee's obligations under this Authorization. Third, GRF, and VMS shall not be liable to Lessee for any damage caused by any act or negligence of any other occupant of the same building or by any Member or occupant of adjoining or contiguous property. Without limiting the foregoing, the Member shall at all times be responsible for the acts or omissions of his or her Lessee and shall be liable for any damages or financial expenses incurred by Third as a result of the Lessee's use of the Manor or any other portions of the building in which the Manor is located and/or common areas.
3. The Member and Lessee shall be liable for all damages to the Manor, to the building in which the Manor is located and to the Common Areas of the Community, as well as all damage to other occupants thereof caused by the Member's and/or Lessee's misuse or neglect of the premises, equipment, apparatus or appurtenances. The Member and Lessee also shall be liable for all damage or injury done to the Manor, to the building in which the Manor is located, or to the Common Areas by any person who may be in or upon the building, the Manor or the Common Areas with the authorization of the Member and/or Lessee. Without limiting the foregoing, the Member shall be primarily liable for all damages, as described in this paragraph, stemming from the acts or omissions of the Lessee.
4. In the event of any total or partial destruction of the Manor during the term of this Authorization from any cause, the Member is solely responsible, to the fullest extent permitted by law, for terminating this Authorization.
5. In the event that the real property upon which the Manor is located or any part thereof shall be acquired by any public body, agency or other entity having the power of eminent domain, whether by voluntary sale, threat of condemnation or by judgment of a court in condemnation proceedings, the Member is solely responsible, to the extent permitted by law, for terminating this Authorization.
6. In the event of any breach of this Authorization by the Member and/or Lessee, Third shall have the same rights and remedies to enforce this Authorization as are available to Member hereunder, which may be exercised by Third without regard to any exercise thereof by Member. Additionally, Third shall have the same rights to dispossess the Lessee or otherwise act for the

Member as may be necessary or appropriate in the event of any breach of the Authorization, including without limitation occupancy of the Manor by unauthorized persons, or the Lessee's failure to vacate following expiration of the Authorization term. Third shall also have the right to bring an unlawful detainer action against the Member and/or Lessee after proper notice has been given as provided in California Civil Code Section 1946 or any successor statute thereto. Nothing contained in this paragraph or otherwise in this Lease Policy shall be deemed to create a landlord-tenant relationship between Third and the Member or Lessee.

7. Any notice to Member, Lessee or Third shall be given by personal service, electronic document notice, or by registered or certified mail addressed to Member: at the address indicated on the Application; to Lessee: at the Manor; and to Third: P.O. Box 2220, Laguna Hills, CA 92654-2220. There is no mail delivery to the street address.
8. The terms and provisions contained herein shall apply to and bind the heirs, successors, personal representatives and assigns of all of the parties hereto.
9. If any legal action or proceeding is commenced by either party or Third to enforce any part of this policy, the prevailing party shall be entitled to recover, in addition to all other relief, reasonable attorney's fees and costs.

J. Enforcement

Third is authorized to take disciplinary action against a Member whose property may be found in violation of the Lease Policy or the Governing Documents. When a complaint is lodged regarding the occurrence of a violation, the Board of Directors has a fiduciary duty to investigate and impose, if appropriate, Member-discipline as set forth in the Governing Documents. The Board has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action. The Member and Lessee are entirely responsible for ensuring that the Community Rules and policies are complied with by anyone they allow into the Community. This includes, without limitation, any co-occupant, ~~lessee~~Lessee, guest, care provider, vendor, invitee or contractor. Disciplinary action suspending or revoking a Member's privileges shall apply to the Member's Lessee, his or her Co-Occupants as applicable, and their guests and invitees.

1. The Member and Lessee must read and agree to comply with and be bound by all the Governing Documents and the Community Rules.
2. Nothing contained herein shall relieve Member of the performance of any obligation owed to Third and/or GRF under the Governing Documents.

3. The Member and/or Lessee is/are responsible for any visitor or guest who violates any Community Rules, and for any Charges or Assessments incurred.
4. Lessee shall be responsible to the Member to promptly pay when due, all charges and fees incurred by Lessee, guest or invitee for use of facilities or for services rendered by the Third and/or GRF. Notwithstanding the foregoing, whether or not Lessee complies with the foregoing, a Member shall be solely responsible to Third for any and all costs incurred by Third resulting from a Member's Lease including but not limited to costs incurred solely due to the acts or omissions of a Lessee, their Co- Occupants as applicable, their guests and invitees.

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**Lease Policy**  
**Resolution 03-19-51 Adopted May 21, 2019**  
**Revised September XX, 2019, Resolution 03-19-XX**

**I. Purpose**

Third Laguna Hills Mutual (Third) authorizes Members, as defined in the CC&Rs, to lease their Manors. Any lease by a Member automatically transfers the right to use the Community Facilities from the Member to the Lessee (Bylaws Article 3, Section 3.2 and 3.3).

The purpose of this document is to set forth the Lease Policy; this Lease Policy shall be a governing document of Third and shall be enforceable against all Members.

**II. Definitions**

- A. Agent – individual employed by Village Management Services, Inc. (VMS) authorized to act on behalf of Third.
- B. Application – the Lease Authorization form prescribed by Third to apply for approval to lease a Manor (Exhibit C).
- C. Approval – written authorization to lease a Manor in the Community granted by the Third Board or authorized VMS staff member(s).
- D. Assessment – the monthly charge that Third levies against all Members and their Manors and collects monthly pursuant to its Governing Documents.
- E. Charge – fee, fine, and/or monetary penalty that Third and/or GRF may levy upon a Member pursuant to their Governing Documents.
- F. Community – Laguna Woods Village.
- G. Community Rules - the Articles of Incorporation and Bylaws of Third, the recorded Covenants, Conditions, and Restrictions (CC&R's) applicable to any Manor; and any rules and regulations adopted by Third and/or GRF. Any reference to the "Governing Documents" shall, for purposes of this Lease Policy, be deemed a reference to the Community Rules set forth in this definition.
- H. Co-occupant – any person who seeks to reside with a Qualifying Resident who is approved, in advance, in writing, by the Board of Directors for

- occupancy and who shall be at least 45 years of age unless such person is the spouse or cohabitant.
- I. Golden Rain Foundation (GRF) – the non-profit mutual benefit corporation organized to manage and maintain the Community Facilities and services for the Community.
  - J. Identification (ID) Card – photo ID card issued by GRF to Members, Co-occupants, and Lessees of the Community authorizing use and access to the Community Facilities.
  - K. Lease Authorization Office - located in the Resident Services Department in the Community Center which ensures that a Lease Application comports with the Governing Documents.
  - L. Lease Authorization Extension - Parties to the lease may request an extension of time at the end of the lease authorization period if the original period is shorter than 12 months, subject to the Board of Director's prior written approval.
  - M. Lease Authorization Renewal – Parties to the lease authorization may request a renewal no more than 60 days prior to the end of the 12 month period.
  - N. Lessee – individual who leases a Manor from a Member.
  - O. Manor – a residential condominium unit in Third.
  - P. Member – a person who has been approved by Third as being entitled to membership in Third and has an appurtenant right of membership in GRF.
  - Q. Non-Resident Member – a Member who does not personally reside in the Member's Manor.
  - R. Non-Resident Member Pass – gate entry pass authorizing a non-resident Member access to the Community for the purpose of inspecting his/her property on an as needed basis. This pass does not authorize use of or access to the Community Facilities during any lease period.
  - S. Owner – person or persons, partnership or corporation, and the successors and assigns of each of the foregoing, in whom title to a Manor is vested, as shown by the official records of the office of the County Recorder of Orange County, California.

- T. Qualifying Resident – person who resides in the Manor, is at least 55 years of age and has been approved by the Board of Directors for occupancy in accordance with the provisions of the CC&R's.
- U. Resident – person who has been approved by the Board of Directors for occupancy.
- V. Rush – Application submitted fewer than 10 business days before the lease effective start date.
- W. Village Management Services, Inc. (VMS) – managing agent for Third and GRF.

### III. Fees

Following are the fees associated with this Lease Policy and which may be required by Third (the following fees may be changed at any time by Third and such change(s) shall not constitute a rule change to this Lease Policy which requires notice to the Third Members):

THIRD Fees	
Authorization Processing	\$170.00
Authorization Rush Fee	\$100.00
Authorization Renewal (see Section II, M)	\$110.00
Authorization Extension (see Section II, L)	\$ 70.00

GRF Fees	
* Additional Occupant (For each person in excess of two (monthly), Must be paid in advance for the term of the lease.	\$ 90.00
Non-return of:	
➤ ID Card(s)	\$125.00
➤ Decal(s)	\$125.00
➤ Pass(es)	\$ 25.00

\* General charge due from all residents, whether or not a lease is in place.

#### **IV. Terms and Conditions**

##### **A. General Information**

1. Authorization to Lease (Authorization) shall be effective only when approved in advance in writing by Third and issued in writing by an authorized VMS staff member(s) of Third; the approval of any Lease shall be limited to the term specified herein. The term may not exceed twelve (12) months subject to Article II Section M above. The copy of a pending and fully executed Lease must be provided to Third prior to the Lessee's move-in to the Member's Manor.
2. Renewal of the Authorization to Lease shall require the prior written approval of Third, provided, however, that Third shall not be obligated or have any duty to approve such extension or renewal regardless of a Member or Lessee's circumstances.
3. Third shall, to the extent required by law, provide notice of potential asbestos-containing materials used during construction (Exhibit A). Any changes in the notice in Exhibit A as may be required by law or otherwise shall not be deemed a change to this Lease Policy which requires notice to the Members of Third.
4. Laguna Woods Village is an independent-lifestyle and age-restricted senior citizen housing development (as defined by California Civil Code § 51.3). No form of healthcare or assisted living is provided by Third. Each Resident is responsible for his/her own health, safety, care and welfare, subject to the conditions and restrictions regarding care providers from Third Governing Documents and Third's "Care Provider Policy."
5. Appearance of the Community is important, and Residents are required to keep their balconies, patios, walkways, and carports free from clutter, trash and debris per the approved Community Rules and Regulations.
6. Third, GRF and VMS are not parties to the terms of a lease between the Member and Lessee, and will not be involved in resolving any disputes between the Member and Lessee; provided, however that if a Member is in violation of the Community Rules or this Lease Policy, or if a Lessee is violating the Community Rules or this Lease Policy, Third shall have all rights and remedies available to it under the Community Rules and this Lease Policy.
7. The Lease Authorization Office will notify the Member of the Approval/Denial status of the application within ten (10) business days of its written submittal.



A rush fee of one hundred dollars (\$100.00) will be imposed by Third on any Member requests for expedited services prior to the routine ten (10) business days of processing. No representation or warranty is made that Third will be able to complete a Rush Authorization approval request in the Members' requested time frame.

8. Third has adopted a Non-Smoking Policy and is authorized to take disciplinary action against a Member who is in violation of said Policy including but not limited to a Member's Lessee.
9. The Member is at all times responsible for the acts or omissions of, without limitation, the Member's Lessee, guest, care provider, vendor, invitee or contractor as well as the guests, care providers, invitees or contractors of the Member's Lessee.

#### B. Charges

1. Member and Lessee acknowledge that the Member is obligated to pay Charges and Assessments imposed by GRF and/or Third pursuant to this Lease Policy and the Governing Documents. See Section III of this Lease Policy.
2. The Member may incur additional Charges and fees in connection with facilities and services provided by GRF. Some examples are: golf course fee, room reservation fees, and cable services upgrade charges. ALL CHARGES, FEES, FINES, AND ASSESSMENTS ARE SUBJECT TO CHANGE AND ANY SUCH CHANGES SHALL NOT BE DEEMED TO BE A CHANGE IN THIS LEASE POLICY WHICH REQUIRES NOTICE TO THE MEMBERS OF THIRD.
3. Payment for chargeable repair services is the responsibility of the Member who must indicate on the Authorization to Lease application whether Lessee may request such services. In any event, the Member shall be responsible for the chargeable repair services.
4. There is a fee collected by the Lease Authorization Office to review and process any new/extension/renewal applications which include but are not limited to analysis of payment and disciplinary history.
5. An authorized and/or designated VMS staff member(s) for the Third Board of Directors, assumes responsibility for obtaining approval and issuing Lessee ID Cards.

#### C. Assignment of Rents

1. If a Member is delinquent in his or her payment of any GRF and/or Third Charges and/or Assessments, as required under the Governing Documents, Member and Lessee each acknowledge and agree that the Member hereby assigns to and confers upon Third, the right to collect and retain the rent payable by the Lessee and to apply the same to any delinquent Charges and Assessments, as well as any late fees, attorneys' fees, or other costs and expenses permissible by law or the Governing Documents which may be incurred or assessed by Third in connection with the delinquent Assessment and/or GRF and/or Third Charges.
2. Member and Lessee acknowledge and agree that, concurrent with notice in writing to the Member, Third shall be entitled to directly receive the rent by delivering to the Lessee at the Manor a Notice of Assignment of Rents (Exhibit B). Upon receipt of such Notice, the Lessee shall directly forward all payments of rent required under the Lease to Third at the address set forth in the Notice until the Lessee shall receive a second notice to the effect that the Lessee may again resume making rental payments directly to the Member. Any changes in the Notice of Assignment of Rents form in Exhibit B shall not be deemed a change to this Lease Policy which requires notice to the Members of Third.
3. To the fullest extent permitted by law, such payments of rent paid directly to Third shall continue until the delinquent Assessments or Charges and any late fees, attorneys' fees, or other collection costs and expenses incurred by the Member are paid in full. In the event that the payment of rent received by THIRD is in excess of the amounts owed by the Member, then Third shall refund the difference, less any processing fee(s), to the Member within thirty (30) business days of receipt of such rental payment.
4. Member acknowledges and agrees that the Lessee shall not be in breach of the Lease solely as a result of making rental payments directly to Third, and further that the Member shall not take any other action or avail itself of any other remedies against the Lessee under the Lease or otherwise based on the Lessee's direct payment of rent to Third following receipt of a Notice of Assignment of Rents.
5. Member and Lessee acknowledge and agree that Third shall not have any obligation either to the Member or the Lessee to fulfill the duties of the Member or the Lessee under their Lease, nor shall Third have any obligations to any other third party based on its direct receipt of the rent to cover delinquent Assessments or Charges and associated costs and expenses as set forth above. It is specifically agreed that Third is not and will not be

assuming any of the responsibility of the Member or the Lessee to fulfill any of the terms, conditions and covenants between the Member and the Lessee pursuant to the Lease between the Member and the Lessee, and shall not be deemed to be a landlord or party to a landlord-tenant relationship with Member or Lessee for any reason or at any time.

D. ID Cards and Privileges

1. Lessee ID Cards shall be issued for a period not longer than the duration of the Lease Authorization.
2. Lessee ID cards are not issued until all paperwork required pursuant to this Lease Policy is received and the Application has been approved in advance, in writing by Third.
3. Lessee ID cards will be available no sooner than seven (7) days prior to the lease start date unless Third approves a Lease under the Rush standards referenced herein under Article IV, Section A(7).
4. Member acknowledges and agrees that the privileges of membership in GRF are granted and assigned to Lessee for the duration of the Authorization to Lease and the Lease itself; and Member hereby surrenders all Resident ID Card(s) and Resident Decal(s) and the right to such privileges while the Authorization and/or Lease is in effect in accordance with the Governing Documents.
5. Lessee may use the facilities and receive the services made available by GRF to all Members. The facilities and services may be modified or discontinued by GRF at any time.
6. At the end of the Lease Authorization period, the Member is required to return all gate entry passes including ID cards, automobile decals, guest passes, business passes, and care provider passes in order to avoid a GRF non-return fee. (See Section III, Fees).

E. Occupancy

1. It is highly recommended that Members obtain/perform both background and credit checks on new Lessees as well as check references provided by the Lessee to protect such Member's interests, given that the Member will be held responsible for the acts and/or omissions of their Lessees that violate Third's Governing Documents.
2. No person, including but not limited to a Lessee, may reside in a Manor without the prior written approval of the Third Board of Directors or VMS

- authorized staff member(s). Contact Resident Services Department at (949) 597-4600 for any change in residency status.
3. An application to reside in a Manor shall be made on the form prescribed by the Third Board pursuant to Article II, Section 1 of the CC&Rs. The current form is attached hereto as Exhibit C. Any changes in such form shall not be deemed a change in this Lease Policy which requires notice to the Members of Third.
  4. Manor leases must be for a period not less than sixty (60) days.
  5. Any leases longer than twelve (12) months will require a Lease Authorization to be renewed annually and is subject to the terms and conditions set forth herein.
  6. The Manor, together with the parking space assigned to such Manor, must be made available to the Lessee during the entire term of the Lease Authorization.
  7. Relatives and other guests may stay overnight for a total of sixty (60) days in any twelve (12) month period. Relatives and guests may not stay in a Manor during the absence of the Qualifying Resident or Co- Occupant.
  8. Unless otherwise required by law, the maximum number of persons allowed to occupy a Manor is equal to the number of original construction bedrooms plus one; no more than two persons in a one bedroom Manor; no more than three persons in a two bedroom Manor, no more than four persons in a three bedroom Manor. There is an additional monthly GRF fee for each person in excess of two.
  9. The Manor shall be used and occupied solely as a private residential dwelling and for no other purpose.
  10. No person shall reside in a Manor, other than those listed on the approved Authorization to Lease.
  11. No business or commercial venture may be conducted in the Manor.
  12. The Member and/or Lessee shall not assign any interest therein and shall not sublet the Manor or any part thereof or any right or privilege appurtenant thereto, pursuant to a formal agreement or otherwise, or permit any other person to occupy or use the premises or any portion thereof. To assure compliance with these provisions and the other Third governing documents, Leases shall not be amended to add additional Lessees to an approved

Lease during the approved Lease period. Any change in the occupancy of a Manor during the term of a previously approved Lease Authorization shall require the Member to obtain new Lease Authorization approval from the Lease Authorization Office and to execute a new lease with the Lessees who will occupy the Manor.

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Lessee shall not be entitled to any abatement of rent payable by Lessee hereunder or to any rebate of rent to Lessee or damages for any loss of occupation or quiet enjoyment of the premises on account of any such entry by Third. No landlord-tenant relationship is created by way of Third's need to enter a Manor or perform work to any common areas accessible only through a Lessee's Manor.

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1. Lessee's personal property is not insured by Third.
2. Renters' insurance is strongly recommended. (See Section I, Rights and Remedies, Item 1, 2, and 3).

#### I. Rights and Remedies

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2. Lessee shall, to the fullest extent permissible by law, hold Member, Third, GRF, and VMS harmless from any liability on account of any damage or injury

- to person or personal property arising from the use of the Manor by Lessee arising from the failure of Lessee to keep the Manor in good condition as provided herein or failure to perform or observe any of Lessee's obligations under this Authorization. Third, GRF, and VMS shall not be liable to Lessee for any damage caused by any act or negligence of any other occupant of the same building or by any Member or occupant of adjoining or contiguous property. Without limiting the foregoing, the Member shall at all times be responsible for the acts or omissions of his or her Lessee and shall be liable for any damages or financial expenses incurred by Third as a result of the Lessee's use of the Manor or any other portions of the building in which the Manor is located and/or common areas.
3. The Member and Lessee shall be liable for all damages to the Manor, to the building in which the Manor is located and to the Common Areas of the Community, as well as all damage to other occupants thereof caused by the Member's and/or Lessee's misuse or neglect of the premises, equipment, apparatus or appurtenances. The Member and Lessee also shall be liable for all damage or injury done to the Manor, to the building in which the Manor is located, or to the Common Areas by any person who may be in or upon the building, the Manor or the Common Areas with the authorization of the Member and/or Lessee. Without limiting the foregoing, the Member shall be primarily liable for all damages, as described in this paragraph, stemming from the acts or omissions of the Lessee.
  4. In the event of any total or partial destruction of the Manor during the term of this Authorization from any cause, the Member is solely responsible, to the fullest extent permitted by law, for terminating this Authorization.
  5. In the event that the real property upon which the Manor is located or any part thereof shall be acquired by any public body, agency or other entity having the power of eminent domain, whether by voluntary sale, threat of condemnation or by judgment of a court in condemnation proceedings, the Member is solely responsible, to the extent permitted by law, for terminating this Authorization.
  6. In the event of any breach of this Authorization by the Member and/or Lessee, Third shall have the same rights and remedies to enforce this Authorization as are available to Member hereunder, which may be exercised by Third without regard to any exercise thereof by Member. Additionally, Third shall have the same rights to dispossess the Lessee or otherwise act for the Member as may be necessary or appropriate in the event of any breach of the Authorization, including without limitation occupancy of the Manor by

unauthorized persons, or the Lessee's failure to vacate following expiration of the Authorization term. Third shall also have the right to bring an unlawful detainer action against the Member and/or Lessee after proper notice has been given as provided in California Civil Code Section 1946 or any successor statute thereto. Nothing contained in this paragraph or otherwise in this Lease Policy shall be deemed to create a landlord-tenant relationship between Third and the Member or Lessee.

7. Any notice to Member, Lessee or Third shall be given by personal service, electronic document notice, or by registered or certified mail addressed to Member: at the address indicated on the Application; to Lessee: at the Manor; and to Third: P.O. Box 2220, Laguna Hills, CA 92654-2220. There is no mail delivery to the street address.
8. The terms and provisions contained herein shall apply to and bind the heirs, successors, personal representatives and assigns of all of the parties hereto.
9. If any legal action or proceeding is commenced by either party or Third to enforce any part of this policy, the prevailing party shall be entitled to recover, in addition to all other relief, reasonable attorney's fees and costs.

J. Enforcement

Third is authorized to take disciplinary action against a Member whose property may be found in violation of the Lease Policy or the Governing Documents. When a complaint is lodged regarding the occurrence of a violation, the Board of Directors has a fiduciary duty to investigate and impose, if appropriate, Member-discipline as set forth in the Governing Documents. The Board has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action. The Member and Lessee are entirely responsible for ensuring that the Community Rules and policies are complied with by anyone they allow into the Community. This includes, without limitation, any co-occupant, Lessee, guest, care provider, vendor, invitee or contractor. Disciplinary action suspending or revoking a Member's privileges shall apply to the Member's Lessee, his or her Co-Occupants as applicable, and their guests and invitees.

1. The Member and Lessee must read and agree to comply with and be bound by all the Governing Documents and the Community Rules.
2. Nothing contained herein shall relieve Member of the performance of any obligation owed to Third and/or GRF under the Governing Documents.



3. The Member and/or Lessee is/are responsible for any visitor or guest who violates any Community Rules, and for any Charges or Assessments incurred.
4. Lessee shall be responsible to the Member to promptly pay when due, all charges and fees incurred by Lessee, guest or invitee for use of facilities or for services rendered by the Third and/or GRF. Notwithstanding the foregoing, whether or not Lessee complies with the foregoing, a Member shall be solely responsible to Third for any and all costs incurred by Third resulting from a Member's Lease including but not limited to costs incurred solely due to the acts or omissions of a Lessee, their Co- Occupants as applicable, their guests and invitees.

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## **RESOLUTION 03-19-XX**

### **Lease Policy**

**WHEREAS**, the Board of Directors (the “Board”) of Third Laguna Hills Mutual (“Third”) held a meeting on September 17, 2019, at which a quorum of the Board was present;

**WHEREAS**, the Board is obligated to manage and enforce the residency requirements for Members and other residents and tenants as set forth in the Third’s governing documents, including without limitation the Declarations of Covenants, Conditions, and Restrictions (“CC&Rs”), Bylaws and Operating Rules; and

**WHEREAS**, pursuant to its duties under Third’s governing documents, the Board is obligated to review lease applications for prospective leases between Members and their proposed tenants and any amendments, extensions or renewals thereof in accordance with the provisions of the Bylaws, CC&Rs and Operating Rules;

**WHEREAS**, the Board previously adopted a revised Lease Policy by Resolution 03-19-51 which clarified the restrictions relating to the leasing of manors in Third;

**WHEREAS**, it has come to the Board’s attention that some Members are requesting to apply for a Lease Authorization Amendment due to unforeseen circumstances not related to rent sharing arrangements; and

**WHEREAS**, the Board has determined that it would be in the best interest of Third to modify some of the restrictions in the Lease Policy to clarify what leasing practices are not permitted and to prevent abuse by Members and Lessees of the authorization procedures to engage in leasing activities that are otherwise restricted by Third’s governing documents;

**NOW, THEREFORE BE IT RESOLVED**, on September 17, 2019, that the Board of Third hereby approves and adopts the revised Lease Policy; as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Third’s managing agent is hereby directed to disseminate this information to the realty community serving Laguna Woods Village and Laguna Woods; and

**RESOLVED FURTHER**, that this revised Lease Policy supersedes all existing leasing policies and shall be put into effect September 17, 2019; and

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

#### AUGUST Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

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## STAFF REPORT

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**DATE:** August 20, 2019  
**FOR:** Architectural Control and Standards Committee  
**SUBJECT:** Alternative Heat Source Policy

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### **RECOMMENDATION**

Approve a Resolution to introduce the Alternative Heat Source Policy.

### **BACKGROUND**

The original heat source for bedroom and living rooms for Third Mutual units is provided through radiant heat from conductive coils in the ceiling.

Many alterations such as skylights, solar tubes, ceiling fans or recessed lighting can compromise the radiant heat due to breaking the circuit required to conduct the electrical current.

Per the California Residential Building Code, a bedroom or living room is required to have a dedicated heat source to be considered a habitable area.

When a Member applies for a Mutual Consent to install a ceiling fan, or a ceiling fan has been found to be installed without prior approval, the existing policy requires a Member to provide a letter from a certified electrician that confirms the heating coils were not affected by the ceiling fan installation and are still operable, or to provide an alternative heat source. The alternative heat source can be provided by a Central Heating Ventilation and Air Conditioning (HVAC) System that vents into the room, or a wall heater installed. Both would require an approved Mutual Consent on file.

### **DISCUSSION**

Recently, staff has found that the City of Laguna Woods has approved the use of plug-in wall mounted heaters as an acceptable alternative heat source to the radiant heat. Such plug-in heaters do not require a City permit for installation.

California Building Code, section 1204.8 only requires the alternative heat source to maintain a room temperature of 68 degrees and be installed three feet. above floor level.

During interior inspections, staff has found wall heaters un-plugged and stored in closets, unable to perform their function of providing heat to the room in which they were intended for use.

The proposed policy would allow Staff to require a hard wired, dedicated circuit for a wall heater, which would require an electrical permit from the City of Laguna Woods to be provided in order to obtain a Mutual Consent for the alternative heat source. This would mean the heating unit would be a fixed appliance and guarantee the rooms meet heating requirements at all times.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Gavin Fogg, Inspections Supervisor

**Reviewed By:** Brett Crane, Permits, Alterations and Restoration Manager

**Committee Routing:** Architectural Controls and Standards Committee

### **ATTACHMENT(S)**

Attachment 1: Alternative Heat Source Policy

## **ATTACHMENT 1**

### **Alternative Heat Source Policy Resolution 03-19-XX**

**WHEREAS**, the original heat source for many units is provided through radiant heat from conductive coils in the ceiling;

**WHEREAS**, the ceiling radiant heat is the primary heat source for the room;

**WHEREAS**, the installation of a ceiling fan may have caused the radiant heat to stop functioning and an alternative heat source be required to maintain a 'habitable' area according to California Residential Building Code;

**WHEREAS**, an alternative heat source can be provided by a Central Heating Ventilation and Air Conditioning (HVAC) System or a wall heater;

**WHEREAS**, the Committee desires to simplify the approval process for alterations and minimize the time for review of these alterations;

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, the Board of Directors adopts Resolution 03-19-XX (Alternative Heat Source Policy); and

**RESOLVED FURTHER**, any new primary alternative heat source will require a City Permit and Mutual Consent; and

**RESOLVED FURTHER**, no new ceiling fan Mutual Consents will be issued without having a corresponding alternative heat source listed on the same Mutual Consent.; and

**RESOLVED FURTHER**, all alternative heat sources shall be hardwired and installed on a dedicated circuit; and

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

#### **AUGUST Initial Notification**

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

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## STAFF REPORT

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**DATE:** August 20, 2019  
**FOR:** Board of Directors  
**SUBJECT:** Revision of Alteration Standard 41: Solar Panels, 1 Story Buildings

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### **RECOMMENDATION**

Approve a resolution to adopt revisions to Alteration Standard 41: Solar Panels, 1 Story Buildings.

### **BACKGROUND**

On July 22, 2019, the Architectural Controls and Standards Committee (ACSC) reviewed this Standard. The Committee voted to recommend the item for approval by the Board.

The ACSC requested staff to review and revise the current Alteration Standards for applicability, usefulness, and current technology.

There are currently 39 Alteration Standards available for Members to use to perform alterations to their unit. Many have not been reviewed or updated for years to reflect changes in technology, materials, and work methods.

Alteration Standard Standard 41: Solar Panels, 1 Story Buildings was last revised in January 2016, via Resolution 03-16-08.

### **DISCUSSION**

Due to the continued popularity of the various components involved in the remodel process, the ACSC has reviewed the existing Alteration Standard 41: Solar Panels, 1 Story Buildings. The following sections are proposed to be revised as follows:

Please refer to Attachment 2: Redline of Proposed Updates to Alteration Standard 41: Solar Panels, 1 Story Buildings.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Brett Crane, Permits, Inspections and Restoration Manager

**Reviewed By:** Alisa Rocha, Alterations Coordinator

**ATTACHMENT(S)**

**Attachment 1:** Resolution 03-19-XX Revise Alteration Standard 41: Solar Panels, 1 Story Buildings

**Attachment 2:** Redline of Proposed Updated to Alteration Standard 41: Solar Panels, 1 Story Buildings

## **Attachment 1**

### **RESOLUTION 03-19-XX**

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

**WHEREAS**, the Architectural Controls and Standards Committee recognizes the need to revise Alteration Standard 41: Solar Panels, 1 Story Buildings and,

**NOW THEREFORE BE IT RESOLVED**, August 20, 2019, that the Board of Directors of this Corporation hereby introduces Alteration Standard 41: Solar Panels, 1 Story Buildings as attached to the official meeting minutes;

**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.

#### AUGUST Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

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## **Third Laguna Hills Mutual**

### **Standard 41 - Solar Panels, 1 Story Buildings**

ADOPTED JANUARY 2008, RESOLUTION 03-08-09  
GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49  
REVISED OCTOBER 2014, RESOLUTION 03-14-107  
REVISED JANUARY 2016, RESOLUTION 03-16-08  
**REVISED AUGUST 2019, RESOLUTION 03-19-XX**

#### **1.0 GENERAL REQUIREMENTS**

See Standard Section 1: General Requirements

#### **2.0 APPLICATIONS**

- 2.1.** In this section, “Solar Panel” refers to roof mounted panels that use solar energy to either heat water directly (Solar Water Heating System), or to generate electricity using photo-voltaic cells (Solar Electric System).
- 2.2.** This section refers only to single story dwellings and the roof section of the building that covers the footprint of the Manor for which the request is being submitted.
- 2.3.** All costs and maintenance of the alteration, present and future, are the responsibility of the Mutual Member.
- 2.4.** All costs associated with roof replacement above and beyond the typical cost for roof replacement that are due to the solar panel installation shall be borne by the Member(s).
- 2.5.** Detailed, site-specific plans for all water and electrical lines for the solar panel installation, including penetrations, shall be submitted to the Manor Alterations Department for approval.
- 2.6.** Should the proposed location of solar panels be in an area that is technically Common Area, e.g., the roof, then the applicant is required to execute and submit to Third Laguna Hills Mutual, prior to installation of a solar panels, the “Agreement Regarding Solar



Panel Installation on Common Area Property” or similarly titled document.

- 2.7. Structural calculations for the existing roof structure, signed and wet-stamped by a California-licensed structural engineer are required to ensure the solar panel system does not compromise the existing roof structure and that the roof is adequate to accept attachments and to support all applied loadings, per the California Building Code and any other applicable laws or ordinances.
- 2.8. The mounting system must have a current Engineering Certification that certifies the system will be structurally adequate and satisfy building codes when installed per the instructions.
- 2.9. Flat roof mounting shall be set with the highest point flush with the top of the parapet wall so as to be hidden from the ground or surrounding properties. The lowest point of the solar array equipment shall be a minimum of 10 inches above the flat roof. The stanchions used to connect the array to the roof must be round and have the top of the stanchion able to be water tight.
- 2.10. Flat roof mounting must leave a minimum of two feet between the panels and the parapet to permit access.
- ~~2.10.~~ 2.11. Sloped roof mounting requires must have be CertainTeed Landmark TL composition shingle roofing on the entire roof area where the array will be located. The array must then be trimmed with light weight tiles (LWT) to match in materials and appearance of the original roof being replaced. The current composition shingle roofing standards for waterproofing the roof at the time of installation must be followed and will include a single layer underlayment, drip edge metal, step flashings at existing skylights and chimneys, penetration flashings for all vents and vent pipes, and valley metal at valley areas.
- ~~2.11.~~ 2.12. Water and electric lines must be set on blocking above the surface to facilitate re-roofing.
- ~~2.12.~~ 2.13. Detailed plans of the installation of roof jacks should be submitted to the Permits and Inspections office for approval.



~~2.13.~~2.14. Lag screws must have adequate pullout strength and shear capacities.

~~2.14.~~2.15. Regardless of the roof type, all tie-ins must be performed by the Mutual's roofing contractor at the Member's expense. Flat roofs with PVC roofing shall have all tie-in work completed by the Mutual Roofing Contractor at the Member's expense.

~~2.15.~~2.16. Connections to the manor's electrical system must be coordinated with the local electric utility.

~~2.16.~~2.17. Solar Electric Panels, and their associated electrical components, must be UL approved, or comply with equivalent international standards.

~~2.17.~~2.18. A solar panel system may only serve a single manor.

~~2.18.~~2.19. Leasing of Solar Panels is permitted only under the following conditions:

- a. Only prepaid leases are permitted, and Member must provide the Mutual a copy of the pre-paid lease contract together with proof of payment before any work on the construction or installation of the solar panel system begins; and
- b. The pre-paid lease contract must be assigned by the Member.

2.20. All solar panel installations located on the roof of a unit must be inspected and approved by a VMS Inc. Roofing Inspector before the solar array is installed and again, after roof replacement is complete, prior to a final inspection of the Mutual Consent.

### **3.0 OBLIGATIONS**

**3.1** The Mutual Member must sign and submit to Third Laguna Hills Mutual, c/o VMS, Inc, Community Services, the "Recordable Common Area Agreement" for the subject solar panel installation utilizing Common Area.



- 3.2** Member accepts responsibility and agrees to pay for repairs to common areas, including but not limited to roofing, framing, wiring and drywall caused, in whole or in part, by Member's solar panels or their installation, operation, maintenance or removal, and Member accepts all responsibility for damage to Member's Manor or other Manors or to personal property caused or contributed to by the installation, operation, maintenance or removal of the solar panels.
- 3.3** The Member is responsible for, and will bear all costs associated with removing, altering, covering or reinstalling the alteration as may be necessary or appropriate to allow the Mutual to conduct maintenance or repairs of common area. If the Mutual gives a minimum of thirty (30) days advance written notice of the need to remove, alter, cover or replace the solar panel and the Member does not accomplish this within five calendar days before the removal, alteration, or covering is necessary, then the Mutual will accomplish the removal, alteration or covering at the Member's cost, which will be billed as a Chargeable Service to the Member.
- 3.4** The Member is responsible for, and will bear all costs associated with, clean-up or repair of Mutual owned or controlled property made necessary by or resulting from the alteration.
- 3.5** All costs associated with roof replacement above and beyond the typical cost for roof replacement due to the solar panel installation shall be borne by the Member(s).
- 3.6** The roof area for possible solar panel installation is allocated only to the roof space directly above the subject Manor. It is Member's responsibility to ascertain and adapt to any roof interference by vents or other roof installations already in place.
- 3.7** Upon sale of Member's Manor, all obligations herein shall apply to all subsequent owners of the Manor.
- 3.8** If Member discontinues use of the solar panels, Member will remove the panels, all associated parts, connections and wiring associated with the solar panels after giving notice to the Mutual through the Alterations Division. ~~Permit and~~





- 3.9** The solar installer and his roofer will provide a copy of the composition shingle manufacturer's 40 year warranty and will provide a separate workmanship warranty of 5 years for the composition shingle roof installation. the roof for the life of the solar equipment or 40 years (whichever is longer). If any leaks occur on a roof so constructed, the solar installer will remove the solar equipment, repair the roof and put back the solar equipment at no cost to the resident or Mutual. If the solar installer/roofer chooses elect to choose not to comply with this requirement, then the Mutual Roofing Contractor must be hired to do the roofing work at the member's expense. Regardless of the roof type, the restoration of the roof must be performed by the Mutual's roofing contractor at the Member's expense.
- 3.10.** Member must present to the Mutual a vendor/installer agreement that requires vendor to hold harmless and indemnify the Mutual for any and all claims, damages, costs and expenses, including attorney fees related to or arising from the installation, use, maintenance, repair or removal of the solar panel system.

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## **STAFF REPORT**

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**DATE:** August 20, 2019  
**FOR:** Board of Directors  
**SUBJECT:** 2020 Collection and Lien Enforcement Policy

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### **RECOMMENDATION**

Staff recommends approval of the 2020 Collection and Lien Enforcement Policy.

### **BACKGROUND**

The proposed 2020 Third Laguna Hills Mutual Collection and Lien Enforcement Policy outlines the procedures, policies, and practices employed by the Mutual in enforcing lien rights or other legal remedies against members who are in default in payment of assessments. The policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2019 as part of the Annual Policy Statement.

### **DISCUSSION**

The Finance Committee reviewed the updated 2020 Collection and Lien Enforcement Policy, including an increase in the delinquent interest charge from 10 to 12%. Additionally, the Finance Committee requested that staff verify with Third's legal counsel that any and all language associated with the new appeals policy, currently on 28-day notice, be included as necessary.

### **FINANCIAL ANALYSIS**

None.

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

### **ATTACHMENT(S)**

ATT1: 2020 Collection and Lien Enforcement Policy (Redline)  
ATT2: Resolution

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## **YEAR ~~2019~~2020 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES**

### **PURPOSE STATEMENT**

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

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

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

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

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

### **BASIC POLICIES AND PROCEDURES**

Delinquency reports are made monthly by the Mutual’s managing agent to the Board of Directors of the Mutual (“Board”), identifying the delinquent Member, and the amount and length of time the assessments have been in arrears. The policies and practices outlined in this Policy Statement shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Mutual’s Board ~~of Directors~~, or unless the applicable statutory scheme changes, in which event, this Policy Statement shall be construed so as to be consistent with any newly adopted

statutes or court decisions. In accordance with the Mutual's governing documents (including, without limitation, the Articles of Incorporation, the Bylaws, the recorded CC&Rs, rules and regulations, and written policies) (collectively, the "Governing Documents") and the California Civil Code), to ensure the prompt payment of monthly assessments, the Mutual employs the following collection and lien enforcement policies and procedures, including. ~~Also following, pursuant to Paragraphs 4, 6, and 7 are Third collection policies and procedures~~ for the collection of assessments, late charges, fines, fees, and chargeable services charged against Members pursuant to the Governing Documents and current law:

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

Regular assessments ("Carrying Charges" as defined in Article 1, Section 8 of the CC&Rs) are due and payable to the Mutual, in advance, in equal monthly installments, on the first day of each month. It is each Member's responsibility to pay assessments in full each month regardless of whether a billing statement is received. Special assessments shall be due and payable on the due date specified by the Board ~~of Directors~~ in the notice imposing the special assessment or in the ballot presenting the special assessment to the Members for approval. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed.

### **2. Reminder Notice**

If the current monthly assessment is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the Member. It is each Member's responsibility to pay assessments in full each month regardless of whether a reminder notice is received.

PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY THE MUTUAL WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT.

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

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

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

### **4. Late Charge**

IT IS THE MEMBER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE. ~~At~~

Any notices or invoices for assessments will be sent to Members by first-class mail addressed to the Member at his or her address as shown on the books and records of the Mutual. However, it is the Member's responsibility to be aware of the assessment payment due dates and to advise the Mutual of any changes in the Member's mailing address, pursuant to Civil Code section 4041.

A late payment charge for a delinquent assessment will be assessed in the amount of Sixty Dollars (\$60.00) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both state law and the Mutual's Governing Documents provide for interest on the delinquent assessment and the late charge, and accordingly interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate of ~~ten-twelve~~ percent (~~10%~~12%) as allowed by Civil Code section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel for further handling. Non-assessment fines, fees, and chargeable services are also subject to a late fee and interest, in an amount determined by Board resolution.

#### **5. Demand Letter (aka Pre-Lien ~~Letter~~Notice)**

If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of the Reminder Notice, a Demand Letter (also known as a Pre-Lien Letter Notice ~~under-pursuant to~~ California Civil Code sections ~~5650-5660~~), as detailed further below, will be sent to the Member by Certified Mail. The Mutual, through its managing agent, will also attempt to contact the Member by telephone to remind the Member of the delinquency and determine when payment will be made. However, no assurances can be given that the Mutual will in fact reach the Member by telephone, and the Member is responsible to pay off the delinquency whether or not a telephone reminder is actually received by the Member.

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

If full payment of the delinquent amount (such as a duly levied and imposed assessment, fine, fee, or chargeable service including associated late ~~fees-charges~~ and interest) is not received by the close of business on the thirtieth (30th) day after the date of the Demand Letter/Pre-Lien Notice (and with respect to recording a lien against a Member's separate interest in the condominium project ("Manor") which is governed by the Mutual, on the thirtieth (30th) day after receipt of the Demand Letter/Pre-Lien Notice), the Mutual may, at its option, in accordance with the requirements and conditions herein and applicable law, and based on the circumstances of the delinquency, including but not limited to, the total delinquent amount owing and the Member's payment history, undertake to collect the delinquency by: (1) suspending a Member's right (and that of the Resident or Tenant of that Member's ~~Condominium Unit~~Manor) to use Mutual or GRF facilities; (2) termination of the delinquent Member's Membership in the Mutual as a result of any foreclosure, (3) legal actions, discussed further below, or (4) other means permitted by law.

The Mutual may, after following appropriate procedures prescribed by law and the Mutual's Governing Documents, suspend a delinquent Member's right to vote on matters as to which the Member would otherwise be entitled to vote (based on applicable law and/or the Mutual's governing documents), or to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full, including interest, ~~a~~-late charges, and/or the Administrative Collection Fee, as may have been imposed or incurred in a particular instance. Failure to pay the assessments, ~~or~~ failure to pay interest, ~~a~~-late feecharges, and/or the Administrative Collection Fee may also result in

suspension of certain Membership rights in and the ability to use the facilities or services provided by the Golden Rain Foundation of Laguna Woods or by this Mutual.

The Mutual may also take various legal actions to enforce the collection of delinquencies. **THESE ACTIONS MAY BE TAKEN SEPARATELY OR CONCURRENTLY.**

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

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

PLEASE NOTE THAT A SMALL CLAIMS COURT ACTION MAY BE PURSUED BASED ON A BOARD RESOLUTION EITHER BEFORE OR AFTER RECORDING A NOTICE OF DELINQUENT ASSESSMENT, AND/OR AFTER A WRITE-OFF.

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

Successive small claims court actions may be pursued, consistently with applicable laws, until the entire amount of the delinquency is recovered.

### **8. Lien**

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

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



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

## **9. Foreclosure/ADR**

After the expiration of thirty (30) days following the recording of a lien created pursuant to [California Civil Code](#) Section 5675, the lien may be enforced in any manner permitted by law. Once the amount of delinquent assessments (not including any late charges, fees, attorney's fees, interest, or Costs of Collection), exceeds One Thousand Eight Hundred Dollars (\$1,800), or any unpaid assessments are more than twelve (12) months delinquent, then, subject to specified conditions, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

These conditions include that, prior to initiating a foreclosure, the Mutual shall offer the Member, and if so requested by the Member, the Mutual must participate in dispute resolution pursuant to the Mutual's "meet and confer" program, or alternative dispute resolution ("ADR"). THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE MEMBER, EXCEPT THAT BINDING ARBITRATION SHALL NOT BE AVAILABLE IF THE MUTUAL INTENDS TO INITIATE A JUDICIAL FORECLOSURE.

Also, Civil Code section 5965 requires the Mutual to include the following statement to be included in this Policy Statement:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

If any "meet and confer" session or ADR is engaged in by and between the Member and the Mutual (or any neutral third parties, as the case may be), and these efforts do not result in a payment plan, then, assuming the new-statutory minimum as to the delinquent amount or duration of the delinquency had been met, a proceeding may be commenced to foreclose the lien against the Member's Manor and sell the Member's Manor at a private sale or by a judicial sale. If this occurs, the Member may lose his or her Manor.

## **10. Board Decision to Initiate Foreclosure**

~~Another condition is that t~~The decision to initiate foreclosure of a lien for delinquent assessments that has been validly recorded shall be made only by the Board, and may not be delegated to an agent of the Mutual. The Board shall approve the decision by a majority vote of the Board in an executive session. The vote must be recorded in the minutes of the next meeting of the Board open to all Members; however, the confidentiality of the delinquent Member shall be maintained by identifying the matter in

the minutes only by the Parcel Number, and not by the name of the delinquent Member or Members. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale or judicial foreclosure.

The Board must provide notice by personal service to an owner of a [separate interestManor](#) or their legal representative, if the Board votes to foreclose. For a non-occupying owner, the Board must provide written notice by first-class mail, postage prepaid, at the most current address shown on the books of the Mutual. In the absence of written notification by a non-occupying owner to the Mutual, the address of the owner's [separate interestManor](#) may be treated as the owner's mailing address.

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

A non-judicial foreclosure by the Mutual to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the [separate interestManor](#) may be redeemed from a foreclosure sale ends ninety (90) days after the sale, per California Civil Code section 5715.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the Member may be seized or a lien may be placed on such assets to satisfy the judgment. Pursuant to the provisions of the Davis-Stirling Common Interest Development Act, applicable regulations, and the Covenants, Conditions and Restrictions (CC&Rs), the delinquent amount, as well as late payment penalties for the delinquent assessments and/or interest charges and/or charges for Costs of Collection that are incurred by the Mutual [and](#)/or its managing agent acting on behalf of the Mutual in its efforts to collect delinquent assessments (including, but not limited to, attorney's fees, title company and foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters (such as the Administrative Collection Fee), recording costs and costs associated with small claims court actions) may be enforced as a lien against the Member's Manor.

Moreover, pursuant to the Davis-Stirling Common Interest Development Act, monetary penalties that have been imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common areas and/or community facilities for which a Member or a Member's guests or tenants were responsible may also be enforced as a lien against the Member's Manor.

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

Before a [Notice of Delinquent Assessmentlien](#) can be recorded in the chain of title to the [manorManor](#) of a delinquent Member, the Mutual must offer the Member, and if so requested by the Member, the Mutual must participate in dispute resolution pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 2 commencing with section 5900 of Chapter 10) or ADR as set forth in Article 3 (commencing with Section 5925 of Chapter 10), both in the California Civil Code.

Any choice by a Member to pursue any kind of ADR must be made by the Member's delivery of written notice of such choice to the Mutual's managing agent within thirty (30) days of any event which triggers a Member's right to pursue ADR, [whether it is before a Notice of Delinquent Assessmentlien](#) can be recorded (i.e., upon receipt of the certified Pre-Lien Notice), or prior to initiating a foreclosure action, or in any other situation for which the Davis-Stirling Common Interest

Development Act or the Mutual's Governing Documents authorize or allow a Member to choose ADR. A Member's right to pursue ADR may be triggered, by among other things, a decision by the Board and/or Executive Hearing Committee, as applicable following any right to appeal pursuant to the Mutual's Appeal Policy.

THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE OWNER. However, binding arbitration is not available if the Mutual intends to initiate a judicial foreclosure.

### **13. Pre-Lien Notice**

~~If the Member elects not to proceed with dispute resolution or any type of ADR, then t~~Prior to recording a lien against a Member's Manor, the Mutual must send the Member a certified notice providing information regarding the sums claimed as being delinquent ("Pre-Lien Notice"). No lien can be recorded until thirty (30) days after this Pre-Lien Notice has been given.

~~This The eertified~~ Pre-Lien Notice ~~from the Mutual~~ must include the following information (per California Civil Code Section 5660):

- (a) A general description of the collection and lien enforcement procedures of the ~~association-Mutual~~ and the method of calculation of the amount, a statement that the owner of the ~~separate-interest~~Manor has the right to inspect the association records pursuant to Section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed;  
  
"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION"
- (b) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any ;
- (c) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association;
- (d) The right to request a meeting with the board as provided in Section 5665;
- (e) The right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10;
- (f) The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 before the association may initiate foreclosure against the owner's ~~separate-interest~~Manor, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure;

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

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

- (a) The Member has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Mutual pursuant to the Mutual's "meet and confer" program, which is required by Civil Code sections 5900-5920;
- (b) The Member may exercise his or her right to participate in alternative dispute resolution with a neutral third party under Civil Code sections 5925-5965 before the Mutual may initiate foreclosure against the owner's ~~separate-interest~~Manor, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure;
- (c) The Member has a right to submit a written request to meet with the Board of Directors to discuss a payment plan for the delinquent assessment, as long as the request for a meeting is made within fifteen (15) days following the postmark on the Mutual's Pre-Lien Notice to the Member. That meeting must take place within forty-five (45) days (calculated from the postmark on the Member's request) and must be conducted in executive session. When a Member has made a timely request for a meeting to discuss a payment plan, the Mutual must provide the requesting Member with the Mutual's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the Board to delegate this meeting obligation to a property manager, but the Board may designate a committee of one or more directors to meet with the Member if there is no regularly scheduled Board meeting that will occur within forty-five (45) days of the Member's request.

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

Any Member who is unable to timely pay regular or special assessments is entitled to make a written request for a payment plan to the Mutual's Board. A Member may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the ~~Demand Letter (i.e., the Pre-Lien Letter Notice)~~. The Mutual's Board will consider payment plan requests on a case-by-case basis, and is under no obligation to grant payment plan requests. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans may not impede the Mutual's ability to record a lien on the Member's ~~separate-interest~~Manor to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Member is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Mutual may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan. The Mutual reserves the right to impose reasonable conditions on any approvals for a payment plan and request that the delinquent Member provide disclosure of certain identifying information and other assets that may be used as additional security for the debt owed.

~~Also, Civil Code section 5965 requires the Mutual to include the following statement in this Policy Statement:~~

~~“Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member’s right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.”~~

~~If any “meet and confer” session or ADR is engaged in by and between the Member and the Mutual (or any neutral third parties, as the case may be), and these efforts do not result in a payment plan, then, assuming the new statutory minimum as to the delinquent amount or duration of the delinquency had been met, a proceeding may be commenced to foreclose the lien against the Member’s Manor and sell the Member’s Manor at a private sale or by a judicial sale. If this occurs, the Member may lose his or her Manor.~~

## **16. Application of Payments**

Additionally, in accordance with state law, unless otherwise waived in writing by the Member, payments received on delinquent assessments shall be applied to the Member’s account in the following order of priority: first, to the principal owed; then to accrued interest and late charges; then to attorney’s fees; then to title company and foreclosure service company charges and other Costs of Collection. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code section 5655.

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

## **17. Secondary Address**

Members have a right and obligation to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to the Mutual’s Annual Policy Statement, and upon receipt of a proper written request from a Member identifying a secondary address that complies with Civil Code section 4041 and the Governing Documents, the Mutual must send additional notices to this secondary address. Pursuant to section 4041, Members must keep the Mutual updated with respect to any mailing or secondary address to which notices from the Mutual are to be delivered. If Members fail to provide such information to the Mutual, the onsite manor shall be deemed to be the address to which notices are to be delivered.

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

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

## **19. Returned Checks**

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

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

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

## **21. Overnight Payments**

The mailing address for overnight payment of assessments is:

Third Laguna Hills Mutual  
-Attn: Assessment Payments  
-24351 El Toro Road  
-Laguna Woods, CA 92637-

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

Although the matters set forth above summarize the policies and practices ordinarily employed to collect delinquent ~~monthly~~ assessments, the Mutual reserves the right to employ other or additional policies and practices as may be necessary or appropriate when the uniqueness of the circumstances or habitualness of the delinquency so requires.

## **23. Attachments**

~~The~~ Notice of Assessments and Foreclosure ~~required by~~ (pursuant to -Civil Code Section 5730): ~~is contained in~~ Attachment "A" ~~to this Policy.~~

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

## **BOARD OF DIRECTORS**

## **THIRD LAGUNA HILLS MUTUAL**



## **ATTACHMENT "A"**

### **NOTICE OF ASSESSMENTS AND FORECLOSURE**

*The following notice is provided pursuant to [California](#) Civil Code Section 5730*

#### **NOTICE ASSESSMENTS AND FORECLOSURE**

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

#### **ASSESSMENTS AND FORECLOSURE**

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

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

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it

has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

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

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

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

## **PAYMENTS**

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

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

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

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



## **MEETINGS AND PAYMENT PLANS**

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

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

## **ATTACHMENT "B"**

*The following Disclosure is made pursuant to [California Civil Code Sections 1812.700-1812.703](#)*

“The State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or [www.ftc.gov](http://www.ftc.gov).”



## **RESOLUTION 03-19-XX**

### **2020 Collection & Lien Enforcement Policy**

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

**WHEREAS**, the Finance Committee reviewed the updated 2020 Collection and Lien Enforcement Policy, including an increase in the delinquent interest charge from 10 to 12%;

**WHEREAS**, the Finance Committee requested that staff verify with Third's legal counsel that any and all language associated with the new appeals policy, currently on 28-day notice, be included as necessary;

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

**NOW THEREFORE BE IT RESOLVED**, September 17, 2019, that the Board of Directors hereby adopts the 2020 Third Laguna Hills Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, the policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2019 as part of the Annual Policy Statement.

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

#### AUGUST Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

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## Financial Report

As of June 30, 2019



INCOME STATEMENT (in Thousands)	ACTUAL
Assessment Revenue	\$16,113
Non-assessment Revenue	\$1,408
Total Revenue	\$17,521
Total Expense	\$14,692
Net Revenue/(Expense)	\$2,829

1

## Financial Report

As of June 30, 2019



OPERATING INCOME STATEMENT (in Thousands)	ACTUAL
Assessment Revenue	\$9,383
Non-assessment Revenue*	\$792
Total Revenue	\$10,175
Total Expense*	\$9,601
Operating Surplus*	\$574

\* Without depreciation or unrealized gain

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## Financial Report

As of June 30, 2019

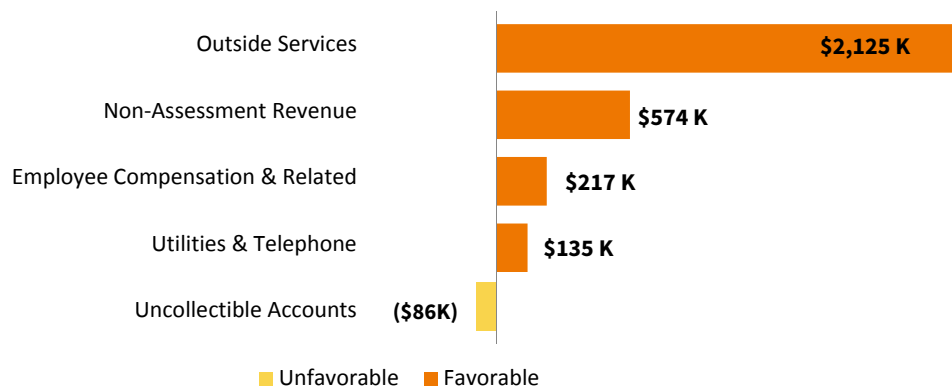


INCOME STATEMENT (in Thousands)	ACTUAL	BUDGET	VARIANCE
Assessment Revenue	\$16,113	\$16,113	\$0
Non-assessment Revenue	\$1,408	\$834	\$574
Total Revenue	\$17,521	\$16,947	\$574
Total Expense	\$14,692	\$17,162	(\$2,470)
Net Revenue/(Expense)	\$2,829	(\$215)	\$3,044

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## Financial Report

As of June 30, 2019



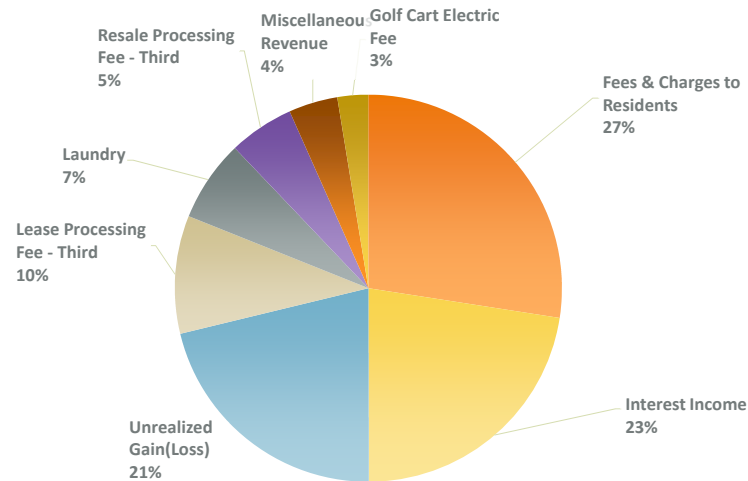
4

# Financial Report

As of June 30, 2019



## Total Non Assessment Revenues \$1,407,809



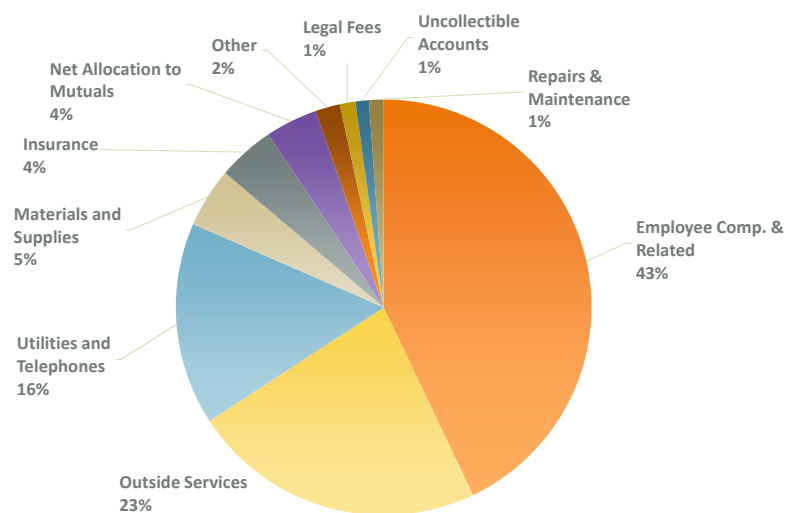
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# Financial Report

As of June 30, 2019



## Total Expenses \$14,691,957



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## Financial Report

As of June 30, 2019



NON OPERATING FUND BALANCES (in Thousands)	ACTUAL
Beginning Balances: 1/1/19	\$29,261
Contributions & Interest	7,047
Expenditures	(5,020)
Current Balances: 6/30/19	\$31,288

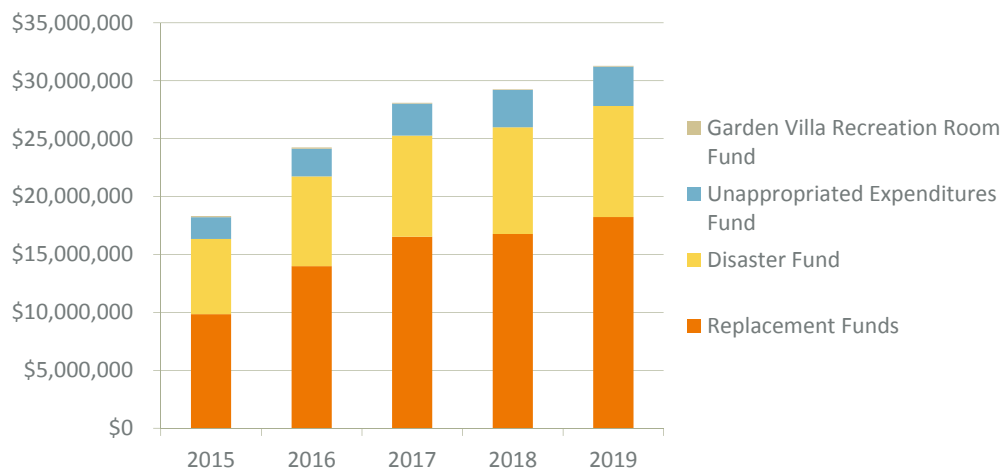
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## Financial Report

As of June 30, 2019



### FUND BALANCES – Third Mutual



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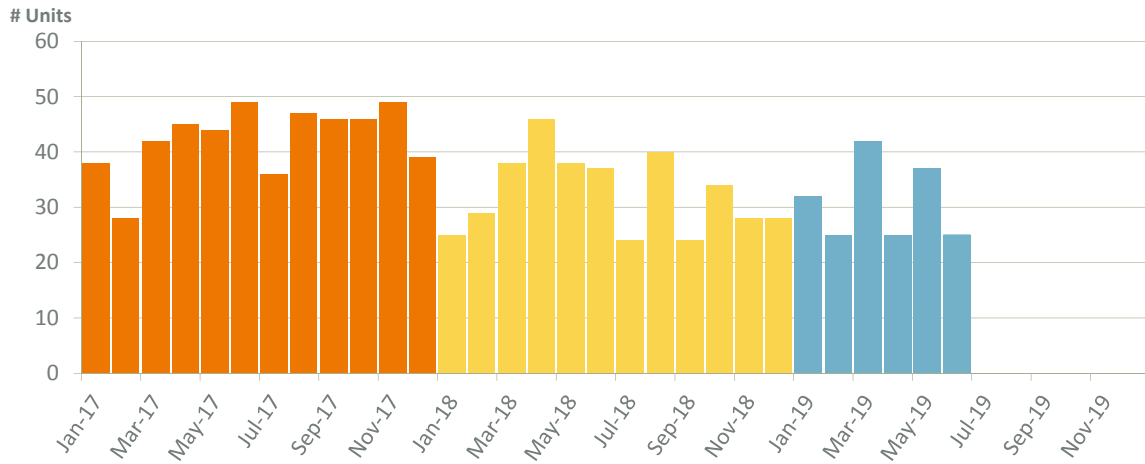


# Financial Report

As of June 30, 2019



## RESALE HISTORY – Third Mutual



**Third Laguna Hills Mutual**  
**Statement of Revenues & Expenses - Preliminary**  
**6/30/2019**  
(\$ IN THOUSANDS)

		CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	ANNUAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
<b>Revenues:</b>									
<b>Assessments:</b>									
1	Operating	\$1,564	\$1,564		\$9,383	\$9,383		\$9,439	\$18,767
2	Additions to restricted funds	1,122	1,122		6,730	6,730		6,577	13,460
3	<b>Total assessments</b>	<u>2,686</u>	<u>2,686</u>		<u>16,113</u>	<u>16,113</u>		<u>16,016</u>	<u>32,227</u>
<b>Non-assessment revenues:</b>									
4	Fees and charges for services to residents	55	40	15	386	239	147	279	478
5	Laundry	18	18		96	110	(14)	65	220
6	Interest income	58	31	27	317	184	132	223	369
7	Miscellaneous	242	50	192	609	300	308	342	601
8	<b>Total non-assessment revenue</b>	<u>373</u>	<u>139</u>	<u>235</u>	<u>1,408</u>	<u>834</u>	<u>574</u>	<u>909</u>	<u>1,668</u>
9	<b>Total revenue</b>	<u>3,059</u>	<u>2,824</u>	<u>235</u>	<u>17,521</u>	<u>16,947</u>	<u>574</u>	<u>16,925</u>	<u>33,895</u>
<b>Expenses:</b>									
10	Employee compensation and related	966	1,075	109	6,308	6,525	217	6,471	13,088
11	Materials and supplies	96	129	34	681	777	96	659	1,554
12	Utilities and telephone	385	467	82	2,314	2,449	135	2,608	5,299
13	Legal fees	44	18	(26)	178	110	(68)	61	220
14	Professional fees	20	11	(10)	94	111	17	60	185
15	Equipment rental	1	3	2	14	20	6	7	40
16	Outside services	722	914	193	3,361	5,486	2,125	3,027	10,972
17	Repairs and maintenance	26	28	2	167	168	1	156	345
18	Other Operating Expense	11	15	4	72	92	20	72	181
19	Insurance	111	109	(1)	651	656	5	636	1,313
20	Investment expense		11	11	23	23		21	46
21	Uncollectible Accounts	(10)	12	22	155	69	(86)	56	138
22	(Gain)/loss on sale or trade				7	7		1	
23	Depreciation and amortization	12	12		72	72		73	143
24	Net allocation to mutuals	97	100	3	597	597		612	1,205
25	<b>Total expenses</b>	<u>2,480</u>	<u>2,904</u>	<u>424</u>	<u>14,692</u>	<u>17,162</u>	<u>2,470</u>	<u>14,520</u>	<u>34,730</u>
26	Excess of revenues over expenses	<u>\$579</u>	<u>(\$79)</u>	<u>\$659</u>	<u>\$2,829</u>	<u>(\$214)</u>	<u>\$3,044</u>	<u>\$2,405</u>	<u>(\$835)</u>



## **Statement of Revenues & Expenses – Preliminary**

### **SUMMARY**

For the year-to-date period ending June 30, 2019, Third Mutual is better than budget by \$3 million, of which \$2.1 million is due to timing of reserve programs performed by outside contractors. The remaining \$900K is attributed to more revenues and savings in water and materials.

### **REVENUES**

#### **Fees and Charges for Services to Residents – \$147K [Line 4](#)**

More revenue received from chargeable services, primarily for water heater replacement, which is an expanded service. The variance was furthered by an increase in chargeable maintenance work being requested by residents for moisture intrusion events; offsetting expenses are found in outside services.

#### **Interest Income – \$132K [Line 6](#)**

Higher investment balances than anticipated at the time of budget preparation yielded more interest income.

#### **Miscellaneous – \$308K [Line 7](#)**

Additional revenue primarily due to unrealized gains recorded for available for sale investments. This was previously adjusted at year end but at board direction, this account will be adjusted quarterly throughout the year.

### **EXPENSES**

#### **Employee Compensation and Related – \$217K [Line 10](#)**

A substantial portion of this favorable variance occurred in Carpentry; although budgeted throughout the year, some programs have not started. Another significant factor is tree work which is scheduled to begin in October, but budgeted throughout the year. Additionally, Union Medical costs were negotiated at a cost lower than budget and less participation in non-union retirement plan resulted in a savings. This was partially offset by timing of work for concrete repairs, underground garages, and hours required for service requests in Maintenance, particularly plumbing services.

#### **Utilities and Telephone – \$135K [Line 12](#)**

Favorable variance resulted from less water usage for irrigation due to rainfall.



## **Statement of Revenues & Expenses – Preliminary**

### **Outside Services – \$2,125K Line 16**

Favorable variance is due to timing:

- **Building Structures Replacement – \$428K**  
Timing; 2019 Dry rot work began in June and is expected to be completed by December. The scope of work includes 10 buildings, which includes 57 balconies. However, this has been reduced to 8 buildings due to more damage than anticipated and an additional non-planned building needing immediate repair. Favorable variance was furthered by late start of parapet and stucco repairs programs, which began in April. The program is expected to be completed by September 2019.
- **Landscape Modernization – \$402K**  
Timing; Slope Maintenance Program began in July. Slope Renovation and Landscape Revitalization are scheduled to begin in October 2019; the budget was spread evenly.
- **Exterior Lighting – \$387K**  
Siemens installed three sets of LED fixtures for the pilot program along Avenida Sosiega. At the May 6, M&C Meeting the Committee directed staff to procure additional fixture selections and pricing for consideration. The vendor provided pricing for additional pilot program locations, which will be presented at a future M&C meeting.
- **Paving – \$358K**  
Timing; Seal Coat and Asphalt Paving Programs are scheduled to begin in August 2019; however, the budget was spread evenly throughout the year.
- **Waste Line Remediation – \$304K**  
Timing; work is in progress. Variance is expected to decrease throughout the year as work is completed. The scope of work for 2019 includes 6 buildings, 2 of which have been completed.



## **FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION**

Tuesday, August 6, 2019 – 1:30 p.m.  
Laguna Woods Village Community Center Board Room, 24351 El Toro Road

**MEMBERS PRESENT:** Jon Pearlstone – Chair, Rosemarie diLorenzo, Steve Parsons, Roy Bruninghaus, Bunny Carpenter, Reza Karimi, Lynn Jarrett, John Frankel, Annie McCary, Advisors: Wei-Ming Tao, John Hess

**MEMBERS ABSENT:** Cush Bhada, Advisor: Michael Cunningham

**STAFF PRESENT:** Betty Parker, Steve Hormuth, Christopher Swanson

### **Call to Order**

Director Jon Pearlstone chaired the meeting and called it to order at 1:35 p.m.

### **Approval of Meeting Agenda**

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

### **Approval of Meeting Report for July 2, 2019**

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

### **Chair Remarks**

None.

### **Department Head Update**

Betty Parker, Chief Financial Officer, included in the agenda a department head update report highlighting key financial performance data and information requests. She also summarized the most recent coin collection audit and noted the upcoming 2020 Budget meeting occurring on Thursday, August 8, 2019 at 1:30 p.m. in the Board room.

### **Preliminary Financial Statements dated June 30, 2019**

The Committee reviewed financials and questions were addressed. The Committee requested the following information be presented at the next Finance Committee meeting:

- Analysis of Overtime and Temp Help expenses
- Location of cul-de-sac signs installation program charges
- Discussion of golf cart electric fee billing and collection processes

### **2020 Collection and Lien Enforcement Policy**

The Committee reviewed the updated 2020 Collection and Lien Enforcement Policy, including an increase in the delinquent interest charge from 10 to 12%. The Committee recommended

that this item be placed onto the next Third Board Agenda in open session to begin the 28 day review process mandated by California Civil Code. The Committee requested that staff verify with Third's legal counsel that any and all language associated with the new appeals policy, currently on 28-day notice, be included as necessary.

### **2019 Year End Projections – May 31, 2019**

The Committee reviewed the 2019 Year End Projections as of May 31, 2019.

### **Solar System Update**

The Committee reviewed a handout reporting the second quarter savings from energy production for all of its solar systems. The Committee requested that inception-to-date figures be presented beginning with the third quarter update.

### **Investment Task Force Update**

Ms. Parker noted that the Committee's previous recommendation to change service providers will be on the upcoming Board agenda for approval.

### **Future Agenda Items**

Fee Schedule Updates

Solar System Update – Q3

### **Committee Member Comments**

None.

### **Date of Next Meeting**

Tuesday, September 3, 2019 at 1:30 p.m. in the Board Room.

### **Recess to Closed Session**

The meeting recessed at 2:56 p.m.

**DRAFT**

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Jon Pearlstone, Chair

# Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

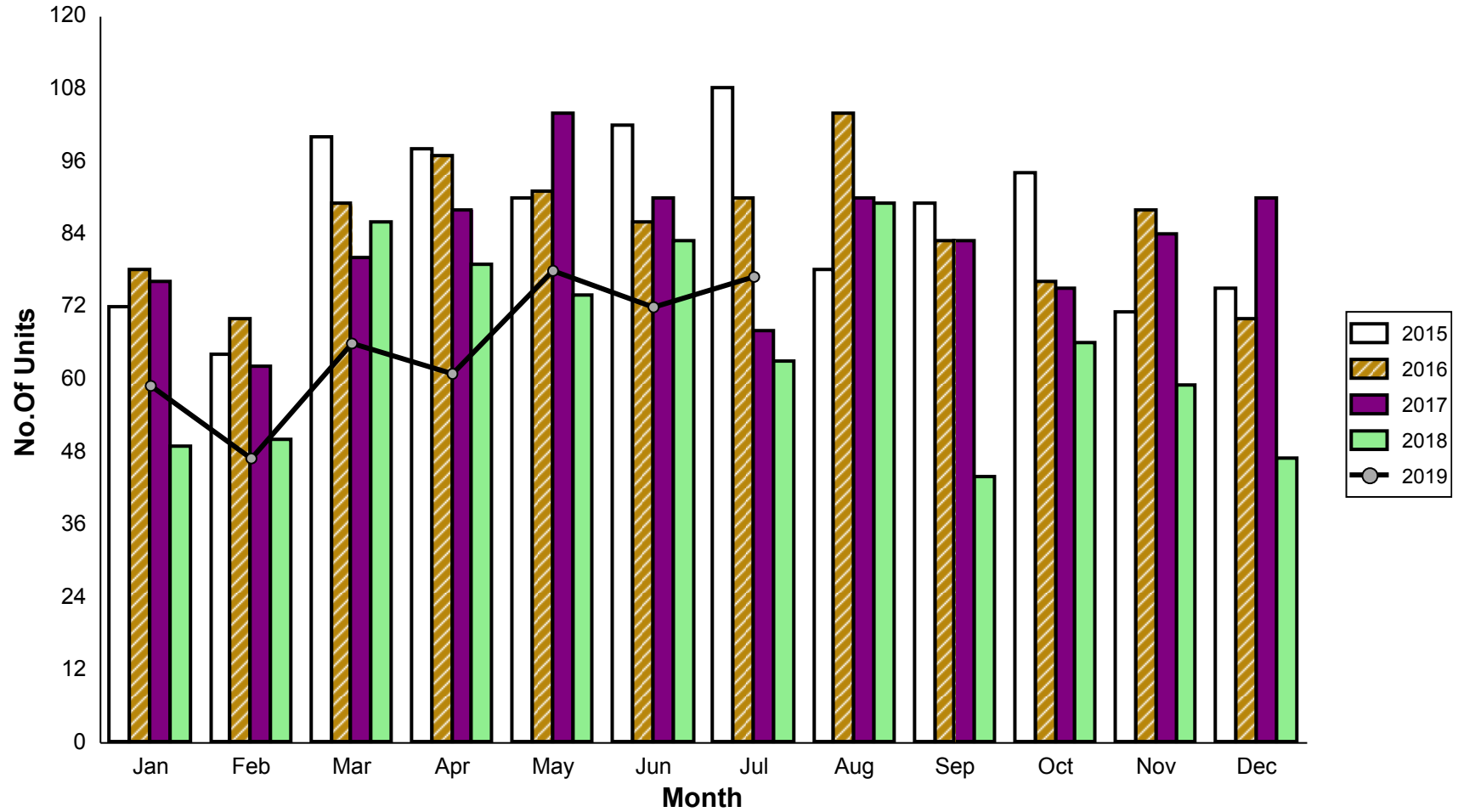
REPORT PERIOD

July, 2019

MONTH	NO. OF REALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	59	49	\$17,913,250	\$14,821,540	\$314,268	\$308,782
February	47	50	\$14,680,050	\$18,660,142	\$319,132	\$373,203
March	66	87	\$23,445,712	\$28,065,799	\$355,238	\$359,818
April	61	79	\$20,041,551	\$27,694,226	\$328,550	\$364,398
May	78	74	\$23,941,536	\$24,187,990	\$310,929	\$350,551
June	72	83	\$21,298,290	\$28,002,538	\$295,810	\$378,413
July	77	63	\$26,517,173	\$19,434,100	\$344,379	\$329,392
August		*		\$28,612,100		* \$340,620
September		*		\$17,185,192		* \$409,171
October		*		\$22,702,400		* \$366,168
November		*		\$17,330,500		* \$320,935
December		*		\$17,262,399		* \$383,609
TOTAL	460.00	485.00	\$147,837,562	\$160,866,335		
MON AVG	65.00	69.00	\$21,119,652	\$22,980,905	\$324,044	\$352,079

\* Amount is excluded from percent calculation

## Resales - 5 Year Comparison





# Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

Third

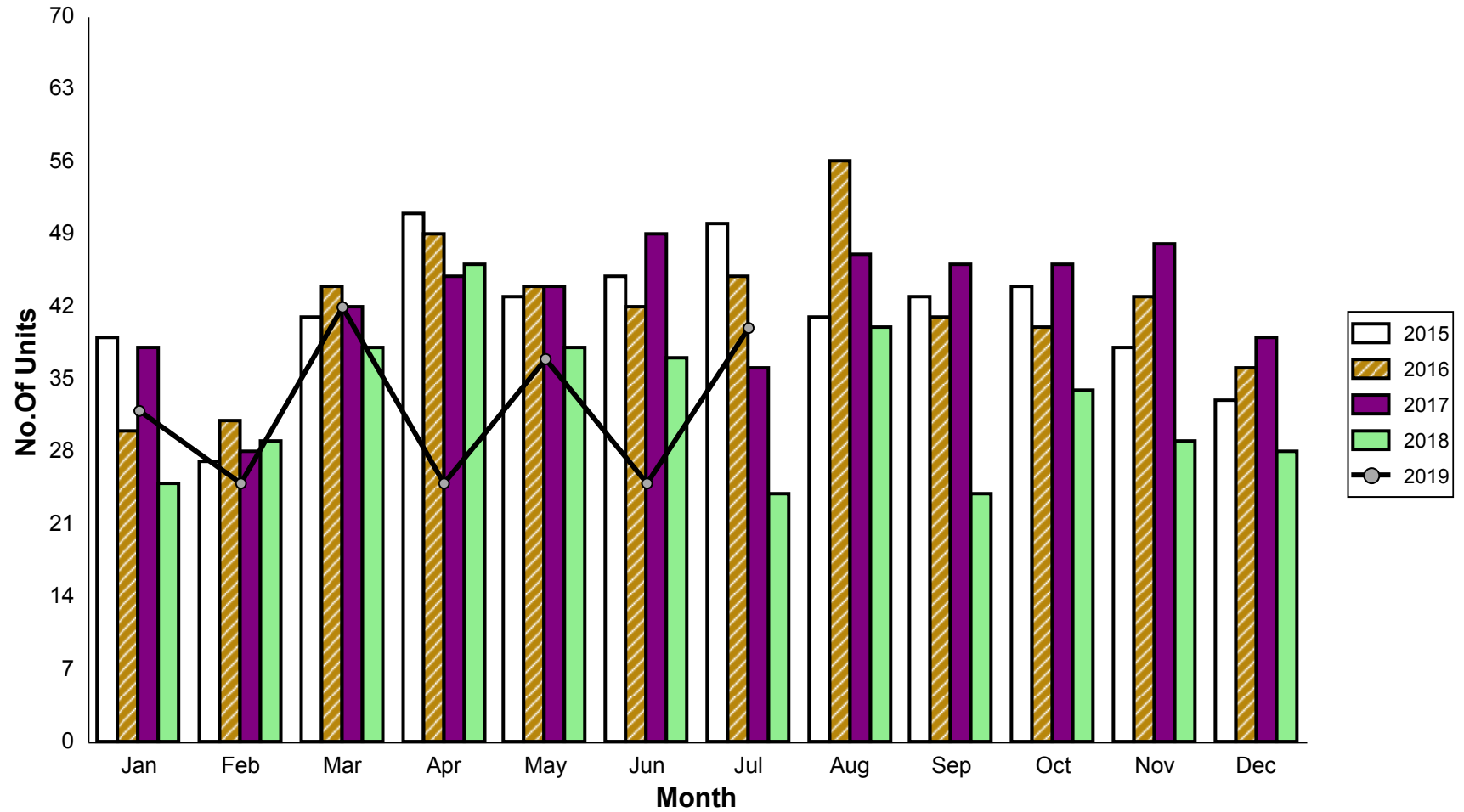
July, 2019

MONTH	NO. OF RESALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	32	25	\$12,482,100	\$8,807,150	\$390,066	\$352,286
February	25	29	\$10,208,000	\$12,600,892	\$408,320	\$434,514
March	42	38	\$16,639,712	\$16,909,199	\$396,184	\$444,979
April	25	46	\$10,435,500	\$18,869,626	\$417,420	\$410,209
May	37	38	\$16,273,033	\$15,452,990	\$439,812	\$406,658
June	25	37	\$10,290,000	\$16,981,138	\$411,600	\$458,950
July	40	24	\$17,327,373	\$9,892,800	\$433,184	\$412,200
August		* 40		* \$17,327,000		* \$433,175
September		* 24		* \$12,552,692		* \$523,029
October		* 34		* \$14,146,300		* \$416,068
November		* 29		* \$10,947,500		* \$377,500
December		* 28		* \$13,693,599		* \$489,057
TOTAL	226.00	237.00	\$93,655,718	\$99,513,795		
MON AVG	32.00	33.00	\$13,379,388	\$14,216,256	\$413,798	\$417,114
% CHANGE - YTD	-4.6%		-5.9%		-0.8%	

% Change calculated (ThisYear - LastYear)/LastYear

\* Amount is excluded from percent calculation

## Resales - 5 Year Comparison



## Resales Report Third Laguna Hills Mutual July, 2019

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
07/15/2019	967-O	3	\$250,000	Castilla	Re/Max Premier Realty	Century 21 Rainbow	Corner Escrow Inc.
07/12/2019	2110-Q	3	\$399,000	Casa Linda	RE/MAX Property Connection	HomeSmart Evergreen	Granite Escrow
07/26/2019	2176-U	3	\$218,373	Monterey	Real Consultants	Coldwell Banker	Lighthouse Escrow
07/10/2019	2200-H	3	\$270,000	Monterey	Century 21 Rainbow	Laguna Premier Realty, Inc	Pacific Closing Services
07/15/2019	2244-C	3	\$325,000	Casa Contenta	Laguna Premier Realty, Inc	Realty Quest	Corner Escrow Inc.
07/29/2019	2277-O	3	\$240,000	Casa Linda	Plan A Real Estate	H & M Realty Group	Corner Escrow Inc.
07/11/2019	2285-N	3	\$307,500	Casa Contenta	Century 21 Rainbow	Laguna Premier Realty, Inc	Corner Escrow Inc.
07/29/2019	2296-P	3	\$260,000	Castilla	Bullock Russell Real Estate	Century 21 Rainbow	Generations Escrow
07/03/2019	2298-D	3	\$225,000	Casa Contenta	Prea Realty	Mark Carlson, Broker	Corner Escrow Inc.
07/11/2019	2325-B	3	\$465,000	Cordoba	Laguna Premier Realty, Inc	EHM Real Estate	Granite Escrow
07/26/2019	2374-B	3	\$320,000	San Sebastian	Laguna Premier Realty, Inc	Coldwell Banker	Pacific Closing Services
07/22/2019	2392-2H	3	\$369,000	Garden Villa	Century 21 Rainbow	Compass	Granite Escrow
07/18/2019	2400-3G	3	\$220,000	Villa Capri	Laguna Woods Village Realty	OC Real Estate	Granite Escrow
07/22/2019	3022-C	3	\$295,000	San Clemente	ReMax Select One	Coldwell Banker Residential	Granite Escrow
07/23/2019	3085-B	3	\$340,000	Hermosa	FSBO	No Broker	Culture Escrow
07/02/2019	3111-N	3	\$315,000	La Brisa	Paul Kott Realtors, Inc.	Ray Goldmann, Broker	EBR Escrow Corp.
07/08/2019	3160-B	3	\$475,000	Las Flores	Village Real Estate Services	Domu Real Estate	Generations Escrow
07/09/2019	3166-B	3	\$421,000	Hermosa	Presidential Real Estate	Hallmark West Real Estate	Corner Escrow Inc.
07/10/2019	3189-C	3	\$490,000	La Princesa	Laguna Premier Realty, Inc	Laguna Woods Village Realty	Pacific Closing Services
07/29/2019	3240-C	3	\$748,000	La Reina	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Granite Escrow
07/31/2019	3241-3E	3	\$375,000	Villa Puerta	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Granite Escrow
07/26/2019	3336-2G	3	\$350,000	Sierra	HomeSmart Evergreen	Team Spirit Realty	Escrow Options Group

# Resales Report

## Third Laguna Hills Mutual

### July, 2019

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
07/30/2019	3364-1G	3	\$350,000	Sierra	Professional's Broker	Professional's Broker	Granite Escrow
07/15/2019	3380-A	3	\$315,000	Catalina	Coldwell Banker Residential	Coldwell Banker Residential	Granite Escrow
07/09/2019	3436-A	3	\$310,000	La Quinta	Surterre Properties, Inc.	Laguna Premier Realty, Inc	Granite Escrow
07/11/2019	3502-C	3	\$710,000	Cabrillo	Re/Max Select One	Keller Williams Real Estate	Generations Escrow
07/29/2019	4011-2F	3	\$300,000	El Mirador	FSBO	Coastal Hills Properties	Blue Pacific Escrow
07/08/2019	4013-3B	3	\$360,000	Villa Nueva	Village Real Estate	Professionals Broker	Granite Escrow
07/30/2019	4022-A	3	\$455,000	Casa Milano	Keller Williams Real Estate	Surterre Properties, Inc.	Granite Escrow
07/18/2019	5119	3	\$652,000	Villa Reposa	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Granite Escrow
07/16/2019	5160	3	\$850,000	Villa Reposa	Christine Donovan, Broker	HomeSmart Evergreen	Corner Escrow Inc.
07/16/2019	5345-D	3	\$557,500	La Princesa	Compass	Re/Max Select One	Granite Escrow
07/02/2019	5371-3H	3	\$450,000	Villa Puerta	Keller Williams Real Estate	Realty One Group	Granite Escrow
07/23/2019	5379-C	3	\$675,000	Cabrillo	Surterre Properties, Inc.	Laguna Premier Realty, Inc	Granite Escrow
07/25/2019	5390-B	3	\$620,000	Casa Rosa	Power of 2 Realty	HomeSmart Evergreen	New Dimensions Escrow
07/31/2019	5449	3	\$980,000	Casa Grande	Century 21 Rainbow	Laguna Premier Realty, Inc	Corner Escrow Inc.
07/18/2019	5487-P	3	\$450,000	La Quinta	BHHS California Properties	Tarbell Realtors	Granite Escrow
07/03/2019	5488-O	3	\$415,000	La Quinta	Laguna Premier Realty, Inc	Re/Max Select One	Pacific Closing Services
07/22/2019	5500-3F	3	\$450,000	El Mirador	Re/Max Premier Realty	Coldwell Banker Residential	Granite Escrow
07/16/2019	5503-B	3	\$750,000	Cabrillo	Laguna Premier Realty, Inc	Keller Williams Real Estate	Pacific Closing Services

Number of Resales: 40

Total Resale Price: \$17,327,373

Average Resale Price: \$433,184

Median Resale Price: \$372,000

## Community Services Department

Third

July

Period	Month	NUMBER OF RESALES				TOTAL SALES VOLUME IN \$\$				AVG RESALE PRICE			
		2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016
1	January	32	25	38	30	\$12,482,100	\$8,807,150	\$14,513,062	\$10,663,350	\$390,066	\$352,286	\$381,923	\$355,445
2	February	25	29	28	31	\$10,208,000	\$12,600,892	\$9,887,500	\$11,354,000	\$408,320	\$434,514	\$353,125	\$366,258
3	March	42	38	42	44	\$16,639,712	\$16,909,199	\$15,185,800	\$14,408,861	\$396,184	\$444,979	\$361,567	\$327,474
4	April	25	46	45	49	\$10,435,500	\$18,869,626	\$18,847,150	\$18,170,528	\$417,420	\$410,209	\$418,826	\$370,827
5	May	37	38	44	44	\$16,273,033	\$15,452,990	\$18,157,951	\$13,703,900	\$439,812	\$406,658	\$412,681	\$311,452
6	June	25	37	49	42	\$10,290,000	\$16,981,138	\$21,011,450	\$12,838,300	\$411,600	\$458,950	\$428,805	\$305,674
7	July	40	24	36	46	\$17,327,373	\$9,892,800	\$13,526,020	\$16,112,500	\$433,184	\$412,200	\$375,723	\$350,272
8	August	0	40	47	56	\$0	\$17,327,000	\$17,967,189	\$21,085,200	\$0	\$433,175	\$382,281	\$376,521
9	September	0	24	46	41	\$0	\$12,552,692	\$16,020,038	\$12,651,500	\$0	\$523,029	\$356,001	\$308,573
10	October	0	34	46	40	\$0	\$14,146,300	\$18,804,700	\$13,386,500	\$0	\$416,068	\$408,798	\$334,663
11	November	0	28	49	43	\$0	\$10,675,000	\$19,847,200	\$16,453,200	\$0	\$381,250	\$405,045	\$382,633
12	December	0	28	38	36	\$0	\$13,693,599	\$18,509,275	\$12,528,800	\$0	\$489,057	\$487,086	\$348,022
TOTAL		226	237	282	286	\$93,655,718	\$99,513,795	\$111,128,933	\$97,251,439				
MON AVG		32.3	33.9	40.3	40.9	\$13,379,388	\$14,216,256	\$15,875,562	\$13,893,063	\$413,798	\$417,114	\$390,379	\$341,057
% CHANGE-YTD		-4.6%	-16.0%	-1.4%	-3.4%	-5.9%	-10.5%	14.3%	2.4%	-0.8%	6.8%	14.5%	6.7%

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

Percent calculation only includes YTD figures in black.



# MONTHLY LEASING REPORT

Report Period:  
July-2019

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	17	38	374	1280	1709	1613	61	41	97	0
February	13	32	380	1279	1704	1651	62	56	110	3
March	12	27	384	1267	1690	1644	96	67	137	3
April	10	16	369	1277	1672	1656	89	72	154	3
May	12	22	351	1279	1664	1625	64	74	151	4
June	14	27	356	1291	1688	1662	72	66	107	3
July	15	29	371	1269	1684	1673	82	83	109	0
August						1678				
September						1667				
October						1690				
November						1705				
December						1712				

Monthly Average	13.3	27.3	369.3	1277.4	1687.3	July 1646.3	75.1	65.6	123.6	2.3
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Percentage Leased	1684 / 6102 = 28%									
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## **OPEN MEETING**

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

**Monday, July 22, 2019 – 9:30 a.m.  
Laguna Woods Village Community Center Sycamore Room  
24351 El Toro Road**

#### **REPORT**

**COMMITTEE MEMBERS PRESENT:** Chair Steve Parsons, Reza Karimi, Roy Bruninghaus, John Frankel, Lynn Jarrett

**COMMITTEE MEMBERS ABSENT:** NA

**OTHERS PRESENT:** NA

**ADVISORS PRESENT:** Mike Butler, Mike Plean

**STAFF PRESENT:** Brett Crane, Gavin Fogg, Alisa Rocha

#### **1. Call to Order**

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

#### **2. Acknowledgement of Media**

NA

#### **3. Approval of June 24, 2019 Report**

Director Bruninghaus moved to accept the report. Advisor Plean seconded. The committee had no objection.

#### **4. Approval of the Agenda**

Director Bruninghaus moved to accept the agenda. Director Jarrett seconded. The committee had no objection.

#### **5. Committee Chair Remarks**

NA

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

Member Chris Powers mentioned running into Bill Walsh and discussing with him how this committee and the Alterations Division has been a real success story and other departments should aspire to be as well rounded as the Alterations Division.

## **7. Department Head Update**

Mr. Crane congratulated Mr. Fogg on his promotion to Inspection Supervisor.

### 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:

#### Standards Discussion Items:

## **8. Review Standard 41: Solar Panels, 1 Story Buildings**

Director Bruninghaus made a motion to accept Staff's recommendation and approve this request. Director Jarrett seconded. The committee was in unanimous support.

The committee proposed the following additional changes to this Standard and asked Staff to send to the Board for approval.

§2.11 Change 'must be' to 'requires'

§3.8 Change 'Permit and' to 'Alterations Division'

§3.9 Change 'elect' to 'chooses' and 'than' to 'then'

### **8a. Introduction of Alternate Heat Source Policy (last minute agenda item)**

Director Karimi made a motion to accept Staff's recommendation and approve this request. Director Bruninghaus seconded. The committee was not in unanimous support. Director Frankel was not in agreement.

The committee proposed the following additional changes to this policy and asked Staff to send to the Board for approval.

Attachment 1 Change 'a' to 'many' and 'unit' to 'units'

### Reports:

## **9. Status of Mutual Consents**

Mr. Fogg reviewed this report with the committee.

Director Bruninghaus proposed including the number of open cases.

Discussion took place regarding receiving accurate information from The City regarding actual open cases vs. cases that are complete but have not been signed off on by The City. Mr. Crane will continue to work on the running list with The City. Mr. Crane will also work with Compliance Office to recognize which may be a compliance issue.



Future Agenda Item(s):

Open competition rules. Mr. Crane will look further into this matter.

Concluding Business:

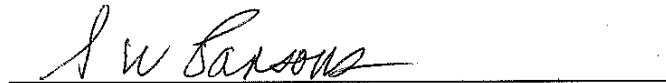
**10. Committee Member Comments**

Advisor Plean recommended Staff provide feedback to the committee with Board decisions.

Chair Parsons raised awareness of the flyer circulating regarding inaccurate 2020 assessment fee increases.

**11. Date of next meeting – Monday, August 26, 2019**

**12. Adjourned at 10:42 a.m.**

A handwritten signature in cursive script, appearing to read "Steve Parsons", is written over a horizontal line.

Chair, Steve Parsons  
Brett Crane, Staff Officer  
Alisa Rocha, Alterations Coordinator, 268-2301

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## **THIRD LAGUNA HILLS MUTUAL COMMUNICATIONS COMMITTEE**

**Wednesday, July 24, 2019 - 9:30 AM**

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

### **REPORT**

**MEMBERS PRESENT:** Chair Annie McCary, Co-Chair Roy Bruninghaus, Directors Bunny Carpenter, Reza Karimi, Rosemarie diLorenzo and Lynn Jarrett

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** Steve Parsons—Third Mutual

**STAFF PRESENT:** Eileen Paulin, Ellyce Rothrock and Becky Jackson

- 1. Call to Order**  
Chair Annie McCary called the meeting to order at 9:30 a.m.
- 2. Acknowledgement of Media**  
None were present.
- 3. Approval of the Agenda**  
Agenda was approved by consensus.
- 4. Approval of Meeting Report-June 5, 2019**  
Report was approved by consensus.
- 5. Chair's Remarks**  
Chair McCary welcomed the two people in the audience and gave kudos to Staff for the new format of What's Up in the Village.
- 6. Member Comments (Items Not on the Agenda)**  
Leslie Carretti 3084-B was called to speak and addressed landscaping issues around her manor since Roundup has been terminated and the new products have been used.

Director Rosemarie diLorenzo stated Third Mutual stopped using Roundup six months ago. Communications have been disseminated to Residents via email, television and print.

Hearing loop technology is available in the Board room for attendees who have hearing aids with a t-coil

Director Lynn Jarrett explained Third Mutual is not in a trial phase with the new product, Finale. She stated the grass will grow out as Ms. Carretti described and will follow up with Landscaping to resolve the issue. She will communicate with Ms. Carretti after discussing it with Kurt Wiemann.

Eileen Paulin asked Ms. Carretti if she received the email notifications. Ms. Carretti said no. Ms. Paulin went on to describe receiving the emails would help keep Residents informed to save time and then encouraged her to get on the list.

## **REPORTS:**

### **7. Marketing and Communications Report-Eileen Paulin**

#### **a. Water Conservation**

Ms. Paulin provided background and stated Staff has a letter with a two page attachment. She suggested continuing sending the letter. After discussion it was decided that:

- Letter will be sent to areas where water usage is high.
- Ms. Paulin will coordinate with Directors Reza Karimi and Jarrett to communicate with the Garden Villa Association when applicable and Building Captains.
- Communications will be made to Eileen Lazar with the Gate 11 Residents at the October 3, 2019 meeting.
- Stuart Hack and Eileen Lazar will be invited to the next Third Communications Meeting.

#### **b. Gate 14 Landscape Updates**

Ms. Paulin reported the presentation went well. Director Jarrett will consult with Mr. Wiemann and report back to the Committee.

#### **c. Parking Pilot Project**

Steve Parsons reported \$50,000 has been awarded for the Golf Cart Task Force to increase parking in the wedding cake area. There are 14 potential sightings, including cul de sac 216. The project has been turned over to Ernesto Munoz and will begin in August 2019. No definitive communication plan was determined.

#### **d. Earthquake Insurance Information for Residents**

Ms. Paulin suggested putting an article in the Breeze and having one of the directors talk about what type of policy Residents will need in the event of an earthquake. She stated a flyer could be handed out at the Garden Villa Association, if the Committee deems it necessary.

After discussion, it was determined that Ms. Paulin would first consult with Dan Yost to craft the message. After which, an article will go in the Breeze and television appearances will be made by directors.

Hearing loop technology is available in the Board room for attendees who have hearing aids with a t-coil

e. **Trash Campaign**

Ms. Paulin reported that MarComm is working on a mockup communication with the caveats the city has with the Village in regards to recycling. She state the primary violations are with people moving, contractors and non-English speaking Residents.

Director diLorenzo suggested changing the bulky item pickup date to the fourth Saturday of the month to make it more convenient for those who are moving. She stated that there will be no communications until herself, Mr. Parsons, Chris Laugenour and Siobhan Foster consult with Waste Management to potentially change the date of bulky item pickup. When the date is finalized, Ms. Paulin can proceed with the message.

f. **Elections**

Ms. Paulin reported Friday, August 23 at 10 a.m. is scheduled for Meet the Candidates. She stated MarComm is assisting candidates in respect to coaching them for television appearances.

**ITEMS FOR DISCUSSION AND CONSIDERATION:**

**8. Garden Villa and LH-21 Laundry Room Rules**

Director Jarrett would like MarComm to work on the communications of the rules to the Garden Villa Residents. She will check with Mr. Hack to see what specifications are needed for signs.

**9. Garden Villa Recreation Room Rules**

Director Jarrett explained the new rule regarding placing hot items on the billiard table cover. After discussion it was determined that when a Resident signs up to use the room, the rule will be in the disclaimer along with the cost of repairing the damage. It will also be the responsibility of Residents to report damage to the Building Captain.

**ITEMS FOR FUTURE AGENDAS:**

Investment Change

**CONCLUDING BUSINESS:**

**10. Committee Member Comments**

Director Karimi would like to have representation from other Committees at this meeting in the future.

Director diLorenzo found it to be a good meeting and the topics pertained to Third Mutual only.

Co-Chair Roy Bruninghaus stated there are more ways to get the message out than ever before. If Residents don't want to make the effort to receive correspondence,

Hearing loop technology is available in the Board room for attendees who have hearing aids with a t-coil

than the Staff and Committee should not feel bad. He felt everyone is doing a good job.

Director Jarrett stated it has been a good meeting and appreciates Staff.

Ms. Paulin stated we are doing a good job with delivering communications and there comes a time where we need to hold Residents accountable in receiving communications.

Chair McCary stated it was a good meeting and thanked everyone for their support.

**11. Date of Next Meeting- Wednesday, October 9 at 9:30 a.m.**

**12. Adjournment**

With no further business, the meeting was adjourned at 11:30 a.m.



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Annie McCary, Chair  
Third Laguna Hills Communications Committee



OPEN MEETING

THIRD LAGUNA HILLS MUTUAL  
COMMUNICATIONS COMMITTEE

Wednesday, June 5, 2019 – 11:30 a.m.

Laguna Woods Village Community Center, Sycamore Room  
24351 El Toro Road, Laguna Woods, CA 92637

REPORT

Members present: Chair Annie McCary, Co-Chair Roy Bruninghaus, Directors Rosemarie diLorenzo, Steve Parsons, Lynn Jarrett and Reza Karimi

Members absent: None

Advisers present: None

Staff present: Eileen Paulin and Ellyce Rothrock

**1. CALL TO ORDER**

Chair Annie McCary called the meeting to order at 11:30 a.m. and established a quorum of six Committee members and two staff.

**2. PURPOSE OF MEETING**

- To establish the role of the committee and charter
- To approve how the committee functions:
  - Set the dates for the next four quarterly meetings
  - Expectations in regards to governance including staff reports, agendas and minutes
- Review the Third Laguna Hills Mutual Board Election Packet and provide input
- Discuss and outline meet and greet to be held Thursday, June 27 2019

**3. APPROVAL OF AGENDA**

Chair McCary moved to approve the agenda as presented. The motion was passed.

**4. CHAIR'S REMARKS**

Chair McCary established that the Third Communications Committee Meeting will take place the second Wednesday of every quarter until otherwise determined. She welcomed the committee.

**5. MEMBER COMMENTS (ITEMS NOT ON THE AGENDA)**

Director Steve Parsons and Eileen Paulin discussed the new policy where Marcomm Staff is assigned to individual departments to ensure timely and accurate communication to Residents.

## **6. REVIEW COMMITTEE CHARTER**

Director Reza Karimi remarked that it is not the board's job to resolve operational issues.

Director Parsons moved to strike item No. 3 ("Review capital requirements, requests for capital equipment and programs, and projected revenues and determine service levels related to public relations.") from the resolution and accept all redlines. Director Roy Bruninghaus seconded the motion. Four members voted in favor to remove item No. 3; Director Lynn Jarret abstained.

## **7. DISCUSS EXPECTATIONS, APPROVE COMMITTEE FUNCTION, SET 2019-2020 MEETING DATES**

Director Rosemarie diLorenzo commented that as this is a chartered committee, there should be agenda prep meetings with Director McCary and Ms. Paulin, as well as staff reports to document each meeting. She suggested Third Mutual should embrace an organized committee meeting approach, with established quarterly meetings and minutes.

Directors briefly discusses whether meetings should be open or closed; Director Parsons suggested the committee instead be labeled a task force, as there would be only four meetings scheduled per year, and that committee members must refer to the charter to inform Third on procedure.

## **8. REVIEW ELECTION PACKET AND TIMELINE**

Director diLorenzo posed the question of whether to amend or leave the election packet as is for now and fix for next year. Whatever amendments made must be done in time for the June 27, 2019 election meet and greet. The bylaws would stand as is.

Ms. Paulin commented that Marcomm staff would improve the design aesthetic of the application and include branding devices such as current logo, fonts, etc. Ms. Paulin also stated that Third Mutual attorney Sandra Gottlieb must review and approve any changes proposed to the election packet.

Directors and committee members discussed pulling the duties and responsibilities document from Third's new Board of Directors handbook to use in place of what's currently in the election packet.

Discussion ensued regarding adding a computer literacy question to the application with a yes/no response and ability to provide proficiency skills for such programs as Word, Excel and email.

Committee will make help available to interested candidates in writing and editing their application content.

## **9. DISCUSS, FINALIZE DETAILS OF MEET AND GREET**

The election reception/meet and greet event is to be held Thursday, June 27, from 4 to 5:30 p.m., a change from the previous time of 5 to 6:30 p.m.

Ms. Paulin stated that up to five printed invites would be given to Third board members with the goal of extending them to Third Residents believed to be viable candidates. Ms. Paulin stressed the validity of reaching out to candidates in person being the best method for recruiting candidates.



Five names were removed from the Advisor list as possible candidates. Ms. Paulin will develop VMS staff recommendations for candidates, as well.

Other details:

- Secure nametags
- Show year-end video as the opener to the meet and greet
- Encourage as many board members as possible to attend; mingling is vital
- Offer Q&A session
- Provide rundown of requirements for potential candidates
- Provide information on where interested potential candidates can follow up if they have post-event questions
- Board members to bring business cards
- Make copies of the Village Breeze available (preferably that has significant Third Mutual content)

#### **10. REPORTS**

None

#### **11. ITEMS FOR DISCUSSION AND CONSIDERATION**

None

#### **12. CONCLUDING BUSINESS**

Item No. 5 on the agenda ("Finalize list of top 10 communications topics of the highest priority to Third Mutual at this time.") deferred to next meeting as new business.

#### **13. COMMITTEE MEMBERS COMMENTS**

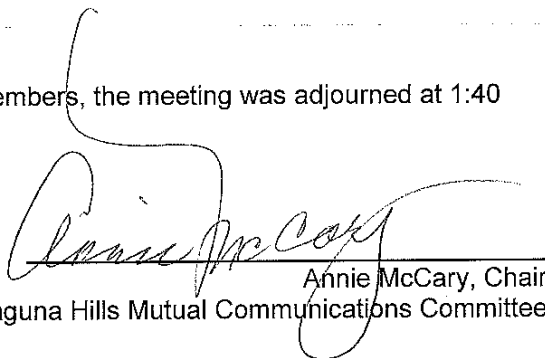
None

#### **14. DATE OF NEXT MEETING**

July 10, 2019

#### **15. ADJOURNMENT**

With no further business before the committee members, the meeting was adjourned at 1:40 p.m.



Annie McCary, Chair  
Third Laguna Hills Mutual Communications Committee





**OPEN MEETING**

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
LANDSCAPE COMMITTEE**

**Thursday, August 1, 2019 – 9:30 a.m.  
Laguna Woods Village Community Center Board Room  
24351 El Toro Road**

**REPORT**

**COMMITTEE MEMBERS PRESENT:** Chair- Lynn Jarrett, Jon Pearlstone, Anne McCary, Reza Karimi, John Frankel in for Cush Bhada

**COMMITTEE MEMBERS ABSENT:** Cush Bhada

**OTHERS PRESENT:**

**ADVISORS PRESENT:** James Tung

**STAFF PRESENT:** Kurt Wiemann, Eve Morton

**1. Call to Order**

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

**2. Acknowledgement of Media**

No media was present.

**3. Approval of the Agenda**

Mr. Wiemann requested that Agenda Item # 13 be removed from the agenda as the Member is present and would like to rescind her request to remove a tree. Director McCary made a motion to approve the amended agenda. Director Pearlstone seconded. The motion passed with a unanimous vote.

**4. Approval of July 8, 2019 Report**

Director Karimi moved to approve the Report. Director McCary seconded. The motion passed with a unanimous vote.

**5. Committee Chair Remarks**

Chair Jarrett reported that a lot is going on in Landscaping. With all the rains this winter, there is much to do.

On July 12, the Landscape Modernization project was presented to Gate 14 residents. 60 people attended so it was a good showing and the Members had good questions.

In the next Breeze issue, I have written an article about landscape modernization projects which will save water and maintenance time.

There are a lot of bees this time of year and they like to get into the irrigation control valve boxes. If you see a hive, call Resident Services and they will remove them.

Some single-story buildings have high water usage and we will be sending out friendly letters to the Members in those buildings to ask them to watch their water usage.

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

Wu (3226-B) His front yard is now full of dirt because his project was stopped. He was directed to speak with Staff in the Alterations Division.

Smallwood (3033-N) Staff came out to take out the Asparagus Fern but trimming on bottom of hill didn't get take care of.

Asparagus Fern is being allowed to grow into all the plants in CDS 32.

At 3456-B, the sprinklers on the hill next to the Reserve are intermittently not working. There are many brown areas where flowers have died.

Lynne Corboz (3250-O) What is the rationale for requiring Members to pay for poor decisions of past decades of inappropriate plant selection and placement? When there is a situation like that, why is there not a disclosure to buyers that they will have to pay for trimming?

#### **7. Response to Member Comments**

Mr. Wiemann responded:

Asparagus fern is taking over. We need to use a non-selective herbicide to get rid of it but that will take out everything around it. We are just trying to control it. There is a time and money issue right now.

Regarding 3250-O, Peppermint trees are fast growers and were on a three year cycle. In the new schedule, there are on a two year trim. If people want it to be sooner, they need to request to pay for it and that request would need to be approved.

#### **8. Department Head Update**

None.

Consent Calendar:

None.

Reports:

## **9. Project Log**

Mr. Wiemann reviewed the items on the Project Log with the committee.

He reported that the Landscape Manual is being worked on and should be updated by the end of the year.

## **10. Tree Work Status Report**

Mr. Wiemann reviewed the tree work status report with the committee.

## **11. Discuss Prohibition of Fruit Trees and Vegetables**

Mr. Wiemann stated that the requests from Members to deal with rodents have been skyrocketing. Controlling the food sources is one way to combat this problem. The RV lot next to the garden plots is inundated with rats. There are 5,000 fruit trees in this community and many are not being maintained and rats and coyotes eat these. To get a handle, he suggests not allowing any new planting of fruit trees or vegetables in Common Area. Currently, Staff will remove non-maintained trees at no cost to residents.

The committee requested to update the name of the proposed resolution to include vegetables.

Director McCary made a motion to recommend approving the resolution and to include vegetables in the title. Director Karimi seconded. All were in favor. Director Pearlstone was out of the room during this vote.

### Items for Discussion and Consideration:

## **12. Tree Removal/Off Schedule Trimming Request: 2379-B - Four Indian Laurel Fig trees**

Mr. King went over some handouts he gave out to the committee. He stated that people can't walk down that sidewalk because it is a mess. He wants it to be maintained to be safe. The berries are attracting bugs. He sweeps the sidewalk two to three times a day. He mentioned a chemical that Laguna Beach injected into the trees to stop berry growth.

He read a letter from his neighbor who said when it rains it is very slippery. She feels the berries on the sidewalk are a danger to her and the neighbors.

Mr. Wiemann stated that Staff will trim the trees back from the sidewalk until the full trim is done on schedule.

Mrs. King expressed her concern about people falling and losing their mobility.

Ellen Kim (2779) is a neighbor and expressed her concern.

Director Pearlstone made a motion to deny staff's recommendation and approve the request for off schedule trimming. Director Frankel seconded. All were in favor, except for Director Karimi, so the motion passed.

**13. Tree Removal Request: 3166-A - Indian Laurel Fig tree**

Per the Member's request, the committee voted to remove this item from the agenda.

**14. Tree Removal Request: 3513-A - Southern Magnolia tree**

Director McCary moved to accept Staff's recommendation and deny this request.  
Director Pearlstone seconded. All were in favor.

Items for Future Agendas:

None.

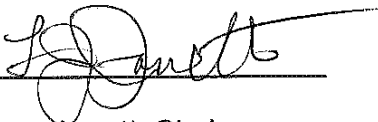
Concluding Business

**15. Committee Member Comments**

Director McCary said it is appreciated when Members bring additional information about their requests.

**16. Date of Next Meeting – September 5, 2019**

**17. Adjournment at 10:28 a.m.**

A handwritten signature in black ink, appearing to read 'L. Jarrett', is written over a horizontal line.

Lynn Jarrett, Chair  
Kurt Wiemann, Staff Officer  
Eve Morton, Landscape Operations Coordinator – 268-2565



**OPEN MEETING**

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
WATER RESOURCES SUBCOMMITTEE**

**Wednesday, July 10, 2019 – 10:00 a.m.  
Laguna Woods Village Community Center Sycamore Room  
24351 El Toro Road**

**REPORT**

**COMMITTEE MEMBERS PRESENT:** Chair- Reza Karimi, Lynn Jarrett, John Frankel

**COMMITTEE MEMBERS ABSENT:** Cush Bhada

**OTHERS PRESENT:** Steve Parsons

**ADVISORS PRESENT:**

**STAFF PRESENT:** Kurt Wiemann, Eve Morton

**1. Call to Order**

Chair Karimi called the meeting to order at 10:00 a.m.

**2. Acknowledgement of Media**

No media was present.

**3. Approval of the Agenda**

The agenda was approved by consensus.

**4. Committee Chair Remarks**

Chair Karimi stated that this subcommittee of the Landscaping Committee will make endorsements to the Landscape Committee for their consideration. The purpose of this sub-committee is to:

- Establish a stronger relationship between the Village and ETWD
- Work on ways to enhance Village water conservation
- Ensure that the Village receives all applicable water rebates
- Understand the reasons behind any future water cost increases

Chair Karimi stated that the subcommittee will meet each quarter.

Director Jarrett stated Building 2375 is a high water use building. 5339 Bahia Blanca has the highest water bill in Third and there are also high water users in Gate 11.

Director Frankel said letters do currently go to residents about their Tier 4 water usage.

Mr. Wiemann recommended having the Marketing and Communications Department create an educational flyer regarding leaks to hand out to residents.

Discussion regarding the leak report.

Mr. Wiemann was asked to write a report for the upcoming 2020 budget meeting to include money for thatching and more landscape modernization projects.

Chair Karimi stated that ETWD must be asked for forecasting so Boards are aware of what is coming down the pike.

Water usage is not considered when cities decide whether to allow additional buildings/residences.

Mr. Wiemann was asked to get the information from Maintenance & Construction regarding areas which will be made into golf cart spaces which will require irrigation changes.

The committee members will be speaking to Director Annie McCary about a future Breeze article regarding water usage.

**5. Member Comments - (Items Not on the Agenda)**

None.

**6. Response to Member Comments**

None.

Consent Calendar:

None.

Reports:

None.

Items for Discussion and Consideration:

**7. Review and Approve Charter**

The proposed charter was reviewed and discussed. The committee requested a draft of the proposed charter be sent to the Board for approval. Also, that the draft be emailed to the Landscape Committee Members to review prior to the Board meeting.



Items for Future Agendas:

**8. Discuss Items for Future Agendas**

For next meeting:

- Discuss and review a report from Waterwise consulting group regarding improvements needed to Village irrigation system.
- Discuss and review current Village resolutions regarding water to decide if additional water resolutions may be needed.
- Discuss and review status of reclaimed water connections.
- Mr. Wiemann will report on whether there is a cap on ETWD rebates.
- Mr. Wiemann will work with the Marketing and Communications Department regarding the current process for Tier 4 usage letters to residents and bring that information back to next meeting.
- Discuss and review a Staff Report on Village water usage.


Concluding Business

**9. Committee Member Comments**

None.

**10. Date of Next Meeting – October 9, 2019**

**11. Adjournment at 11:06 a.m.**



Reza Karimi, Chair

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## **OPEN MEETING**

### **REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL RESIDENT POLICY AND COMPLIANCE TASK FORCE**

Wednesday, July 24, 2019 – 2:00 p.m.  
Laguna Woods Village Community Center, Board Room – 24351 El Toro Road

**MEMBERS PRESENT:** Roy Bruninghaus, Chair, Bunny Carpenter, Reza Karimi, and Steve Parsons

**MEMBERS ABSENT:** Rosemarie diLorenzo

**ADVISORS PRESENT:** Stuart Hack and Cindy Baker

**ADVISORS ABSENT:** None

**STAFF PRESENT:** Pamela Bashline, Blessilda Wright, Gavin Fogg, Francis Gomez, and Debbie Ballesteros

#### **CALL TO ORDER**

Roy Bruninghaus, Chair, called the meeting to order at 2:01 p.m.

#### **ACKNOWLEDGEMENT OF PRESS**

The Media was not present.

#### **APPROVAL OF AGENDA**

Director Karimi made a motion to approve the agenda as presented. Advisor Hack seconded the motion.

By unanimous vote the motion carried.

#### **APPROVAL OF MEETING REPORTS**

Director Karimi made a motion to approve the June 12, 2019 meeting report as presented. Director Carpenter seconded the motion.

By unanimous vote the motion carried.

#### **CHAIRMAN'S REMARKS**

Chair Bruninghaus stated that before a matter is sent to legal, he would like to have everything in order, finalized, and ready to go. Chair Bruninghaus added three items for future agendas. He also commented that today's meeting will focus on the Leasing Policy Amendment and Co-Occupancy Policy. Chair Bruninghaus welcomed everyone in the room and thanked them for attending the meeting.

### **MEMBER COMMENTS ON NON-AGENDA ITEMS**

Ben Brown (3130-D) had some trouble with flooding. He is concerned with the maintenance and the follow up procedures.

Sunny Young (2380-E) commented on his delinquent account.

Phyllis Waite (3428-M) commented on parking issues and common area clutter (landscape / balcony).

Steve Parsons entered the meeting at 2:15 p.m.

### **RESPONSE TO MEMBER COMMENTS ON NON-AGENDA ITEMS**

Chair Bruninghaus responded to Mr. Brown informing him that he will bring the issue to the attention of the COO, Siobhan Foster.

Francis Gomez, Compliance Manager, responded to Mr. Young that she would look into his issue and contact him.

Director Parsons responded to Ms. Waite and informed her that Third has a Parking Task Force to work on parking issues over time.

Chair Bruninghaus responded to Ms. Waite and explained that there is a process for detecting clutter. If she sees something, she should contact Security to start the Compliance process.

### **REPORTS**

#### **Vacant Manor Updated List**

Gavin Fogg, Inspections Supervisor, presented the Vacant Manor Updated List. He explained the different statuses. The Task Force members commented and asked questions.

#### **Disciplinary Report**

Blessilda Wright, Compliance Supervisor, presented the Disciplinary Report. The Task Force members commented and asked questions.

The Task Force directed Staff to add two more items to the report: active cases per month and average case load per coordinator.

#### **Expired Lease – 15 Day Letter**

Pamela Bashline, Community Services Manager, presented a report on the success of the Expired Lease – 15 Day Letter. She explained that in June, 26 letters were sent out and only two (2) cases remain open. 24 cases were resolved. The Task Force members commented and asked questions.

## **ITEMS FOR DISCUSSION AND CONSIDERATION**

### **Leasing Policy Amendment**

Ms. Bashline presented the proposed Leasing Policy changes. She explained that if a landlord wants to make changes to a lease during the term of the lease, the proposed change to the leasing policy will require the landlord to write a new lease and apply for a new lease authorization. Doing so makes it easier to track who is living in the unit. The Task Force members commented and asked questions.

Director Parsons made a motion to approve the proposed changes to the Leasing Policy. Director Karimi seconded the motion.

By unanimous vote, the motion carried

### **Co-Occupancy Policy Study Group**

Chair Bruninghaus presented the Co-Occupancy Policy Study Group report. The Task Force members commented and asked questions. The Study Group members also commented on the report.

Director Karimi made a motion to approve the Co-Occupancy Policy. Director Parsons seconded the motion.

By unanimous vote, the motion carried

## **ITEMS FOR FUTURE AGENDAS**

- Smoking Policy
- Solicitations (Political)
- Census (Federal)

## **CONCLUDING BUSINESS**

### **Task Force Member Comments**

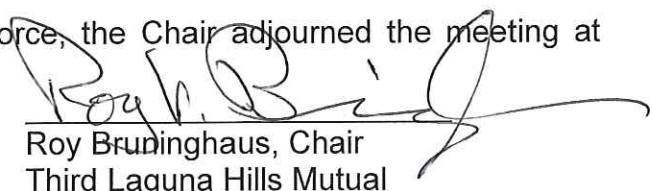
There were no Task Force Member Comments.

### **Date of Next Meeting**

The next meeting is scheduled for Thursday, August 29, 2019 at 1:00 p.m. in the Board Room.

### **Adjournment**

With no further business before the Task Force, the Chair adjourned the meeting at 3:02 p.m.

  
Roy Bruninghaus, Chair  
Third Laguna Hills Mutual

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## Laguna Woods Village®

### OPEN MEETING

#### REPORT FOR REGULAR MEETING OF THE VILLAGE ENERGY TASK FORCE

**Wednesday, July 3, 2019 – 1:30 P.M.**  
**Laguna Woods Village Community Board Room**  
**24351 El Toro Road**

**MEMBERS PRESENT:** Carl Randazzo, – Vice Chair, Dick Palmer (left at 3:15pm), Sue Margolis, Steve Parsons (in for Cush Bhada) Advisors: Bill Walsh, Sue Stephens

**MEMBER ABSENT:** Cush Bhada, Steve Leonard, John Frankel

**OTHERS PRESENT:** Juanita Skillman, Maggie Blackwell, Diane Phelps Pat English, Dick Rader, Bert Moldow, Elsie Addington, Manual Armendariz

**STAFF PRESENT:** Ernesto Munoz - Staff Officer, Laurie Chavarria

#### **1. Call to Order**

Vice Chair Randazzo called the meeting to order at 1:31 PM.

#### **2. Acknowledgment of Media**

Vice Chair Randazzo noted no members of the media were present.

#### **3. Approval of the Agenda**

Advisor Walsh added SCE Demand Charges to the agenda as Item 12. The agenda was approved as amended.

#### **4. Approval of Meeting Report for May 1, 2019**

The Meeting Report of May 1, 2019, was approved as written.

#### **5. Chairman's Remarks**

Vice Chair Randazzo commented on the legality of the Village Energy Task Force Chairman and he read a quote for the day from Thomas Edison: "The three great essentials to achieve anything worthwhile are: Hard work, Stick-to-itiveness, and Common sense."

#### **Member Comments (*Items Not on the Agenda*)**

Village Energy Task Force  
July 3, 2019  
Page 2 of 4

- Jean Janowsky (193-A) commented on her walkway lighting request.
- Pat English (2022-D) commented on the GRF bylaws regarding Committee's and Task Forces.
- Bert Moldow (3503-A) commented on the definition of a Task Force.
- Maggie Blackwell (71-d) commented on the use of a Task Force.

The Vice Chair and various Directors and Advisors responded briefly to all comments.

## **6. Department Head Update**

Staff Officer Ernesto Munoz provided a brief summary of the energy consultants' role and what tasks have been assigned to them. The energy consultant representatives presented a Microgrid Feasibility analysis to the Task Force and discussed the next steps regarding the infrastructure assessment for the Mutual's.

Staff Officer Ernesto Munoz and the consultant addressed questions from the Task Force and the audience.

Discussion ensued regarding generator usage; disaster preparedness; SCE incentives; net metering programs; carbon tax credits; ROI on a Microgrid installation; energy conservation methods; demand charges from SCE; transformer upgrades.

Vice Chair Randazzo called for a recess at 3:30pm. The meeting reconvened at 3:41pm.

### **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.*

By consensus, the Task Force approved all items on the Consent Calendar.

## **7. Project Log**

## **8. Street Light Outage Report**

### **Reports:**

## **9. EV Charging Station Update (oral discussion)**



Village Energy Task Force  
July 3, 2019  
Page 3 of 4

Staff Officer Ernesto Munoz provided an update and showed pictures of the work in progress at the Community Center. The work is scheduled to be completed in September.

**10. Street Light Pilot Program Update (oral discussion)**

Staff Officer Ernesto Munoz provided an update on the pilot program. A special open meeting to discuss the options for the second pilot has been scheduled for July 18, 2019 at 9:00am.

Discussion ensued regarding a bulb installation by a lighting contractor; coupling nuts for fixture arms, structural engineering, and stress test for poles.

**11. LED Solar Street Lights (oral discussion)**

Director Margolis commented on the use of solar street lights as an option to increase street lighting in the darker areas. She suggested that staff should compile a map of the dark spots throughout the Mutual's walkways.

Discussion ensued regarding walkway lighting, budgeting for solar lighting and analysis by the lighting consultant.

**12. SCE Demand Charges to Third Mutual**

Discussion ensued regarding SCE bills; energy efficiency; batteries, solar, EMS systems; review of meters.

Advisor Walsh was designated to head the SCE Demand Charge Ad-hoc Task Force. He will gather Clubhouse energy bills and contact MIS Director Chuck Holland to review the energy management systems.

**Items for Future Agendas:**

**Third Mutual:**

- Electric Vehicle History Report
- Golf Cart Report
- 
- LED Solar Street Lights (to be considered after the street fixture LED conversion project is completed.)

**United Mutual:**

- LED Solar Street Lights (priority)
- Electric Vehicle History Report
- Golf Cart Report
- Additional Walkway Lighting (Review of Dark Areas)

Village Energy Task Force  
July 3, 2019  
Page 4 of 4

**GRF:**

- Install Level II EV Bollard Chargers (on the streets)
- Community Choice Aggregation
- SCE Demand Charges

**Concluding Business:**

**Committee Member Comments:**

- Vice Chair Randazzo commented that Committee member requests should go through the Committee chair and not directly to staff.

**Date of next meeting – September 4, 2019**

**Adjournment**

This meeting was adjourned at 4:29 PM.

**DRAFT**

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Carl Randazzo, Vice Chair