



OPEN SESSION

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

**Tuesday, September 17, 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. August 8, 2019 – Special Open Meeting (2020 Budget)
 - b. August 8, 2019 – Special Open Meeting (LED Pilot Presentation)
 - c. August 20, 2019 – Regular Open Meeting
 - d. August 23, 2019 – Special Open Meeting (Meet the Candidates)
- 6. Report of the Chair**
- 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**
- 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*

Please silence your cell phones.

motion. In the event that an item is removed from the Consent Calendar by members of the Board, such item(s) shall be the subject of further discussion and action by the Board.

a. Architectural Controls and Standards Committee Recommendations:

- (1) Recommendation to Approve Request to Raise Living/Dining Room and Bedroom Ceiling above Existing Structural Members and Replace Materials to Accommodate Solar Panel Installation – 3456-B (Andaluz, P43)

b. Landscape Committee Recommendations:

- (1) Recommend to Approve Tree Removal Request: 4024-A Calle Sonora Este (Newman) – One Carrotwood since tree's proximity to unit does not allow for root trenching to prevent encroachment into infrastructure

c. Finance Committee Recommendations:

- (1) Recommendation to Approve a Resolution to Record Lien against Member ID# 933-620-08

d. Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual financials for the month of July, 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.

11. Unfinished Business

- a. Entertain a Motion to Adopt a Resolution for a Co-Occupancy Policy (**AUGUST initial notification-28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)
- b. Entertain a Motion to Adopt a Resolution to Revise the Lease Policy (**AUGUST 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 a Resolution Prohibiting All New Planting of Fruit Trees and Vegetables in Common Area (**AUGUST 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 Standard 41: Solar Panels, 1-Story Buildings (**AUGUST initial notification-28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)
- e. Entertain a Motion to Approve the 2020 Collection and Lien Enforcement Policy (**AUGUST initial notification-28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)

- f. Entertain a Motion to Postpone Adoption of a Resolution to Revise Alteration Standard 22: Patio & Balcony Covers (**JULY initial notification-This item was tabled at the AUGUST Board meeting--28-day notification for Member comments and suggestions to conform to Civil Code §4360 has been satisfied**)
- g. Entertain a Motion to Approve the 2020 Third Business Plan
- h. Entertain a Motion to Approve the 2020 Third Reserves Funding Plan
- i. Entertain a Motion to Postpone Adoption of 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**)

12. New Business

- a. Recommendation to Deny Tree Removal Request: 3317-C Via Carrizo (Conrad) – One Flaxleaf Paperbark based on Tree Removal Guidelines that do not authorize removal based on litter or debris and recent epoxying of sewer mainline should negate future root intrusion
- b. Recommendation to Deny Tree Removal Request: Recommend to deny Tree Removal Request: 3511-A Bahia Blanca (Miles) – One Indian Laurel Fig based on Tree Removal Guidelines that do not authorize removal based on litter and debris
- c. Entertain a Motion to Introduce a Resolution to Adopt a Membership in Good Standing Policy (**SEPTEMBER 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 to Revise the Non-Emergency Maintenance Chargeable Services to Include Carport Condensation Panel Repairs as a Chargeable Service (**SEPTEMBER 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 September 3, 2019; next meeting October 1, 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 August 26, 2019; next meeting September 23, 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; next meeting October 9, 2019, at 1:30 p.m. in the Board Room .
- d. Report of the Maintenance and Construction Committee – Director Bhada. The Committee met on September 9, 2019; next meeting xxx, 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 September 5, 2019; next meeting November 4, 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 Karimi. The Task Force met on August 29, 2019; next meeting TBA.
- h. Report of the Village Energy Task Force – Director Frankel. The Task Force met on September 4, 2019; next meeting November 6, 2019, at 1:30 p.m. in the Board Room.

14. GRF Committee Highlights

- a. Community Activities Committee – Director Bhada. The Committee met on September 12, 2019; next meeting November 14, 2019, at 1:30 p.m. in the Board Room.
- b. Finance Committee – Director Pearlstone. The Committee met on August 21, 2019; next meeting October 23, 2019, at 1:30 p.m. in the Board Room.
- c. Landscape Committee – Director Jarrett. The Committee met on August 14, 2019; next meeting November 13, 2019, at 1:30 p.m. in the Board Room.
- d. Maintenance & Construction Committee – Director 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 McCary. The Committee met on September 16, 2019; next meeting October 21, 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 August 26, 2019; next meeting October 28, 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 August 21, 2019; next hearings September 18, 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
 - c. Resolution for an Alternative Heat Source Policy
 - d. Resolution to Revise the Alternative Fee Schedule
 - e. Garden Villa Mailroom Flooring Replacement Material
 - f. Supplemental Funding for the Replacement of LH-21 Enclosed Bulletin Board Cabinets
- 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) August 20, 2019—Regular Closed Session

Discuss and Consider Member Matters
Discuss Personnel Matters
Discuss and Consider Contractual Matters
Discuss and Consider Litigation Matters

18. Adjourn



MINUTES OF THE SPECIAL OPEN MEETING OF THE BOARD OF DIRECTORS

August 8, 2019

A special meeting of the Third Laguna Hills Mutual Board of Directors, A California non-profit mutual benefit corporation, was held on Thursday August 8, 2019 at 1:30 p.m., at 24351 El Toro Road, Laguna Woods California.

MEMBERS PRESENT: Steve Parsons - Chair, Bunny Carpenter, Roy Bruninghaus, Jon Pearlstone, Annie McCary, Lynn Jarrett, John Frankel, Reza Karimi, Cush Bhada

MEMBERS ABSENT: Rosemarie diLorenzo

STAFF PRESENT: Jeff Parker, Betty Parker, Siobhan Foster, Christopher Swanson, Jose Campos, Kurt Weimann, Ernesto Munoz, Chris Laugenour

CALL TO ORDER

Steve Parsons, 1st Vice 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 1:33 p.m.

ACKNOWLEDGMENT OF THE MEDIA

The Village Television Camera Crew, by way of remote cameras, was acknowledged.

APPROVAL OF THE AGENDA

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

REVIEW PRELIMINARY 2020 BUSINESS PLAN, VERSION 2

Jeff Parker, CEO, introduced the 2020 business plan, discussing how proposed budgets support the mission statement and strategic planning goals.

Betty Parker, CFO, presented the budget proposal by department including staffing, revenue assumptions, and planned expenditures. Discussion ensued and questions from the board and audience members were addressed.

A motion was made and carried unanimously to accept the 2020 Business plan as presented.

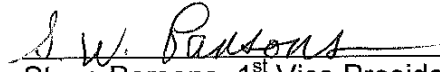
DATE OF NEXT MEETING

It was noted that the proposed budget will be adopted by resolution at the regular board meeting, scheduled on Tuesday, September 17, 2019 at 9:30 a.m.

August 8, 2019

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 2:30 p.m.


Steve Parsons, 1st Vice President



OPEN MEETING

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

Thursday, August 8, 2019
Laguna Woods Village Community Center
Board Room • 3:30 p.m.

NOTICE AND AGENDA

Board Members Present: Reza Karimi, Annie McCary, Cush Bhada Jon Pearlstone, Bunny Carpenter, Steve Parsons, Roy Bruninghaus, Lynn Jarrett

Board Members Absent: Rosemarie diLorenzo, John Frankel

Advisors Present: Steve Leonard

Staff Present: Siobhan Foster-COO, Ernesto Munoz-Staff Officer, and Cheryl Silva

1. Vice President Parsons called the meeting to order and established that a quorum was present.
2. Members Comments
 - Bert Moldow (3503-A) commented about the Siemens contract and the possibility of a “free” alternative pilot project offered by a different vendor;
 - Bill Walsh (3162-C) commented about the need for more EV charging capability in garages and carports;
 - Annette Soule (3428-C) commented about the need for more energy capability because of the increased demand;
 - Elizabeth Romano (2035-A) commented about the need for a survey to determine the demographics in the village.

3. Entertain a Motion to Approve the LED Street Lighting Recommendation

Ernesto Munoz, Staff Officer, answered questions from the Board about the street light LED conversion pilot #2.

Discussion ensued among the Directors regarding different options and costs.

Steve Leonard, Advisor, reviewed the recommendations from the Energy Task Force.

Ernesto Munoz, Staff Officer, provided background information about the Siemens contract.


Director Pearlstone made a motion to select the King K427 LED fixture for the use in the second LED conversion pilot. Director Carpenter seconded the motion.

Discussion ensued among the Directors.

Vice President Parsons called for the vote and the motion passed 6-1-0 (Director Karimi opposed)

Director Karimi made a motion to contract with another vendor to conduct a second pilot for the installation of light bulbs in existing fixtures (separate from the Siemens contract). The motion failed for lack of a second.

4. Recess to Closed Session to Discuss Contractual Matters
The Board recessed at 4:35 p.m.



Roy Bruninghaus, Secretary of the Board
Third Mutual Laguna Woods



**MINUTES OF THE 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**

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

Directors Absent: Bunny Carpenter

Staff Present: Jeff Parker, CEO, Siobhan Foster, Eileen Paulin, Becky Jackson, Chris Spahr, Frances Gomez, Kurt Wiemann, 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 Jarrett led the Membership in the Pledge of Allegiance.

3. Acknowledge Media

President diLorenzo acknowledged the presence of the media (media arrived at 10:00 a.m.)

4. Approval of Agenda

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

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

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)

Director Bruninghaus made a motion to approve the July 8, 2019, All Boards All Directors Meeting (2020 Budget), the July 12, 2019, Special Open Meeting, the July 16, 2019, Regular Open Session, and the July 18, 2019, Special Workshop (LED Pilot Presentation) 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 about the upcoming elections and invited residents to the Meet the Candidates event on Friday, August 23, 2019 at 10:00 a.m. in the Board Room. The ballots will be counted on September 27, 2019, at 9:00 a.m. She commented on how the Board responds to resident letters to the Globe, and she encouraged all boards to work together on issues facing the entire Village.

Becky Jackson, Public Relations Coordinator, introduced Lori Olin, representing the Toll Roads. She gave a presentation regarding new windshield sticker transponders for the Toll Roads. Residents can come to Clubhouse 3 (PAC) on September 13 at 9:00 a.m. to have their sticker transponder placed on their car. Residents should call the Toll Roads, if they have not yet received their sticker. The new transponders will be good for all toll roads in California and eventually throughout the country.

7. Open Forum

Several Members spoke about various issues:

- A Member commented about the GRF Landscape Committee's plan to meet quarterly and asked about government grants to augment Village revenue;
- A Member commented about the replacement of two concrete slabs caused by tree roots;
- A Member commented about a sewer leak in their Manor and asked for a refund for the chargeable services they had paid.

8. Responses to Open Forum Speakers

Board Members responded to the Members' concerns and requests:

- President diLorenzo addressed the sewer pipeline improvements and the quarterly GRF Landscape Committee meetings.
- Jeff Parker, CEO, responded about the GRF Landscape Committee's plans and about the efforts to get Government grants.

Director Frankel left the meeting at 10:00 a.m.

9. CEO Report

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

- The GRF Shared Cost Committee had its first meeting to evaluate the shared cost system.

- The 2020 Budget will come back to the Boards for final approval at the September Regular Board Meetings.
- The CEO is working with the Departments to improve efficiency and customer service.
- The next Strategic Planning meeting will be held on November 20 at Clubhouse 2.
- Gate 4 reopened Monday, August 19, which completes the RFID project.
- The GRF Security and Community Access Committee will be looking at installing Gate 11 gate arms and security access at its next meeting on August 26, 2019.
- Beware of scams and fraudulent calls: government agencies will not call you by telephone. A Fraud Awareness Seminar will be held at Laguna Woods City Hall on Thursday, August 22 at 9:00 a.m.
- Assemblywoman Cottie Petrie-Norris will hold a free Senior Scam Stopper seminar on September 19 at 10:00 a.m. at Clubhouse 3 (PAC).
- The Village Earthquake Expo will be held on Saturday, September 14, from 9 a.m. to 12:30 p.m. at Clubhouse 3 (PAC).

10. Consent Calendar

10a. Finance Committee Recommendations:

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

RESOLUTION 03-19-76 **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.

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

RESOLUTION 03-19-77
RECORD 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.

- 10b.** 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.

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

RESOLUTION 03-19-78
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

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

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.

Director Parsons made a motion to approve the consent calendar as presented. Director Bruninghaus seconded the motion, and it passed by a vote of 8-0-0 (Directors Frankel and Carpenter were absent).

11. Unfinished Business

11a. Entertain a Motion to Adopt a Resolution to Revise the Appeal Policy

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

RESOLUTION 03-19-79
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 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: 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 the appeal policy. Director Jarrett seconded the motion.

Discussion ensued among the Directors.

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

11b. Entertain a Motion to Adopt a Resolution to Revise Move-In and Move-Out Policy

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

RESOLUTION 03-19-80
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 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: 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 limit move-in and move-out times. Director Jarrett seconded the motion.

Discussion ensued among the Directors.

Vice President Parsons called for the vote, and the motion passed by a vote of 7-0-0 (President diLorenzo was absent for the vote).

11c. Entertain a Motion to Adopt a Resolution to Revise Exterior Paint Color Palette

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

RESOLUTION 03-19-81
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 review and comment to comply with Civil Code §4360 has been satisfied.

Director Bruninghaus made a motion to adopt a resolution to revise exterior paint color palette. Director Bhada seconded the motion.

Discussion ensued among the Directors.

Vice President Parsons called for the vote, and the motion passed by a vote of 7-0-0 (President diLorenzo was absent for the vote).

11d. Entertain a Motion to Adopt a Resolution to Revise Alteration Standard 38: Patio Enclosures

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

RESOLUTION 03-19-82
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 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 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 38: patio enclosures. Director Jarrett seconded the motion.

Discussion ensued among the Directors.

Vice President Parsons called for the vote, and the motion passed by a vote of 7-0-0 (President diLorenzo was absent for the vote).

11e. Entertain a Motion to Adopt 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, XXX, 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 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 22: patio and balcony covers. Director McCary seconded the motion.

Discussion ensued among the Directors.

Member Lynn Corboz commented on the proposed standard and argued that there needed to an exception for three models.

President diLorenzo called for the vote, and the motion passed failed by a vote of 0-8-0.

Director Parsons made a motion to table this item to the next meeting. The motion was seconded by Director Bhada.

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

11f. Entertain a Motion to Approve the Garden Villa and LH21 Laundry Room Rules

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

RESOLUTION 03-19-83
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 review and comment to comply with Civil Code §4360 has been satisfied.

Director Bruninghaus made a motion to approve a resolution for Garden Villa and LH21 Laundry Room Rules. The motion was seconded by Director Jarrett.

Discussion ensued among the Directors.

President diLorenzo called for the vote, and the motion passed 6-1-0 (Director diLorenzo opposed and Director Parsons was absent for the vote).

11g. Entertain a Motion to Approve the Garden Villa Recreation Room Rules

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

**RESOLUTION 03-19-84
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 review and comment to comply with Civil Code §4360 has been satisfied.

Director Bruninghaus made a motion to approve a resolution for Garden Villa Recreation Room Rules. Director Jarrett seconded the motion.

Discussion ensued among the Directors.

Members Stuart Hack and Rachel Unger voiced their concerns.

President diLorenzo called for the vote, and the motion passed 7-1-0 (Director diLorenzo opposed)

11h. Entertain a Motion to Approve Proposed Changes to Traffic School Eligibility

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

RESOLUTION 03-19-85
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 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: 28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied.

Director Bruninghaus made a motion to approve a resolution for proposed changes to Traffic School eligibility. Director Parsons seconded the motion.

Discussion ensued among the Directors.

Francis Gomez, Compliance Manager, answered questions from the Board.

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

11i. Entertain a Motion to Adopt the Revised Resolution for Interior Inspection of Vacant Manors and Fee Schedule

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

DRAFT RESOLUTION 03-19-86
POLICY FOR INTERIOR INSPECTION OF UNOCCUPIED MANORS
MAY 2018, RESOLUTION 03-18-59
REVISED OCTOBER, RESOLUTION 03-18-145
REVISED AUGUST 20, 2019, RESOLUTION 03-19-86

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 20, 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 review and comment to comply with Civil Code §4360 has been satisfied.

Director Bruninghaus made a motion to adopt the revised resolution for interior inspection of vacant manors and fee schedule. Director Jarrett seconded the motion.

Discussion ensued among the Directors.

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

11j. Entertain a Motion to Enter into an Agreement with SageView Advisory Group for Investment Management Services

Director Bruninghaus made a motion to approve entering into an agreement with SageView Advisory Group for Investment Management Services. Director Parsons seconded the motion.

Discussion ensued among the Directors.

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

- 11k.** 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 03-19-87
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, August 20, 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 (3250-0). Director Jarrett seconded the motion.

Discussion ensued among the Directors.

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

12. New Business

12a. Recommendation to Deny Tree Removal Request: 3513-A (Sandusky) – One Southern Magnolia tree

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

RESOLUTION 03-19-88
DENY A TREE REMOVAL REQUEST
ONE SOUTHERN MAGNOLIA TREE – 3513-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 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.

Director Bruninghaus made a motion to deny the tree removal request for 3513-A (Sandusky). The motion was seconded by Director Jarrett.

Discussion ensued among the Directors.

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

12b. Recommendation to Review the Request for Tree Removal/Off Schedule Trimming Request: 2379-B (King) – Four Indian Laurel Fig trees

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

**RESOLUTION 03-19-89
DENY TREE REMOVAL/OFF SCHEDULE TRIMMING REQUEST
FOUR INDIAN LAUREL FIG TREES – 2379-B**

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.

Director Bruninghaus made a motion to deny the tree removal/off schedule trimming request for at 2379-B (King). The motion was seconded by Director Jarrett.

Discussion ensued among the Directors.

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

Director Bhada made a motion, seconded by Director Jarrett, to provide seasonal trimming at 2379-B (King) to address safety issues. The motion passed unanimously.

12c. Entertain a Motion to Introduce a Resolution Prohibiting All New Planting of Fruit Trees and Vegetables in Common Area

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

DRAFT RESOLUTION 03-19-XX
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 September xx, 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 to 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 prohibit all new planting of fruit trees and vegetables in common area and to place it on 28-day review.

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 for a Co-Occupancy Policy

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

DRAFT 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 xx, 2019, the Board of Directors of Third hereby adopts 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.

Director Bruninghaus made a motion to introduce a resolution for a Co-Occupancy Policy and to 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 the Lease Policy Clarification

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

DRAFT RESOLUTION 03-19-XX
LEASE POLICY CLARIFICATION

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 xx, 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.

Director Bruninghaus made a motion to introduce a resolution to revise the Lease Policy and to 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 for an Alternative Heat Source Policy

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

DRAFT RESOLUTION 03-19-XX
ALTERNATIVE HEAT SOURCE POLICY

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, September xx, 2019, the Board of Directors adopts a resolution for an 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.

Director Bruninghaus made a motion to introduce a resolution for an alternative heat source policy and to place it on 28-day review.

Discussion ensued among the Directors.

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

12g. Entertain a Motion to Introduce a Resolution to Revise Standard 41: Solar Panels, 1-Story Buildings

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

DRAFT RESOLUTION 03-19-XX
REVISED STANDARD 41: SOLAR PANELS,
1-STORY BUILDINGS

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, September xx, 2019, that the Board of Directors of this Corporation hereby adopts 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.

Director Bruninghaus made a motion to introduce a resolution to revise Standard 41: Solar Panels, 1-Story Buildings and to place it on 28-day review.

Discussion ensued among the Directors.

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

12h. Entertain a Motion to Introduce a Resolution to Approve the 2020 Collection and Lien Enforcement Policy

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

DRAFT 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 xx, 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.

Director Bruninghaus made a motion to introduce a resolution to approve the 2020 Collection and Lien Enforcement Policy and to place it on 28-day review.

Discussion ensued among the Directors.

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

13. Committee Reports

- 13a.** Report of the Finance Committee / Financial Report – Director Pearlstone presented the Treasurer's Report, gave an update on the 2020 Budget and commented on the Resale and Lease Activity Reports. The Committee met on August 6, 2019; next meeting September 3, 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 July 22, 2019; next meeting August 26, 2019, at 9:30 a.m. in the Sycamore Room
- 13c.** Report of the Communications Committee – Director McCary reported that the Committee meets quarterly. The Committee met on July 24, 2019 and discussed water conservation and trash. The next meeting will be October 9, 2019 at 1:30 p.m. in the Board Room.
- 13d.** 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 to discuss mailrooms and bulky item pick-up. The street light pilot was approved.
 - Report of the Parking and Golf Cart Task Force – Director Parsons. The Task Force met on July 9, 2019 and July 17, 2019, and they identified eight sites for additional parking.
- 13e.** Report of the Landscape Committee – Director Jarrett reported from the last meeting. They are working on landscape modernization which makes us eligible for rebates from the Water District; overgrowth slope maintenance has started; aeration project will begin in October; tree maintenance is ongoing; and tree topping is not allowed in the Mutual. The Committee met on August 1, 2019; next meeting September 5, 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, there was a presentation by the Water District about the water quality; 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 which discussed the new co-occupancy

policy and small revisions to the leasing policy. At the next meeting they will be discussing a non-smoking policy. The Task Force met on July 24, 2019; next meeting August 29, 2019, at 1:00 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 August 19, 2019 for a presentation on EMS AI Control Systems; next meeting September 4, 2019 at 1:30 p.m. in the Board Room.

14. GRF Committee Highlights

- 14a.** Community Activities Committee – Director Pearlstone 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. Residents requested more Committee meetings. The Committee met on August 14, 2019; next meeting will be on November 13, 2019 at 1:30 p.m. in the Board Room .

- 14d.** Maintenance & Construction Committee – Director Bhada reported on highlights from the last Committee meeting. The Committee discussed the AC Systems and EV charging stations. 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 – The Committee met on August 15, 2019 at 2:00 p.m. in the Board Room and recommended moving ahead with the renovations.

- 14e.** Media and Communications Committee – Director McCary and Bruninghaus reported on highlights from the last Committee meeting. The Committee discussed the plan to increase the Broadband internet speed and improvements to the e-Blast and the website. The Committee met on August 19, 2019; next meeting September 16, 2019, at 1:30 p.m. in the Board Room.

- 14f.** Mobility and Vehicles Committee – Director Pearlstone reported on highlights from the last Committee meeting. The Committee is discussing expanding the bus service. The Committee met on August 7, 2019; next meeting October 2, 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 Parsons reported on the last meeting. There will be a Good Neighbor barbecue on Tuesday, August 27 at noon at Clubhouse 2. The Task Force met on July 30, 2019; next meeting September 24, 2019, at 9:30 a.m. in the Board Room.

14h. Report of the Laguna Woods Village Traffic Hearings – Director McCary gave an update from the last meeting. The Traffic Hearings were held on July 17, 2019; next hearing will be August 21, 2019, at 9:00 a.m. in the Board Room and 1:00 p.m. in the Sycamore Room, if needed..

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. Parking Report

15b. Census Process Report

16. Director's Comments

- Director Pearlstone commented about the plans to increase internet speed.
- Director Parsons commented about residents speeding in the Village and coasting through the stop signs.
- Director Bhada commented about the new LED street lights.

17. Recess

The Board recessed at 12:15 p.m. and reconvened in Executive Session at 1:00 p.m.

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

During the July, 2019, Regular Executive Session, the Board:

Approved the Agenda

Approved the Following Meeting Minutes;

(a) June 7, 2019 – Special Closed Meeting

(b) July 16, 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 4:45 p.m.

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

Roy Bruninghaus, Secretary of the Board
Third Laguna Hills Mutual

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OPEN MEETING

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

MEET THE CANDIDATES

Friday, August 23, 2019

Laguna Woods Village Community Center

Board Room • 9:30 a.m.

The Special Meeting of the Third Laguna Hills Mutual Board of Directors a California non-profit mutual benefit corporation, was held on Friday, August 23, 2019, at 10:00 a.m. at 24351 El Toro Road, Laguna Woods, California in the Board Room

Directors Present: Rosemarie diLorenzo, Roy Bruninghaus, Lynne Jarrett, Reza Karimi, Annie McCary, Bunny Carpenter, Jon Pearlstone, John Frankel

Directors Absent: None

Staff Present: Siobhan Foster-COO, Becky Jackson, Daniel Hillburn and Cheryl Silva

Candidates: Cush Bhada, Ralph Engdahl, Steve Parsons, Craig Wayne

1. Welcome and Acknowledgement of Press, Village TV, former Third Board Secretary and Volunteer-Burt Baum, Moderator-David Dearing and Attendees

President diLorenzo called the meeting to order at 10:00 a.m., acknowledged the press, Village TV, former Third Board Secretary and Volunteer-Burt Baum, Moderator-David Dearing and Members.

2. Introduction of the Moderator

President diLorenzo introduced the Moderator-David Dearing

3. Introduction of the Candidates—David Dearing, Moderator

David Dearing, Moderator, introduced the four candidates: Cusrow "Cush" Bhada, Ralph Engdahl, Steve Parsons and Craig Wayne running to fill four (4) vacancies, each for a three-year term, expiring 2022.

4. Opening Statements

David Dearing, Moderator, asked each candidate to give a three (3) minute opening statement. The sequence of Candidates seated at the Dias was determined by a prior random drawing.

5. Prepared Questions

David Dearing, Moderator, presented six prepared questions and gave each Candidate two (2) minutes to respond.

6. Audience Questions

Burt Baum, Volunteer, presented two audience questions and gave each Candidate two (2) minutes to respond.

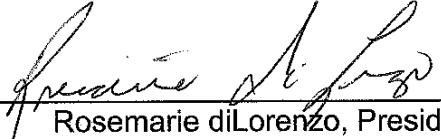
7. Candidate Closing Statements: Two (2) Minutes Each—David Dearing, Moderator

David Dearing, Moderator, asked each candidate to give a two (2) minute closing statement.

8. Concluding Remarks and Adjournment—David Dearing, Moderator and Burt Baum, Volunteer

David Dearing, Moderator, gave his closing remarks and Burt Baum, Volunteer, encouraged Members to vote.

The meeting was adjourned at 11:00 a.m.


Rosemarie diLorenzo, President
Third Mutual Laguna Hills



STAFF REPORT

DATE: August 26, 2019
FOR: Architectural Control and Standards Committee
SUBJECT: Variance Request
Mr. Timothy Cooper/Mrs. Susan Smallwood of 3456-B (Andaluz, P43)
Request to Raise Living/Dining Room and Bedroom Ceiling above Existing
Structural Members and Replace Roofing Materials to Accommodate Solar
Panel Installation.

RECOMMENDATION

Staff recommends the Board approve the requests to raise living room ceiling above existing structural members and replace roofing materials to accommodate solar panel installation with the conditions in Appendix A.

BACKGROUND

Mr. Cooper and Mrs. Smallwood of 3456-B Bahia Blanca W, an Andaluz style unit, is requesting Board approval to:

1. Alter the existing flat ceiling above the living/dining room and bedroom area to a vaulted ceiling.
2. Re-roof their unit with an alternative material to allow for installing a Photovoltaic (Solar) System

Based on the request involving structural modifications to the unit, Staff requires Board approval in order to issue a Mutual Consent for the vaulted ceiling.

At the time of writing this report, a revised Mutual Standard 41: Solar Panels, 1 Story Buildings, is pending Board approval and 28-day notice ahead of implementation. Due to the Mutual Standard 41: Solar Panels, 1 Story Buildings, still pending effectiveness, Staff requires Board approval in order to issue a Mutual Consent to change the roofing materials.

The Members have provided staff with the proposed plans (Attachment 1).

All costs associated to the alteration would be borne by the Member.

DISCUSSION

The proposed vaulted ceiling would take place without changing the existing roofline. The new ceiling would be achieved by removing a portion of the existing trusses and installing a common rafter system to provide structural support to the existing roof. The roof's rafters would be covered with drywall with decorative beams along the unit's interior to create a vaulted ceiling, the interior ceiling height increasing from approximately 8-10' to 14'.

Full stamped structural drawings will be required as a condition of approval.

The Members have coordinated with Staff and the Third Mutual roof contractor, Letner Roofing Co., who have determined the need to re-roof the area proposed for the solar array ahead of the installation. This would bring the schedule for the re-roofing of the unit forward and as such, the Members have agreed to bear the costs involved. The roof (currently metal slates), will be stripped and a new composition shingle roof would be installed as per the guidelines set forth by the revised Mutual Standard 41: Solar Panels, 1 Story Buildings.

A condition requiring the pending Third Mutual Solar Installation Standard 41 in Appendix B is to be followed throughout the installation and maintenance of this project has been added (Appendix A).

Structural drawings with roof load calculations will be required upon approval, prior to a Mutual Consent being issued for the project.

The condominium plan for Unit 3456-B designates the roof and structural members as Common Area; this request falls under the parameters outlined in the Policy for Alteration of Attics, Soffits and Suspended Ceilings.

A City of Laguna Woods permit will ensure code compliance and structural integrity.

At the time of preparing this report, there are no open Mutual Consents for Unit 3456-B.

Similar requests for installing a vaulted ceiling have been approved in July 2018 at 5422 (San Marco) and December 2018 at 5165 (Villa Paraisa).

There are no variances on file for single story units installing solar panels due to having a Mutual Standard.

The two items listed in the variance are part of a whole unit remodel (see attachment 2) that can be performed over-the-counter and with Board approval via variance 03-18-70 for the room addition.

A Neighbor Awareness Notice was sent to Units 3451-B, 3451-C, 3455-A, 3455-B, 3456-A, 3457-A and 3457-B on August 12, 2019, due to line of sight and/or effects of construction noise/debris within 150' of the alteration.

At the time of this writing, no responses have been received regarding the proposed alteration.

All future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at 3456-B.

Prepared By: Gavin Fogg, Inspections Supervisor

Reviewed By: Brett Crane, Permits, Inspections & Restoration Manager
Alisa Rocha, Alterations Coordinator

ATTACHMENT(S)

Attachment 1: Endorsement from ACSC
Appendix A: Conditions of Approval
Attachment 2: Variance Request, July 9, 2019

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Third Laguna Hills Mutual
Architectural Controls and Standards Committee
August 26, 2019

ENDORSEMENT From Third Architectural Controls and Standards Committee to Third Laguna Hills Mutual Board

Mr. Timothy Cooper/Mrs. Susan Smallwood of 3456-B (Andaluz, P43)
Request to Raise Living/Dining Room and Bedroom Ceiling above Existing Structural Members and Replace Roofing Materials to Accommodate Solar Panel Installation.

In August 2019 - Presented to Third Architectural Controls and Standards Committee.

A motion was made and unanimously approved to recommend the Board to accept staff's recommendation and approve this request.

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APPENDIX A

CONDITIONS OF APPROVAL

Conditions of approval would be as follows:

1. Installation of the proposed PV System must be in accordance with the Third Mutual Standard 41: Solar Panels, 1 Story Buildings, as attached to the Variance Request.
2. The cost of re-roofing the garage prior to the installation of the PV System will be the responsibility of the Member Owner of 3456-B.
3. No improvement shall be installed, constructed, modified or altered at unit **3456-B**, ("Property") within the Third Laguna Hills Mutual ("Mutual") unless and until a Mutual Consent for Alterations application for the improvement has been made to, and approved, in writing, by, the Village Management Services, Inc. ("VMS, Inc."), Alterations Division ("Division"), or, in the event of a Variance from the Mutual's Alteration Standards, the Architectural Control and Standards Committee ("ACSC"). In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the Property, the Member Owner or Owners ("Member Owner") agrees to comply with the Mutual's Governing Documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
4. A Variance for Unit Alterations has been granted at **3456-B** for **Raise Ceiling above Existing Structural Members in Living/Dining Room and Bedroom, and Solar Panel Installation**, 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.
5. Prior to the issuance of a Mutual Consent for Unit Alterations, a complete set of unit specific plans prepared by a licensed architect or structural engineer depicting the proposed improvement must be submitted to the Division office located in the Laguna Woods Village Community Center. The plans must depict any required structural modifications ensuring the structural integrity of the building is maintained upon completion of the proposed improvement.
6. 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 3456-B and all future Mutual members at 3456-B.
7. Parking of contractor's or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible contractors' or other invitees' vehicles should be limited in number.
8. Prior to the Issuance of a Mutual Consent for Alterations, acoustical impacts shall be considered and will require noise reducing material such as sound dampening drywall on common walls of the alteration (such as QuietRock® drywall panels or similar approved products).
9. Member Owner(s) of the Property must sign and submit to the Mutual, c/o VMS, Inc., at the Division office located in the Laguna Woods Village Community Center, an executed and notarized "Covenant to Run with the Land" for a proposed improvement that would utilize any portion of the Mutual's Common Area. Prior to the issuance of a Mutual

Consent for Unit Alterations, that "Recordable Common Area Agreement" must be filed with the Orange County Clerk/Recorder.

10. A City of Laguna Woods permit is required, which may include the requirement to obtain clearance from the South Coast Air Quality Management District (Asbestos Hot Line at (909) 396-2336). Prior to the issuance of a Mutual Consent for Unit Alterations, the appropriate City of Laguna Woods permit number(s) must be submitted to the Division office located in the Laguna Woods Village Community Center. The City permit must be finalized within the prescribed timeframe, and a copy of the final permit must be submitted to the Division within two weeks.
11. Prior to the issuance of a Mutual Consent for Unit Alterations, if required, a Mutual Roof Alteration Notification ("Tie-In Form") must be submitted to the Division. All roof tie-ins must be performed by a C-39 Licensed Contractor. The Member Owner may hire a C-39 Licensed Contractor of his/her own choice to perform roof tie-ins for the installation of solar panels on all roof types except PVC Cool Roofs. For PVC Cool Roofs, regardless of the roof type, all tie-ins must be performed by the Mutual's roofing contractor at the Member Owner's expense. All tie-ins may only be made to sound structural elements. Existing structural elements proposed to be tied to, which exhibit signs of dry rot or other structural defects, must first be replaced or repaired at the Member Owner's expense during construction of the improvement.
12. Prior to the issuance of a Mutual Consent for Unit Alterations, any altered exterior surface should match the Building color; vinyl fence/gate will be either white or taupe, tubular steel or wrought iron fence/gate will be black or white; the approved colors and materials are identified as "Third Laguna Hill Mutual Color Selections" at Resident Services, located at the Community Center first floor.
13. Member Owner shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others who perform work on the Property, including any violation of the Mutual's Governing Documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, and use of Mutual property for storage of equipment or materials without prior approval. Member Owner acknowledges and agrees that all such persons are his/her invitees. Member Owner shall be responsible for informing all his/her invitees of the Mutual's Rules and Regulations.
14. Member Owner hereby consents to and grants to the Mutual and the Division, and their representatives, a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and for the Mutual and the Division, and their representatives and contractors to remedy any violation upon the Property, including, but not limited to, removing trash, removing any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.
15. Member Owner shall be liable for any violation of the Mutual's Governing Documents by any invitee, including any fine, assessment, traffic or other charge levied in connection therewith.
16. Member is responsible for following the gate clearance process in place to admit contractors and other invitees.
17. Member Owner's contractors and other invitees shall have business signage on vehicles and travel to and from the job site by the most direct route available and are not authorized

to use Mutual recreational facilities or other amenities while they are in the Village for performance of work in connection with the Property.

18. Prior to the Issuance of a Mutual Consent for Unit Alterations, the Member shall post a Conformance Deposit in the amount of \$250 for all improvements exceeding a total of \$500. The Conformance Deposit will be held until Final City Building Permit Issuance if required, to assure no damages to Mutual property occurs during construction, including, but not limited to, internet/TV, landscaping, or exterior walls/roof.
19. The Conformance Deposit shall be held by the Mutual and applied, at the Mutual's sole discretion, to any fine levied against the Member Owner or the Property, to cover and/or recoup any costs whatsoever, including, but not be limited to, administrative and legal costs, incurred by the Mutual or VMS, Inc., in connection with the Property, or to any unpaid charges or assessments on the Mutual's account for the Property. For example, the Mutual could apply all or a portion of the Conformance Deposit to cover the following: fines levied against any invitee of Member Owner; fines levied for construction violations; costs incurred by the Mutual in repairing damage to Mutual property caused by Member Owner's contractor or other invitee; costs incurred by the Mutual in curing a violation on the Property; costs incurred in removing or altering an improvement upon the Property; or to an unpaid assessment, special assessment, late charge, interest or collection costs posted to the Mutual's account for the Property. The foregoing list is illustrative only and in no way represents the only situations where the Mutual could apply all or a portion of the Conformance Deposit.
20. If at any time the amount of the Conformance Deposit falls below 3/4ths of the amount originally required to be posted, Member Owner agrees to immediately deposit additional sums with the Mutual in an amount sufficient to return the Conformance Deposit to the originally required level. Until the Conformance Deposit is so replenished, an automatic stop work order shall be in effect.
21. Any remaining Conformance Deposit is refundable if the Member Owner notifies the Division, in writing, that the improvement(s) for which the Conformance Deposit was posted have been completed in accordance with the approval, and the Division agrees with the same. The Mutual will mail the unused portion of the Conformance Deposit, if any, to the Member Owner's address of record with the Mutual. Under no circumstances shall Member Owner be entitled to any interest on any portion of the Conformance Deposit. If no written request for return of a Conformance Deposit is made by Member Owner within two years from the date when the Conformance Deposit is posted with the Mutual, the Conformance Deposit will be deemed forfeited to the Mutual.
22. All improvements must be installed in accordance with the California State Building Code, and the published Mutual Architectural Alterations Standards. See <http://www.lagunawoodsvillage.com>.
23. During construction, work hours established by the Mutual and the Noise Ordinance set forth in the City of Laguna Woods Municipal Code must be adhered to at all times.
24. During construction, both the Mutual Consent for Unit Alterations and the City Building Permit must be on display for public view at all times in a location approved by the Division.
25. It is mandatory that no waste or materials associated with the construction be dumped in the Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.

26. A dumpster is approved for placement at the location identified by Security Staff by calling 949-580-1400. All dumpsters must conform to the Policy for Temporary Containers. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.
27. A portable bathroom is approved for placement at the location identified by Security Staff by calling 949-580-1400.
28. The Mutual Consent for Unit Alterations expires six months after the date of approval, unless an application is submitted with fees and approved by the Division for an extension. Only one extension for a maximum of an additional six months may be granted.
29. Violations of the forgoing conditions or the Mutual's Governing Documents (See <http://www.lagunawoodsvillage.com>), including, but not limited to, work outside the approved plans, excessive noise, illegal dumping, or working after hours, will result in disciplinary action, which could result in a stop work notice, loss of privileges and/or severe fines to the Owner Member. Such fines left unpaid will result in forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.
30. Mutual member shall indemnify, defend and hold harmless Third and its officers, directors, committee members and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from Mutual member's improvements and installation, construction, design and maintenance of same.

RESOLUTION 03-19-XX
Variance Request

WHEREAS, Mr. Timothy Cooper/Mrs. Susan Smallwood of 3456-B Bahia Blanca W, an Andaluz style unit, is requesting Board approval of a variance to raise living/dining room and bedroom ceiling above existing structural members and replace roofing materials to accommodate solar panel installation; and,

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected units on August 12, 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 August 26, 2019.

NOW THEREFORE BE IT RESOLVED, on September 17, 2019, the Board of Directors hereby approves the request to raise living/dining room and bedroom ceiling above existing structural members and replace roofing materials to accommodate solar panel installation;

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 3456-B and all future Mutual members at 3456-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.

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RESOLUTION 03-19-XX

Approve the Request for Removal of of One Carrotwood Tree – 4024-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 September 5, 2019, the Landscape Committee reviewed a request for a tree removal of one Carrotwood tree. The request was received from the Member at 4024-A, who cited the reasons as litter and debris, and structural damage and;

WHEREAS, the Committee recommended approving the request for the removal of one Carrotwood tree located at 4024-A Calle Sonora Este given the fact that the tree's proximity to the manor will not allow for root trenching to prevent encroachment on the infrastructure.

NOW THEREFORE BE IT RESOLVED, September 17, 2019, the Board of Directors approves the request for the removal of one Carrotwood tree located at 4024-A;

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

Recording of a Lien

WHEREAS, Member ID 933-620-08; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, September 17, 2019, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-620-08 and;

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

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STAFF REPORT

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 – Endorsement

ATT 2 – Resolution

ATT 3 – Revised Co-occupancy Policy

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

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 adopts 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

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



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 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.

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STAFF REPORT

DATE: August 20, 2019
FOR: Third Board
SUBJECT: Leasing Policy Amendment
Require New Lease Application in Lieu of Lease Amendment Form

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 -- Resolution

ATT 3 – Lease Policy

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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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

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

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Lease Policy
Resolution 03-19-51 Adopted May 21, 2019
Revised September 17, 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, 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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STAFF REPORT

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

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.

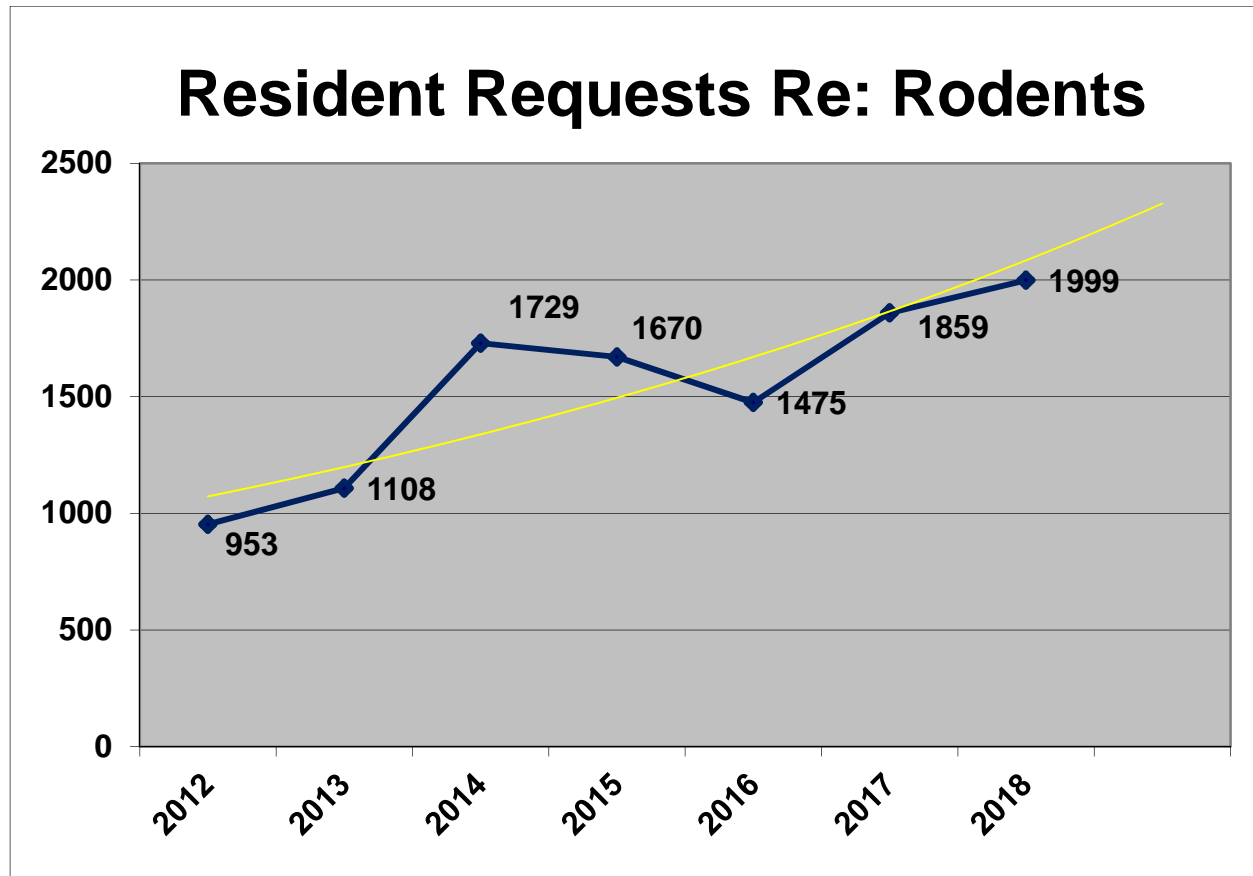
Prepared By: Kurt Wiemann, Senior Field Services Manager

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 September 17, 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

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

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STAFF REPORT

DATE: August 20, 2019
FOR: Board of Directors
SUBJECT: Revision of Alteration Standard 41: Solar Panels, 1 Story Buildings

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, September 17, 2019, that the Board of Directors of this Corporation hereby adopts 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

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

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Third Laguna Hills Mutual

Standard ~~ection~~ 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 SEPTEMBER 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

DATE: August 20, 2019
FOR: Board of Directors
SUBJECT: 2020 Collection and Lien Enforcement Policy

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 interest~~Manor or their legal representative, if the Board votes to foreclose. For a non-occupying owner, the Board must provide written notice by first-class mail, postage prepaid, at the most current address shown on the books of the Mutual. In the absence of written notification by a non-occupying owner to the Mutual, the address of the owner's ~~separate interest~~Manor may be treated as the owner's mailing address.

11. Non-Judicial Foreclosure/Right of Redemption

A non-judicial foreclosure by the Mutual to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the ~~separate interest~~Manor 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 Assessment~~lien can be recorded in the chain of title to the ~~manor~~Manor of a delinquent Member, the Mutual must offer the Member, and if so requested by the Member, the Mutual must participate in dispute resolution pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 2 commencing with section 5900 of Chapter 10) or ADR as set forth in Article 3 (commencing with Section 5925 of Chapter 10), both in the California Civil Code.

Any choice by a Member to pursue any kind of ADR must be made by the Member's delivery of written notice of such choice to the Mutual's managing agent within thirty (30) days of any event which triggers a Member's right to pursue ADR, —whether it is before a ~~Notice of Delinquent Assessment~~lien 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.”

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

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

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STAFF REPORT

DATE: September 17, 2019
FOR: Board of Directors
SUBJECT: Revision of Alteration Standard 22: Patio and Balcony Covers / Aluminum and Vinyl

RECOMMENDATION

Postpone approval of a resolution to adopt revisions to Alteration Standard 22: Patio and Balcony Cover/Aluminum and Vinyl. This item needs to be reviewed by Committee.

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, September 17, 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-August the Board Tabled this Resolution

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 SEPTEMBER 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

DATE: September 17, 2019
FOR: Board of Directors
SUBJECT: 2020 Business Plan – Version 3

RECOMMENDATION

Staff recommends the board approve the 2020 Third Business Plan Resolution (Attachment 1) and the 2020 Third Reserve Funding Plan Resolution (Attachment 2).

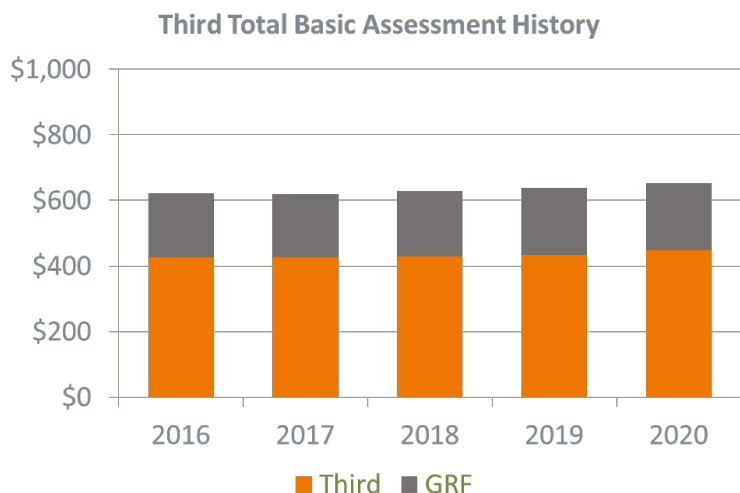
BACKGROUND

The proposed business plan for Third was reviewed several times from May through July at special meetings of the Landscape Committee and Board. Changes directed from these early budget meetings and subsequent discussions with staff are included in Version 3.

DISCUSSION

The proposed budget for the 2020 plan year (Attachment 3) shows that the sum of \$33,162,715 is required by the Corporation to meet the Third Laguna Hills Mutual operating expenses and reserve contributions for the year 2020. In addition, the sum of \$15,054,537 is required by the Corporation to meet the Golden Rain Foundation and Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2020. Therefore, a total of \$48,217,252 is required to be collected from and paid by members of the Corporation as monthly assessments.

| Year | Assessment |
|------|------------|
| 2016 | \$620.43 |
| 2017 | \$619.86 |
| 2018 | \$628.42 |
| 2019 | \$637.22 |
| 2020 | \$652.22 |



FINANCIAL ANALYSIS

The financial impact of this proposed business plan would be a Total Basic Assessment of \$652.22 per manor per month, reflecting a net increase of \$15.00 or 2.4% when compared to current year.

Prepared By: Jose Campos, Financial Services Manager
Betty Parker, Chief Financial Officer

Reviewed By: Jeff Parker, Chief Executive Officer

ATTACHMENT(S)

ATT1 – 2020 Resolution – Third Business Plan

ATT2 – 2020 Resolution – Third Reserve Funding Plan

ATT3 – 2020 Third Business Plan by Account

ATT4 – 2020 Third Business Plan by Department

ATT5 – 2020 Third Budget Comparison Report

ATT6 – 2020 Third Landscape Expenditures by Program – Operating

ATT7 – 2020 Third Maintenance Expenditures by Program – Operating

ATT8 – 2020 Third Reserves Plan

- ♦ **Five-Year Cash Flow**
- ♦ **2020 Reserve Expenditures**
- ♦ **Reserve 30-Year Funding Plans**
- ♦ **Replacement Reserves Planned Expenditures**

2020 BUSINESS PLAN RESOLUTION

RESOLUTION 03-19-XX

RESOLVED, September 17, 2019, that the Business Plan of this Corporation for the year 2020 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said business plan, the Board of Directors of this Corporation hereby estimates that the net sum of \$33,162,715 is required by the Corporation to meet the Third Laguna Hills Mutual operating expenses and reserve contributions for the year 2020. In addition, the sum of \$15,054,537 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2020. Therefore, a total of \$48,217,252 is required to be collected from and paid by members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$14,669,395 of which \$12,357,061 is planned from the Replacement Fund, \$255,000 from the Elevator Replacement Fund, \$118,420 from the Laundry Replacement Fund, \$1,867,932 from the Disaster Fund, and \$70,982 from the Garden Villa Recreation Room Fund; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2020 and as filed in the records of the Corporation, said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2020; 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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2020 RESERVE FUNDING PLAN

RESOLUTION 03-19-XX

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

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

NOW THEREFORE BE IT RESOLVED, September 17, 2019, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plans (attached) with the objective of maintaining replacement reserve balances at or above established thresholds totaling \$8,290,000 while meeting its obligations to repair and/or replace major components; and

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

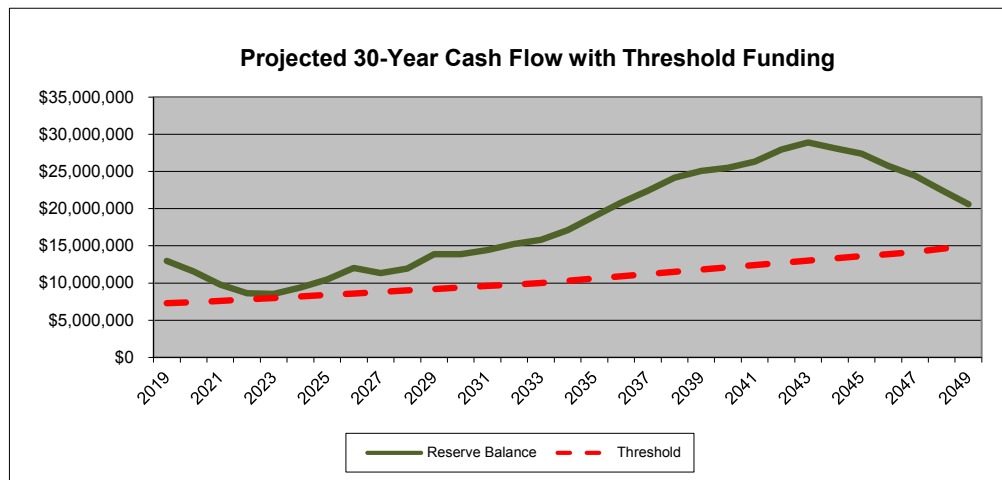
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**THIRD LAGUNA HILLS MUTUAL
2020 RESERVES PLAN
Replacement Reserve 30-Year Funding Plan**

Threshold (Min Balance): \$ 7,400,000

Indexed for projected inflation

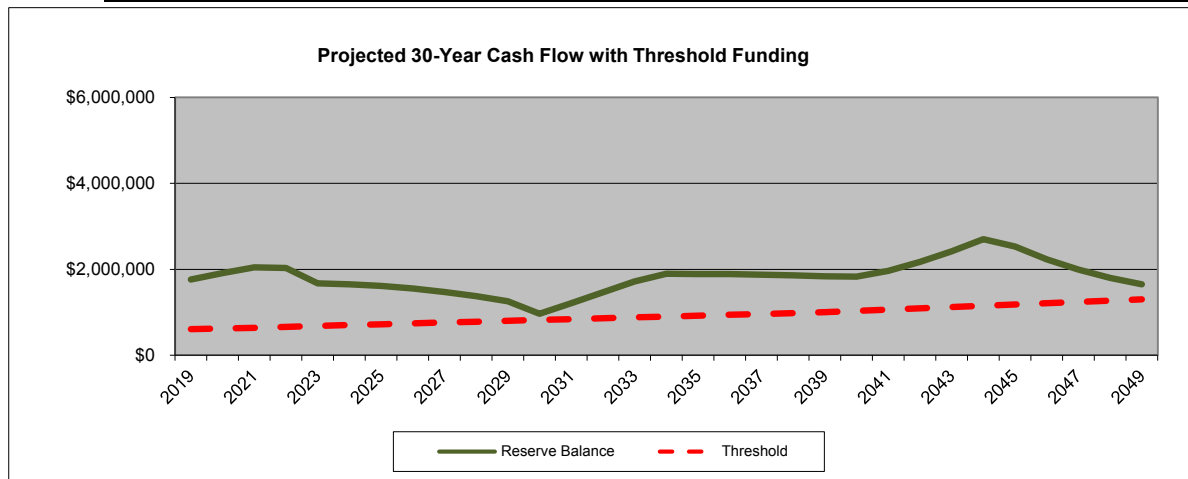
| Year | Assessment | | Interest Earnings | Planned Expenditures | Reserve Balance |
|-------------|----------------------------|---------------------------|--------------------------|-----------------------------|------------------------|
| | Per Manor Per Month | Total Contribution | | | |
| 2019 | \$ 140.00 | \$ 10,251,360 | \$ 270,381 | \$ 11,907,270 | \$ 12,961,488 |
| 2020 | \$ 146.00 | \$ 10,690,704 | \$ 242,566 | \$ 12,357,061 | \$ 11,537,696 |
| 2021 | \$ 154.00 | \$ 11,276,496 | \$ 263,463 | \$ 13,274,839 | \$ 9,802,816 |
| 2022 | \$ 162.00 | \$ 11,862,288 | \$ 227,588 | \$ 13,260,866 | \$ 8,631,826 |
| 2023 | \$ 170.00 | \$ 12,448,080 | \$ 212,003 | \$ 12,751,474 | \$ 8,540,436 |
| 2024 | \$ 178.00 | \$ 13,033,872 | \$ 221,627 | \$ 12,384,580 | \$ 9,411,354 |
| 2025 | \$ 178.00 | \$ 13,033,872 | \$ 245,785 | \$ 12,193,797 | \$ 10,497,215 |
| 2026 | \$ 178.00 | \$ 13,033,872 | \$ 277,995 | \$ 11,788,704 | \$ 12,020,378 |
| 2027 | \$ 178.00 | \$ 13,033,872 | \$ 288,290 | \$ 14,011,418 | \$ 11,331,122 |
| 2028 | \$ 178.00 | \$ 13,033,872 | \$ 287,347 | \$ 12,708,350 | \$ 11,943,991 |
| 2029 | \$ 178.00 | \$ 13,033,872 | \$ 319,000 | \$ 11,401,866 | \$ 13,894,997 |
| 2030 | \$ 178.00 | \$ 13,033,872 | \$ 342,776 | \$ 13,401,793 | \$ 13,869,852 |
| 2031 | \$ 178.00 | \$ 13,033,872 | \$ 349,519 | \$ 12,812,040 | \$ 14,441,203 |
| 2032 | \$ 178.00 | \$ 13,033,872 | \$ 366,559 | \$ 12,591,525 | \$ 15,250,109 |
| 2033 | \$ 183.00 | \$ 13,399,992 | \$ 383,474 | \$ 13,222,320 | \$ 15,811,255 |
| 2034 | \$ 188.00 | \$ 13,766,112 | \$ 406,641 | \$ 12,857,323 | \$ 17,126,685 |
| 2035 | \$ 193.00 | \$ 14,132,232 | \$ 445,232 | \$ 12,767,081 | \$ 18,937,068 |
| 2036 | \$ 198.00 | \$ 14,498,352 | \$ 490,869 | \$ 13,102,949 | \$ 20,823,340 |
| 2037 | \$ 203.00 | \$ 14,864,472 | \$ 533,876 | \$ 13,801,047 | \$ 22,420,642 |
| 2038 | \$ 208.00 | \$ 15,230,592 | \$ 575,076 | \$ 14,065,827 | \$ 24,160,483 |
| 2039 | \$ 213.00 | \$ 15,596,712 | \$ 607,863 | \$ 15,288,645 | \$ 25,076,413 |
| 2040 | \$ 218.00 | \$ 15,962,832 | \$ 624,405 | \$ 16,163,228 | \$ 25,500,421 |
| 2041 | \$ 223.00 | \$ 16,328,952 | \$ 639,726 | \$ 16,151,736 | \$ 26,317,363 |
| 2042 | \$ 228.00 | \$ 16,695,072 | \$ 669,785 | \$ 15,746,989 | \$ 27,935,231 |
| 2043 | \$ 228.00 | \$ 16,695,072 | \$ 701,773 | \$ 16,423,678 | \$ 28,908,398 |
| 2044 | \$ 228.00 | \$ 16,695,072 | \$ 704,040 | \$ 18,188,631 | \$ 28,118,879 |
| 2045 | \$ 228.00 | \$ 16,695,072 | \$ 685,470 | \$ 18,095,192 | \$ 27,404,229 |
| 2046 | \$ 228.00 | \$ 16,695,072 | \$ 656,592 | \$ 18,976,145 | \$ 25,779,748 |
| 2047 | \$ 228.00 | \$ 16,695,072 | \$ 619,950 | \$ 18,658,570 | \$ 24,436,200 |
| 2048 | \$ 228.00 | \$ 16,695,072 | \$ 579,472 | \$ 19,209,703 | \$ 22,501,042 |
| 2049 | \$ 228.00 | \$ 16,695,072 | \$ 532,101 | \$ 19,129,036 | \$ 20,599,179 |



**THIRD LAGUNA HILLS MUTUAL
2020 RESERVES PLAN
Elevator Reserve 30-Year Funding Plan**

Threshold (Min Balance): \$ 620,000
Indexed for projected inflation

| Year | Assessment | | Interest Earnings | Planned Expenditures | Reserve Balance |
|-------------|---------------------|--------------------|-------------------|----------------------|---------------------|
| | Per Manor Per Month | Total Contribution | | | |
| 2019 | \$ 5.00 | \$ 366,120 | \$ 34,366 | \$ 346,698 | \$ 1,762,398 |
| 2020 | \$ 5.00 | \$ 366,120 | \$ 36,359 | \$ 255,000 | \$ 1,909,877 |
| 2021 | \$ 5.00 | \$ 366,120 | \$ 48,853 | \$ 277,611 | \$ 2,047,239 |
| 2022 | \$ 6.00 | \$ 439,344 | \$ 50,383 | \$ 503,206 | \$ 2,033,760 |
| 2023 | \$ 7.00 | \$ 512,568 | \$ 45,796 | \$ 916,426 | \$ 1,675,697 |
| 2024 | \$ 8.00 | \$ 585,792 | \$ 41,074 | \$ 651,250 | \$ 1,651,314 |
| 2025 | \$ 8.00 | \$ 585,792 | \$ 40,261 | \$ 667,531 | \$ 1,609,836 |
| 2026 | \$ 8.00 | \$ 585,792 | \$ 39,016 | \$ 684,219 | \$ 1,550,425 |
| 2027 | \$ 8.00 | \$ 585,792 | \$ 37,316 | \$ 701,325 | \$ 1,472,208 |
| 2028 | \$ 8.00 | \$ 585,792 | \$ 35,142 | \$ 718,858 | \$ 1,374,284 |
| 2029 | \$ 8.00 | \$ 585,792 | \$ 32,469 | \$ 736,829 | \$ 1,255,716 |
| 2030 | \$ 8.00 | \$ 585,792 | \$ 27,387 | \$ 906,300 | \$ 962,595 |
| 2031 | \$ 3.00 | \$ 219,672 | \$ 26,811 | \$ - | \$ 1,209,078 |
| 2032 | \$ 3.00 | \$ 219,672 | \$ 32,973 | \$ - | \$ 1,461,723 |
| 2033 | \$ 3.00 | \$ 219,672 | \$ 39,289 | \$ - | \$ 1,720,684 |
| 2034 | \$ 3.00 | \$ 219,672 | \$ 44,683 | \$ 86,432 | \$ 1,898,608 |
| 2035 | \$ 3.00 | \$ 219,672 | \$ 46,789 | \$ 273,798 | \$ 1,891,271 |
| 2036 | \$ 3.00 | \$ 219,672 | \$ 46,650 | \$ 270,192 | \$ 1,887,401 |
| 2037 | \$ 3.00 | \$ 219,672 | \$ 46,469 | \$ 276,947 | \$ 1,876,595 |
| 2038 | \$ 3.00 | \$ 219,672 | \$ 46,112 | \$ 283,870 | \$ 1,858,509 |
| 2039 | \$ 3.00 | \$ 219,672 | \$ 45,572 | \$ 290,967 | \$ 1,832,786 |
| 2040 | \$ 3.00 | \$ 219,672 | \$ 45,198 | \$ 269,402 | \$ 1,828,254 |
| 2041 | \$ 3.00 | \$ 219,672 | \$ 46,798 | \$ 132,301 | \$ 1,962,424 |
| 2042 | \$ 3.00 | \$ 219,672 | \$ 51,049 | \$ 60,599 | \$ 2,172,545 |
| 2043 | \$ 3.00 | \$ 219,672 | \$ 56,671 | \$ 31,057 | \$ 2,417,831 |
| 2044 | \$ 3.00 | \$ 219,672 | \$ 63,192 | \$ - | \$ 2,700,695 |
| 2045 | \$ 4.00 | \$ 292,896 | \$ 64,538 | \$ 531,220 | \$ 2,526,909 |
| 2046 | \$ 5.00 | \$ 366,120 | \$ 58,787 | \$ 717,011 | \$ 2,234,805 |
| 2047 | \$ 6.00 | \$ 439,344 | \$ 52,175 | \$ 734,936 | \$ 1,991,388 |
| 2048 | \$ 7.00 | \$ 512,568 | \$ 46,775 | \$ 753,310 | \$ 1,797,422 |
| 2049 | \$ 8.00 | \$ 585,792 | \$ 42,606 | \$ 772,142 | \$ 1,653,678 |

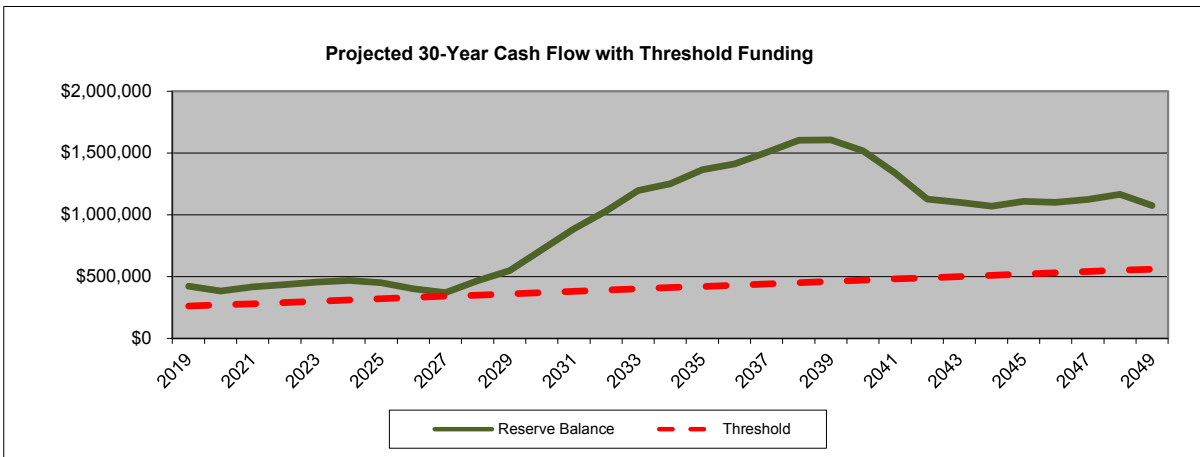


**THIRD LAGUNA HILLS MUTUAL
2020 RESERVES PLAN
Laundry Reserve 30-Year Funding Plan**

Threshold (Min Balance): \$ 270,000
Indexed for projected inflation

| Year | Assessment | | Interest Earnings | Planned Expenditures | Reserve Balance |
|-------------|----------------------|--------------------|-------------------|----------------------|-------------------|
| | Per Manor Per Month* | Total Contribution | | | |
| 2019 | \$ 1.00 | \$ 73,224 | \$ 11,235 | \$ 377,389 | \$ 420,925 |
| 2020 | \$ 1.00 | \$ 73,224 | \$ 7,967 | \$ 118,420 | \$ 383,697 |
| 2021 | \$ 2.00 | \$ 146,448 | \$ 9,864 | \$ 124,749 | \$ 415,260 |
| 2022 | \$ 2.00 | \$ 146,448 | \$ 10,483 | \$ 138,344 | \$ 433,847 |
| 2023 | \$ 2.00 | \$ 146,448 | \$ 10,985 | \$ 135,319 | \$ 455,961 |
| 2024 | \$ 2.50 | \$ 183,060 | \$ 11,395 | \$ 183,386 | \$ 467,030 |
| 2025 | \$ 3.00 | \$ 219,672 | \$ 11,334 | \$ 247,010 | \$ 451,026 |
| 2026 | \$ 3.00 | \$ 219,672 | \$ 10,505 | \$ 281,340 | \$ 399,863 |
| 2027 | \$ 3.00 | \$ 219,672 | \$ 9,510 | \$ 258,576 | \$ 370,469 |
| 2028 | \$ 3.00 | \$ 219,672 | \$ 10,331 | \$ 134,142 | \$ 466,330 |
| 2029 | \$ 3.00 | \$ 219,672 | \$ 12,523 | \$ 150,455 | \$ 548,069 |
| 2030 | \$ 3.00 | \$ 219,672 | \$ 15,626 | \$ 65,735 | \$ 717,632 |
| 2031 | \$ 3.00 | \$ 219,672 | \$ 19,796 | \$ 71,219 | \$ 885,881 |
| 2032 | \$ 3.00 | \$ 219,672 | \$ 23,670 | \$ 97,855 | \$ 1,031,368 |
| 2033 | \$ 3.00 | \$ 219,672 | \$ 27,515 | \$ 81,223 | \$ 1,197,332 |
| 2034 | \$ 3.00 | \$ 219,672 | \$ 30,234 | \$ 195,587 | \$ 1,251,651 |
| 2035 | \$ 3.00 | \$ 219,672 | \$ 32,290 | \$ 139,738 | \$ 1,363,876 |
| 2036 | \$ 3.00 | \$ 219,672 | \$ 34,250 | \$ 207,417 | \$ 1,410,381 |
| 2037 | \$ 3.00 | \$ 219,672 | \$ 35,976 | \$ 162,379 | \$ 1,503,649 |
| 2038 | \$ 3.00 | \$ 219,672 | \$ 38,348 | \$ 159,166 | \$ 1,602,503 |
| 2039 | \$ 3.00 | \$ 219,672 | \$ 39,602 | \$ 256,513 | \$ 1,605,264 |
| 2040 | \$ 3.00 | \$ 219,672 | \$ 38,560 | \$ 345,417 | \$ 1,518,079 |
| 2041 | \$ 3.00 | \$ 219,672 | \$ 35,240 | \$ 436,659 | \$ 1,336,332 |
| 2042 | \$ 3.00 | \$ 219,672 | \$ 30,388 | \$ 461,288 | \$ 1,125,104 |
| 2043 | \$ 3.00 | \$ 219,672 | \$ 27,487 | \$ 270,950 | \$ 1,101,313 |
| 2044 | \$ 3.00 | \$ 219,672 | \$ 26,799 | \$ 278,343 | \$ 1,069,441 |
| 2045 | \$ 3.00 | \$ 219,672 | \$ 26,892 | \$ 207,163 | \$ 1,108,842 |
| 2046 | \$ 3.00 | \$ 219,672 | \$ 27,262 | \$ 256,366 | \$ 1,099,409 |
| 2047 | \$ 3.00 | \$ 219,672 | \$ 27,437 | \$ 223,512 | \$ 1,123,007 |
| 2048 | \$ 3.00 | \$ 219,672 | \$ 28,257 | \$ 205,142 | \$ 1,165,794 |
| 2049 | \$ 3.00 | \$ 219,672 | \$ 27,658 | \$ 338,619 | \$ 1,074,505 |

*Transferred from Surcharge to Shared Cost in 2019



THIRD LAGUNA HILLS MUTUAL 2020 BUSINESS PLAN - BY ACCOUNT

| DESCRIPTION | 2016 ACTUAL | 2017 ACTUAL | 2018 ACTUAL | 2019 PLAN | 2020 PLAN | Per Manor Per Month | | |
|---|----------------|----------------|----------------|--------------|--------------|---------------------|----------|-------------------------|
| | | | | | | 2019 ASSESSMENT | 2020 | Increase/ (Decrease) |
| REVENUES: | | | | | | | | |
| Non-assessment Revenues: | | | | | | | | |
| Fees and Charges to Residents | \$375,549 | \$330,901 | \$977,604 | \$478,440 | \$588,163 | \$6.53 | \$8.03 | (\$1.50) |
| Miscellaneous | 500,337 | 603,772 | 850,369 | 601,000 | 643,249 | 8.21 | 8.78 | (0.57) |
| Total Revenues | \$875,886 | \$934,673 | \$1,827,973 | \$1,079,440 | \$1,231,412 | \$14.74 | \$16.81 | (\$2.07) |
| EXPENSES: | | | | | | | | |
| Employee Compensation | \$6,384,252 | \$6,366,132 | \$6,734,884 | \$6,639,747 | \$7,046,233 | \$90.68 | \$96.23 | \$5.55 |
| Expenses Related to Compensation | 2,502,230 | 2,545,018 | 2,937,749 | 2,814,402 | 2,823,771 | 38.44 | 38.56 | 0.12 |
| Material and Supplies | 700,792 | 745,666 | 774,841 | 646,142 | 853,992 | 8.82 | 11.66 | 2.84 |
| Electricity | 447,134 | 382,461 | 455,577 | 246,561 | 310,331 | 3.37 | 4.24 | 0.87 |
| Sewer | 1,588,795 | 1,639,467 | 1,695,720 | 1,716,600 | 1,715,400 | 23.44 | 23.43 | (0.01) |
| Water | 2,575,110 | 2,706,828 | 2,809,708 | 2,710,627 | 2,876,390 | 37.02 | 39.28 | 2.26 |
| Trash | 454,293 | 458,710 | 514,757 | 534,407 | 546,114 | 7.30 | 7.46 | 0.16 |
| Legal Fees | 109,975 | 230,869 | 427,069 | 220,000 | 499,985 | 3.00 | 6.83 | 3.83 |
| Professional Fees | 126,158 | 103,610 | 100,652 | 184,589 | 144,760 | 2.52 | 1.98 | (0.54) |
| Equipment Rental | 17,229 | 7,661 | 7,624 | 7,244 | 3,478 | 0.10 | 0.05 | (0.05) |
| Outside Services | 1,487,505 | 1,358,253 | 1,388,020 | 1,092,186 | 1,080,117 | 14.92 | 14.75 | (0.17) |
| Repairs and Maintenance | 16,969 | 8,519 | 19,607 | 12,001 | 10,474 | 0.16 | 0.14 | (0.02) |
| Other Operating Expense | 205,514 | 180,259 | 126,687 | 155,289 | 165,294 | 2.12 | 2.26 | 0.14 |
| Insurance | 437,532 | 469,396 | 444,898 | 460,084 | 495,408 | 6.28 | 6.77 | 0.49 |
| Property Insurance | 665,445 | 703,375 | 822,241 | 852,719 | 1,021,615 | 11.65 | 13.95 | 2.30 |
| Uncollectible Accounts | 90,013 | 118,609 | 134,208 | 138,200 | 120,100 | 1.89 | 1.64 | (0.25) |
| Allocated Expenses | 852,374 | 780,998 | 1,059,401 | 1,078,023 | 1,371,057 | 14.72 | 18.72 | 4.00 |
| Total Expenses | \$18,661,320 | \$18,805,831 | \$20,453,642 | \$19,508,821 | \$21,084,519 | \$266.43 | \$287.95 | \$21.52 |
| RESERVE CONTRIBUTIONS: | | | | | | | | |
| Replacement Fund | \$9,885,240 | \$9,885,240 | \$9,885,240 | \$10,251,360 | \$10,690,704 | \$140.00 | \$146.00 | \$6.00 |
| Elevator Replacement Fund | 366,120 | 366,120 | 366,120 | 439,344 | 366,120 | 6.00 | 5.00 | (1.00) |
| Laundry Replacement Fund | 0 | 0 | 0 | 73,224 | 73,224 | 1.00 | 1.00 | 0.00 |
| Disaster Fund | 2,196,720 | 2,196,720 | 2,028,305 | 2,028,305 | 1,133,508 | 27.70 | 15.48 | (12.22) |
| Unappropriated Exp. Fund | 439,344 | 805,464 | 732,240 | 585,792 | 585,792 | 8.00 | 8.00 | 0.00 |
| Total Reserve Contributions | \$12,887,424 | \$13,253,544 | \$13,011,905 | \$13,378,025 | \$12,849,348 | \$182.70 | \$175.48 | (\$7.22) |
| TOTAL MUTUAL | \$30,672,858 | \$31,124,702 | \$31,637,574 | \$31,807,406 | \$32,702,455 | \$434.39 | \$446.62 | \$12.23 |
| GOLDEN RAIN FOUNDATION | | | | | | | | |
| GRF OPERATING | \$12,690,372 | \$12,420,562 | \$13,075,237 | \$13,460,408 | \$13,297,161 | \$183.83 | \$181.60 | (\$2.23) |
| GRF RESERVE CONTRIBUTIONS | 1,537,704 | 1,757,376 | 1,464,480 | 1,391,256 | 1,757,376 | 19.00 | 24.00 | \$5.00 |
| TOTAL GRF | \$14,228,076 | \$14,177,938 | \$14,539,717 | \$14,851,664 | \$15,054,537 | \$202.83 | \$205.60 | \$2.77 |
| TOTAL BASIC ASSESSMENTS | \$44,900,934 | \$45,302,640 | \$46,177,291 | \$46,659,070 | \$47,756,992 | \$637.22 | \$652.22 | \$15.00 |
| SURCHARGES (unique to units with common laundry facilities, elevators, and/or Garden Villa Rec Rooms) | | | | | | | | |
| Laundry Revenue | (\$101,554) | (\$113,421) | (\$132,633) | (\$220,000) | (\$220,000) | (\$5.31) | (\$5.31) | \$0.00 |
| Laundry Operating | 280,874 | 267,167 | 154,818 | 220,020 | 220,007 | 5.31 | 5.31 | (0.00) |
| Elevator Operating | 346,146 | 328,855 | 332,359 | 337,230 | 374,555 | 15.22 | 16.91 | 1.69 |
| Laundry Replacement Fund | 124,344 | 82,896 | 82,896 | 0 | 0 | 0.00 | 0.00 | 0.00 |
| Garden Villa Rec Room Fund | 74,520 | 59,616 | 59,616 | 81,972 | 85,698 | 5.50 | 5.75 | 0.25 |
| | \$724,330 | \$625,114 | \$497,056 | \$419,222 | \$460,260 | \$20.72 | \$22.66 | \$1.94 |
| TOTAL BUSINESS PLAN | \$45,625,264 | \$45,927,753 | \$46,674,347 | \$47,078,292 | \$48,217,252 | | | |

THIRD LAGUNA HILLS MUTUAL

2020 BUSINESS PLAN - BY DEPARTMENT

| DESCRIPTION | 2016 ACTUAL | 2017 ACTUAL | 2018 ACTUAL | 2019 PLAN | 2020 PLAN | Per Manor Per Month | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------|-------------------------|
| | | | | | | 2019 ASSESSMENT | 2020 | Increase/ (Decrease) |
| Department: | | | | | | | | |
| Non Work Center | \$5,481,193 | \$5,451,515 | \$5,717,930 | \$5,452,818 | \$5,845,032 | \$74.47 | \$79.82 | \$5.35 |
| Office of the CEO | 343,532 | 384,648 | 455,561 | 456,194 | 529,630 | 6.23 | 7.23 | 1.00 |
| Resident Services | 147,041 | 151,680 | 271,913 | 262,017 | 476,537 | 3.58 | 6.51 | 2.93 |
| General Services | 1,344,803 | 1,265,072 | 1,398,168 | 1,513,935 | 1,620,230 | 20.68 | 22.13 | 1.45 |
| Landscape Services | 4,617,745 | 4,647,880 | 4,520,658 | 5,000,347 | 5,196,408 | 68.29 | 70.97 | 2.68 |
| Financial Services | 1,392,979 | 1,770,447 | 1,899,460 | 1,944,416 | 2,280,799 | 26.55 | 31.15 | 4.60 |
| Security Services | 175,799 | 78,634 | 147,684 | 198,388 | 176,324 | 2.71 | 2.41 | (0.30) |
| Human Resource Services | 0 | 0 | 0 | 0 | 149,985 | 0.00 | 2.05 | 2.05 |
| Maintenance & Construction | 4,282,342 | 4,121,282 | 4,214,295 | 3,601,266 | 3,578,161 | 49.18 | 48.87 | (0.31) |
| Net Operating: | \$17,785,434 | \$17,871,158 | \$18,625,669 | \$18,429,381 | \$19,853,107 | \$251.69 | \$271.14 | \$19.45 |
| RESERVE CONTRIBUTIONS: | | | | | | | | |
| Replacement Fund | \$9,885,240 | \$9,885,240 | \$9,885,240 | \$10,251,360 | \$10,690,704 | \$140.00 | \$146.00 | \$6.00 |
| Elevator Replacement Fund | 366,120 | 366,120 | 366,120 | 439,344 | 366,120 | 6.00 | 5.00 | (1.00) |
| Laundry Replacement Fund | 0 | 0 | 0 | 73,224 | 73,224 | 1.00 | 1.00 | 0.00 |
| Disaster Fund | 2,196,720 | 2,196,720 | 2,028,305 | 2,028,305 | 1,133,508 | 27.70 | 15.48 | (12.22) |
| Unappropriated Exp. Fund | 439,344 | 805,464 | 732,240 | 585,792 | 585,792 | 8.00 | 8.00 | 0.00 |
| Total Reserve Contributions | \$12,887,424 | \$13,253,544 | \$13,011,905 | \$13,378,025 | \$12,849,348 | \$182.70 | \$175.48 | (\$7.22) |
| TOTAL MUTUAL | \$30,672,858 | \$31,124,702 | \$31,637,574 | \$31,807,406 | \$32,702,455 | \$434.39 | \$446.62 | \$12.23 |
| GOLDEN RAIN FOUNDATION | | | | | | | | |
| GRF OPERATING | \$12,690,372 | \$12,420,562 | \$13,075,237 | \$13,460,408 | \$13,297,161 | \$183.83 | \$181.60 | (\$2.23) |
| GRF RESERVE CONTRIBUTIONS | 1,537,704 | 1,757,376 | 1,464,480 | 1,391,256 | 1,757,376 | 19.00 | 24.00 | 5.00 |
| TOTAL GRF | \$14,228,076 | \$14,177,938 | \$14,539,717 | \$14,851,664 | \$15,054,537 | \$202.83 | \$205.60 | \$2.77 |
| TOTAL BASIC ASSESSMENTS | \$44,900,934 | \$45,302,640 | \$46,177,291 | \$46,659,070 | \$47,756,992 | \$637.22 | \$652.22 | \$15.00 |
| SURCHARGES (unique to units with common laundry facilities, elevators, and/or Garden Villa Rec Rooms) | | | | | | | | |
| Laundry Revenue | (\$101,554) | (\$113,421) | (\$132,633) | (\$220,000) | (\$220,000) | (\$5.31) | (\$5.31) | \$0.00 |
| Laundry Operating | 280,874 | 267,167 | 154,818 | 220,020 | 220,007 | 5.31 | 5.31 | (0.00) |
| Elevator Operating | 346,146 | 328,855 | 332,359 | 337,230 | 374,555 | 15.22 | 16.91 | 1.69 |
| Laundry Replacement Fund | 124,344 | 82,896 | 82,896 | 0 | 0 | 0.00 | 0.00 | 0.00 |
| Garden Villa Rec Room Fund | 74,520 | 59,616 | 59,616 | 81,972 | 85,698 | 5.50 | 5.75 | 0.25 |
| | \$724,330 | \$625,114 | \$497,056 | \$419,222 | \$460,260 | \$20.72 | \$22.66 | \$1.94 |
| TOTAL BUSINESS PLAN | \$45,625,264 | \$45,927,753 | \$46,674,347 | \$47,078,292 | \$48,217,252 | | | |

**Third Laguna Hills Mutual
Budget Comparison Report by Account
12/31/2020
THIRD LAGUNA HILLS MUTUAL**

| | <u>2016 Actuals</u> | <u>2017 Actuals</u> | <u>2018 Actuals</u> | <u>2019 Budget</u> | <u>2020 Budget</u> | <u>Increase/ (Decrease)</u> | <u>VAR %</u> |
|--|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------------------|--------------|
| Non-Assessment Revenues: | | | | | | | |
| Fees and Charges for Services to Residents | | | | | | | |
| 46501000 - Permit Fee | \$66,851 | \$70,387 | \$107,788 | \$72,592 | \$143,514 | (\$70,922) | (98%) |
| 46501500 - Inspection Fee | 26,543 | 49,756 | 71,304 | 51,965 | 76,520 | (24,555) | (47%) |
| 46502000 - Resident Maintenance Fee | 282,155 | 210,759 | 798,512 | 353,883 | 368,129 | (14,246) | (4%) |
| Total Fees and Charges for Services to Residents | 375,549 | 330,901 | 977,603 | 478,440 | 588,163 | (109,723) | (23%) |
| Laundry | | | | | | | |
| 46005000 - Coin Op Laundry Machine | 101,554 | 113,421 | 132,633 | 220,000 | 220,000 | 0 | 0% |
| Total Laundry | 101,554 | 113,421 | 132,633 | 220,000 | 220,000 | 0 | 0% |
| Interest Income | | | | | | | |
| 49001000 - Interest Income - Treasury Notes | 7,481 | 49,205 | 136,438 | 153,643 | 150,532 | 3,111 | 2% |
| 49001500 - Interest Income - Treasury Notes - Discretionary | 207,839 | 224,329 | 258,728 | 168,667 | 285,453 | (116,786) | (69%) |
| 49002000 - Interest Income - Money Market | 919 | 908 | 6,925 | 2,027 | 7,639 | (5,612) | (277%) |
| 49002500 - Interest Income - Gnma Securities - Discretionary | 145,774 | 105,481 | 84,032 | 44,483 | 92,713 | (48,230) | (108%) |
| Total Interest Income | 362,013 | 379,923 | 486,123 | 368,820 | 536,337 | (167,517) | (45%) |
| Miscellaneous | | | | | | | |
| 44005000 - Clubhouse Equipment Fee | 69 | 0 | 0 | 0 | 0 | 0 | 0% |
| 46002000 - Traffic Violation | 0 | 0 | (25) | 0 | 0 | 0 | 0% |
| 46004500 - Resident Violations | 29,910 | 92,230 | 75,975 | 10,000 | 56,999 | (46,999) | (470%) |
| 44501000 - Additional Occupant Fee | 0 | 147 | 0 | 0 | 0 | 0 | 0% |
| 44501510 - Lease Processing Fee - Third | 145,613 | 174,218 | 247,699 | 225,000 | 252,000 | (27,000) | (12%) |
| 44502000 - Variance Processing Fee | 0 | 0 | (150) | 0 | 0 | 0 | 0% |
| 44502500 - Non-Sale Transfer Fee - Third | 4,100 | 3,590 | 2,050 | 3,000 | 2,000 | 1,000 | 33% |
| 44503520 - Resale Processing Fee - Third | 199,584 | 205,296 | 153,086 | 200,000 | 175,000 | 25,000 | 13% |
| 44505500 - Hoa Certification Fee | 5,400 | 4,295 | 7,290 | 9,000 | 5,250 | 3,750 | 42% |
| 44507000 - Golf Cart Electric Fee | 67,527 | 66,878 | 69,077 | 68,000 | 68,000 | 0 | 0% |
| 44507200 - Electric Vehicle Plug-In Fee | 0 | 7,848 | 6,824 | 6,000 | 7,000 | (1,000) | (17%) |
| 44507500 - Carport Space Rental Fee | 2,890 | 2,870 | 5,536 | 3,000 | 4,000 | (1,000) | (33%) |
| 47001000 - Cash Discounts - Accounts Payable | 0 | 31 | 11 | 0 | 0 | 0 | 0% |
| 47001500 - Late Fee Revenue | 19,510 | 34,778 | 56,148 | 60,000 | 57,000 | 3,000 | 5% |
| 47002020 - Collection Administrative Fee - Third | 10,000 | 3,000 | 3,500 | 0 | 0 | 0 | 0% |
| 47002500 - Collection Interest Revenue | 9,062 | 7,701 | 7,586 | 12,000 | 9,000 | 3,000 | 25% |
| 47501000 - Recycling | 956 | 2,119 | 6,070 | 5,000 | 7,000 | (2,000) | (40%) |
| 47501500 - Rebates | 3,000 | 0 | 0 | 0 | 0 | 0 | 0% |
| 48001000 - Legal Fee | 2,716 | 0 | 178,203 | 0 | 0 | 0 | 0% |
| 49004000 - Insurance Reimbursement | 197,824 | 16,723 | 0 | 0 | 0 | 0 | 0% |
| 49009000 - Miscellaneous Revenue | 0 | (90) | 31,500 | 0 | 0 | 0 | 0% |
| Total Miscellaneous | 698,161 | 621,635 | 850,379 | 601,000 | 643,249 | (42,249) | (7%) |
| Total Non-Assessment Revenue | 1,537,277 | 1,445,880 | 2,446,739 | 1,668,260 | 1,987,749 | (319,489) | (19%) |
| Expenses: | | | | | | | |
| Employee Compensation | | | | | | | |
| 51011000 - Salaries & Wages - Regular | 2,039,261 | 2,123,628 | 2,239,371 | 2,484,383 | 2,728,278 | 243,894 | 10% |
| 51021000 - Union Wages - Regular | 4,550,877 | 5,528,190 | 5,513,054 | 5,528,264 | 6,014,985 | 486,720 | 9% |
| 51041000 - Wages - Overtime | 30,342 | 46,881 | 33,060 | 25,095 | 24,561 | (533) | (2%) |
| 51051000 - Union Wages - Overtime | 68,619 | 105,746 | 72,283 | 37,244 | 57,065 | 19,821 | 53% |
| 51061000 - Holiday & Vacation | 827,307 | 442,110 | 850,889 | 676,533 | 738,150 | 61,617 | 9% |
| 51071000 - Sick | 226,190 | 225,316 | 268,934 | 275,954 | 301,087 | 25,133 | 9% |
| 51081000 - Sick - Part Time | 0 | 0 | 0 | 0 | 24 | 24 | 0% |
| 51091000 - Missed Meal Penalty | 947 | 2,841 | 2,396 | 858 | 1,095 | 237 | 28% |
| 51101000 - Temporary Help | 76,220 | 93,786 | 107,647 | 36,664 | 1,876 | (34,788) | (95%) |
| 51981000 - Compensation Accrual | 139,180 | 6,277 | (76,517) | 5,826 | 0 | (5,826) | (100%) |
| Total Employee Compensation | 7,958,944 | 8,574,776 | 9,011,117 | 9,070,822 | 9,867,121 | 796,299 | 9% |
| Compensation Related | | | | | | | |
| 52411000 - F.I.C.A. | 582,461 | 634,942 | 674,629 | 677,880 | 740,744 | 62,864 | 9% |
| 52421000 - F.U.I. | 30,388 | 37,923 | 8,585 | 13,091 | 10,574 | (2,517) | (19%) |
| 52431000 - S.U.I. | 45,432 | 46,250 | 75,836 | 56,129 | 53,774 | (2,354) | (4%) |
| 52441000 - Union Medical | 1,453,576 | 1,829,696 | 1,868,879 | 1,913,209 | 1,894,443 | (18,766) | (1%) |
| 52451000 - Workers' Compensation Insurance | 534,361 | 353,702 | 663,184 | 668,020 | 613,988 | (54,032) | (8%) |
| 52461000 - Non Union Medical & Life Insurance | 245,039 | 234,110 | 282,024 | 267,211 | 304,840 | 37,629 | 14% |
| 52461500 - VUL Premium | 0 | 0 | 18,337 | 0 | 0 | 0 | 0% |
| 52461550 - VUL Interest | 0 | 0 | (579) | 0 | 0 | 0 | 0% |
| 52471000 - Union Retirement Plan | 301,525 | 324,117 | 331,261 | 312,663 | 335,396 | 22,733 | 7% |
| 52481000 - Non-Union Retirement Plan | 37,058 | 67,537 | 52,766 | 108,438 | 119,124 | 10,686 | 10% |
| 52981000 - Compensation Related Accrual | 11,154 | 1,442 | 66,528 | 970 | 0 | (970) | (100%) |
| Total Compensation Related | 3,240,994 | 3,529,720 | 4,041,450 | 4,017,611 | 4,072,883 | 55,272 | 1% |
| Materials and Supplies | | | | | | | |
| 53001000 - Materials & Supplies | 313,295 | 492,949 | 464,057 | 466,289 | 513,296 | 47,007 | 10% |
| 53002500 - Printed Membership Materials | 0 | 1,328 | 0 | 0 | 0 | 0 | 0% |
| 53003000 - Materials Direct | 736,257 | 725,063 | 878,331 | 1,088,103 | 1,274,117 | 186,014 | 17% |
| 53004000 - Freight | 307 | 832 | 231 | 0 | 0 | 0 | 0% |
| Total Materials and Supplies | 1,049,859 | 1,220,172 | 1,342,619 | 1,554,392 | 1,787,413 | 233,021 | 15% |
| Utilities and Telephone | | | | | | | |

**Third Laguna Hills Mutual
Budget Comparison Report by Account
12/31/2020
THIRD LAGUNA HILLS MUTUAL**

| | <u>2016 Actuals</u> | <u>2017 Actuals</u> | <u>2018 Actuals</u> | <u>2019 Budget</u> | <u>2020 Budget</u> | <u>Increase/ (Decrease)</u> | <u>VAR %</u> |
|---|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------------------|--------------|
| 53301000 - Electricity | 577,161 | 496,679 | 478,675 | 325,000 | 390,500 | 65,500 | 20% |
| 53301500 - Sewer | 1,588,795 | 1,639,467 | 1,695,720 | 1,716,600 | 1,715,400 | (1,200) | 0% |
| 53302000 - Water | 2,575,110 | 2,706,828 | 2,809,708 | 2,710,627 | 2,876,390 | 165,763 | 6% |
| 53302500 - Trash | 460,276 | 471,802 | 545,960 | 546,690 | 559,854 | 13,164 | 2% |
| 53304000 - Telephone | 70,169 | 43,096 | 0 | 0 | 0 | 0 | 0% |
| Total Utilities and Telephone | 5,271,511 | 5,357,872 | 5,530,064 | 5,298,917 | 5,542,144 | 243,226 | 5% |
| Legal Fees | | | | | | | |
| 53401500 - Legal Fees | 109,975 | 230,869 | 427,069 | 220,000 | 499,985 | 279,985 | 127% |
| Total Legal Fees | 109,975 | 230,869 | 427,069 | 220,000 | 499,985 | 279,985 | 127% |
| Professional Fees | | | | | | | |
| 53402000 - Audit & Tax Preparation Fees | 38,263 | 41,461 | 42,056 | 0 | 0 | 0 | 0% |
| 53402020 - Audit & Tax Preparation Fees - Third | 0 | 0 | 0 | 57,600 | 44,500 | (13,100) | (23%) |
| 53403500 - Consulting Fees | 32,000 | 4,603 | 5,313 | 6,053 | 11,824 | 5,770 | 95% |
| 53403520 - Consulting Fees - Third | 67,869 | 73,278 | 75,911 | 120,936 | 88,436 | (32,500) | (27%) |
| Total Professional Fees | 138,131 | 119,342 | 123,280 | 184,589 | 144,760 | (39,830) | (22%) |
| Equipment Rental | | | | | | | |
| 53501500 - Equipment Rental/Lease Fees | 36,524 | 26,535 | 22,377 | 40,090 | 19,963 | (20,126) | (50%) |
| Total Equipment Rental | 36,524 | 26,535 | 22,377 | 40,090 | 19,963 | (20,126) | (50%) |
| Outside Services | | | | | | | |
| 53601000 - Bank Fees | 16,851 | 20,895 | 20,026 | 3,929 | 25,179 | 21,250 | 541% |
| 53604500 - Marketing Expense | 6,600 | 5,180 | 5,940 | 0 | 0 | 0 | 0% |
| 54603500 - Outside Services Direct | 8,789,926 | 7,821,990 | 9,643,004 | 10,846,711 | 10,501,973 | (344,738) | (3%) |
| 53704000 - Outside Services | 126,420 | 64,661 | 83,773 | 121,480 | 93,428 | (28,052) | (23%) |
| Total Outside Services | 8,939,797 | 7,912,726 | 9,752,744 | 10,972,120 | 10,620,580 | (351,540) | (3%) |
| Repairs and Maintenance | | | | | | | |
| 53701000 - Equipment Repair & Maint | 16,595 | 11,702 | 6,840 | 16,240 | 16,157 | (83) | (1%) |
| 53702000 - Street Repair & Maint | 181 | 0 | 0 | 0 | 0 | 0 | 0% |
| 53702500 - Building Repair & Maint | 2,500 | 0 | 14,508 | 0 | 0 | 0 | 0% |
| 53703000 - Elevator /Lift Maintenance | 258,662 | 272,448 | 319,531 | 328,520 | 364,090 | 35,570 | 11% |
| Total Repairs and Maintenance | 277,938 | 284,150 | 340,879 | 344,760 | 380,247 | 35,487 | 10% |
| Other Operating Expense | | | | | | | |
| 53801000 - Mileage & Meal Allowance | 5,418 | 4,382 | 5,787 | 15,252 | 14,959 | (293) | (2%) |
| 53801500 - Travel & Lodging | 469 | 191 | 404 | 968 | 2,934 | 1,966 | 203% |
| 53802000 - Uniforms | 59,402 | 92,931 | 75,790 | 82,843 | 93,574 | 10,731 | 13% |
| 53802500 - Dues & Memberships | 2,034 | 1,135 | 824 | 1,992 | 2,053 | 61 | 3% |
| 53803000 - Subscriptions & Books | 933 | 3,318 | 1,160 | 2,004 | 2,042 | 38 | 2% |
| 53803500 - Training & Education | 7,556 | 5,751 | 4,887 | 14,902 | 18,731 | 3,828 | 26% |
| 53804000 - Staff Support | 0 | 0 | 0 | 0 | 1,107 | 1,107 | 0% |
| 53901000 - Benefit Administrative Fees | 0 | 27 | 0 | 0 | 0 | 0 | 0% |
| 53901500 - Volunteer Support | 0 | 0 | 0 | 1,175 | 1,253 | 78 | 7% |
| 53903000 - Safety | 0 | 84 | 0 | 186 | 556 | 370 | 199% |
| 54001000 - Board Relations | 17,793 | 3,672 | 3,980 | 3,666 | 0 | (3,666) | (100%) |
| 54001020 - Board Relations - Third | 1,490 | 10,312 | 3,883 | 10,000 | 7,500 | (2,500) | (25%) |
| 54001500 - Public Relations | 270 | 110 | (29) | 0 | 0 | 0 | 0% |
| 54002000 - Postage | 55,181 | 40,569 | 51,402 | 47,672 | 53,788 | 6,116 | 13% |
| 54002500 - Filing Fees / Permits | 310 | 1,014 | 409 | 761 | 956 | 195 | 26% |
| Total Other Operating Expense | 150,855 | 163,496 | 148,497 | 181,422 | 199,454 | 18,031 | 10% |
| Income Taxes | | | | | | | |
| 54301000 - State & Federal Income Taxes | 10 | 10 | 10 | 0 | 0 | 0 | 0% |
| Total Income Taxes | 10 | 10 | 10 | 0 | 0 | 0 | 0% |
| Insurance | | | | | | | |
| 54401000 - Hazard & Liability Insurance | 378,833 | 397,657 | 391,239 | 405,194 | 439,870 | 34,676 | 9% |
| 54401500 - D&O Liability | 46,934 | 67,542 | 46,761 | 47,818 | 48,466 | 648 | 1% |
| 54402000 - Property Insurance | 665,445 | 703,375 | 822,241 | 852,719 | 1,021,615 | 168,896 | 20% |
| 54403000 - General Liability Insurance | 11,765 | 4,197 | 6,898 | 7,072 | 7,072 | 0 | 0% |
| Total Insurance | 1,102,976 | 1,172,771 | 1,267,140 | 1,312,803 | 1,517,022 | 204,220 | 16% |
| Investment Expense | | | | | | | |
| 54201000 - Investment Expense | 41,526 | 41,598 | 41,724 | 45,978 | 46,981 | 1,003 | 2% |
| Total Investment Expense | 41,526 | 41,598 | 41,724 | 45,978 | 46,981 | 1,003 | 2% |
| Net Allocation to Mutuals | | | | | | | |
| 48502500 - Mutual General Operating | (54,866) | 0 | 0 | 0 | 0 | 0 | 0% |
| 54602500 - Allocated Expenses | 1,020,311 | 1,003,189 | 1,217,840 | 1,204,782 | 1,576,803 | 372,021 | 31% |
| Total Net Allocation To Mutuals | 965,446 | 1,003,189 | 1,217,840 | 1,204,782 | 1,576,803 | 372,021 | 31% |
| Uncollectible Accounts | | | | | | | |
| 54602000 - Bad Debt Expense | 90,013 | 118,609 | 134,208 | 138,200 | 120,100 | (18,100) | (13%) |
| Total Uncollectible Accounts | 90,013 | 118,609 | 134,208 | 138,200 | 120,100 | (18,100) | (13%) |
| (Gain)/Loss on Sale or Trade | | | | | | | |
| 54101500 - (Gain)/Loss On Investments | 0 | (39) | 13,470 | 0 | 0 | 0 | 0% |
| Total (Gain)/Loss on Sale or Trade | 0 | (39) | 13,470 | 0 | 0 | 0 | 0% |

**Third Laguna Hills Mutual
Budget Comparison Report by Account
12/31/2020
THIRD LAGUNA HILLS MUTUAL**

| | <u>2016 Actuals</u> | <u>2017 Actuals</u> | <u>2018 Actuals</u> | <u>2019 Budget</u> | <u>2020 Budget</u> | <u>Increase/ (Decrease)</u> | <u>VAR %</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------------|--------------|
| Total Expenses | <u>29,374,500</u> | <u>29,755,797</u> | <u>33,414,485</u> | <u>34,586,485</u> | <u>36,395,456</u> | <u>1,808,971</u> | <u>5%</u> |
| Excess of Revenues Over Expenses | <u>(\$27,837,222)</u> | <u>(\$28,309,916)</u> | <u>(\$30,967,746)</u> | <u>(\$32,918,226)</u> | <u>(\$34,407,708)</u> | <u>\$1,489,482</u> | <u>5%</u> |

**THIRD LAGUNA HILLS MUTUAL
2020 BUSINESS PLAN
Landscape Expenditures by Work Center**

| DESCRIPTION | 2016 ACTUALS | 2017 ACTUALS | 2018 ACTUALS | 2019 BUDGET | 2020 BUDGET | Increase/(Decrease) \$ | % |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|-----------|
| OPERATING FUND | | | | | | | |
| LANDSCAPE ADMINISTRATION | | | | | | | |
| NURSERY | \$68,084 | \$128,807 | \$94,424 | \$134,882 | \$144,057 | \$9,175 | 7% |
| COMPOSTING | 163,083 | 183,269 | 181,802 | 195,805 | 171,077 | (24,728) | (13%) |
| GROUND'S MAINTENANCE | 72,009 | 65,702 | 75,276 | 77,805 | 72,355 | (5,451) | (7%) |
| Shrub-Bed Maintenance | 2,979,840 | 2,902,897 | 2,808,720 | 3,022,498 | 3,224,508 | 202,010 | 7% |
| Turf Maintenance | | | | 2,139,635 | 2,286,931 | 147,296 | 7% |
| Miscellaneous Tasks | | | | 688,702 | 736,706 | 48,005 | 7% |
| Garden Villa Maintenance | | | | 144,098 | 146,815 | 2,716 | 2% |
| IRRIGATION | | | | 50,063 | 54,056 | 3,993 | 8% |
| SMALL EQUIPMENT REPAIR | 892,083 | 941,320 | 937,145 | 1,061,446 | 1,053,886 | (7,560) | (1%) |
| PEST CONTROL | 177,427 | 191,985 | 204,148 | 216,941 | 216,279 | (662) | (0%) |
| TREE MAINTENANCE | 212,019 | 230,346 | 227,888 | 290,970 | 314,248 | 23,278 | 8% |
| | 53,200 | 3,554 | (8,745) | - | - | 0 | 0% |
| TOTAL OPERATING FUND | \$4,617,745 | \$4,647,880 | \$4,520,658 | \$5,000,347 | \$5,196,408 | \$196,061 | 4% |

**THIRD LAGUNA HILLS MUTUAL
2020 BUSINESS PLAN
Maintenance Expenditures by Program**

| DESCRIPTION | 2016 ACTUALS | 2017 ACTUALS | 2018 ACTUALS | 2019 BUDGET | 2020 BUDGET | Increase/(Decrease) \$ | % |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|-----------|
| OPERATING FUND | | | | | | | |
| 1 JANITORIAL SERVICE | \$653,906 | \$701,593 | \$874,334 | \$947,862 | \$943,316 | (\$4,546) | (0%) |
| 2 PLUMBING SERVICE | 676,691 | 776,888 | 740,507 | 674,483 | 682,989 | 8,507 | 1% |
| 3 CARPENTRY SERVICE | 418,726 | 469,859 | 427,819 | 385,731 | 422,426 | 36,695 | 10% |
| 4 CONCRETE SERVICE | 272,459 | 344,015 | 376,281 | 423,853 | 368,011 | (55,843) | (13%) |
| 5 PEST CONTROL | 240,244 | 279,081 | 281,908 | 260,405 | 364,272 | 103,867 | 40% |
| 6 GUTTER CLEANING | 206,502 | 144,723 | 142,649 | 151,554 | 178,802 | 27,248 | 18% |
| 7 ELECTRICAL SERVICE | 122,876 | 115,399 | 93,736 | 121,615 | 133,883 | 12,268 | 10% |
| 8 FIRE PROTECTION | 71,824 | 72,010 | 87,961 | 175,556 | 131,252 | (44,304) | (25%) |
| 9 WELDING | 41,294 | 97,283 | 71,402 | 85,307 | 110,744 | 25,437 | 30% |
| 10 APPLIANCE REPAIRS | 113,354 | 129,690 | 106,484 | 85,379 | 87,257 | 1,878 | 2% |
| 11 MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES | 71,831 | 41,725 | 34,075 | 58,050 | 58,664 | 614 | 1% |
| 12 SOLAR MAINTENANCE | 0 | 0 | 15,911 | 25,000 | 25,000 | 0 | 0% |
| 13 TRAFFIC CONTROL | 14,495 | 15,717 | 28,168 | 30,359 | 19,357 | (11,002) | (36%) |
| 14 CURB CUTS | 0 | 0 | 0 | 10,000 | 0 | (10,000) | (100%) |
| 15 PAINT PROGRAM | 4,005 | 0 | 0 | 0 | 0 | 0 | 0% |
| 16 REPAIRS PRIOR-TO-PAINT | 6,138 | 0 | 0 | 0 | 0 | 0 | 0% |
| 17 GV MAIL ROOM RENOVATIONS | 8,504 | 53,786 | 0 | 0 | 0 | 0 | 0% |
| 18 BALCONY/BREEZEWAY RESURFACING | 373,619 | 291,946 | 478,073 | 0 | 0 | 0 | 0% |
| 19 BUILDING REHAB/DRY ROT | 116,009 | 154,877 | 198,433 | 0 | 0 | 0 | 0% |
| 20 ROOF REPAIRS | 245,943 | 349,416 | 274,541 | 0 | 0 | 0 | 0% |
| 21 PAINT- TOUCHUP | 128,039 | 165,742 | 244,896 | 0 | 0 | 0 | 0% |
| 22 PAVING MAINTENANCE & REPAIRS | 129,474 | 84,634 | 48,602 | 0 | 0 | 0 | 0% |
| TOTAL OPERATING FUND | \$3,915,932 | \$4,288,384 | \$4,525,781 | \$3,435,153 | \$3,525,973 | \$90,819 | 3% |

Lines 18-22 moved to reserves in 2019. Line 17 moved to reserves in 2018. Lines 15 and 16 moved to the reserves in 2016.

**THIRD LAGUNA HILLS MUTUAL
2020 RESERVES PLAN
Projected Fund Balances**

| <i>Fund</i> | <i>Year</i> | <i>Beginning Balance</i> | <i>Interest</i> | <i>Contributions</i> | <i>Assessment PMPM</i> | <i>Planned Expenditures</i> | <i>ENDING BALANCE</i> |
|--|-------------|--------------------------|-------------------|----------------------|----------------------------|---------------------------------|---------------------------|
| REPLACEMENT RESERVE FUND | 2019 | \$ 14,347,017 | \$ 270,381 | \$ 10,251,360 | \$ 140.00 | \$ (11,907,270) | \$ 12,961,488 |
| | 2020 | \$ 12,961,488 | \$ 242,566 | \$ 10,690,704 | \$ 146.00 | \$ (12,357,061) | \$ 11,537,696 |
| | 2021 | \$ 11,537,696 | \$ 263,463 | \$ 11,276,496 | \$ 154.00 | \$ (13,274,839) | \$ 9,802,816 |
| | 2022 | \$ 9,802,816 | \$ 227,588 | \$ 11,862,288 | \$ 162.00 | \$ (13,260,866) | \$ 8,631,826 |
| | 2023 | \$ 8,631,826 | \$ 212,003 | \$ 12,448,080 | \$ 170.00 | \$ (12,751,474) | \$ 8,540,436 |
| | 2024 | \$ 8,540,436 | \$ 221,627 | \$ 13,033,872 | \$ 178.00 | \$ (12,384,580) | \$ 9,411,354 |
| ELEVATOR REPLACEMENT RESERVE FUND | 2019 | \$ 1,708,610 | \$ 34,366 | \$ 366,120 | \$ 5.00 | \$ (346,698) | \$ 1,762,398 |
| | 2020 | \$ 1,762,398 | \$ 36,359 | \$ 366,120 | \$ 5.00 | \$ (255,000) | \$ 1,909,877 |
| | 2021 | \$ 1,909,877 | \$ 48,853 | \$ 366,120 | \$ 5.00 | \$ (277,611) | \$ 2,047,239 |
| | 2022 | \$ 2,047,239 | \$ 50,383 | \$ 439,344 | \$ 6.00 | \$ (503,206) | \$ 2,033,760 |
| | 2023 | \$ 2,033,760 | \$ 45,796 | \$ 512,568 | \$ 7.00 | \$ (916,426) | \$ 1,675,697 |
| | 2024 | \$ 1,675,697 | \$ 41,074 | \$ 585,792 | \$ 8.00 | \$ (651,250) | \$ 1,651,314 |
| LAUNDRY REPLACEMENT RESERVE FUND | 2019 | \$ 713,855 | \$ 11,235 | \$ 73,224 | \$ 1.00 | \$ (377,389) | \$ 420,925 |
| | 2020 | \$ 420,925 | \$ 7,967 | \$ 73,224 | \$ 1.00 | \$ (118,420) | \$ 383,697 |
| | 2021 | \$ 383,697 | \$ 9,864 | \$ 146,448 | \$ 2.00 | \$ (124,749) | \$ 415,260 |
| | 2022 | \$ 415,260 | \$ 10,483 | \$ 146,448 | \$ 2.00 | \$ (138,344) | \$ 433,847 |
| | 2023 | \$ 433,847 | \$ 10,985 | \$ 146,448 | \$ 2.00 | \$ (135,319) | \$ 455,961 |
| | 2024 | \$ 455,961 | \$ 11,395 | \$ 183,060 | \$ 2.50 | \$ (183,386) | \$ 467,030 |
| DISASTER FUND | 2019 | \$ 9,216,804 | \$ 187,475 | \$ 2,028,305 | \$ 27.70 | \$ (1,714,446) | \$ 9,718,138 |
| | 2020 | \$ 9,718,138 | \$ 187,019 | \$ 1,133,508 | \$ 15.48 | \$ (1,867,932) | \$ 9,170,733 |
| | 2021 | \$ 9,170,733 | \$ 184,548 | \$ 2,028,305 | \$ 27.70 | \$ (1,915,000) | \$ 9,468,586 |
| | 2022 | \$ 9,468,586 | \$ 190,025 | \$ 2,028,305 | \$ 27.70 | \$ (1,963,000) | \$ 9,723,916 |
| | 2023 | \$ 9,723,916 | \$ 194,641 | \$ 2,028,305 | \$ 27.70 | \$ (2,012,000) | \$ 9,934,862 |
| | 2024 | \$ 9,934,862 | \$ 198,360 | \$ 2,028,305 | \$ 27.70 | \$ (2,062,000) | \$ 10,099,527 |
| UNAPPROPRIATED EXPENDITURES FUND | 2019 | \$ 3,212,980 | \$ 61,751 | \$ 585,792 | \$ 8.00 | \$ (836,680) | \$ 3,023,843 |
| | 2020 | \$ 3,023,843 | \$ 61,335 | \$ 585,792 | \$ 8.00 | \$ (500,000) | \$ 3,170,970 |
| | 2021 | \$ 3,170,970 | \$ 64,147 | \$ 585,792 | \$ 8.00 | \$ (513,000) | \$ 3,307,909 |
| | 2022 | \$ 3,307,909 | \$ 66,756 | \$ 585,792 | \$ 8.00 | \$ (526,000) | \$ 3,434,457 |
| | 2023 | \$ 3,434,457 | \$ 69,157 | \$ 585,792 | \$ 8.00 | \$ (539,000) | \$ 3,550,406 |
| | 2024 | \$ 3,550,406 | \$ 71,346 | \$ 585,792 | \$ 8.00 | \$ (552,000) | \$ 3,655,544 |
| TOTAL | 2019 | \$ 29,199,266 | \$ 565,208 | \$ 13,304,801 | \$ 181.70 | \$ (15,182,483) | \$ 27,886,792 |
| | 2020 | \$ 27,886,792 | \$ 535,246 | \$ 12,849,348 | \$ 175.48 | \$ (15,098,413) | \$ 26,172,973 |
| | 2021 | \$ 26,172,973 | \$ 570,875 | \$ 14,403,161 | \$ 196.70 | \$ (16,105,199) | \$ 25,041,810 |
| | 2022 | \$ 25,041,810 | \$ 545,235 | \$ 15,062,177 | \$ 205.70 | \$ (16,391,416) | \$ 24,257,806 |
| | 2023 | \$ 24,257,806 | \$ 532,582 | \$ 15,721,193 | \$ 214.70 | \$ (16,354,219) | \$ 24,157,362 |
| | 2024 | \$ 24,157,362 | \$ 543,802 | \$ 16,416,821 | \$ 224.20 | \$ (15,833,216) | \$ 25,284,769 |
| <u>SURCHARGE:</u> | | | | | | | |
| GARDEN VILLA REC ROOM FUND | 2019 | \$ 61,299 | \$ 1,074 | \$ 81,972 | \$ 5.50 | \$ (97,143) | \$ 47,202 |
| | 2020 | \$ 47,202 | \$ 1,091 | \$ 85,698 | \$ 5.75 | \$ (70,982) | \$ 63,009 |
| | 2021 | \$ 63,009 | \$ 1,158 | \$ 89,424 | \$ 6.00 | \$ (99,600) | \$ 53,991 |
| | 2022 | \$ 53,991 | \$ 990 | \$ 93,150 | \$ 6.25 | \$ (102,100) | \$ 46,031 |
| | 2023 | \$ 46,031 | \$ 842 | \$ 96,876 | \$ 6.50 | \$ (104,700) | \$ 39,049 |
| | 2024 | \$ 39,049 | \$ 714 | \$ 100,602 | \$ 6.75 | \$ (107,300) | \$ 33,065 |
| Note: Garden Villa Rec Room Fund surcharge applies only to manors within Garden Villa buildings. | | | | | | | |

**THIRD LAGUNA HILLS MUTUAL
2020 RESERVES PLAN
Reserve Expenditures by Program**

| DESCRIPTION | 2016 ACTUALS | 2017 ACTUALS | 2018 ACTUALS | 2019 BUDGET | 2020 BUDGET | Increase/(Decrease) \$ % |
|---|--------------------|--------------------|---------------------|---------------------|---------------------|-------------------------------|
| RESERVE FUNDS | | | | | | |
| 1 ALARM SYSTEMS | \$9,790 | \$0 | \$0 | \$0 | \$0 | 0% |
| 2 BUILDING NUMBERS | 2,391 | 4,196 | 32,797 | 33,970 | 30,000 | (3,970) (12%) |
| 3 BUILDING STRUCTURES | 1,448,293 | 1,588,675 | 2,084,453 | 2,732,992 | 2,787,028 | 54,035 2% |
| 4 ELECTRICAL SYSTEMS | 14,868 | 5,322 | 50,907 | 58,610 | 59,495 | 885 2% |
| 5 ENERGY PROJECTS | 40,000 | 5,157 | 7,997 | 50,000 | 10,000 | (40,000) (80%) |
| 6 EXTERIOR LIGHTING | 0 | 112,857 | 302,074 | 800,000 | 75,000 | (725,000) (91%) |
| 7 FENCING | 35,618 | 107,210 | 21,576 | 136,817 | 54,703 | (82,114) (60%) |
| 8 GARDEN VILLA LOBBY | 42,485 | 36,751 | 114,664 | 119,560 | 112,500 | (7,060) (6%) |
| 9 GARDEN VILLA MAILROOM | 0 | 0 | 54,023 | 70,173 | 33,867 | (36,306) (52%) |
| 10 GARDEN VILLA RECESSED AREAS | 0 | 36,350 | 71,111 | 250,440 | 65,000 | (185,440) (74%) |
| 11 GARDEN VILLA REC ROOM HEAT PUMP/WATER HEATER | 941 | 6,313 | 15,546 | 19,505 | 9,644 | (9,862) (51%) |
| 12 GUTTERS | 66,379 | 272,815 | 136,466 | 37,000 | 98,289 | 61,289 166% |
| 13 LANDSCAPE MODERNIZATION | 0 | 0 | 49,813 | 919,890 | 599,129 | (320,761) (35%) |
| 14 MAILBOXES | 4,909 | 13,490 | 6,701 | 61,213 | 50,000 | (11,213) (18%) |
| 15 PAINT PROGRAM | 1,347,231 | 1,703,787 | 1,482,768 | 2,008,631 | 2,055,556 | 46,926 2% |
| 16 PRIOR TO PAINT | 830,582 | 640,460 | 1,540,043 | 1,277,033 | 1,481,729 | 204,695 16% |
| 17 PAVING/CONCRETE | 273,304 | 296,129 | 518,479 | 844,499 | 851,258 | 6,759 1% |
| 18 ROOFS | 1,644,110 | 1,210,590 | 1,576,174 | 1,311,937 | 1,415,904 | 103,967 8% |
| 19 TREE MAINTENANCE | 88,966 | 738,686 | 828,245 | 213,630 | 853,812 | 640,182 300% |
| 20 EXTERIOR WALLS | 0 | 15,375 | 50,000 | 200,000 | 214,147 | 14,147 7% |
| 21 WASTE LINE REMEDIATION | 292,004 | 750,800 | 723,670 | 750,000 | 1,000,000 | 250,000 33% |
| 22 WATER LINES - COPPER PIPE REMEDIATION | 119,843 | 109,199 | 104,547 | 200,000 | 500,000 | 300,000 150% |
| 23 ELEVATORS | 306,727 | 306,380 | 309,899 | 346,698 | 255,000 | (91,698) (26%) |
| 24 LAUNDRY COUNTERTOP/FLOOR REPLACEMENT | 16,619 | 32,872 | 50,380 | 54,697 | 59,912 | 5,214 10% |
| 25 LAUNDRY APPLIANCES REPLACEMENTS | 32,890 | 17,075 | 46,293 | 9,844 | 58,508 | 48,664 494% |
| TOTAL RESERVE FUNDS | \$6,617,950 | \$8,010,489 | \$10,178,627 | \$12,507,140 | \$12,730,481 | \$223,341 2% |

Lines 3, 15, 16, 17 and 18 include major repairs moved from operations in 2019. Line 9 was moved from operations to reserves in 2018.

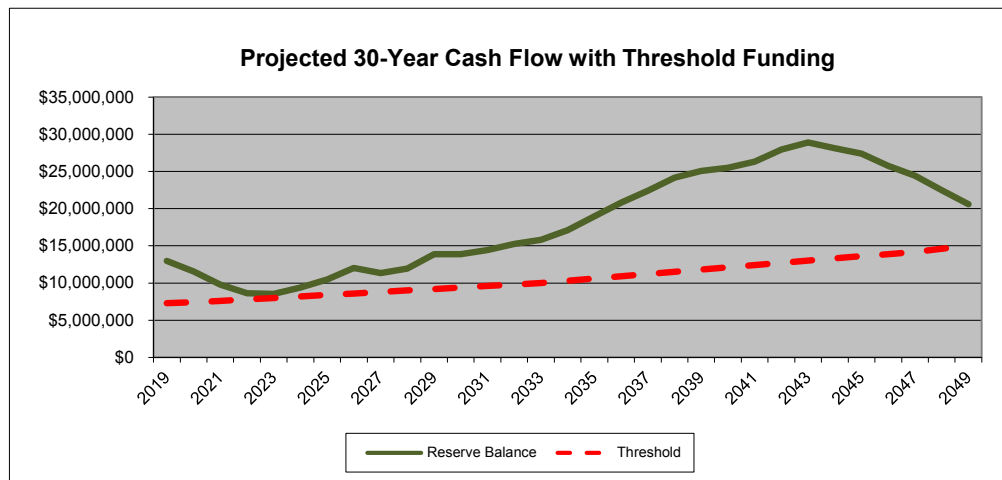
| | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------------------|
| 26 GARDEN VILLA RECREATION ROOMS | \$65,036 | \$114,123 | \$63,429 | \$97,580 | \$70,982 | (\$26,598) (27%) |
| TOTAL GARDEN VILLA REC ROOM FUND | \$65,036 | \$114,123 | \$63,429 | \$97,580 | \$70,982 | (\$26,598) (27%) |
| DISASTER FUND | | | | | | |
| 27 RISK FIRE MANAGEMENT | 0 | 0 | 0 | \$180,000 | \$180,000 | 0 0% |
| 28 MOISTURE INTRUSION - RAIN LEAKS | \$159,995 | \$451,593 | \$208,073 | 475,025 | 475,025 | \$0 0% |
| 29 MOISTURE INTRUSION - PLUMBING LEAKS | 722,161 | 617,676 | 796,702 | 649,726 | 650,000 | 274 0% |
| 30 MOISTURE INTRUSION - PLUMBING STOPPAGES | 115,703 | 119,932 | 153,986 | 126,155 | 100,000 | (26,155) (21%) |
| 31 MOISTURE INTRUSION - MISCELLANEOUS | 64,944 | 88,503 | 161,029 | 93,095 | 93,095 | 0 0% |
| 32 DAMAGE RESTORATION SERVICES | 188,702 | 72,251 | 337,753 | 370,445 | 369,812 | (633) (0%) |
| TOTAL DISASTER FUND | \$1,251,506 | \$1,349,954 | \$1,657,543 | \$1,894,446 | \$1,867,932 | (\$26,514) (1%) |

**THIRD LAGUNA HILLS MUTUAL
2020 RESERVES PLAN
Replacement Reserve 30-Year Funding Plan**

Threshold (Min Balance): \$ 7,400,000

Indexed for projected inflation

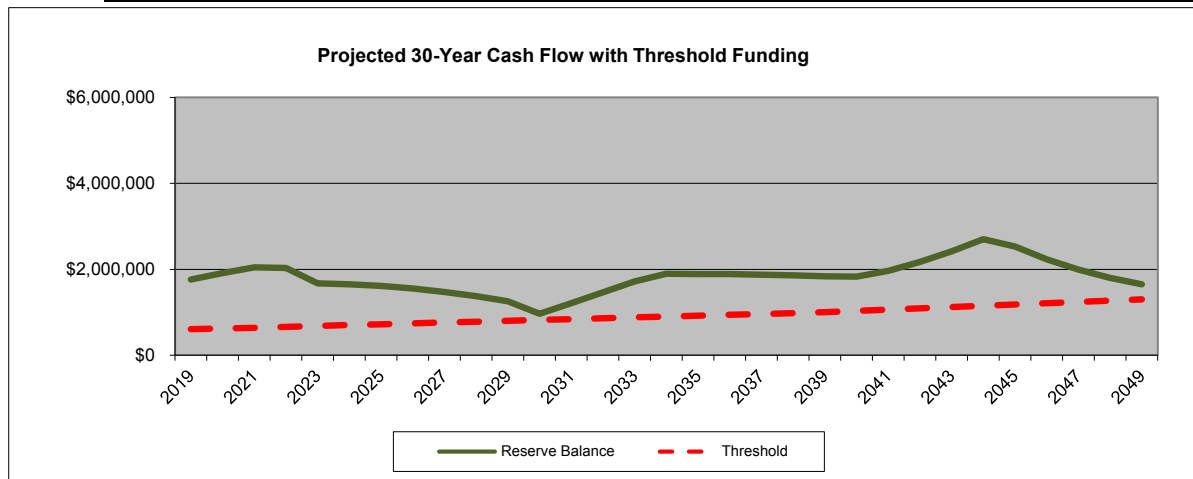
| Year | Assessment | | Interest Earnings | Planned Expenditures | Reserve Balance |
|-------------|--------------------------------|-------------------------------|------------------------------|---------------------------------|----------------------------|
| | Per Manor Per Month | Total Contribution | | | |
| 2019 | \$ 140.00 | \$ 10,251,360 | \$ 270,381 | \$ 11,907,270 | \$ 12,961,488 |
| 2020 | \$ 146.00 | \$ 10,690,704 | \$ 242,566 | \$ 12,357,061 | \$ 11,537,696 |
| 2021 | \$ 154.00 | \$ 11,276,496 | \$ 263,463 | \$ 13,274,839 | \$ 9,802,816 |
| 2022 | \$ 162.00 | \$ 11,862,288 | \$ 227,588 | \$ 13,260,866 | \$ 8,631,826 |
| 2023 | \$ 170.00 | \$ 12,448,080 | \$ 212,003 | \$ 12,751,474 | \$ 8,540,436 |
| 2024 | \$ 178.00 | \$ 13,033,872 | \$ 221,627 | \$ 12,384,580 | \$ 9,411,354 |
| 2025 | \$ 178.00 | \$ 13,033,872 | \$ 245,785 | \$ 12,193,797 | \$ 10,497,215 |
| 2026 | \$ 178.00 | \$ 13,033,872 | \$ 277,995 | \$ 11,788,704 | \$ 12,020,378 |
| 2027 | \$ 178.00 | \$ 13,033,872 | \$ 288,290 | \$ 14,011,418 | \$ 11,331,122 |
| 2028 | \$ 178.00 | \$ 13,033,872 | \$ 287,347 | \$ 12,708,350 | \$ 11,943,991 |
| 2029 | \$ 178.00 | \$ 13,033,872 | \$ 319,000 | \$ 11,401,866 | \$ 13,894,997 |
| 2030 | \$ 178.00 | \$ 13,033,872 | \$ 342,776 | \$ 13,401,793 | \$ 13,869,852 |
| 2031 | \$ 178.00 | \$ 13,033,872 | \$ 349,519 | \$ 12,812,040 | \$ 14,441,203 |
| 2032 | \$ 178.00 | \$ 13,033,872 | \$ 366,559 | \$ 12,591,525 | \$ 15,250,109 |
| 2033 | \$ 183.00 | \$ 13,399,992 | \$ 383,474 | \$ 13,222,320 | \$ 15,811,255 |
| 2034 | \$ 188.00 | \$ 13,766,112 | \$ 406,641 | \$ 12,857,323 | \$ 17,126,685 |
| 2035 | \$ 193.00 | \$ 14,132,232 | \$ 445,232 | \$ 12,767,081 | \$ 18,937,068 |
| 2036 | \$ 198.00 | \$ 14,498,352 | \$ 490,869 | \$ 13,102,949 | \$ 20,823,340 |
| 2037 | \$ 203.00 | \$ 14,864,472 | \$ 533,876 | \$ 13,801,047 | \$ 22,420,642 |
| 2038 | \$ 208.00 | \$ 15,230,592 | \$ 575,076 | \$ 14,065,827 | \$ 24,160,483 |
| 2039 | \$ 213.00 | \$ 15,596,712 | \$ 607,863 | \$ 15,288,645 | \$ 25,076,413 |
| 2040 | \$ 218.00 | \$ 15,962,832 | \$ 624,405 | \$ 16,163,228 | \$ 25,500,421 |
| 2041 | \$ 223.00 | \$ 16,328,952 | \$ 639,726 | \$ 16,151,736 | \$ 26,317,363 |
| 2042 | \$ 228.00 | \$ 16,695,072 | \$ 669,785 | \$ 15,746,989 | \$ 27,935,231 |
| 2043 | \$ 228.00 | \$ 16,695,072 | \$ 701,773 | \$ 16,423,678 | \$ 28,908,398 |
| 2044 | \$ 228.00 | \$ 16,695,072 | \$ 704,040 | \$ 18,188,631 | \$ 28,118,879 |
| 2045 | \$ 228.00 | \$ 16,695,072 | \$ 685,470 | \$ 18,095,192 | \$ 27,404,229 |
| 2046 | \$ 228.00 | \$ 16,695,072 | \$ 656,592 | \$ 18,976,145 | \$ 25,779,748 |
| 2047 | \$ 228.00 | \$ 16,695,072 | \$ 619,950 | \$ 18,658,570 | \$ 24,436,200 |
| 2048 | \$ 228.00 | \$ 16,695,072 | \$ 579,472 | \$ 19,209,703 | \$ 22,501,042 |
| 2049 | \$ 228.00 | \$ 16,695,072 | \$ 532,101 | \$ 19,129,036 | \$ 20,599,179 |



**THIRD LAGUNA HILLS MUTUAL
2020 RESERVES PLAN
Elevator Reserve 30-Year Funding Plan**

Threshold (Min Balance): \$ 620,000
Indexed for projected inflation

| Year | Assessment | | Interest Earnings | Planned Expenditures | Reserve Balance |
|-------------|---------------------|--------------------|-------------------|----------------------|---------------------|
| | Per Manor Per Month | Total Contribution | | | |
| 2019 | \$ 5.00 | \$ 366,120 | \$ 34,366 | \$ 346,698 | \$ 1,762,398 |
| 2020 | \$ 5.00 | \$ 366,120 | \$ 36,359 | \$ 255,000 | \$ 1,909,877 |
| 2021 | \$ 5.00 | \$ 366,120 | \$ 48,853 | \$ 277,611 | \$ 2,047,239 |
| 2022 | \$ 6.00 | \$ 439,344 | \$ 50,383 | \$ 503,206 | \$ 2,033,760 |
| 2023 | \$ 7.00 | \$ 512,568 | \$ 45,796 | \$ 916,426 | \$ 1,675,697 |
| 2024 | \$ 8.00 | \$ 585,792 | \$ 41,074 | \$ 651,250 | \$ 1,651,314 |
| 2025 | \$ 8.00 | \$ 585,792 | \$ 40,261 | \$ 667,531 | \$ 1,609,836 |
| 2026 | \$ 8.00 | \$ 585,792 | \$ 39,016 | \$ 684,219 | \$ 1,550,425 |
| 2027 | \$ 8.00 | \$ 585,792 | \$ 37,316 | \$ 701,325 | \$ 1,472,208 |
| 2028 | \$ 8.00 | \$ 585,792 | \$ 35,142 | \$ 718,858 | \$ 1,374,284 |
| 2029 | \$ 8.00 | \$ 585,792 | \$ 32,469 | \$ 736,829 | \$ 1,255,716 |
| 2030 | \$ 8.00 | \$ 585,792 | \$ 27,387 | \$ 906,300 | \$ 962,595 |
| 2031 | \$ 3.00 | \$ 219,672 | \$ 26,811 | \$ - | \$ 1,209,078 |
| 2032 | \$ 3.00 | \$ 219,672 | \$ 32,973 | \$ - | \$ 1,461,723 |
| 2033 | \$ 3.00 | \$ 219,672 | \$ 39,289 | \$ - | \$ 1,720,684 |
| 2034 | \$ 3.00 | \$ 219,672 | \$ 44,683 | \$ 86,432 | \$ 1,898,608 |
| 2035 | \$ 3.00 | \$ 219,672 | \$ 46,789 | \$ 273,798 | \$ 1,891,271 |
| 2036 | \$ 3.00 | \$ 219,672 | \$ 46,650 | \$ 270,192 | \$ 1,887,401 |
| 2037 | \$ 3.00 | \$ 219,672 | \$ 46,469 | \$ 276,947 | \$ 1,876,595 |
| 2038 | \$ 3.00 | \$ 219,672 | \$ 46,112 | \$ 283,870 | \$ 1,858,509 |
| 2039 | \$ 3.00 | \$ 219,672 | \$ 45,572 | \$ 290,967 | \$ 1,832,786 |
| 2040 | \$ 3.00 | \$ 219,672 | \$ 45,198 | \$ 269,402 | \$ 1,828,254 |
| 2041 | \$ 3.00 | \$ 219,672 | \$ 46,798 | \$ 132,301 | \$ 1,962,424 |
| 2042 | \$ 3.00 | \$ 219,672 | \$ 51,049 | \$ 60,599 | \$ 2,172,545 |
| 2043 | \$ 3.00 | \$ 219,672 | \$ 56,671 | \$ 31,057 | \$ 2,417,831 |
| 2044 | \$ 3.00 | \$ 219,672 | \$ 63,192 | \$ - | \$ 2,700,695 |
| 2045 | \$ 4.00 | \$ 292,896 | \$ 64,538 | \$ 531,220 | \$ 2,526,909 |
| 2046 | \$ 5.00 | \$ 366,120 | \$ 58,787 | \$ 717,011 | \$ 2,234,805 |
| 2047 | \$ 6.00 | \$ 439,344 | \$ 52,175 | \$ 734,936 | \$ 1,991,388 |
| 2048 | \$ 7.00 | \$ 512,568 | \$ 46,775 | \$ 753,310 | \$ 1,797,422 |
| 2049 | \$ 8.00 | \$ 585,792 | \$ 42,606 | \$ 772,142 | \$ 1,653,678 |

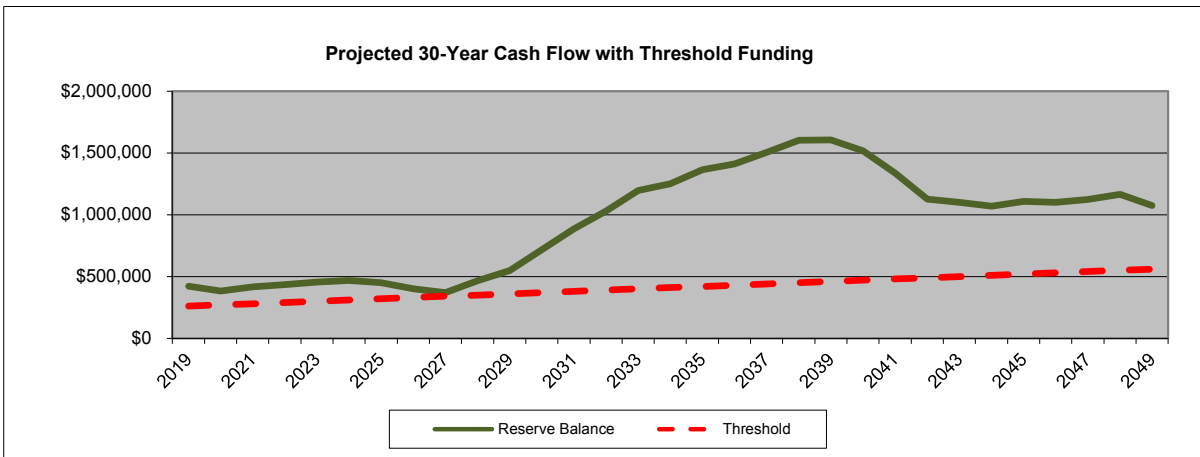


**THIRD LAGUNA HILLS MUTUAL
2020 RESERVES PLAN
Laundry Reserve 30-Year Funding Plan**

Threshold (Min Balance): \$ 270,000
Indexed for projected inflation

| Year | Assessment | | Interest Earnings | Planned Expenditures | Reserve Balance |
|-------------|-------------------------|-----------------------|----------------------|-------------------------|--------------------|
| | Per Manor Per Month* | Total Contribution | | | |
| 2019 | \$ 1.00 | \$ 73,224 | \$ 11,235 | \$ 377,389 | \$ 420,925 |
| 2020 | \$ 1.00 | \$ 73,224 | \$ 7,967 | \$ 118,420 | \$ 383,697 |
| 2021 | \$ 2.00 | \$ 146,448 | \$ 9,864 | \$ 124,749 | \$ 415,260 |
| 2022 | \$ 2.00 | \$ 146,448 | \$ 10,483 | \$ 138,344 | \$ 433,847 |
| 2023 | \$ 2.00 | \$ 146,448 | \$ 10,985 | \$ 135,319 | \$ 455,961 |
| 2024 | \$ 2.50 | \$ 183,060 | \$ 11,395 | \$ 183,386 | \$ 467,030 |
| 2025 | \$ 3.00 | \$ 219,672 | \$ 11,334 | \$ 247,010 | \$ 451,026 |
| 2026 | \$ 3.00 | \$ 219,672 | \$ 10,505 | \$ 281,340 | \$ 399,863 |
| 2027 | \$ 3.00 | \$ 219,672 | \$ 9,510 | \$ 258,576 | \$ 370,469 |
| 2028 | \$ 3.00 | \$ 219,672 | \$ 10,331 | \$ 134,142 | \$ 466,330 |
| 2029 | \$ 3.00 | \$ 219,672 | \$ 12,523 | \$ 150,455 | \$ 548,069 |
| 2030 | \$ 3.00 | \$ 219,672 | \$ 15,626 | \$ 65,735 | \$ 717,632 |
| 2031 | \$ 3.00 | \$ 219,672 | \$ 19,796 | \$ 71,219 | \$ 885,881 |
| 2032 | \$ 3.00 | \$ 219,672 | \$ 23,670 | \$ 97,855 | \$ 1,031,368 |
| 2033 | \$ 3.00 | \$ 219,672 | \$ 27,515 | \$ 81,223 | \$ 1,197,332 |
| 2034 | \$ 3.00 | \$ 219,672 | \$ 30,234 | \$ 195,587 | \$ 1,251,651 |
| 2035 | \$ 3.00 | \$ 219,672 | \$ 32,290 | \$ 139,738 | \$ 1,363,876 |
| 2036 | \$ 3.00 | \$ 219,672 | \$ 34,250 | \$ 207,417 | \$ 1,410,381 |
| 2037 | \$ 3.00 | \$ 219,672 | \$ 35,976 | \$ 162,379 | \$ 1,503,649 |
| 2038 | \$ 3.00 | \$ 219,672 | \$ 38,348 | \$ 159,166 | \$ 1,602,503 |
| 2039 | \$ 3.00 | \$ 219,672 | \$ 39,602 | \$ 256,513 | \$ 1,605,264 |
| 2040 | \$ 3.00 | \$ 219,672 | \$ 38,560 | \$ 345,417 | \$ 1,518,079 |
| 2041 | \$ 3.00 | \$ 219,672 | \$ 35,240 | \$ 436,659 | \$ 1,336,332 |
| 2042 | \$ 3.00 | \$ 219,672 | \$ 30,388 | \$ 461,288 | \$ 1,125,104 |
| 2043 | \$ 3.00 | \$ 219,672 | \$ 27,487 | \$ 270,950 | \$ 1,101,313 |
| 2044 | \$ 3.00 | \$ 219,672 | \$ 26,799 | \$ 278,343 | \$ 1,069,441 |
| 2045 | \$ 3.00 | \$ 219,672 | \$ 26,892 | \$ 207,163 | \$ 1,108,842 |
| 2046 | \$ 3.00 | \$ 219,672 | \$ 27,262 | \$ 256,366 | \$ 1,099,409 |
| 2047 | \$ 3.00 | \$ 219,672 | \$ 27,437 | \$ 223,512 | \$ 1,123,007 |
| 2048 | \$ 3.00 | \$ 219,672 | \$ 28,257 | \$ 205,142 | \$ 1,165,794 |
| 2049 | \$ 3.00 | \$ 219,672 | \$ 27,658 | \$ 338,619 | \$ 1,074,505 |

*Transferred from Surcharge to Shared Cost in 2019



| | | | Building Structures | | Electrical Systems | | | | | |
|---------------|---------------|------------------|---------------------|------------------------|----------------------------------|------------------------------|--------------------|-----------------|-------------------|--|
| Program | Alarm Systems | Building Numbers | Building Structures | Building Rehab Dry Rot | Electrical Alternate Heat Source | Electrical Panel Maintenance | Electrical Systems | Energy Projects | Exterior Lighting | |
| Life in Years | 40 | 40 | Various | As Needed | 30 | As Needed | 50 | As Needed | As Needed | |
| Quantity | 81 | 2,810 | Various | | Various | | 6,102 | | Various | |
| Unit | ea | ea | Various | | ea | | Manors | | Common Area | |
| Unit Cost | \$35,000 | \$280 | Various | | \$1,265 - \$1,900 | | Various | | Various | |
| Total Cost | \$2,835,000 | \$786,800 | \$2,508,727 | | \$20,755,420 | | | | \$1,637,750 | |
| | | | | | | | | | | |
| 2020 | \$0 | \$30,000 | \$2,508,727 | \$278,300 | \$9,495 | \$30,000 | \$20,000 | \$10,000 | \$75,000 | |
| 2021 | \$51,250 | \$80,647 | \$2,855,866 | \$276,364 | \$9,732 | \$25,625 | \$20,500 | \$10,250 | \$55,350 | |
| 2022 | \$220,631 | \$82,663 | \$2,927,263 | \$283,273 | \$9,976 | \$26,266 | \$21,013 | \$10,506 | \$56,734 | |
| 2023 | \$226,147 | \$84,730 | \$1,991,936 | \$290,354 | \$10,225 | \$26,922 | \$21,538 | \$10,769 | \$58,152 | |
| 2024 | \$231,801 | \$86,848 | \$1,814,349 | \$297,613 | \$10,481 | \$27,595 | \$22,076 | \$11,038 | \$59,606 | |
| 2025 | \$237,596 | \$89,019 | \$1,859,708 | \$199,694 | \$10,743 | \$28,285 | \$22,628 | \$11,314 | \$61,096 | |
| 2026 | \$243,536 | \$91,245 | \$1,609,071 | \$204,686 | \$11,011 | \$28,992 | \$23,194 | \$11,597 | \$62,623 | |
| 2027 | \$249,624 | \$93,526 | \$1,648,109 | \$209,803 | \$11,287 | \$29,717 | \$23,774 | \$11,887 | \$64,189 | |
| 2028 | \$0 | \$95,864 | \$1,054,219 | \$215,048 | \$11,569 | \$30,460 | \$24,368 | \$12,184 | \$65,794 | |
| 2029 | \$0 | \$98,261 | \$1,080,575 | \$220,424 | \$11,858 | \$31,222 | \$24,977 | \$0 | \$67,439 | |
| 2030 | \$0 | \$62,315 | \$1,107,589 | \$225,935 | \$12,154 | \$32,002 | \$25,602 | \$0 | \$69,125 | |
| 2031 | \$0 | \$0 | \$1,135,279 | \$231,583 | \$12,458 | \$32,802 | \$26,242 | \$0 | \$70,853 | |
| 2032 | \$0 | \$0 | \$1,163,661 | \$237,373 | \$12,770 | \$33,622 | \$26,898 | \$0 | \$72,624 | |
| 2033 | \$0 | \$0 | \$1,192,752 | \$243,307 | \$13,089 | \$34,463 | \$27,570 | \$0 | \$74,440 | |
| 2034 | \$0 | \$0 | \$1,222,571 | \$249,390 | \$13,416 | \$35,324 | \$28,259 | \$0 | \$76,301 | |
| 2035 | \$0 | \$0 | \$1,253,135 | \$255,625 | \$13,752 | \$36,207 | \$28,966 | \$0 | \$78,208 | |
| 2036 | \$0 | \$0 | \$1,284,464 | \$262,015 | \$14,095 | \$37,113 | \$29,690 | \$0 | \$80,163 | |
| 2037 | \$0 | \$0 | \$1,316,575 | \$268,566 | \$14,448 | \$38,040 | \$30,432 | \$0 | \$82,167 | |
| 2038 | \$0 | \$0 | \$1,013,188 | \$275,280 | \$14,809 | \$38,991 | \$31,193 | \$0 | \$84,222 | |
| 2039 | \$0 | \$0 | \$1,038,518 | \$282,162 | \$15,179 | \$39,966 | \$31,973 | \$0 | \$86,327 | |
| 2040 | \$0 | \$0 | \$952,997 | \$289,216 | \$15,559 | \$40,965 | \$32,772 | \$0 | \$88,485 | |
| 2041 | \$0 | \$0 | \$976,822 | \$296,446 | \$15,948 | \$41,990 | \$33,592 | \$0 | \$90,697 | |
| 2042 | \$0 | \$0 | \$1,001,242 | \$303,857 | \$16,346 | \$43,039 | \$34,431 | \$0 | \$92,965 | |
| 2043 | \$0 | \$0 | \$1,026,273 | \$311,454 | \$16,755 | \$44,115 | \$35,292 | \$0 | \$95,289 | |
| 2044 | \$0 | \$0 | \$1,051,930 | \$319,240 | \$17,174 | \$45,218 | \$36,175 | \$0 | \$97,671 | |
| 2045 | \$0 | \$0 | \$1,078,229 | \$327,221 | \$17,603 | \$46,349 | \$37,079 | \$0 | \$100,113 | |
| 2046 | \$0 | \$0 | \$1,105,184 | \$335,402 | \$18,043 | \$47,507 | \$38,006 | \$0 | \$102,616 | |
| 2047 | \$0 | \$0 | \$1,132,814 | \$343,787 | \$18,494 | \$48,695 | \$38,956 | \$0 | \$105,181 | |
| 2048 | \$0 | \$0 | \$1,161,134 | \$352,381 | \$18,957 | \$49,912 | \$39,930 | \$0 | \$107,811 | |
| 2049 | \$0 | \$0 | \$1,190,163 | \$361,191 | \$19,431 | \$51,160 | \$40,928 | \$0 | \$103,855 | |
| TOTAL | \$1,460,584 | \$895,117 | \$41,754,342 | \$8,246,990 | \$416,856 | \$1,102,568 | \$878,054 | \$99,545 | \$2,385,095 | |

| Garden Villa Rec Room | | | | | | | | | | | |
|-----------------------|--------------------|--------------------|------------------------|----------------------------|-------------|---------------|--------------------|-------------------------|-------------|--|--|
| Program | Fencing Split Rail | Garden Villa Lobby | Garden Villa Mailrooms | Garden Villa Recessed Area | GV Rec Room | GV Rec Room | Gutter Replacement | Landscape Modernization | Mailboxes | | |
| | | | | | Heat Pumps | Water Heaters | | | | | |
| Life in Years | 10 | 20 | 10 | Various | 30 | 10 | Various | As Needed | 40 | | |
| Quantity | 70,000 | 53 | 53 | 53 | 53 | 53 | Various | | 4,271 | | |
| Unit | Linear Feet | Building | Building | Building | ea | ea | Various | | Manor | | |
| Unit Cost | \$13.53 | \$12,554 | \$8,002 | \$6,440 - \$75,000 | \$1,138 | \$555 | Various | | \$198 | | |
| Total Cost | \$947,100 | \$665,351 | \$424,119 | \$4,316,320 | \$60,314 | \$29,415 | \$8,037,500 | | \$846,442 | | |
| | | | | | | | | | | | |
| 2020 | \$54,703 | \$112,500 | \$33,867 | \$65,000 | \$3,414 | \$6,230 | \$98,289 | \$599,129 | \$50,000 | | |
| 2021 | \$58,247 | \$128,676 | \$0 | \$296,635 | \$2,061 | \$5,120 | \$100,746 | \$768,750 | \$27,624 | | |
| 2022 | \$59,703 | \$65,947 | \$0 | \$304,051 | \$2,112 | \$0 | \$103,265 | \$787,969 | \$28,315 | | |
| 2023 | \$61,195 | \$0 | \$0 | \$311,652 | \$2,165 | \$1,195 | \$105,847 | \$807,668 | \$29,023 | | |
| 2024 | \$62,725 | \$0 | \$0 | \$319,443 | \$2,219 | \$1,225 | \$108,493 | \$827,860 | \$29,748 | | |
| 2025 | \$64,293 | \$0 | \$0 | \$327,430 | \$2,275 | \$628 | \$111,205 | \$961,697 | \$30,492 | | |
| 2026 | \$65,901 | \$0 | \$92,802 | \$335,615 | \$2,332 | \$1,287 | \$113,985 | \$869,770 | \$31,254 | | |
| 2027 | \$67,548 | \$0 | \$95,122 | \$344,006 | \$2,390 | \$1,979 | \$116,835 | \$891,514 | \$32,036 | | |
| 2028 | \$69,237 | \$0 | \$97,500 | \$352,606 | \$2,450 | \$10,819 | \$119,756 | \$913,802 | \$32,836 | | |
| 2029 | \$70,968 | \$0 | \$99,937 | \$361,421 | \$2,511 | \$6,238 | \$122,750 | \$936,647 | \$33,657 | | |
| 2030 | \$72,742 | \$0 | \$102,436 | \$370,456 | \$2,574 | \$7,815 | \$64,004 | \$1,088,072 | \$34,499 | | |
| 2031 | \$74,561 | \$0 | \$31,499 | \$379,718 | \$2,638 | \$6,554 | \$65,604 | \$852,856 | \$35,361 | | |
| 2032 | \$76,425 | \$0 | \$0 | \$389,211 | \$2,704 | \$0 | \$67,244 | \$739,689 | \$36,245 | | |
| 2033 | \$78,335 | \$0 | \$0 | \$398,941 | \$2,771 | \$1,530 | \$68,926 | \$758,181 | \$37,151 | | |
| 2034 | \$80,294 | \$0 | \$0 | \$408,915 | \$2,841 | \$1,568 | \$70,649 | \$777,136 | \$38,080 | | |
| 2035 | \$82,301 | \$0 | \$0 | \$419,137 | \$2,912 | \$804 | \$72,415 | \$796,564 | \$39,032 | | |
| 2036 | \$84,359 | \$186,362 | \$118,794 | \$95,602 | \$2,985 | \$1,648 | \$74,225 | \$964,929 | \$40,008 | | |
| 2037 | \$86,467 | \$191,021 | \$121,764 | \$97,992 | \$4,791 | \$2,533 | \$76,081 | \$836,890 | \$41,008 | | |
| 2038 | \$88,629 | \$195,796 | \$124,808 | \$100,442 | \$13,785 | \$13,850 | \$77,983 | \$857,812 | \$42,033 | | |
| 2039 | \$90,845 | \$200,691 | \$127,928 | \$102,953 | \$10,491 | \$7,985 | \$79,933 | \$879,258 | \$43,084 | | |
| 2040 | \$93,116 | \$205,709 | \$131,126 | \$105,527 | \$3,294 | \$10,004 | \$286,758 | \$901,239 | \$44,161 | | |
| 2041 | \$95,444 | \$63,255 | \$40,321 | \$108,165 | \$11,022 | \$8,390 | \$293,927 | \$1,091,728 | \$45,265 | | |
| 2042 | \$97,830 | \$0 | \$0 | \$110,869 | \$7,379 | \$0 | \$301,275 | \$946,864 | \$46,397 | | |
| 2043 | \$100,276 | \$0 | \$0 | \$113,641 | \$3,548 | \$1,959 | \$308,807 | \$970,536 | \$47,557 | | |
| 2044 | \$102,783 | \$0 | \$0 | \$116,482 | \$7,753 | \$2,008 | \$316,527 | \$994,799 | \$48,746 | | |
| 2045 | \$105,352 | \$0 | \$0 | \$119,394 | \$7,947 | \$1,029 | \$324,440 | \$1,019,669 | \$49,965 | | |
| 2046 | \$107,986 | \$0 | \$152,066 | \$122,379 | \$3,820 | \$2,109 | \$332,551 | \$1,235,190 | \$51,214 | | |
| 2047 | \$110,686 | \$0 | \$155,868 | \$125,438 | \$14,999 | \$3,243 | \$340,865 | \$1,071,290 | \$52,494 | | |
| 2048 | \$113,453 | \$0 | \$159,765 | \$128,574 | \$24,462 | \$17,729 | \$124,781 | \$1,098,072 | \$53,806 | | |
| 2049 | \$116,289 | \$0 | \$163,759 | \$131,789 | \$46,033 | \$10,222 | \$102,320 | \$1,125,524 | \$55,152 | | |
| TOTAL | \$2,492,692 | \$1,349,958 | \$1,849,359 | \$6,963,485 | \$202,676 | \$135,701 | \$4,550,486 | \$27,371,105 | \$1,206,247 | | |

| Program | Paint Program | | Prior to Paint | | Paving/Concrete | | | | | Roofs Built-Up PVC Cool Roof | Roofs Metal |
|---------------|----------------|----------------|----------------|------------------------------|-----------------|--------------------------|-------------------|-----------------------------|------------------------------|------------------------------|-------------|
| | Paint Exterior | Touch Up Paint | Prior to Paint | Balcony Brezeway Resurfacing | Paving: Asphalt | Paving: Parkway Concrete | Paving: Seal Coat | Concrete and Paving Repairs | Golf Cart Parking & Striping | | |
| Life in Years | 10 | As Needed | 10 | As Needed | 25 | 60 | JA962010000 | As Needed | | 25 | 40 |
| Quantity | 16,495,223 | | 16,495,223 | | 3,010,084 | Varies | 5 | | 2,500 | 4,037,463 | 505,426 |
| Unit | Sq ft | | Sq ft | | sf | SF | | | 0 | sf | sf |
| Unit Cost | Various | | Various | | \$2.58 | \$20.00 | sf | | \$0 | \$7.37 | \$8.50 |
| Total Cost | \$18,345,990 | | \$9,930,639 | \$6,046,971 | \$7,766,000 | | \$0 | | | \$29,756,100 | \$4,296,100 |
| 2020 | \$1,839,281 | \$216,275 | \$939,842 | \$541,887 | \$513,461 | \$160,000 | \$51,651 | \$76,146 | \$50,000 | \$1,075,010 | \$0 |
| 2021 | \$2,031,561 | \$221,682 | \$1,094,803 | \$532,402 | \$444,792 | \$153,750 | \$66,117 | \$67,375 | \$25,625 | \$1,082,373 | \$0 |
| 2022 | \$1,948,550 | \$227,224 | \$1,050,760 | \$556,237 | \$478,049 | \$157,594 | \$67,865 | \$79,580 | \$26,266 | \$1,033,666 | \$0 |
| 2023 | \$2,105,995 | \$232,904 | \$1,135,062 | \$575,850 | \$473,708 | \$161,534 | \$69,547 | \$54,323 | \$26,922 | \$1,167,851 | \$0 |
| 2024 | \$1,949,659 | \$238,727 | \$1,051,896 | \$585,092 | \$332,402 | \$165,572 | \$71,371 | \$123,036 | \$27,595 | \$1,172,414 | \$0 |
| 2025 | \$1,873,619 | \$244,695 | \$1,011,593 | \$597,137 | \$34,153 | \$169,711 | \$72,760 | \$107,402 | \$28,285 | \$1,233,753 | \$0 |
| 2026 | \$1,884,219 | \$250,813 | \$1,017,541 | \$321,051 | \$0 | \$173,954 | \$74,805 | \$58,802 | \$28,992 | \$1,253,879 | \$0 |
| 2027 | \$2,199,665 | \$257,083 | \$1,186,202 | \$344,167 | \$1,505,886 | \$178,303 | \$76,783 | \$64,358 | \$29,717 | \$1,292,050 | \$0 |
| 2028 | \$2,349,325 | \$263,510 | \$1,266,384 | \$388,979 | \$550,436 | \$182,760 | \$78,686 | \$88,229 | \$30,460 | \$1,327,171 | \$0 |
| 2029 | \$2,355,398 | \$270,098 | \$1,240,508 | \$342,383 | \$233,104 | \$187,329 | \$80,750 | \$87,317 | \$31,222 | \$1,352,315 | \$0 |
| 2030 | \$2,358,080 | \$276,850 | \$1,232,230 | \$371,121 | \$1,315,578 | \$192,013 | \$82,321 | \$97,473 | \$0 | \$1,461,871 | \$269,353 |
| 2031 | \$2,945,451 | \$283,772 | \$1,326,602 | \$365,017 | \$659,014 | \$196,813 | \$84,635 | \$86,245 | \$0 | \$1,507,662 | \$267,331 |
| 2032 | \$2,441,451 | \$290,866 | \$1,273,294 | \$387,615 | \$534,636 | \$201,733 | \$86,873 | \$101,870 | \$0 | \$1,539,525 | \$291,482 |
| 2033 | \$2,638,715 | \$298,137 | \$1,375,398 | \$404,612 | \$678,990 | \$206,777 | \$89,026 | \$69,538 | \$0 | \$1,572,101 | \$299,027 |
| 2034 | \$2,442,848 | \$305,591 | \$1,274,717 | \$408,129 | \$101,344 | \$211,946 | \$91,361 | \$157,497 | \$0 | \$1,681,695 | \$307,956 |
| 2035 | \$2,347,582 | \$313,231 | \$1,225,940 | \$415,027 | \$0 | \$217,245 | \$93,139 | \$137,484 | \$0 | \$1,723,246 | \$310,546 |
| 2036 | \$2,360,866 | \$321,061 | \$1,233,166 | \$410,972 | \$0 | \$222,676 | \$95,756 | \$75,272 | \$0 | \$1,798,089 | \$319,924 |
| 2037 | \$2,756,088 | \$329,088 | \$1,437,422 | \$440,562 | \$27,971 | \$228,243 | \$98,289 | \$82,384 | \$0 | \$1,815,263 | \$324,999 |
| 2038 | \$2,943,598 | \$337,315 | \$1,534,541 | \$497,925 | \$0 | \$233,949 | \$100,725 | \$112,940 | \$0 | \$1,855,196 | \$341,238 |
| 2039 | \$2,952,711 | \$345,748 | \$1,503,235 | \$438,280 | \$194,925 | \$239,798 | \$103,367 | \$111,773 | \$0 | \$1,924,716 | \$340,963 |
| 2040 | \$3,018,542 | \$354,392 | \$1,577,359 | \$475,067 | \$0 | \$245,792 | \$105,378 | \$124,774 | \$0 | \$1,949,309 | \$353,179 |
| 2041 | \$3,258,392 | \$363,252 | \$1,698,163 | \$467,253 | \$255,930 | \$251,937 | \$108,340 | \$110,401 | \$0 | \$2,169,496 | \$368,833 |
| 2042 | \$3,125,264 | \$372,333 | \$1,629,924 | \$496,180 | \$489,537 | \$258,236 | \$111,205 | \$130,402 | \$0 | \$2,059,234 | \$375,053 |
| 2043 | \$3,377,778 | \$381,641 | \$1,760,626 | \$517,937 | \$411,746 | \$264,692 | \$113,961 | \$89,014 | \$0 | \$2,109,453 | \$378,940 |
| 2044 | \$3,127,052 | \$391,182 | \$1,631,746 | \$522,440 | \$687,457 | \$271,309 | \$116,950 | \$201,610 | \$0 | \$2,221,177 | \$392,088 |
| 2045 | \$3,005,103 | \$400,962 | \$1,569,306 | \$531,269 | \$951,928 | \$278,092 | \$119,226 | \$175,991 | \$0 | \$2,276,706 | \$395,146 |
| 2046 | \$3,022,109 | \$410,986 | \$1,578,557 | \$526,079 | \$824,619 | \$285,044 | \$122,576 | \$96,354 | \$0 | \$2,300,361 | \$414,232 |
| 2047 | \$3,528,026 | \$421,260 | \$1,840,022 | \$563,957 | \$886,276 | \$292,170 | \$125,818 | \$105,458 | \$0 | \$2,446,959 | \$423,329 |
| 2048 | \$3,768,055 | \$431,792 | \$1,964,342 | \$637,387 | \$878,228 | \$299,474 | \$128,937 | \$144,573 | \$0 | \$2,413,535 | \$423,610 |
| 2049 | \$3,779,719 | \$442,587 | \$1,924,267 | \$561,035 | \$616,255 | \$306,961 | \$132,318 | \$143,079 | \$0 | \$2,555,378 | \$428,982 |
| TOTAL | \$79,334,701 | \$9,495,056 | \$41,585,449 | \$14,223,048 | \$14,080,424 | \$6,595,405 | \$2,820,542 | \$3,160,698 | \$305,085 | \$51,371,456 | \$7,026,211 |

| Program | Roofs | | | | Exterior Walls | | | Waste Lines | | | Total Replacement Fund |
|---------------|--------------|------------------------------|-------------------------|------------------------|------------------|--------------|-----------------|--------------|-----------------------|--------------------|------------------------|
| | Roofs Title | Roofs Lightweight Tile (New) | Roofs Preventive Maint. | Roof Emergency Repairs | Tree Maintenance | Common Walls | Perimeter Walls | Waste Lines | Waste Lines GV Garage | Water Lines Copper | |
| Life in Years | 40 | 40 | Ongoing | As Needed | 5 | As Needed | Varies | 70 | 35 | 70 | |
| Quantity | 2,321,631 | 1,438,052 | 4,023,624 | | Varies | | 30,184 | 6,102 | 53 | 6,102 | |
| Unit | sf | sf | sf | | | | If | Manors | Building | Manors | |
| Unit Cost | \$5.42 | \$7.00 | \$0.37 | | | | \$100 - \$200 | \$8,000 | \$19,900 | \$5,125 | |
| Total Cost | \$12,583,200 | \$10,066,400 | \$1,488,741 | | \$4,954,881 | \$25,000 | \$9,055,261 | \$48,816,000 | \$1,054,700 | \$31,272,750 | |
| | | | | | | | | | | | |
| 2020 | \$0 | \$100,478 | \$130,416 | \$110,000 | \$853,812 | \$25,000 | \$189,147 | \$1,000,000 | \$0 | \$500,000 | \$12,357,061 |
| 2021 | \$0 | \$105,465 | \$63,744 | \$112,750 | \$1,016,776 | \$25,625 | \$173,257 | \$770,800 | \$0 | \$512,500 | \$13,274,839 |
| 2022 | \$0 | \$106,285 | \$72,230 | \$115,569 | \$1,042,195 | \$26,266 | \$177,589 | \$790,070 | \$0 | \$315,188 | \$13,260,866 |
| 2023 | \$0 | \$109,312 | \$70,398 | \$118,458 | \$1,068,250 | \$26,922 | \$182,028 | \$809,822 | \$0 | \$323,067 | \$12,751,474 |
| 2024 | \$0 | \$113,706 | \$48,225 | \$121,419 | \$1,094,956 | \$27,595 | \$186,579 | \$830,067 | \$0 | \$331,144 | \$12,384,580 |
| 2025 | \$0 | \$113,959 | \$32,072 | \$124,455 | \$1,122,330 | \$28,285 | \$191,244 | \$850,819 | \$0 | \$339,422 | \$12,193,797 |
| 2026 | \$0 | \$115,850 | \$86,928 | \$127,566 | \$1,150,388 | \$28,992 | \$196,025 | \$872,089 | \$0 | \$347,908 | \$11,788,704 |
| 2027 | \$0 | \$122,907 | \$69,910 | \$130,755 | \$1,179,148 | \$29,717 | \$200,925 | \$893,892 | \$0 | \$356,606 | \$14,011,418 |
| 2028 | \$0 | \$125,263 | \$87,815 | \$134,024 | \$1,208,627 | \$30,460 | \$205,949 | \$916,239 | \$0 | \$365,521 | \$12,708,350 |
| 2029 | \$0 | \$128,998 | \$73,236 | \$137,375 | \$1,238,842 | \$31,222 | \$211,097 | \$59,945 | \$0 | \$171,844 | \$11,401,866 |
| 2030 | \$0 | \$495,736 | \$75,264 | \$140,809 | \$1,269,813 | \$32,002 | \$216,375 | \$61,444 | \$0 | \$176,140 | \$13,401,793 |
| 2031 | \$0 | \$511,601 | \$75,891 | \$144,330 | \$1,301,559 | \$32,802 | \$221,784 | \$62,980 | \$0 | \$180,543 | \$12,812,040 |
| 2032 | \$0 | \$520,691 | \$70,426 | \$147,938 | \$1,334,098 | \$33,622 | \$227,329 | \$64,555 | \$0 | \$185,057 | \$12,591,525 |
| 2033 | \$0 | \$538,282 | \$77,848 | \$151,636 | \$1,367,450 | \$34,463 | \$233,012 | \$66,169 | \$0 | \$189,683 | \$13,222,320 |
| 2034 | \$0 | \$557,634 | \$105,914 | \$155,427 | \$1,401,636 | \$35,324 | \$238,837 | \$67,823 | \$112,473 | \$194,425 | \$12,857,323 |
| 2035 | \$0 | \$559,176 | \$84,314 | \$159,313 | \$1,436,677 | \$36,207 | \$244,808 | \$69,518 | \$115,285 | \$199,286 | \$12,767,081 |
| 2036 | \$0 | \$581,833 | \$89,260 | \$163,296 | \$1,472,594 | \$37,113 | \$250,928 | \$71,256 | \$118,167 | \$204,268 | \$13,102,949 |
| 2037 | \$0 | \$585,930 | \$90,468 | \$167,378 | \$1,509,409 | \$38,040 | \$257,201 | \$73,038 | \$121,121 | \$209,375 | \$13,801,047 |
| 2038 | \$0 | \$606,724 | \$93,901 | \$171,562 | \$1,547,144 | \$38,991 | \$263,632 | \$74,864 | \$124,149 | \$214,609 | \$14,065,827 |
| 2039 | \$1,111,661 | \$625,283 | \$94,687 | \$175,852 | \$1,585,823 | \$39,966 | \$38,603 | \$76,735 | \$127,253 | \$219,974 | \$15,288,645 |
| 2040 | \$1,704,251 | \$635,524 | \$97,921 | \$180,248 | \$1,625,469 | \$40,965 | \$39,568 | \$78,654 | \$130,434 | \$225,474 | \$16,163,228 |
| 2041 | \$754,166 | \$652,823 | \$100,907 | \$184,754 | \$1,666,105 | \$41,990 | \$40,557 | \$80,620 | \$133,695 | \$231,111 | \$16,151,736 |
| 2042 | \$490,899 | \$665,191 | \$102,732 | \$189,373 | \$1,707,758 | \$43,039 | \$41,571 | \$82,635 | \$137,037 | \$236,888 | \$15,746,989 |
| 2043 | \$753,983 | \$689,146 | \$0 | \$194,107 | \$1,750,452 | \$44,115 | \$42,611 | \$84,701 | \$140,463 | \$242,811 | \$16,423,678 |
| 2044 | \$2,053,260 | \$708,945 | \$145,168 | \$198,960 | \$1,794,213 | \$45,218 | \$43,676 | \$86,819 | \$143,975 | \$248,881 | \$18,188,631 |
| 2045 | \$1,646,417 | \$714,158 | \$234,490 | \$203,934 | \$1,839,069 | \$46,349 | \$44,768 | \$88,989 | \$147,574 | \$191,327 | \$18,095,192 |
| 2046 | \$2,264,292 | \$732,624 | \$118,178 | \$209,032 | \$1,885,045 | \$47,507 | \$45,887 | \$91,214 | \$151,263 | \$196,110 | \$18,976,145 |
| 2047 | \$992,745 | \$760,402 | \$133,910 | \$214,258 | \$1,932,171 | \$48,695 | \$47,034 | \$93,494 | \$38,761 | \$201,013 | \$18,658,570 |
| 2048 | \$1,164,947 | \$773,458 | \$130,515 | \$219,614 | \$1,980,476 | \$49,912 | \$48,210 | \$95,832 | \$0 | \$206,038 | \$19,209,703 |
| 2049 | \$1,176,189 | \$789,958 | \$89,407 | \$225,105 | \$2,029,988 | \$51,160 | \$49,415 | \$98,228 | \$0 | \$211,189 | \$19,129,036 |
| TOTAL | \$14,112,811 | \$13,847,342 | \$2,746,176 | \$4,829,297 | \$43,412,275 | \$1,097,568 | \$4,549,647 | \$9,363,311 | \$1,741,648 | \$7,727,403 | \$436,786,412 |

| | Elevators | | | | | | | | | | |
|---------------|-------------------|-----------------------------|------------------------|-------------------|-----------------------|----------------------|----------------------------------|----------------------------------|-----------------------------------|----------------------------------|--|
| Program | Elevator Cab Door | Elevator Cab Door Operators | Elevator Cab Refurbish | Elevator Flooring | Elevator Call Buttons | Elevator Controllers | Elevator Hoistway Doors (3 stop) | Elevator Hoistway Doors (4 stop) | Elevator Machine Room Power Units | Elevator Door Protective Devices | |
| Life in Years | 30 | 30 | 40 | 40 | 30 | 30 | 30 | 30 | 30 | 40 | |
| Quantity | 82 | 82 | 82 | 82 | 82 | 82 | 29 | 53 | 82 | 82 | |
| Unit | ea | ea | ea | ea | ea | ea | ea | ea | ea | ea | |
| Unit Cost | \$12,234 | \$9,894 | \$9,174 | \$2,365 | \$8,400 | \$50,600 | \$7,249 | \$8,919 | \$14,300 | \$2,750 | |
| Total Cost | \$1,003,188 | \$811,308 | \$752,268 | \$193,930 | \$688,800 | \$4,149,200 | \$210,221 | \$472,707 | \$1,172,600 | \$225,500 | |
| | | | | | | | | | | | |
| 2020 | \$0 | \$49,470 | \$45,870 | \$10,565 | \$0 | \$0 | \$0 | \$44,595 | \$71,500 | \$13,750 | |
| 2021 | \$0 | \$50,710 | \$47,017 | \$8,485 | \$0 | \$0 | \$18,576 | \$45,711 | \$73,288 | \$14,094 | |
| 2022 | \$0 | \$103,954 | \$96,384 | \$17,393 | \$0 | \$0 | \$19,040 | \$46,854 | \$150,239 | \$28,892 | |
| 2023 | \$0 | \$53,276 | \$49,397 | \$17,828 | \$90,459 | \$544,907 | \$0 | \$48,025 | \$76,998 | \$14,807 | |
| 2024 | \$0 | \$0 | \$0 | \$0 | \$92,720 | \$558,529 | \$0 | \$0 | \$0 | \$0 | |
| 2025 | \$0 | \$0 | \$0 | \$0 | \$95,038 | \$572,493 | \$0 | \$0 | \$0 | \$0 | |
| 2026 | \$0 | \$0 | \$0 | \$0 | \$97,414 | \$586,805 | \$0 | \$0 | \$0 | \$0 | |
| 2027 | \$0 | \$0 | \$0 | \$0 | \$99,850 | \$601,475 | \$0 | \$0 | \$0 | \$0 | |
| 2028 | \$0 | \$0 | \$0 | \$0 | \$102,346 | \$616,512 | \$0 | \$0 | \$0 | \$0 | |
| 2029 | \$0 | \$0 | \$0 | \$0 | \$104,904 | \$631,925 | \$0 | \$0 | \$0 | \$0 | |
| 2030 | \$0 | \$0 | \$0 | \$0 | \$129,033 | \$777,267 | \$0 | \$0 | \$0 | \$0 | |
| 2031 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2032 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2033 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2034 | \$86,432 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2035 | \$212,622 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2036 | \$217,937 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2037 | \$223,386 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2038 | \$228,970 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2039 | \$234,695 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2040 | \$240,562 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2041 | \$102,740 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2042 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2043 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2044 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 2045 | \$0 | \$183,429 | \$0 | \$0 | \$0 | \$0 | \$0 | \$82,677 | \$265,114 | \$0 | |
| 2046 | \$0 | \$225,618 | \$0 | \$0 | \$0 | \$0 | \$165,303 | \$0 | \$326,090 | \$0 | |
| 2047 | \$0 | \$231,258 | \$0 | \$0 | \$0 | \$0 | \$169,435 | \$0 | \$334,242 | \$0 | |
| 2048 | \$0 | \$237,040 | \$0 | \$0 | \$0 | \$0 | \$173,671 | \$0 | \$342,599 | \$0 | |
| 2049 | \$0 | \$242,966 | \$0 | \$0 | \$0 | \$0 | \$178,013 | \$0 | \$351,164 | \$0 | |
| TOTAL | \$1,547,343 | \$1,377,721 | \$238,668 | \$54,271 | \$811,764 | \$4,889,912 | \$724,038 | \$267,861 | \$1,991,233 | \$71,543 | |

| Elevators | | | | | | | | | |
|---------------|---------------|------------------------------------|---------------------|------------------|----------------|----------------|-----------------|-----------------------|--------------------|
| Program | Elevator Fuse | Elevator Solid State Soft Starters | TOTAL ELEVATOR FUND | Laundry Counters | Laundry Dryers | Laundry Floors | Laundry Washers | Laundry Water Heaters | TOTAL LAUNDRY FUND |
| Life in Years | 30 | 20 | | 20 | 10 | 243 | 15 | 10 | |
| Quantity | 82 | 82 | | 287 | 373 | ea | 455 | 125 | |
| Unit | ea | ea | | ea | ea | 2,793 | ea | ea | |
| Unit Cost | \$330 | \$3,520 | | \$482 | \$1,025 | \$678,643 | \$2,007 | \$3,726 | |
| Total Cost | \$27,060 | \$288,640 | | \$138,334 | \$382,325 | \$0 | \$913,185 | \$117,806 | |
| | | | | | | | | | |
| 2020 | \$1,650 | \$17,600 | \$255,000 | \$12,829 | \$0 | \$47,083 | \$25,729 | \$32,779 | \$118,420 |
| 2021 | \$1,691 | \$18,040 | \$277,611 | \$15,316 | \$0 | \$51,527 | \$49,372 | \$8,534 | \$124,749 |
| 2022 | \$3,467 | \$36,982 | \$503,206 | \$15,192 | \$0 | \$52,815 | \$54,824 | \$15,514 | \$138,344 |
| 2023 | \$1,777 | \$18,953 | \$916,426 | \$15,572 | \$0 | \$54,135 | \$49,710 | \$15,901 | \$135,319 |
| 2024 | \$0 | \$0 | \$651,250 | \$0 | \$0 | \$55,489 | \$108,552 | \$19,345 | \$183,386 |
| 2025 | \$0 | \$0 | \$667,531 | \$0 | \$0 | \$56,876 | \$170,305 | \$19,829 | \$247,010 |
| 2026 | \$0 | \$0 | \$684,219 | \$0 | \$5,943 | \$58,298 | \$172,235 | \$44,864 | \$281,340 |
| 2027 | \$0 | \$0 | \$701,325 | \$0 | \$12,184 | \$59,755 | \$178,927 | \$7,710 | \$258,576 |
| 2028 | \$0 | \$0 | \$718,858 | \$0 | \$18,733 | \$61,249 | \$44,016 | \$10,144 | \$134,142 |
| 2029 | \$0 | \$0 | \$736,829 | \$0 | \$47,363 | \$31,390 | \$60,155 | \$11,547 | \$150,455 |
| 2030 | \$0 | \$0 | \$906,300 | \$0 | \$48,547 | \$0 | \$7,707 | \$9,480 | \$65,735 |
| 2031 | \$0 | \$0 | \$0 | \$0 | \$49,761 | \$0 | \$10,533 | \$10,924 | \$71,219 |
| 2032 | \$0 | \$0 | \$0 | \$0 | \$51,005 | \$0 | \$26,992 | \$19,859 | \$97,855 |
| 2033 | \$0 | \$0 | \$0 | \$0 | \$52,280 | \$0 | \$8,588 | \$20,355 | \$81,223 |
| 2034 | \$0 | \$0 | \$86,432 | \$21,113 | \$53,587 | \$0 | \$96,123 | \$24,764 | \$195,587 |
| 2035 | \$0 | \$61,176 | \$273,798 | \$21,640 | \$54,927 | \$0 | \$37,788 | \$25,383 | \$139,738 |
| 2036 | \$0 | \$52,255 | \$270,192 | \$22,181 | \$56,300 | \$0 | \$71,506 | \$57,430 | \$207,417 |
| 2037 | \$0 | \$53,561 | \$276,947 | \$15,402 | \$57,707 | \$0 | \$79,401 | \$9,869 | \$162,379 |
| 2038 | \$0 | \$54,900 | \$283,870 | \$15,035 | \$59,150 | \$0 | \$71,995 | \$12,986 | \$159,166 |
| 2039 | \$0 | \$56,272 | \$290,967 | \$23,887 | \$60,629 | \$0 | \$157,216 | \$14,781 | \$256,513 |
| 2040 | \$0 | \$28,840 | \$269,402 | \$24,484 | \$62,145 | \$0 | \$246,653 | \$12,136 | \$345,417 |
| 2041 | \$0 | \$29,561 | \$132,301 | \$25,096 | \$63,698 | \$84,432 | \$249,448 | \$13,984 | \$436,659 |
| 2042 | \$0 | \$60,599 | \$60,599 | \$24,894 | \$65,291 | \$86,543 | \$259,140 | \$25,421 | \$461,288 |
| 2043 | \$0 | \$31,057 | \$31,057 | \$25,516 | \$66,923 | \$88,707 | \$63,748 | \$26,056 | \$270,950 |
| 2044 | \$0 | \$0 | \$0 | \$0 | \$68,596 | \$90,924 | \$87,123 | \$31,700 | \$278,343 |
| 2045 | \$0 | \$0 | \$531,220 | \$0 | \$70,311 | \$93,198 | \$11,163 | \$32,492 | \$207,163 |
| 2046 | \$0 | \$0 | \$717,011 | \$0 | \$72,069 | \$95,527 | \$15,256 | \$73,515 | \$256,366 |
| 2047 | \$0 | \$0 | \$734,936 | \$0 | \$73,870 | \$97,916 | \$39,092 | \$12,633 | \$223,512 |
| 2048 | \$0 | \$0 | \$753,310 | \$0 | \$75,717 | \$100,364 | \$12,438 | \$16,623 | \$205,142 |
| 2049 | \$0 | \$0 | \$772,142 | \$0 | \$77,610 | \$102,873 | \$139,215 | \$18,921 | \$338,619 |
| TOTAL | \$8,585 | \$519,796 | \$12,502,737 | \$278,158 | \$1,324,345 | \$1,369,098 | \$2,604,951 | \$655,479 | \$6,232,032 |

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STAFF REPORT

DATE: August 20, 2019
FOR: Architectural Control and Standards Committee
SUBJECT: Alternative Heat Source Policy

RECOMMENDATION

Postpone approval of a Resolution for the Alternative Heat Source Policy. This item requires further review and additional information.

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, xxx, 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

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

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RESOLUTION 03-19-XX

Deny the Request for Removal of of One Flaxleaf Paperbark Tree – 3317-C

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

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

WHEREAS, on September 5, 2019, the Landscape Committee reviewed a request for a tree removal of one Flaxleaf Paperbark tree. The request was received from the Member at 3317-C, who cited the reasons as sewer damage, litter, and debris, and a fallen branch had hit the sun room alteration and;

WHEREAS, the Committee recommended denying the request for the removal of one Flaxleaf Paperbark tree located at 3317-C Via Carrizo based on the tree removal guidelines stating tree removal shall not be based on litter or debris, and recent epoxying of sewer main line should negate any further root intrusion.

NOW THEREFORE BE IT RESOLVED, September 17, 2019, the Board of Directors denies the request for the removal of one Flaxleaf Paperbark Tree located at 3317-C;

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 Indian Laurel Fig Tree – 3511-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 September 5, 2019, the Landscape Committee reviewed a request for a tree removal of one Indian Laurel Fig tree. The request was received from the Member at 3511-A, who cited the reasons as, litter, debris, and excessive berry droppings and;

WHEREAS, the Committee recommended denying the request for the removal of one Indian Laurel Fig tree located at 3511-A Bahia Blanca based on the tree removal guidelines stating trees shall not be removed based on litter or debris.

NOW THEREFORE BE IT RESOLVED, September 17, 2019, the Board of Directors denies the request for the removal of one Indian Laurel Fig Tree located at 3511-A;

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

DATE: September 17, 2019
FOR: Board of Directors
SUBJECT: Good Standing Policy

RECOMMENDATION

Entertain a motion to approve a Good Standing Policy that provides the definition of good standing and implications of a lack of the same.

BACKGROUND

The board is obligated to enforce the provisions set forth in the mutual's governing documents, including, without limitation, the declaration of covenants, conditions and restrictions (CC&Rs); bylaws and operating rules (collectively governing documents). Mutual members/owners, or the units they own, as may be applicable, that have engaged in or are actively and currently in violation of the governing documents may be subject to certain disciplinary action and/or limitation in their rights and privileges, including, without limitation, suspension of voting rights and ineligibility for serving on the board, as described in the governing documents.

The term "good standing" has been used colloquially by the mutual and the board in reference to members who are not in violation of the governing documents. The lack of good standing has been used to denote that such members have committed a violation or are currently in violation of the governing documents and thus limited in their membership privileges. Despite the general use of this term and references made to same in the governing documents, there is no formal, comprehensive definition of good standing or accompanying description of the consequences of a lack of good standing by a member.

DISCUSSION

The board has determined that it would be in the best interests of the mutual to adopt a formal definition of good standing to be added to the operating rules to provide clear guidance on the term and the implications for members identified as not in good standing.

The proposed Good Standing Policy provides the definition of good standing and the implications of a lack of same, and would incorporate such definition into the operating rules as a part of the governing documents. The term good standing shall mean that a member is:

- Not delinquent in payment of any assessment of related charge to the mutual (including regular monthly assessments, special assessments or reimbursement assessments);
- Not currently in violation of the provisions of the governing documents; and

- Not currently subject to disciplinary action imposed by the board of directors (or a committee thereof) after a duly noticed hearing in accordance with disciplinary procedures for a violation of the governing documents.

A member who is not in good standing due to a failure to meet any of the above-described criteria may be subject to certain limitations in accordance with the provisions of the governing documents. A member not in good standing may not be eligible to vote in elections and be subject to collection, legal action or other disciplinary action. A member's lack of good standing may also impact such member's eligibility to be a candidate for election to the board.

FINANCIAL ANALYSIS

None.

Prepared By: Siobhan Foster, COO

Reviewed By: Francis Gomez, Operations Manager

ATTACHMENT(S)

ATT 1: Resolution 03-19-xx



RESOLUTION 03-19-XX

Good Standing Policy

WHEREAS, the Board of Directors (the “Board”) of Third Laguna Hills Mutual (“Mutual”) held a meeting on September 17, 2019, at which a quorum of the Board was present;

WHEREAS, the Board is obligated to enforce the provisions set forth in the Mutual’s governing documents, including without limitation, the Declaration of Covenants, Conditions, and Restrictions (CC&Rs), Bylaws, and Operating Rules (collectively, the “Governing Documents”); and

WHEREAS, Mutual members/owners, or the units they own, as may be applicable, that have engaged in or are actively and currently in violation of the Governing Documents may be subject to certain disciplinary action and/or limitation in their rights and privileges, including, without limitation, suspension of voting rights and ineligibility for serving on the Board, as described in the Governing Documents; and

WHEREAS, the term *good standing* has been used colloquially by the Mutual and the Board in reference to Mutual members who are not in violation of the Governing Documents, and the lack of *good standing* to denote that such members have committed a violation or are currently in violation of the Governing Documents and thus limited in their membership privileges;

WHEREAS, despite the general use of the term *good standing*, and references made to same in various rules, policies, and elsewhere in the Governing Documents, there is no formal, comprehensive definition of *good standing* or accompanying description of the consequences of a lack of good standing by a Mutual member;

WHEREAS, the Board has determined that it would be in the best interests of the Mutual to adopt a formal definition of the term *good standing* to be added to the Mutual’s Operating Rules, which will provide clear guidance on the term and the implications for Mutual Members identified as not being in *good standing*;

NOW, THEREFORE BE IT RESOLVED, _____, 2019, that the Board of the Mutual hereby approves and adopts the below Good Standing Policy, which provides the definition of *good standing* and the implications of a lack of same, and incorporates such definition into the Mutual’s Operating Rules as a part of the Mutual’s Governing Documents; and

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

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Good Standing Policy
Resolution 03-19-XX; Adopted August XX, 2019

I. Definition

For the purposes of the enforcement of the mutual's governing documents, and the exercise by mutual members of the rights and privileges appurtenant to such membership as further described in the governing documents, including, without limitation, the mutual's CC&Rs, bylaws and operating rules and other rules or policies that may be adopted by the mutual from time to time, the term "good standing" shall mean that the member (or the member's unit(s), as may be applicable) is:

- Not delinquent in the payment of any assessment or related charge to the mutual (including regular monthly assessments, special assessments or reimbursement assessments) or other any other amounts owed to the association, including, without limitation, payment of chargeable services, fees or costs required to be paid, or fines imposed against the member as a disciplinary measure for violation of the governing documents;
- Not currently in violation of the provisions of the governing documents, including, without limitation, in violation of any architectural or landscaping rules, policies or procedures; leasing or occupancy rules and requirements; vehicle registration requirements; or other similar ongoing obligations of members and their units.
- Not currently subject to disciplinary action imposed by the board of directors (or a committee thereof) after a duly noticed hearing in accordance with the disciplinary procedures for a violation of the governing documents, including any suspension of membership privileges such as voting rights and amenity use, or ongoing or unpaid fines.
 - If a one-time fine is levied against a member for one or more violations without additional ongoing disciplinary action such as suspension of membership privileges, the member shall be restored to good standing upon receipt of payment of the fines by the mutual.

II. Effect of Lack of Good Standing

A member who is not in good standing due to a failure to meet any of the above- described criteria may be subject to certain limitations in accordance with the provisions of the governing documents.

a. Eligibility to Vote

In accordance with the mutual's bylaws, any member who is more than 30 days delinquent on the payment of any sums due to the mutual (including, without limitation, any assessment, late fee or cost of collection relating to same; chargeable service or other required fee; or fine imposed by the mutual against the member) in excess of \$100 as of the prescribed record date for voting on the matter before the membership or board election, as may be applicable, shall be ineligible to vote in such election.

In addition, any member who has had his/her/its voting privileges suspended as a disciplinary measure for violation of the governing documents after a noticed hearing before the board in accordance with the mutual's disciplinary procedures as of the prescribed record date for voting on the matter before the membership or board election, as may be applicable, shall be ineligible to vote in such election. According to Section 4.5.3 of the mutual's bylaws, such suspension period shall not exceed one year for any individual violation.

Any vote cast by an ineligible member due to either the lack of good standing from unpaid sums owed to the association or due to such member having his/her/its voting rights suspended as a disciplinary measure, shall be deemed void by the inspector(s) of elections and shall not be tabulated or counted toward quorum.

b. Collection and Legal Action

A member who is delinquent in the payment of any sums owed to the mutual, in addition to being ineligible to vote and subject to other disciplinary measures that may be imposed by the mutual after a noticed disciplinary hearing before the board (or a committee thereof), shall also be subject to the mutual's procedures for the collection of delinquent sums owed as described in the governing documents, including without limitation the collection and lien enforcement policy, which may include the exercise by the association of its lien rights, foreclosure action, and/or other legal action against the member to collect the amounts owed to the mutual.

c. Other Disciplinary Measures

In addition to the foregoing disciplinary and enforcement procedures, a mutual member (or such member's unit[s]) determined to be in violation or to have committed a violation of the mutual's governing documents after a duly noticed disciplinary hearing before the board (or a committee thereof) may also be subject to other disciplinary measures in accordance with the mutual's enforcement procedures, including, without limitation, the imposition of fines

in accordance with the mutual's schedule of monetary penalties, the suspension of the member's (or the member's guests, residents and invitees) privilege to use amenities controlled by the mutual for a period not to exceed 90 days for each violation, a referral to GRF for potential suspension of the use of GRF operated facilities and the suspension of the member's right to lease his/her/its unit for a specified period.

III. Good Standing and Eligibility to Serve on the Board

In addition to the foregoing actions and disciplinary measures to which a member not in good standing is subject, due to violations by a member, the member's unit or the member's guests, residents and invitees, a member's lack of good standing may also impact such member's eligibility to be a candidate for election to the board.

In accordance with Section 6.2.4 of the mutual's bylaws, no mutual member will be eligible to be a candidate for election to the Board of Directors who is more than 30 days delinquent on the payment of any sums due to the mutual (including, without limitation, any assessment, late fee or cost of collection relating to same; chargeable service or other required fee; or fine imposed by the mutual against the member) as of the prescribed record date for voting for the election of the board.

In accordance with Section 6.2.7 of the mutual's bylaws, a candidate for election to the board may not have any unresolved disciplinary or architectural violation which remains unresolved for more than 60 days at any time within a period of 150 days prior to the election. A mutual member seeking candidacy to the board who is not in good standing due to such outstanding governing document violations shall not be eligible to be a candidate for election to the board and if so elected, notwithstanding same, shall not be eligible to be seated for a board position even if elected to same.

Any member who is ineligible to serve as a candidate for election to the board will have their nomination rejected by the mutual, and such member's name and candidate information will not appear in the election ballot package. In the event it is determined that a candidate is not eligible after the distribution of the ballots, any votes for such candidate will not be counted thereby invalidating a member's ability to be seated for same.

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STAFF REPORT

DATE: September 9, 2018
FOR: Maintenance and Construction Committee
SUBJECT: Carport Condensation Panel Repairs as a Chargeable Maintenance Service

RECOMMENDATION

Approve a revision to Resolution 03-18-140, Schedule for Non-Emergency Chargeable Maintenance Services (Attachment 1), to include repairs to and removal of existing carport condensation panels as a chargeable service.

BACKGROUND

At the May 6, 2019 M&C Committee meeting, staff was directed to bring a report to a future M&C Committee meeting that would add repairs to and removal of existing alteration carport condensation panels as a non-emergency chargeable maintenance service.

DISCUSSION

Although the Alteration Standard for condensation panels in carports has been revoked, Members are able to apply for condensation panels in carports through the variance process, which requires Board approval.

The member-installed alteration carport condensation panels throughout the Mutual span the width of the ceiling and the length of one individual carport space. These panels are installed over each parking space, side by side, in most but not all, carport structure locations.

Staff has conducted visual inspections of multiple carport structures in the community. At the time of inspection, staff found that these panels were constructed from corrugated fiberglass or corrugated metal and are often screwed directly into the roof of the carport structure. Staff also found that many of these panels are falling from the carport ceiling and are in varying states of disrepair.

Staff estimates the cost for repairs to existing carport condensation panels that are becoming detached from the carport ceiling at \$111.00, per carport. To remove and dispose of the existing carport condensation panels in a state of disrepair and to repair and paint the Mutual's carport ceiling subsequent to removal of the panels is estimated at \$473.00.

The estimated costs include all materials at cost; labor is pro-rated to the tenth of an hour and applied at the current billing rate for the pertinent division. All costs associated with repair or removal of the upgraded component will be at the Member's expense.

As emergency work and Mutual responsible repairs will take precedence over non-emergency chargeable maintenance services, residents may experience a longer wait time for scheduling of chargeable maintenance services.

FINANCIAL ANALYSIS

The addition of repairs to and removal of existing carport condensation panels to Non-Emergency Chargeable Maintenance Services will have no fiscal impacts to the Mutual.

Prepared By: Elgin Hakala, Operations Supervisor
Velny Soren, Maintenance Operations Manager

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

ATTACHMENT(S)

Attachment 1 – Revised Resolution 03-19-XX

Third Laguna Hills Mutual
Maintenance & Construction Committee
September 9, 2019

ENDORSEMENT (to Board)

Carport Condensation Panel Repairs as a Chargeable Service

The Maintenance Operations Manager summarized the report and answered questions from the Committee.

Discussion ensued regarding the number of alteration carport condensation panels; variance request process for alterations; maintaining alteration panels; rust on underside of carport roofs; and the process for repair or removal.

Although the Alteration Standard for condensation panels in carports has been revoked, Members are able to apply for condensation panels in carports through the variance process, which requires Board approval.

The member-installed alteration carport condensation panels throughout the Mutual span the width of the ceiling and the length of one individual carport space. These panels are installed over each parking space, side by side, in most but not all, carport structure locations.

Staff has conducted visual inspections of multiple carport structures in the community. At the time of inspection, staff found that these panels were constructed from corrugated fiberglass or corrugated metal and are often screwed directly into the roof of the carport structure. Staff also found that many of these panels are falling from the carport ceiling and are in varying states of disrepair.

Staff estimates the cost for repairs to existing carport condensation panels that are becoming detached from the carport ceiling at \$85.33, per carport. To remove and dispose of the existing carport condensation panels in a state of disrepair and to repair and paint the Mutual's carport ceiling subsequent to removal of the panels is estimated at \$448.03.

A motion was made to recommend the Board approve a revision to Resolution 03-18-140, Schedule for Non-Emergency Chargeable Maintenance Services, to include repairs to and removal of existing carport condensation panels as a chargeable service.

By a vote of 4/1/0 (Chair Bhada Opposed), the motion carried.

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ATTACHMENT 1

Resolution **03-19-XX**

Schedule for Non-emergency Maintenance Chargeable Services

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

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

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

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

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

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

WHEREAS, on September 21, 2018 additional non-emergency maintenance chargeable services were added for electrical, carpentry, plumbing and facilities divisions as shown on the attached approved list; and

WHEREAS, repair and/or removal of alteration carport condensation panels have been added to the list of Non-Emergency Maintenance Chargeable services.

NOW THEREFORE BE IT RESOLVED, xxxxx, 2019, that the Board of Directors hereby approves the attached new schedule for non-emergency maintenance chargeable services; and

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

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

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

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

RESOLVED FURTHER, that Resolution [03-18-140](#) adopted [September 21, 2018](#) is hereby superseded and cancelled; and

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

ATTACHMENT 1 (continued)



Non-Emergency Maintenance Chargeable Services

The Board of Directors of the Third Laguna Hills Mutual passed resolution 03-18-140 on September 21, 2018, to approve this updated schedule of non-emergency maintenance chargeable services. This program has been implemented for the convenience of the Members of Third Mutual.

| Trade | Description of Service | Limitations | Cost* |
|-------------------|--|-------------------|---------------|
| Carpentry | Door Lock Services (rekeying, gate locks, storage cabinets) | | \$55 |
| | Mailbox Lock Service | Mutual Supplied | \$43 |
| | Installation of Entry Door Dead Bolt Lock (excludes keyless lock systems) | Resident Supplied | \$70 |
| | Installation of Manor Address/Letter on Entry Door | Resident Supplied | \$41 |
| | Rescreen Sliding Screen Doors | Mutual Supplied | \$77 |
| | Rescreen Window Screens | Mutual Supplied | \$60 |
| | Install/Replace Door Stops/Bumpers | Resident Supplied | \$55 |
| | Install/Replace Bathroom Accessories (towel bars, grab bars, toilet paper holders, soap dishes or toothbrush holders). Drywall installations only, not for fiberglass or tile. | Resident Supplied | \$55 |
| | Sliding Closet Door Repair and Maintenance | Resident Supplied | \$77 to \$114 |
| | Sliding Glass Door Repair and Maintenance | Resident Supplied | \$77 to \$114 |
| | Sliding Window Repair and Maintenance | Resident Supplied | \$55 to \$114 |
| | Repair of Alteration Carport Condensation Panels | | \$111 |
| | Removal of Alteration Carport Condensation Panels | | \$473 |
| Electrical | Light Bulb Replacement (max six bulbs per visit) | Resident Supplied | \$59 |
| | Door Bell Service | Resident Supplied | \$108 |
| | Breaker Service (electrical panel) | Mutual Supplied | \$63 |
| | Ceiling Heat Service (thermostat) | Mutual Supplied | \$87 |
| | Repair/Replace Outlets | Resident Supplied | \$59 |
| | Repair/Replace Light Switches/Dimmer Switches | Resident Supplied | \$59 |

ATTACHMENT 1 (page 4 of 4)

| | | | |
|--------------------|--|--|-------------------|
| | | | |
| | Range Hood Filter Cleaning Service | | \$92 |
| | Replace Existing Light Fixture | Resident Supplied | \$92 |
| | Replace Existing Smoke Detector (hard wired only) | Resident Supplied | \$59 |
| | Replace Smoke Detector Batteries | Mutual Supplied | \$59 |
| Plumbing | Repair/Replace Faucet (cartridge style) | Resident Supplied | \$91 |
| | Repair/Replace Faucet (old style) | Mutual Supplied | \$156 |
| | Repair/Replace Toilet Seat | Resident Supplied | \$58 |
| | Low Flow Toilet Replacement | Mutual Supplied | \$200 |
| | Repair/Replace Angle Stop Valve | Mutual Supplied | \$137 |
| | Repair/Replace Shower Head and Shower Hose | Resident Supplied | \$58 |
| | Repair/Replace Tub Spout | Resident Supplied | \$91 |
| | Repair/Replace Fitting/Flange/Valve | Mutual Supplied | \$129 |
| | Toilet Operation Repair Service | Mutual Supplied | \$91 |
| | Mix-It Valve Service | Mutual Supplied | \$95 |
| | Water Heater Repair | Mutual Supplied | \$38 to \$150 |
| | Water Heater Replacement | Mutual Supplied Only and 10 year Mfg. Warranty | \$1,721 |
| | Water Heater Service/Element Replacement | Mutual Supplied | \$171 |
| | Water Shut Off and Turn On Request | | \$58 |
| | Ice Maker Hose Replacement | Resident Supplied | \$58 |
| | Clothes and Dish Washer Hose Replacement | Resident Supplied | \$58 |
| | Clogged Drain Repair (“resident caused”) | | \$156 |
| Paving | Pole/Bollard Installation (water heater related) | Building Code/Permits | \$150 to \$300 |
| | Stain/Oil Clean-Up | | \$126 |
| Facilities | Heating/Cooling Filter Cleaning/Replacement Service - includes filter cleaning, filter change, diagnosis of the unit to make sure it is operating to capacity and also check the thermostats. | Resident Supplied | \$124 |
| Limitations | All Mutual-supplied parts will be standard brand only. | | |
| | All Mutual-supplied parts will be limited to parts in stock. | | |
| | All Mutual-provided parts and labor carry a 30-day warranty, unless specified otherwise. | | |
| | Resident supplied: Resident to supply the replacement or repair parts at the time of service. | | |
| | Failure to be present at the time of service will result in a \$15 no-show fee. | | |
| | *Estimated cost includes service charge, labor and materials (unless otherwise specified) | | |

Financial Report

As of July 31, 2019



| INCOME STATEMENT (in Thousands) | ACTUAL |
|------------------------------------|----------|
| Assessment Revenue | \$18,799 |
| Non-assessment Revenue | \$1,620 |
| Total Revenue | \$20,419 |
| Total Expense | \$17,837 |
| Net Revenue/(Expense) | \$2,582 |

1

Financial Report

As of July 31, 2019



| OPERATING INCOME STATEMENT (in Thousands) | ACTUAL |
|--|----------|
| Assessment Revenue | \$10,947 |
| Non-assessment Revenue ¹ | \$946 |
| Total Revenue | \$11,893 |
| Total Expense ² | \$11,343 |
| Operating Surplus | \$550 |

1) excludes unrealized gain

2) excludes depreciation

2

Financial Report

As of July 31, 2019

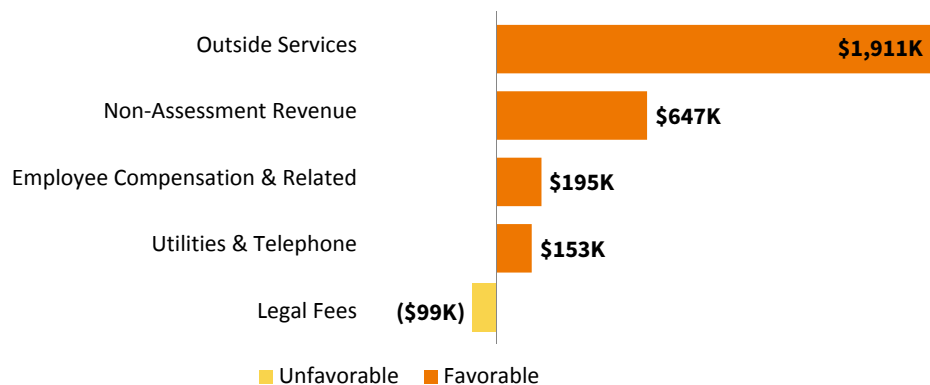


| INCOME STATEMENT (in Thousands) | ACTUAL | BUDGET | VARIANCE |
|------------------------------------|----------|----------|----------|
| Assessment Revenue | \$18,799 | \$18,799 | \$0 |
| Non-assessment Revenue | \$1,620 | \$973 | \$647 |
| Total Revenue | \$20,419 | \$19,772 | \$647 |
| Total Expense | \$17,837 | \$20,133 | \$2,296 |
| Net Revenue/(Expense) | \$2,582 | (\$361) | \$2,943 |

3

Financial Report

As of July 31, 2019



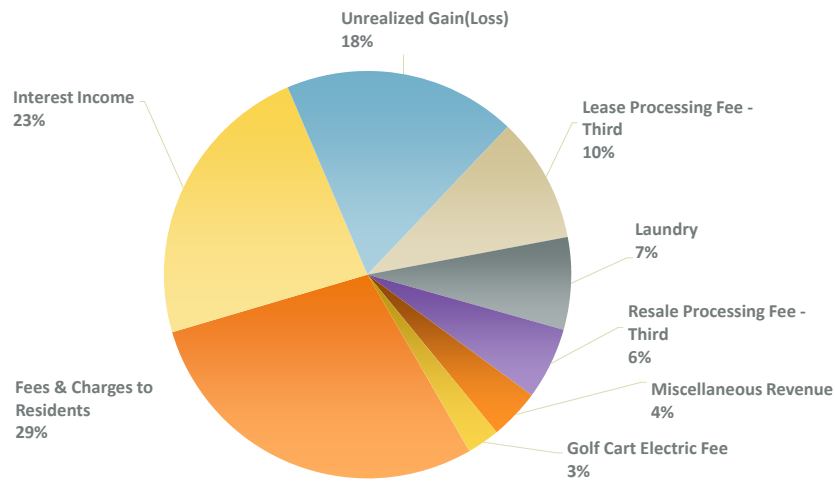
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Financial Report

As of July 31, 2019



Total Non Assessment Revenues \$1,620,063



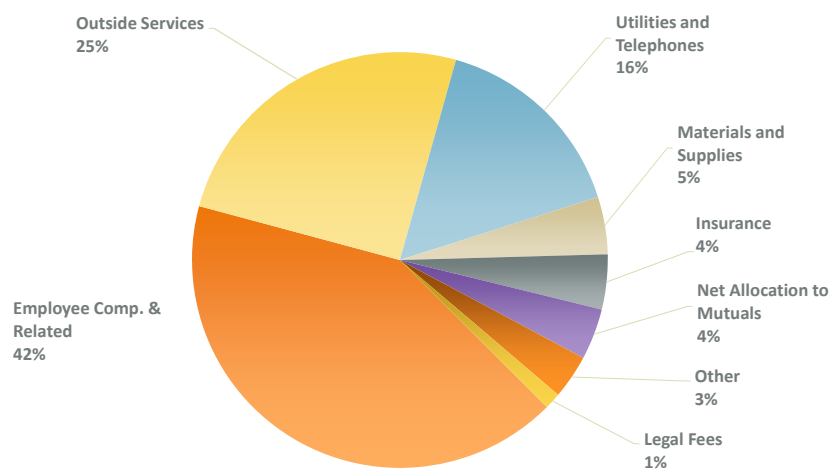
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Financial Report

As of July 31, 2019



Total Expenses \$17,837,213



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Financial Report

As of July 31, 2019



| NON OPERATING FUND BALANCES (in Thousands) | Replacement Funds* | Disaster Fund | Unappropriated Expenditures Fund | Garden Villa Fund | TOTAL |
|--|-----------------------|------------------|--|----------------------|----------|
| Beginning Balances: 1/1/19 | \$16,770 | \$9,217 | \$3,213 | \$61 | \$29,261 |
| Contributions & Interest | 6,496 | 1,300 | 382 | 49 | 8,227 |
| Expenditures | (5,219) | (1,003) | (144) | (45) | (6,411) |
| Current Balances: 7/31/19 | 18,047 | 9,514 | 3,451 | 65 | \$31,077 |

* Includes Elevator and Laundry Funds

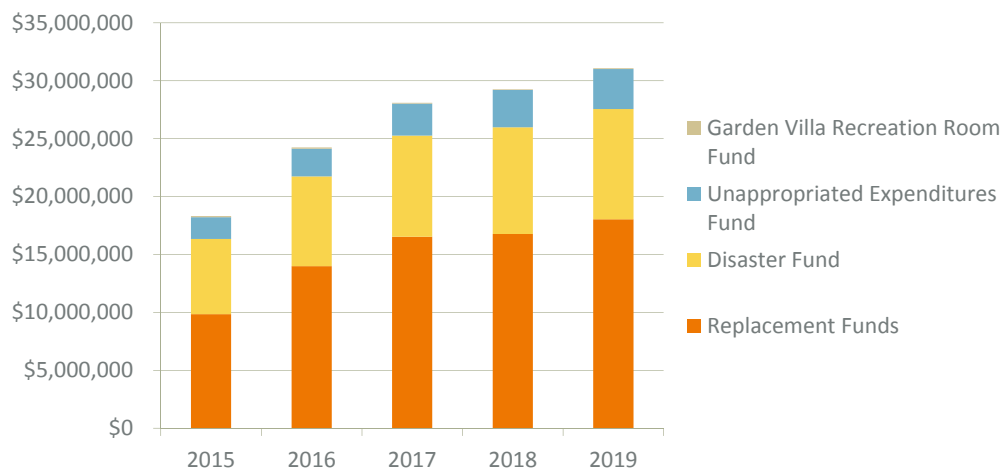
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Financial Report

As of July 31, 2019



FUND BALANCES – Third Mutual



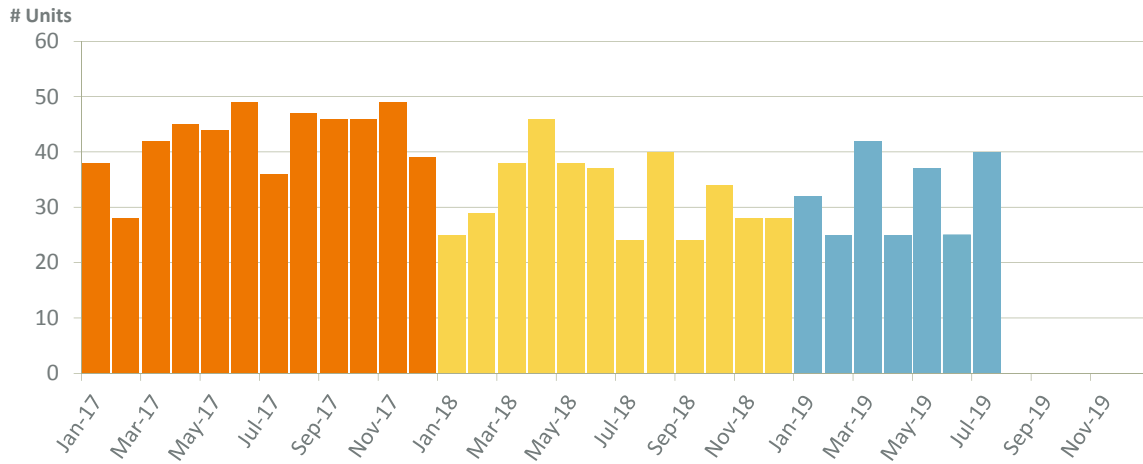
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Financial Report

As of July 31, 2019



RESALE HISTORY – Third Mutual



Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
7/31/2019
(\$ IN THOUSANDS)

| | | CURRENT MONTH | | | YEAR TO DATE | | | PRIOR YEAR | ANNUAL |
|---------------------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | ACTUAL | BUDGET | VARIANCE | ACTUAL | BUDGET | VARIANCE | ACTUAL | BUDGET |
| Revenues: | | | | | | | | | |
| Assessments: | | | | | | | | | |
| 1 | Operating | \$1,564 | \$1,564 | | \$10,947 | \$10,947 | | \$11,013 | \$18,767 |
| 2 | Additions to restricted funds | 1,122 | 1,122 | | 7,852 | 7,852 | | 7,673 | 13,460 |
| 3 | Total assessments | <u>2,686</u> | <u>2,686</u> | | <u>18,799</u> | <u>18,799</u> | | <u>18,686</u> | <u>32,227</u> |
| Non-assessment revenues: | | | | | | | | | |
| 4 | Fees and charges for services to residents | 80 | 40 | 40 | 466 | 279 | 187 | 331 | 478 |
| 5 | Laundry | 23 | 18 | 5 | 119 | 128 | (9) | 76 | 220 |
| 6 | Interest income | 58 | 31 | 27 | 375 | 215 | 160 | 262 | 369 |
| 7 | Miscellaneous | 51 | 50 | 1 | 660 | 351 | 309 | 397 | 601 |
| 8 | Total non-assessment revenue | <u>212</u> | <u>139</u> | <u>73</u> | <u>1,620</u> | <u>973</u> | <u>647</u> | <u>1,065</u> | <u>1,668</u> |
| 9 | Total revenue | <u>2,898</u> | <u>2,825</u> | <u>73</u> | <u>20,419</u> | <u>19,772</u> | <u>647</u> | <u>19,751</u> | <u>33,895</u> |
| Expenses: | | | | | | | | | |
| 10 | Employee compensation and related | 1,127 | 1,104 | (22) | 7,434 | 7,629 | 195 | 7,589 | 13,088 |
| 11 | Materials and supplies | 114 | 129 | 15 | 795 | 906 | 111 | 784 | 1,554 |
| 12 | Utilities and telephone | 496 | 515 | 18 | 2,810 | 2,963 | 153 | 3,072 | 5,299 |
| 13 | Legal fees | 50 | 18 | (32) | 228 | 128 | (99) | 112 | 220 |
| 14 | Professional fees | 18 | 15 | (3) | 112 | 126 | 14 | 66 | 185 |
| 15 | Equipment rental | 3 | 4 | | 17 | 24 | 7 | 11 | 40 |
| 16 | Outside services | 1,129 | 914 | (214) | 4,489 | 6,400 | 1,911 | 3,640 | 10,972 |
| 17 | Repairs and maintenance | 25 | 28 | 3 | 192 | 196 | 4 | 181 | 345 |
| 18 | Other Operating Expense | 13 | 15 | 2 | 85 | 107 | 21 | 83 | 181 |
| 19 | Insurance | 111 | 109 | (2) | 763 | 766 | 3 | 743 | 1,313 |
| 20 | Investment expense | | 4 | 4 | 23 | 27 | 4 | 21 | 46 |
| 21 | Uncollectible Accounts | (61) | 12 | 73 | 94 | 81 | (13) | 25 | 138 |
| 22 | (Gain)/loss on sale or trade | (4) | (7) | (3) | 3 | | (3) | 1 | |
| 23 | Depreciation and amortization | 12 | 12 | | 83 | 83 | | 85 | 143 |
| 24 | Net allocation to mutuals | 112 | 99 | (13) | 708 | 696 | (12) | 715 | 1,205 |
| 25 | Total expenses | <u>3,145</u> | <u>2,971</u> | <u>(174)</u> | <u>17,837</u> | <u>20,133</u> | <u>2,295</u> | <u>17,126</u> | <u>34,730</u> |
| 26 | Excess of revenues over expenses | <u>(\$247)</u> | <u>(\$146)</u> | <u>(\$101)</u> | <u>\$2,582</u> | <u>(\$361)</u> | <u>\$2,942</u> | <u>\$2,626</u> | <u>(\$835)</u> |



Statement of Revenues & Expenses - Preliminary

Variance Explanations as of July 31, 2019

SUMMARY

For the year-to-date period ending July 31, 2019, Third Mutual is better than budget by \$2.9 million, of which \$1.9 million is due to timing of reserve programs performed by outside contractors. The remaining \$1 million is due to more revenues and savings in water and materials.

REVENUE

Fees and Charges for Services to Residents – \$187K [Line 4](#)

Favorable variance resulted from more revenue received from chargeable services. On September 21, 2018 the board approved a revised list of non-emergency chargeable maintenance services including expanded carpentry, electrical, and plumbing services. Water heater replacement is an expanded service that has generated more revenue than anticipated at the time of budget preparation; offsetting expenses are included below in compensation and materials. Additional revenue is anticipated as more residents become aware of available services. The variance was furthered by an increase in permit fee due to additional fees charged to the residents for mutual consent for demolition.

Interest Income - \$160K [Line 6](#)

Favorable variance resulted from higher reserve balances than anticipated at the time of budget preparation, yielding more interest income.

Miscellaneous – \$309K [Line 7](#)

Favorable variance resulted from June 30th reporting of unrealized gain on available for sale investments. Unrealized Gain of \$299K reflects favorable investment market conditions at the close of the second quarter.

EXPENSES

Employee Compensation and Related – \$195K [Line 10](#)

Favorable variance occurred in Landscape; although budgeted throughout the year, scheduled tree trimming work will not start until October. Timing also affected decking work, decking work is underway and expense will be reflected on future financials. The variance was furthered by fewer hours for asphalt repair than anticipated. Additionally, Union Medical costs were negotiated at a cost lower than budget and less participation in non-union retirement plan resulted in a savings.

Materials and Supplies – \$111K [Line 11](#)

Favorable variance due to timing of certain programs including Building Structures Carpentry, Grounds Maintenance, and Irrigation. The variance was offset by more water heater replacements, which are offset by revenues in line 4, above.

Utilities and Telephone – \$153K [Line 12](#)

Favorable variance resulted from less water usage for irrigation due to rainfall. Favorable variance was partially offset by electricity due to higher consumption than anticipated.



Statement of Revenues & Expenses - Preliminary
Variance Explanations as of July 31, 2019

Outside Services – \$1,911K [Line 16](#)

Favorable variance is due to timing:

- **Landscape Modernization – \$467K**
Timing; Slope Maintenance began in July. Slope Renovation and Landscape Revitalization are scheduled to begin in October; the budget was spread evenly throughout the year.
- **Exterior Lighting – \$432K**
Timing; proposed lighting fixtures for a second LED fixture conversion pilot were presented on July 18. Staff was directed to move forward with the second pilot as recommended, using the Hubbell Beacon Slide fixture. Use of the Hubbell fixture is contingent upon pricing and the allocated budget for the LED fixture conversion project. Staff will review costs and will present to the Board at a future M&C meeting.
- **Paving – \$417K**
Timing; Seal Coat Program began in August and the Asphalt Paving Programs is anticipated to begin in September; the budget was spread evenly throughout the year.
- **Building Structures Replacement – \$316K**
Timing; 2019 Dry rot work began in June. Original scope of work was comprised of 10 buildings, which includes 57 balconies. However, the scope was reduced to 8 buildings due to more dry rot damage than anticipated and an additional non-planned building needing immediate repair. Three buildings are completed and a fourth is projected to be completed in September.
- **Waste Line Remediation – \$225K**
Timing; work is in progress. Variance is expected to decrease throughout the year as work is completed. The scope of work for includes 6 buildings, of which 2 have been completed.



**FINANCE COMMITTEE MEETING
REPORT OF THE REGULAR OPEN SESSION**

Tuesday, September 3, 2019, 2019 – 1:30 p.m.
Laguna Woods Village Community Center Sycamore Room, 24351 El Toro Road

MEMBERS PRESENT: Jon Pearlstone – Chair, Steve Parsons, Roy Bruninghaus, Bunny Carpenter, Reza Karimi, Lynn Jarrett, John Frankel, Annie McCary, Cush Bhada, Advisors: Wei-Ming Tao, John Hess

MEMBERS ABSENT: Rosemarie diLorenzo, Advisor: Michael Cunningham

STAFF PRESENT: Betty Parker, Christopher Swanson

Call to Order

Director Jon Pearlstone, Treasurer, chaired the meeting and called it to order at 1:32 p.m.

Approval of Meeting Agenda

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

Approval of Meeting Report for August 6, 2019

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

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 that resolutions to adopt the 2020 budget and reserves plan will be included on the agenda for the upcoming regular board meeting scheduled for Tuesday, September 17, 2019.

Preliminary Financial Statements dated July 31, 2019

The Committee reviewed financials and questions were addressed. Several questions related to the status of maintenance programs and were deferred to M&C. For Finance, the Committee requested additional information for the electricity variance and resale processing fee revenue.

The Committee was provided a handout to explain the nature of overtime and temporary help usage in each department.

Investment Task Force Update

Ms. Parker noted that all corporations have elected to transition from Merrill Lynch/BlackRock to Sageview/Fidelity for professional investment services. An Investment Task Force meeting is scheduled for September 5, 2019 to meet the new advisor and plan the transition.

Replacement of LH-21 Enclosed Bulletin Board Cabinets

The committee reviewed a staff report on replacement of bulletin board cabinets at all LH-21 buildings. A motion was made and carried unanimously to recommend the board approve the supplemental appropriation of \$14,430 from the Unappropriated Expenditures Fund, for the replacement of LH-21 enclosed bulletin board cabinets. Director Jarrett will provide additional recommendations for possible alternative cabinets for installation.

Future Agenda Items


Golf Cart Decal Enforcement
Chargeable Services Fees
Alteration Fee Analysis
Solar System Update – Q3

Date of Next Meeting

Tuesday, October 1, 2019 at 1:30 p.m. in the Board Room.

Recess to Closed Session

The meeting recessed at 3:18 p.m.



Jon Pearlstone, Chair

Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

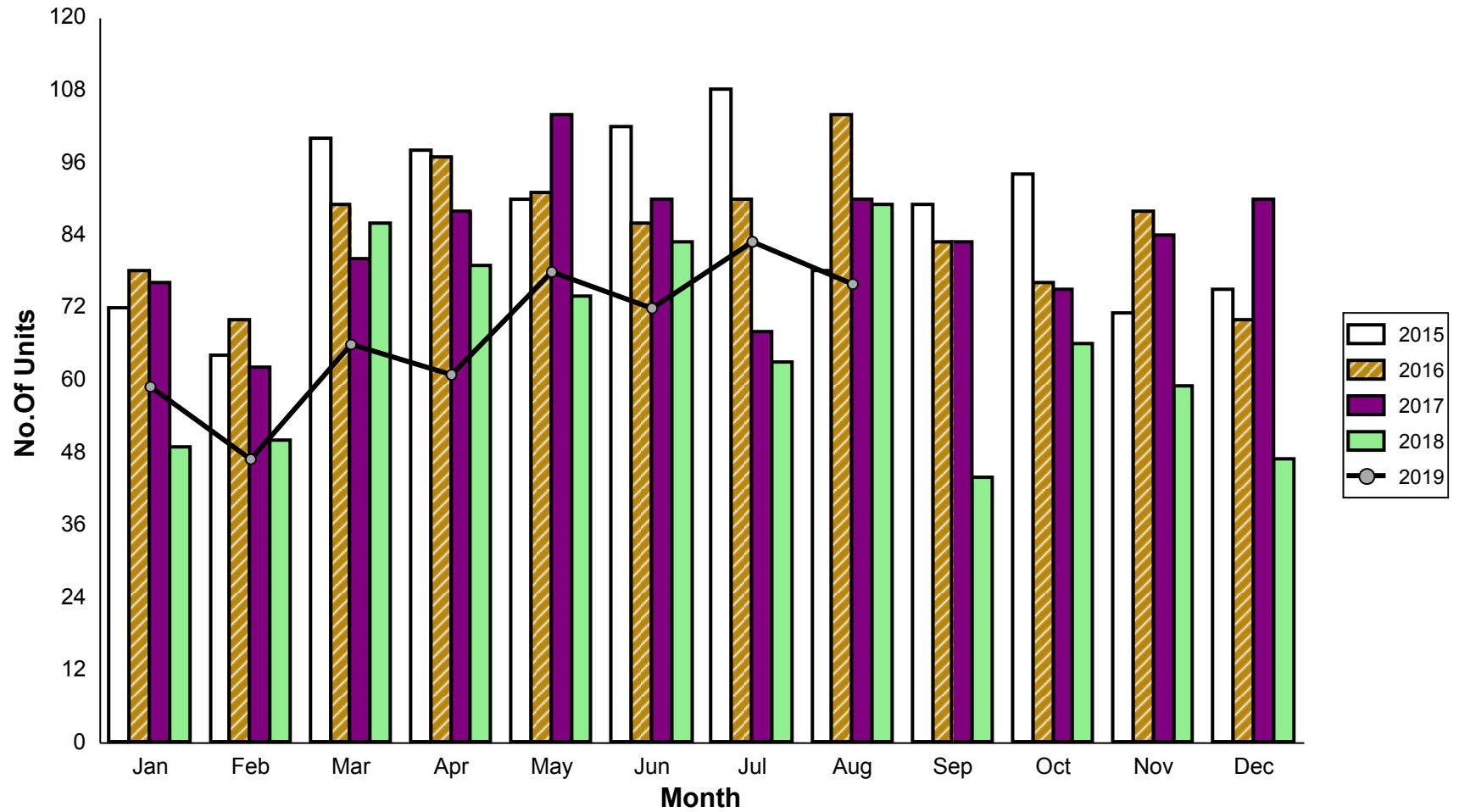
REPORT PERIOD

August, 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 | \$23,975,536 | \$24,187,990 | \$307,379 | \$350,551 |
| June | 72 | 83 | \$21,298,290 | \$28,002,538 | \$295,810 | \$378,413 |
| July | 83 | 63 | \$27,170,573 | \$19,434,100 | \$327,356 | \$329,392 |
| August | 76 | 89 | \$25,563,500 | \$28,612,100 | \$336,362 | \$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 | 542.00 | 574.00 | \$174,088,462 | \$189,478,435 | | |
| MON AVG | 67.00 | 71.00 | \$21,761,058 | \$23,684,804 | \$323,012 | \$350,647 |

* Amount is excluded from percent calculation

Resales - 5 Year Comparison



Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

Third

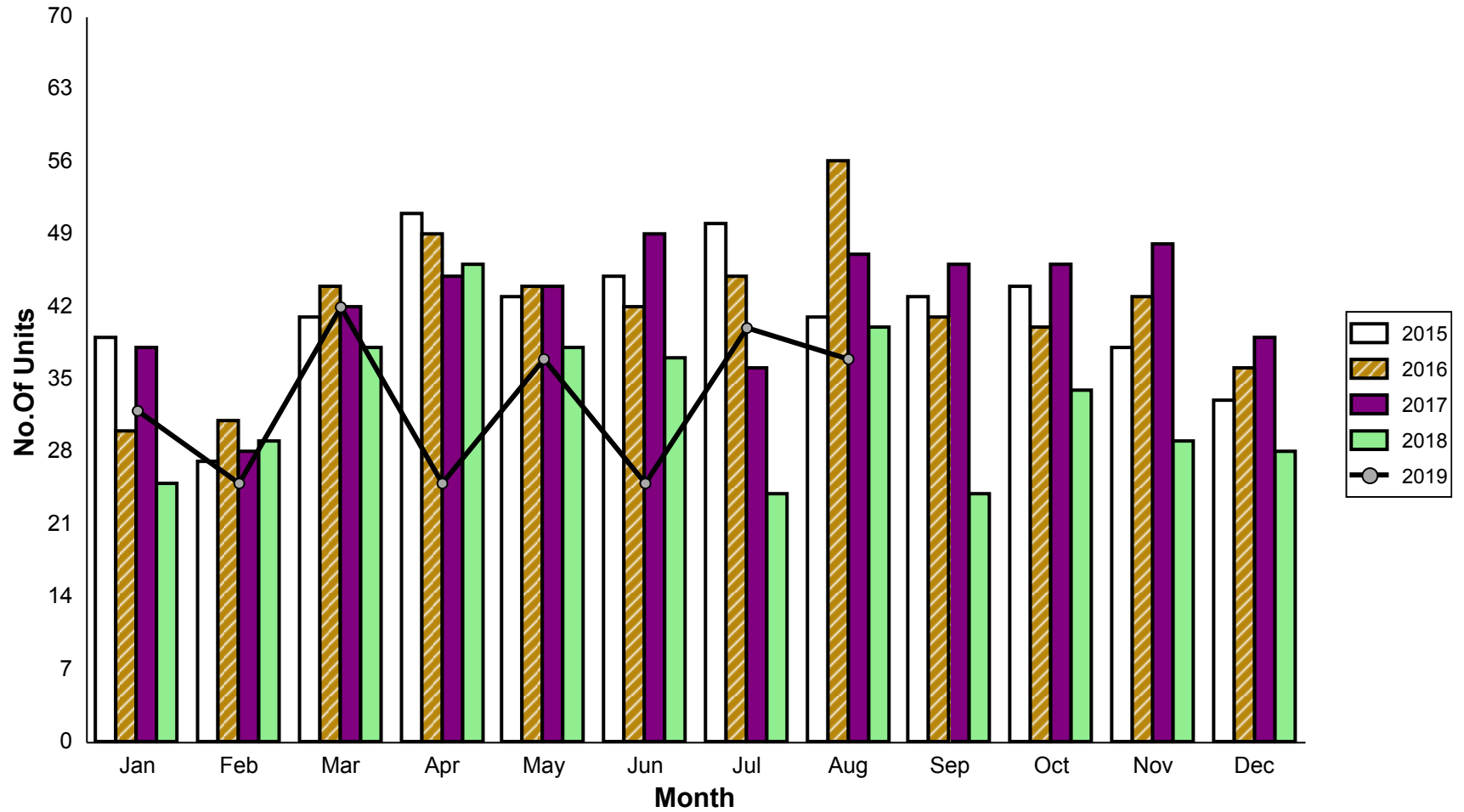
August, 2019

| 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 | 37 | 40 | \$15,334,900 | \$17,327,000 | \$414,457 | \$433,175 |
| September | | * | | \$12,552,692 | | * \$523,029 |
| October | | * | | \$14,146,300 | | * \$416,068 |
| November | | * | | \$10,947,500 | | * \$377,500 |
| December | | * | | \$13,693,599 | | * \$489,057 |
| TOTAL | 263.00 | 277.00 | \$108,990,618 | \$116,840,795 | | |
| MON AVG | 32.00 | 34.00 | \$13,623,827 | \$14,605,099 | \$413,880 | \$419,121 |
| % CHANGE - YTD | -5.1% | | -6.7% | | -1.3% | |

% Change calculated (ThisYear - LastYear)/LastYear

* Amount is excluded from percent calculation

Resales - 5 Year Comparison



Resales Report Third Laguna Hills Mutual August, 2019

| Close | Manor | Mutual | Price | Model/Style | Listing Realtor | Buyer Realtor | Escrow |
|------------|---------|--------|-----------|---------------|-----------------------------|-------------------------------|--------------------------|
| 08/19/2019 | 961-A | 3 | \$429,000 | San Sebastian | Laguna Premier Realty, Inc | Re/Max Premier Realty | Granite Escrow |
| 08/02/2019 | 2113-Q | 3 | \$259,000 | Casa Linda | Olander Realty | BHHS California Properties | Pickford Escrow |
| 08/30/2019 | 2131-F | 3 | \$206,000 | Coronado | First Team Real Estate | First Team Real Estate | Coast Cities Escrow |
| 08/06/2019 | 2178-P | 3 | \$244,000 | Casa Linda | Truss Realty Group | Realty Benefit | Generations Escrow |
| 08/15/2019 | 2262-A | 3 | \$415,000 | Cordoba | Laguna Woods Village Realty | Village Real Estate Services | Granite Escrow |
| 08/20/2019 | 2305-C | 3 | \$270,000 | Valencia | First Team Real Estate | McSen Realty Group | Corner Escrow Inc. |
| 08/19/2019 | 2356-D | 3 | \$300,000 | Cordoba | Nova Real Estate | Laguna Premier Realty, Inc | Granite Escrow |
| 08/27/2019 | 2356-B | 3 | \$295,000 | Cordoba | Century 21 Rainbow | Laguna Premier Realty, Inc | Granite Escrow |
| 08/19/2019 | 2358-B | 3 | \$443,000 | Valencia | Coldwell Banker Residential | Coldwell Banker Residential | Granite Escrow |
| 08/22/2019 | 2370-2F | 3 | \$270,000 | Garden Villa | Century 21 Rainbow | Realty One Group | Corner Escrow Inc. |
| 08/29/2019 | 2392-3A | 3 | \$338,000 | Garden Villa | Laguna Premier Realty, Inc | Compass | Blue Pacific Escrow |
| 08/23/2019 | 2399-1D | 3 | \$309,900 | Villa Capri | Keller Williams Real Estate | IRN Realty | Granite Escrow |
| 08/20/2019 | 3027-D | 3 | \$300,000 | Villa Nova | Evergreen Realty | HomeSmart Evergreen | Escrow Options Group |
| 08/29/2019 | 3045-O | 3 | \$450,000 | Casa Del Mar | Laguna Premier Realty, Inc | Samuel J. Mamola | Blue Pacific Escrow |
| 08/13/2019 | 3099-D | 3 | \$350,000 | Encanto | Re/Max Premier Realty | Laguna Premier Realty, Inc | Granite Escrow |
| 08/07/2019 | 3100-A | 3 | \$325,100 | Hermosa | Intero Real Estate Services | Laguna Premier Realty, Inc | Corner Escrow Inc. |
| 08/12/2019 | 3127-P | 3 | \$287,000 | Casa Vista | Century 21 Rainbow | Century 21 Rainbow | Corner Escrow Inc. |
| 08/14/2019 | 3232-C | 3 | \$670,000 | La Reina | Laguna Premier Realty, Inc | The Home Finding Center | Blue Pacific Escrow |
| 08/02/2019 | 3248-O | 3 | \$458,000 | Casa Vista | Laguna Premier Realty, Inc | First Team Real Estate | Pacific Closing Services |
| 08/06/2019 | 3297-A | 3 | \$638,000 | La Reina | Compass | Compass | Granite Escrow |
| 08/15/2019 | 3302-O | 3 | \$505,000 | Casa Vista | Prea Realty | Windem Real Estate | Corner Escrow Inc. |
| 08/23/2019 | 3309-B | 3 | \$265,000 | Casa Vista | Laguna Premier Realty, Inc | Income Residential Specialist | Pacific Closing Services |
| 08/20/2019 | 3309-P | 3 | \$335,000 | Casa Vista | Re/Max Premier Realty | Century 21 Rainbow | Corner Escrow Inc. |
| 08/06/2019 | 3318-A | 3 | \$630,000 | La Reina | Century 21 Rainbow | Home Smart Evergreen | Granite Escrow |

Resales Report

Third Laguna Hills Mutual

August, 2019

| Close | Manor | Mutual | Price | Model/Style | Listing Realtor | Buyer Realtor | Escrow |
|------------|---------|--------|-----------|---------------|---------------------------------|------------------------------|--------------------------|
| 08/06/2019 | 3358-O | 3 | \$380,000 | Catalina | OC Homes Realty | Bullock Russell Real Estate | Granite Escrow |
| 08/01/2019 | 3371-3G | 3 | \$305,000 | Sierra | Laguna Premier Realty, Inc | Laguna Premier Realty, Inc | Pacific Closing Services |
| 08/30/2019 | 3427-O | 3 | \$429,000 | La Quinta | Century 21 Rainbow | Village Real Estate Services | Granite Escrow |
| 08/14/2019 | 4004-3G | 3 | \$505,000 | Villa Nueva | Smart Realty Group | Coastal Hills Properties | Arbor One Escrow |
| 08/20/2019 | 4007-2F | 3 | \$312,000 | El Mirador | BHHS California Properties | Coldwell Banker Residential | Granite Escrow |
| 08/08/2019 | 4010-1A | 3 | \$392,000 | El Mirador | Keller Williams Real Estate | New Star Realty & Investment | Granite Escrow |
| 08/01/2019 | 5001 | 3 | \$690,000 | Villa Serena | Rodeo Realty | New Western Acquisition | Starcrest Escrow, Inc |
| 08/16/2019 | 5082 | 3 | \$865,000 | Villa Serena | Re/Max Premier Realty | Laguna Premier Realty, Inc | Granite Escrow |
| 08/12/2019 | 5103 | 3 | \$795,000 | Villa Terraza | Century 21 Rainbow | Century 21 Rainbow | Corner Escrow Inc. |
| 08/28/2019 | 5485-B | 3 | \$615,000 | Casa Rosa | Pacific Sotheby's International | Century 21 Rainbow | Granite Escrow |
| 08/23/2019 | 5499-2A | 3 | \$305,000 | El Mirador | Village Real Estate | Realty Benefit | Granite Escrow |
| 08/15/2019 | 5506-O | 3 | \$399,900 | Casa Milano | Evergreen Realty | RE/PRO Real Estate | Granite Escrow |
| 08/12/2019 | 5515-1A | 3 | \$350,000 | El Mirador | BHHS California Properties | Core Real Estate Services | Corner Escrow Inc. |

Number of Resales: 37

Total Resale Price: \$15,334,900

Average Resale Price: \$414,457

Median Resale Price: \$350,000

Community Services Department

Third

August

| 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 | 37 | 40 | 47 | 56 | \$15,334,900 | \$17,327,000 | \$17,967,189 | \$21,085,200 | \$414,457 | \$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 | | 263 | 277 | 329 | 342 | \$108,990,618 | \$116,840,795 | \$129,096,122 | \$118,336,639 | | | | |
| MON AVG | | 32.9 | 34.6 | 41.1 | 42.8 | \$13,623,827 | \$14,605,099 | \$16,137,015 | \$14,792,080 | \$413,880 | \$419,121 | \$389,366 | \$345,490 |
| % CHANGE-YTD | | -5.1% | -15.8% | -3.8% | 1.5% | -6.7% | -9.5% | 9.1% | 10.4% | -1.3% | 7.6% | 12.7% | 9.0% |

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

Percent calculation only includes YTD figures in black.



MONTHLY LEASING REPORT

Report Period:
August-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 | 10 | 29 | 390 | 1276 | 1705 | 1678 | 58 | 59 | 99 | 0 |
| September | | | | | | 1667 | | | | |
| October | | | | | | 1690 | | | | |
| November | | | | | | 1705 | | | | |
| December | | | | | | 1712 | | | | |

| | | | | | | | | | | |
|-----------------|------|------|-------|--------|--------|------------|------|------|-------|-----|
| Monthly Average | 12.9 | 27.5 | 371.9 | 1277.3 | 1689.5 | Aug 1650.3 | 73.0 | 64.8 | 120.5 | 2.0 |
|-----------------|------|------|-------|--------|--------|------------|------|------|-------|-----|

| | | | | | | | | | | |
|-------------------|-------------------|--|--|--|--|--|--|--|--|--|
| Percentage Leased | 1705 / 6102 = 28% | | | | | | | | | |
|-------------------|-------------------|--|--|--|--|--|--|--|--|--|



OPEN MEETING

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

**Monday, August 26, 2019 – 9:30 a.m.
Laguna Woods Village Community Center Sycamore Room
24351 El Toro Road**

REPORT

COMMITTEE MEMBERS PRESENT: Acting Chair Roy Bruninghaus, Reza Karimi, John Frankel, Lynn Jarrett

COMMITTEE MEMBERS ABSENT: Chair Steve Parsons

OTHERS PRESENT:

ADVISORS PRESENT: Mike Butler, Mike Plean

STAFF PRESENT: Brett Crane, Alisa Rocha, Gavin Fogg

1. Call to Order

Acting Chair Bruninghaus called the meeting to order at 9:31 a.m.

2. Acknowledgement of Media

No media present.

3. Approval of July 22, 2019 Report

Director Karimi moved to accept the report. Director Jarrett seconded. The committee had no objection.

4. Approval of the Agenda

Director Karimi moved to accept the agenda. Director Jarrett seconded. The committee had no objection.

5. Committee Chair Remarks

None.

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

Susan Smallwood (3456-B) expressed safety concerns with the location of electrical panels and the unsteady grounds in the back of her unit. She suggested cement pads and covers for the electrical panels.

Lynne Corboz (3505-C) questioned why Standard 22: Patio and Balcony Covers, Aluminum and Vinyl was not the agenda since it was tabled at the last Board Meeting. Acting Director Bruninghaus commented that Chair Parson's is researching the issue. Mr. Crane pointed out that he responded to Ms. Corboz's email addressing her concerns during the Board Meeting and Ms. Corboz stated she has not checked her email.

Rhoda Harris (3455-A) voiced concerns about modifications to 3456-B that might further obstruct her view.

7. Department Head Update

Mr. Crane commented on the in depth review of Standard 22: Patio and Balcony Covers, Aluminum and Vinyl, that will be taking place.

Mr. Crane also mentioned five more standards remain to be revised but since they do require collaboration from other departments, they are taking longer than expected.

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:

Variance Requests:

8. 3456-B (Andaluz, P43) – Raise Living/Dining Room and Bedroom Ceiling above Existing Structural Members and Replace Roofing Materials to Accommodate Solar Panel Installations

Director Karimi made a motion to accept Staff's recommendation and approve this request. Director Jarrett seconded. The committee was in unanimous support.

Reports

9. Status of Mutual Consents

Mr. Fogg reviewed this report with the committee.

Committee expressed the importance of accurate information regarding open cases. Advisor Butler pointed out the necessity of an aging report, which requires discreet dates in which things happen. The problem seems to be the quality of the data. Mr. Crane stated that Mr. Holland in MIS does provide age reports, but there are multiple variables at play that filter inaccurate information.

Future Agenda Item

Update on Standard 22: Patio and Balcony Covers, Aluminum and Vinyl.

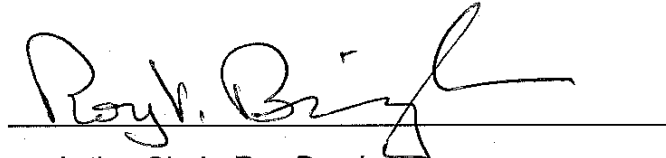
Concluding Business:

10. Committee Member Comments

Director Karimi questioned how many open Mutual Consent cases currently exist that fall under the use of common area policy that passed last year. Mr. Fogg will obtain some additional information to present at the next committee meeting.

11. Date of next meeting – Monday, September 23, 2019

12. Adjourned at 10:17 am.

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

Acting Chair, Roy Bruninghaus
Brett Crane, Staff Officer
Alisa Rocha, Alterations Coordinator, 268-2301

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OPEN MEETING

REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL RESIDENT POLICY AND COMPLIANCE TASK FORCE

Thursday, August 29, 2019 – 1:00 p.m.

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

MEMBERS PRESENT: Roy Bruninghaus, Chair, Bunny Carpenter, Reza Karimi, and Lynn Jarrett

MEMBERS ABSENT: Rosemarie diLorenzo, Steve Parsons

ADVISORS PRESENT: Stuart Hack and Cindy Baker

ADVISORS ABSENT: None

STAFF PRESENT: Pamela Bashline, Blessilda Wright, Brett Crane, Francis Gomez, and Debbie Ballesteros

CALL TO ORDER

Roy Bruninghaus, Chair, called the meeting to order at 1:00 p.m.

ACKNOWLEDGEMENT OF PRESS

The Media was not present.

APPROVAL OF AGENDA

Director Jarrett made a motion to approve the agenda as presented. Director Karimi seconded the motion.

By unanimous vote the motion carried.

APPROVAL OF MEETING REPORTS

Director Karimi made a motion to approve the July 24, 2019 meeting report as presented. Director Jarrett seconded the motion.

By unanimous vote the motion carried.

CHAIRMAN'S REMARKS

Chair Bruninghaus stated that two policies will be discussed today, Smoking and Solicitation. He asked for the Task Force's best thoughts and inputs to see if these policies should be sent to Third Board for approval. He explained that both policies have already been approved by legal counsel.

MEMBER COMMENTS ON NON-AGENDA ITEMS

None

REPORTS

Vacant Manor Updated List

Brett Crane, Permits, Inspections & Restoration Manager, presented the Vacant Manor Updated List. Mr. Crane explained that the number of inspections is higher than listed since inspections have been completed since the document was prepared. The Task Force members commented and asked questions.

The Task Force directed Staff to present a progress report on this program at the next Third Mutual Board meeting for their information.

Mr. Crane left the meeting at 1:25 p.m.

Disciplinary Report

Blessilda Wright, Compliance Supervisor, presented the Disciplinary Report. The Task Force members commented and asked questions. Clutter still is the reason for the most disciplinary cases.

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 July, 27 letters were sent out and only five (5) cases remain open. 22 cases were resolved. The Task Force members commented and asked questions. The program is working as intended.

ITEMS FOR DISCUSSION AND CONSIDERATION

Non-Smoking Policy

Ms. Wright presented the existing Non-Smoking Policy. She explained that since the adoption of the policy in 2017, there have been 46 disciplinary letters sent out and only had 9 disciplinary hearings. Discussion ensued about smoke free buildings. The Task Force members commented and asked questions. Staff proposed a clarification/revision to one section in the existing policy.

Director Karimi made a motion to approve the proposed changes to the existing Non-Smoking Policy. Director Jarrett seconded the motion.

By unanimous vote, the motion carried.

Assembly and Solicitation Policy

Ms. Wright presented the new Assembly and Solicitation Policy. She explained that legal counsel has approved the policy. Resident Services will be in charge of implementing the policy. Discussion ensued regarding the status of the rec room for the Garden Villas. The Task Force members commented and asked questions.

The Task Force directed Staff to reach out to legal counsel to determine if Garden Villa recreation rooms can be exempted from the California law.

Director Karimi made a motion to table this issue for the next Task Force meeting or until legal counsel has given her opinion. Director Jarrett seconded the motion.

By unanimous vote, the motion carried.

United States Census Bureau Procedure

Ms. Wright presented the United States Census Bureau Procedure. She explained the current procedure requires that Census Bureau Field Representatives obtain a pass to enter the Community. The Gate Ambassadors refer the Census Bureau Field Representatives to the Resident Services Department during regular business hours and the Security Department after hours to obtain a one-day pass. Staff will verify the Census Bureau Field Representatives credentials/identification. The Task Force members commented and asked questions.

The Task Force directed Staff to reach out to the United State Census Office to make a presentation to the Village regarding the Census. The Task Force also recommended a full-scale communications blitz to inform residents on what to expect when the 2020 census takes place.

ITEMS FOR FUTURE AGENDAS

To be determined

CONCLUDING BUSINESS

Task Force Member Comments

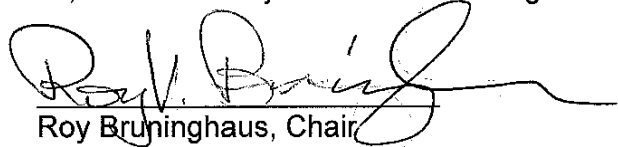
Director Karimi expressed his concern regarding clubhouse rentals for personal gain.

Date of Next Meeting

To be determined

Adjournment

With no further business before the Task Force, the Chair adjourned the meeting at 2:20 p.m.


Roy Bruninghaus, Chair
Third Laguna Hills Mutual

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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, TEC, presented a Microgrid Feasibility analysis to the Task Force, as attached to this report, and discussed what has been done and 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)**

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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)

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GRF:

- Install Level II EV Bollard Chargers (on the streets)
- Community Choice Aggregation
- SCE Demand Charges

Concluding Business:

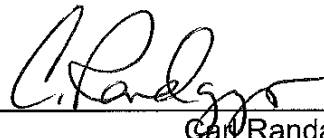
Committee Member Comments:

- 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.



Carl Randazzo, Vice Chair



Golden Rain Foundation Microgrid Feasibility Analysis

July 3, 2019

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Meeting Agenda

- Microgrid Scoping Task
- Microgrid Goal and Objectives
- Microgrid Load
- Microgrid Options Analyzed
- Proposed Microgrid Description
- Proposed Microgrid Benefits
- Q&A

Agenda Item # 13h

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1. Microgrid Scoping Task

Approach

- Identify Goal & Objectives
- Perform Scoping Review
 - Identify expectations of the system
 - Identify critical loads to be served by the microgrid
 - Determine grid interface based on objectives (grid-connected or islandable)
 - Review site data
 - Review and consider existing or potential renewable energy assets
 - Develop possible operating scenarios based on objectives identified
 - Conduct preliminary siting of Distributed Energy Resources (DERs) and energy storage

2. Microgrid Goal and Objectives

Goal

Provide a set of conceptual design scenarios for a resilient microgrid including the Community Center, Clubhouse 7, and the parking lot located in between these two buildings.

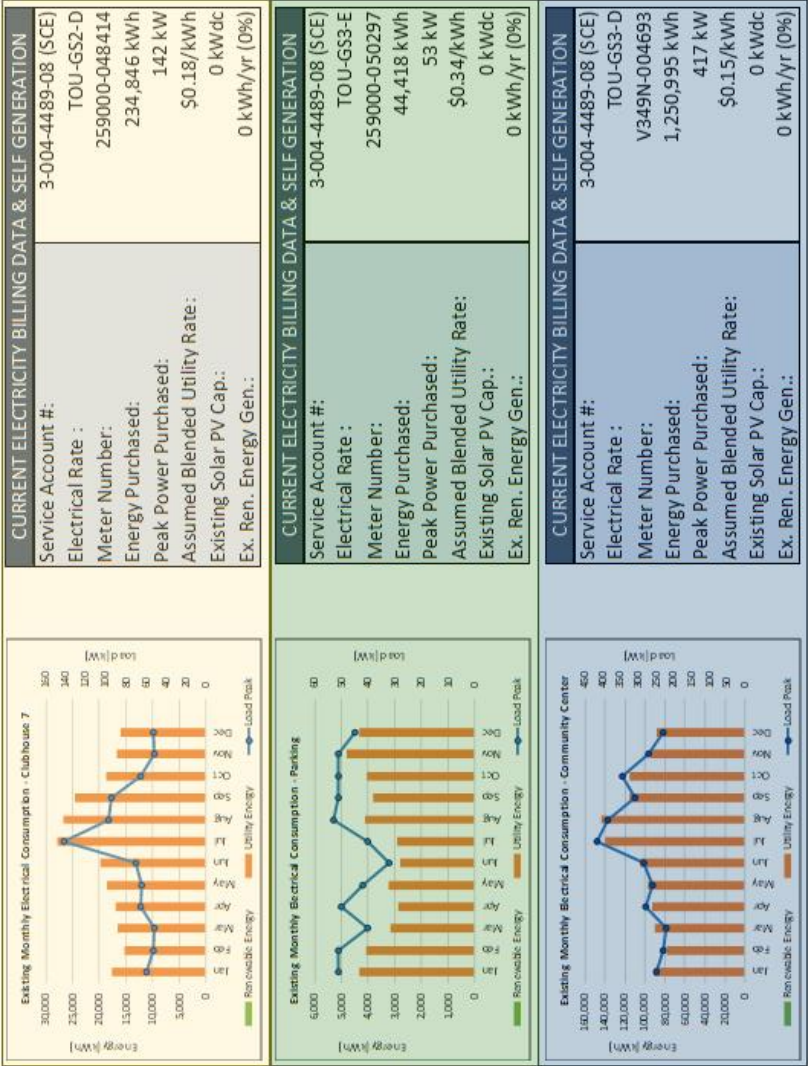
Microgrid Objectives

- Resiliency & Reliability
- Cost-effectiveness
- Increased Renewable Energy Penetration
- Reduced Greenhouse Gases (GHG) and Air Emissions

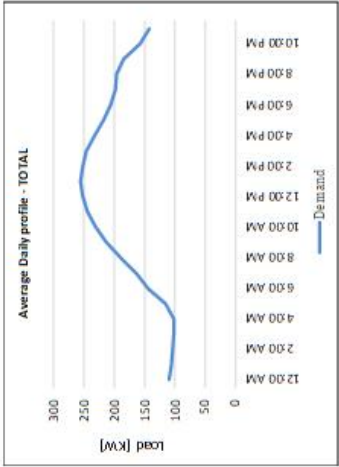
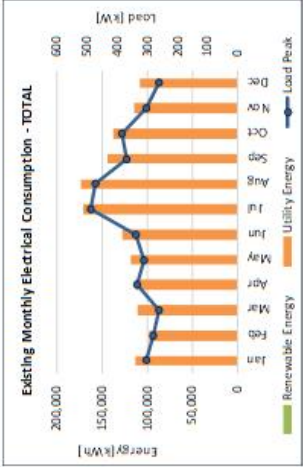
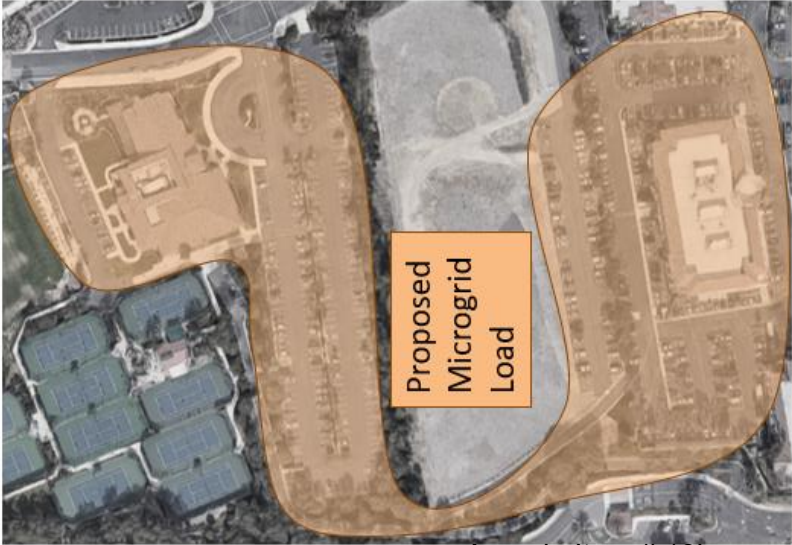
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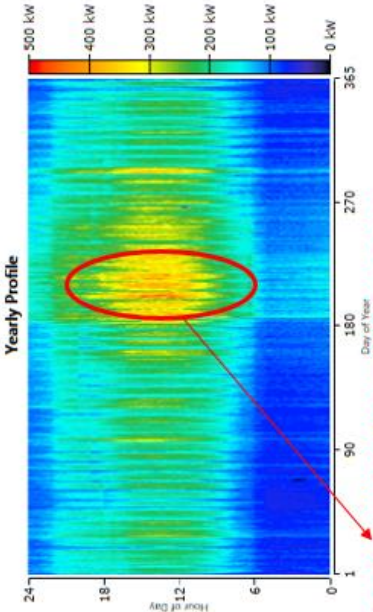
3. Microgrid Load



3. Microgrid Load



| CURRENT ELECTRICITY BILLING DATA & SELF GENERATION | |
|--|--|
| Service Account #: | 3-004-4489-08 (SCE) |
| Electrical Rate : | TOU-GS-3: Opt. D |
| Meter Number: | V349N-004693, 259000-048414, & 259000-050297 |
| Energy Purchased: | 1,530,259 kWh |
| Peak Power Purchased: | 488 kW |
| Blended Utility Rate: | \$0.16/kWh |
| Existing Solar PV Cap.: | 0 kWdc |
| Ex. Ren. Energy Gen.: | 0 kWh/yr (0%) |



Highest coincident load occurs in the summer season

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4. Microgrid Options Analyzed

1) The following DER would be required to maintain the capability to island indefinitely, with the removal of the existing generator (Community Center):

- 2.5 MW_{dc} of solar PV
- 850 kW/7.7 MWh BESS

Not enough space is available to install these DER. Furthermore, they could not be interconnected to SCE.

2) Most cost-effective solution would be to install the following DER:

- 194 kWdc solar PV
- Existing generator (Community Center)

Even though the payback could be as low as 5.5 years, LW would not have the capability to island from the main grid without using the existing generators.

A solution that would allow LW to meet all the objectives listed would consist of the following DER:

- 888 kWdc solar PV
- 540 kW/1,053 kWh BESS

Existing generator (used in very critical scenarios)

This solution is conceptually designed to be able to island the microgrid using solely renewable energy for a minimum of 8 hours.

| Microgrid Objectives | Achieved? |
|--|-----------|
| Resiliency & Reliability | ✓ |
| Cost-effectiveness | ✗ |
| Increased Renewable Energy Penetration | ✓ |
| Reduced Greenhouse Gases (GHG) and Air Emissions | ✓ |

| Microgrid Objectives | Achieved? |
|--|-----------|
| Resiliency & Reliability | ✗ |
| Cost-effectiveness | ✓ |
| Increased Renewable Energy Penetration | ✓ |
| Reduced Greenhouse Gases (GHG) and Air Emissions | ✓ |

| Microgrid Objectives | Achieved? |
|--|-----------|
| Resiliency & Reliability | ✓ |
| Cost-effectiveness | ✓ |
| Increased Renewable Energy Penetration | ✓ |
| Reduced Greenhouse Gases (GHG) and Air Emissions | ✓ |

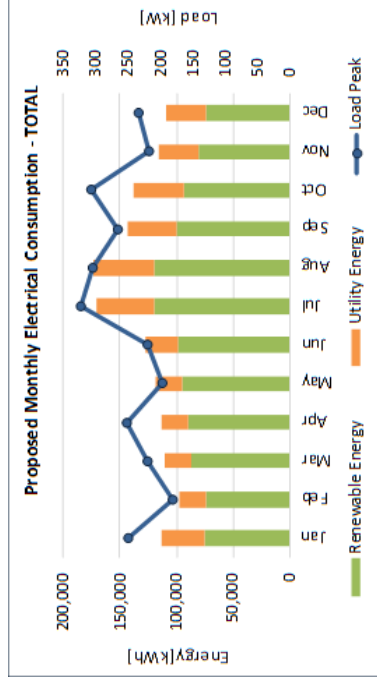
5. Proposed Microgrid Description



The proposed microgrid would consist of the following DER:

- 888 kWdc solar PV (ground mount system)
- 540 kW/1,053 kWh BESS
- Existing generators

On average (including Major Event Days) the LW community suffers 1.19 outage events of approximately 2 hours every year¹. The system has been conceptually designed to be able to island the microgrid using solely renewable energy for a minimum of 8 hours. Therefore, the existing generators would only be used if a very critical emergency occurs.



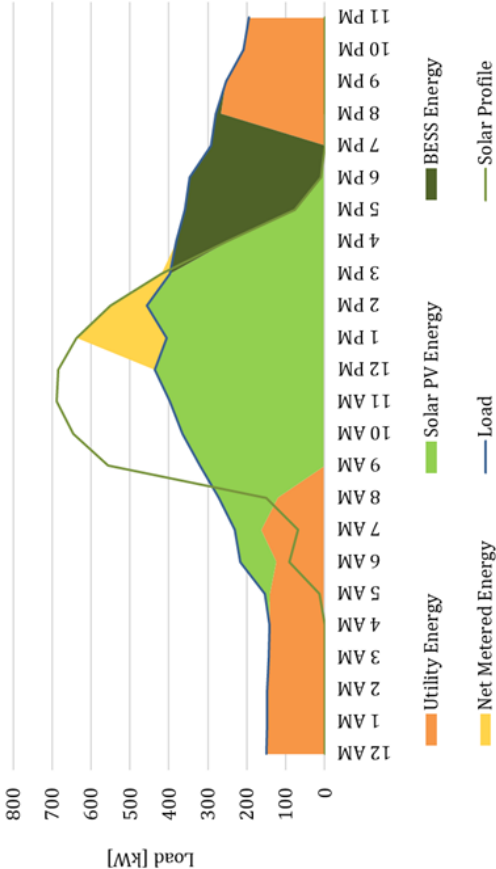
¹ Customer Average Interruption Duration Index (CAIDI) = average outage restoration time. SCE's CAIDI = 117 minutes
System Average Interruption Frequency Index (SAIFI) = average number of interruptions that a customer would experience. SCE's SAIFI: 1.19
System Average Interruption Duration Index (SAIDI) = average outage duration for each customer served. SCE's SAIDI = 140 minutes

6. Proposed Microgrid Benefits

| POTENTIAL SAVINGS | |
|---|-----------------------------|
| Energy Savings (Saved Utility Energy): | 1,107,487 kWh/yr (72%) |
| Ren. Energy Sold (as % Ren. En. Generated): | 419,327 kWh/yr (27%) |
| Max. Utility Peak Power Reduction: | 168 kW/yr (34%) |
| GHG Emissions Reduction: | 310.1 MTCO ₂ /yr |
| SO ₂ & NO _x reductions: | 9,961.7 lb/yr |
| 30% ITC Project Incentives: | \$873,728 |
| SGIP Project Incentives: | \$257,985 |
| Total Project Incentives: | \$1,131,713 |
| Annual Cost Savings: | \$135,646/yr |

| TOTAL ANNUAL SAVINGS, EMISSIONS REDUCTION & COST | |
|--|-----------------------------|
| Energy Savings (Saved Utility Energy): | 1,107,487 kWh/yr (72%) |
| Renewable vs Conventional Energy: | 100% |
| GHG Emissions Reduction: | 310.1 MTCO ₂ /yr |
| SO ₂ & NO _x reductions: | 9,961.7 lb/yr |
| Net Savings (including NET metering): | \$135,646/yr |

Example of Daily (07/24/2018) Electrical Consumption



6. Proposed Microgrid Benefits

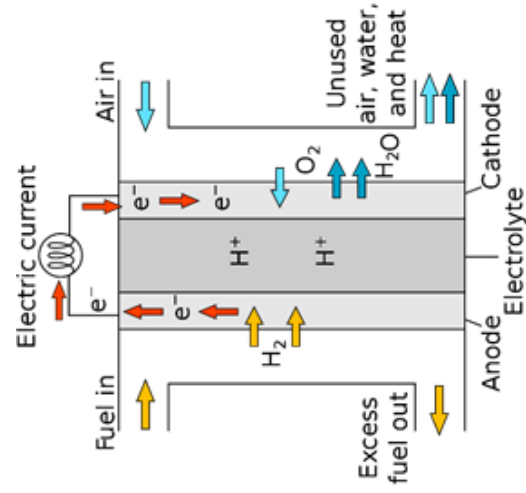
- **Resiliency & Reliability**
 - On average (including Major Event Days) the LW community suffers 1.19 outage events of approximately 2 hours every year¹.
 - The system has been conceptually designed to be able to island the microgrid using solely renewable energy for a minimum of 8 hours.
- **Increased Renewable Energy Penetration**
- **Energy Cost Savings**
 - Offset Utility Energy: 1,107,487 kWh/yr (72% of load will be offset)
 - Renewable Energy Sold: 419,327 kWh/yr
 - Cost Savings: \$135,646/yr
- **Reduced Greenhouse Gases and Air Emissions**
 - 310 MTCO₂/year
 - 9,961 lb./year of SO₂ and NO_x reductions
- **Support Load for EV Chargers**
 - Sufficient solar capacity and battery can be installed to offset load for future EV chargers

Q & A

Fuel Cells

How do they work?

- Use electrochemical reactions to generate electricity: $\text{CH}_4 + 2\text{O}_2 \rightarrow \text{CO}_2 + 2\text{H}_2\text{O} + \text{e}^-$ (electricity) + Heat
- They are composed of an anode, a cathode, and an electrolyte membrane.
- Electrolyte allows protons from anode to cathode to travel but repels electrons, which go around the external circuit



Advantages

- Lower emissions
- Higher efficiency than generators
- Demand & Energy decoupled from each other
- Reliable
- Silent operation

Disadvantages

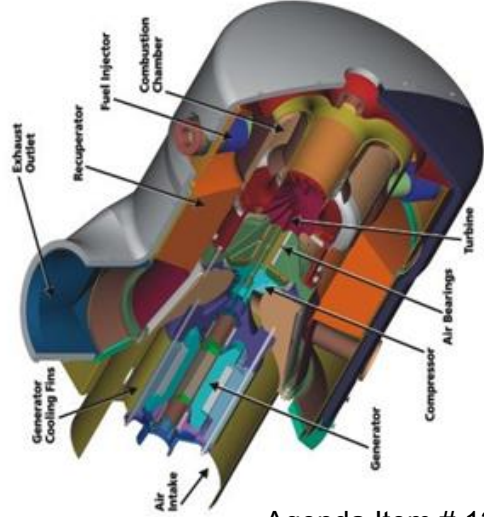
- Costly
- Need to operate 24/7 as a baseload
- Generate (Low) Emissions

| Microgrid Objectives | Achieved? |
|--|-----------|
| Resiliency & Reliability | ✓ |
| Cost-effectiveness | ✗ |
| Increased Renewable Energy Penetration | ✗ |
| Reduced Greenhouse Gases (GHG) and Air Emissions | ✓ |

Microturbines/Generator

What is a Microturbine?

Microturbines are small combustion turbines approximately the size of a refrigerator with outputs of 25 kW to 500 kW.



Advantages

- Capability to follow the load
- Demand & Energy Decoupled from each other
- Reliable
- Cost-effective

Disadvantages

- Do not increase renewable energy penetration
- Generate Emissions

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| Microgrid Objectives | Achieved? |
|--|-----------|
| Resiliency & Reliability | ✓ |
| Cost-effectiveness | ✓ |
| Increased Renewable Energy Penetration | ✗ |
| Reduced Greenhouse Gases (GHG) and Air Emissions | ✗ |

Even though the graph represents a hydrogen fuel cell, the concept is the same