



## **OPEN SESSION**

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

**Tuesday, August 18, 2020 - 9:30 a.m.  
Laguna Woods Village Virtual Meeting  
24351 El Toro Road  
Laguna Woods, California**

#### **NOTICE OF MEETING AND AGENDA**

- 1. Call meeting to order / Establish Quorum – President Parsons**
- 2. Pledge of Allegiance – Vice President McCary**
- 3. Acknowledge Media**
- 4. Approval of Agenda**
- 5. Approval of Minutes**
  - a. July 21, 2020 – Regular Open Meeting
- 6. Report of the Chair**
- 7. Open Forum (Three Minutes per Speaker) - *At this time Members only may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. The Board reserves the right to limit the total amount of time allotted for the Open Forum. Members can request to speak via email to [meeting@vmsinc.org](mailto:meeting@vmsinc.org) any time before the meeting is scheduled to begin or during the meeting. Please use the name of the board meeting in the subject line of the email or call [949-268-2020](tel:949-268-2020) beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and unit number.***
- 8. Responses to Open Forum Speakers**
- 9. CEO/COO Report**
  - a. Introduction of New Employees

Please silence your cell phones.

**10. Consent Calendar** - *All matters listed under the Consent Calendar are recommended for action by committees and will be enacted by the Board by one motion. In the event that an item is removed from the Consent Calendar by members of the Board, such item(s) shall be the subject of further discussion and action by the Board.*

**a. Finance Committee Recommendations:**

Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual preliminary financials for the month of June, 2020 and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code 5501.

- (1) Approval of Resolution to Record Lien against Member ID 931-900-12
- (2) Approval of Resolution to Record Lien against Member ID 932-380-02

**b. Landscape Committee Recommendations:**

- (1) Recommend to Approve Tree Removal Request (3209-C Via Buena Vista, Thompson)—One Indian Laurel Fig
- (2) Recommend to Approve Hedge Trimming Request (5191 Duenas, Powers)

**c. Architectural Control & Standards Committee Recommendations:**

- (1) Approve the Resolution for Variance Request by 5598-A – Board Approval for the Extension the Double-door Entryway into Exclusive Use Common Area and Board Denial of the request to Replace the Existing planters with a Concrete Slab on Previously Extended Common Area

**d. Ratify Approval of Resolution for Adoption of Modified Temporary COVID-19 Rules**

**e. Resolution Updating the Third Board Committee Appointments**

**11. Unfinished Business**

- a. Entertain a Motion to Approve a Resolution and Alternate Heat Source Policy for Alterations (**JULY Initial Notification—28 day notification for Member review and comment to comply with Civil Code §4360 has been satisfied**)
- b. Entertain a Motion to Designate Smoke Free Building Policy & Procedure from the Resident Policy and Compliance Committee Meeting (**JULY Initial Notification—28-day notification for member review and comment in accordance with Civil Code §4360 has been satisfied**)

**12. New Business**

- a. **Landscape Committee Recommendation:**  
Recommend to Deny Tree Removal Request (2379-D Via Mariposa W., Frei) – One Silk Oak Tree
- b. Entertain a Motion to Introduce Guidelines for Financial Qualification Annual Income Requirement for Guarantors **(AUGUST Initial Notification—Must postpone 28 days for Member review and comment to comply with Civil Code §4360)**
- c. Entertain a Motion to Introduce a Resolution for Third Mutual Rules for Board Members **(AUGUST Initial Notification—Must postpone 28 days for Member review and comment to comply with Civil Code §4360)**

### 13. Committee Reports

- a. Report of the Finance Committee / Financial Report – Director Mutchnick. The Committee met on August 4, 2020; next meeting September 1, 2020, at 1:30 p.m. as a virtual meeting.
  - (1) Treasurer's Report
  - (2) Third Finance Committee Report
  - (3) Resales/Leasing Reports
- b. Report of the Architectural Controls and Standards Committee – President Parsons. The Committee met on July 27, 2020; next meeting September 28, 2020 at 9:30 a.m. as a virtual meeting
- c. Report of the Communications Committee – Director McCary. The Committee met on October 9, 2019; next meeting TBA
- d. Report of the Maintenance and Construction Committee – Director Mutchnick. The Committee met on July 6, 2020; next meeting September 7, 2020, at 1:30 p.m. as a virtual meeting
  - (1) Report of the Parking and Golf Cart Task Force – President Parsons.  
The Task Force met on January 6, 2020; next meeting TBA
  - (2) Garden Villa Rec. Room Sub-Committee – Director Jarrett. Next meeting TBA
- e. Report of the Landscape Committee – Director Jarrett. The Committee met on August 6, 2020; next meeting September 3, 2020, at 9:30 a.m. as a virtual meeting
- f. Report of the Water Subcommittee – Director Karimi. Next meeting TBA

- g. Report of the Resident Policy and Compliance Committee – Director Jarrett. The Committee met on July 29, 2020; next meeting August 25, 2020 at 9:30 a.m. as a virtual meeting.
- h. Energy Research Group – Director Mutchnick. The next meeting is TBA

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

- a. Community Activities Committee – Director McCary. The Committee met on August 13, 2020; next meeting September 10, 2020, at 1:30 p.m. as a virtual meeting
  - (1) Equestrian Center Ad Hoc Committee – Director Bhada. Next meeting August 25, 2020 at 9:30 a.m. as a virtual meeting.
- b. GRF Finance Committee – Director Mutchnick. The Committee met on June 29, 2020; next meeting August 19, 2020, at 1:30 p.m. as a virtual meeting
- c. GRF Landscape Committee – Director Jarrett. The Committee met on August 12, 2020; next meeting TBA.
- d. GRF Maintenance & Construction Committee – Director Bhada – The Committee met August 12, 2020; next meeting October 14, 2020, at 9:30 a.m. as a virtual meeting
  - (1) PAC Renovation Ad Hoc Committee – Director Mutchnick. The Committee met on July 13, 2020, as a virtual meeting
  - (2) Clubhouse 1 Renovation Ad Hoc Committee – Director Mutchnick. The Committee met on June 1, 2020; next meeting August 28, 2020 at 9:00 a.m. as a virtual meeting
- e. Media and Communications Committee – Director McCary. The Committee met on August 17, 2020 as a virtual meeting; next meeting September 21, 2020, at 1:30 p.m. as a virtual meeting
- f. Mobility and Vehicles Committee – Director Frankel – The Committee met on August 5, 2020; next meeting October 7, 2020, at 1:30 p.m. as a virtual meeting
- g. Security and Community Access Committee – Director Mutchnick. The Committee met on February 24, 2020; next meeting August 24, 2020 at 1:30 p.m. as a virtual meeting
  - (1) Disaster Preparedness Task Force – Director Engdahl. The Task Force met on July 28, 2020; next meeting September 29, 2020, 9:30 a.m. as a virtual meeting

- h. Report of the Laguna Woods Village Traffic Hearings – Director Frankel. The Traffic Hearings were on July 15, 2020; next meeting is August 19, 2020 at 9 a.m. and 1 p.m. as a virtual meeting.

**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. Resident Suggestion Program
- c. Alterations Review

**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 Session Agenda**

*Approval of Agenda*

*Approval of the Following Meeting Minutes;*

- (a) July 15, 2020—Special Closed Meeting*
- (b) July 21, 2020—Regular Closed Session*
- (c) July 24, 2020—Special Closed Meeting*

*Discuss Member Disciplinary Matters*

*Discuss Personnel Matters*

*Discuss and Consider Legal/Litigation Matters*

**18. Adjourn**

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

**Tuesday, July 21, 2020 - 9:30 a.m.  
Laguna Woods Village Board Room/Virtual Meeting  
24351 El Toro Road  
Laguna Woods, California**

**Directors Present:** Steve Parsons, Annie McCary, Lynn Jarrett, John Frankel, Robert Mutchnick, Doug Gibson, Cush Bhada, Craig Wayne, Ralph Engdahl, Jon Pearlstone, Reza Karimi

**Directors Absent:** None

**Staff Present:** Jeff Parker, Siobhan Foster, Robbi Doncost, Ernesto Munoz, Becky Jackson, Cheryl Silva and Grant Schultz

**Others Present:** VMS: Wei-Ming Tao, Rosemarie diLorenzo  
Sandra Gottlieb, Esq.

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

Steve Parsons, President of the Corporation, chaired and opened the meeting stating it was a Regular Meeting held pursuant to notice duly given. A quorum was established, and the meeting was called to order at 9:30 a.m.

**2. Pledge of Allegiance**

Director Parsons led the Membership in the Pledge of Allegiance.

**3. Acknowledge Media**

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

**4. Approval of Agenda**

Steve Parsons requested that the fumigation schedule be added to the agenda as item 12c.

By consensus, the agenda as amended was approved and the motion passed without objection.

**5. Approval of Minutes**

a. June 16, 2020—Regular Open Meeting Minutes

Director McCary made a motion to approve the June 16, 2020, Regular Open Meeting minutes as presented. Director Jarrett seconded the motion.

By consensus, the June 16, 2020, Regular Meeting minutes were approved.

**6. This item was moved to agenda item 17 on the agenda.**

**7. Open Forum**

- A Member asked that the fumigation for her parents building be postponed until after the COVID-19 pandemic is under control;
- A Member commented against fumigation until the COVID-19 pandemic is under control;
- A Member commented against the fumigation of their building and asked that the fumigation be postponed until the pandemic is under control;
- A Member commented about difficulty reaching VMS staff when a property is listed and escrow is open. Commented about the resale inspection procedure;
- A Member commented against the new resolution to require facial coverings due to COVID-19 and asked that the music concerts be allowed to continue;
- A Member commented about the information provided about the suspension of the paint program;
- A Member commented that the recent resolution passed by the Board goes above the state mandates regarding facial coverings and social distancing. Asked that the resolution be revised;
- A Member commented about the number of liens in the agenda, asked if the LED street light retrofit project is completed and commented about the SCE rate increase hearings;

**8. Responses to Open Forum Speakers**

- Siobhan Foster-COO responded to the fumigation schedule;
- Jeff Parker-CEO responded regarding the COVID-19 cases in the Village and in Orange County;
- Director McCary responded regarding the resolution requiring facial coverings was passed to save lives in the Village;
- Director Mutchnick responded that the board acted responsibly by passing the resolution requiring facial coverings which follows the CDC requirements;
- Siobhan Foster-COO spoke to Ms. Hobson yesterday regarding the paint program;
- Siobhan Foster-COO commented that the street light program is completed;

**9. CEO Report**

CEO Jeff Parker reported on the following subjects:

- Update that the number of individuals in the Community, the County and the State that tested positive with COVID-19 and the hospitalization rate has gone down; however the COVID-19 cases have increased. Staff is following the state and county guidelines to protect residents in the Village. Residents can check the Laguna Woods Village website and the Orange County Health Care Agency for updated information on COVID-19;



- The lack of circulation of coins because of COVID-19 makes it difficult for residents to obtain coins for the laundry machines. Recommends obtaining coin dispensing machines;
- Gate 11 Construction is completed ahead of schedule and under budget;
- Commented about the upcoming budget calendar and insurance impact on the budget;
- Waste Management reinstates the Saturday bulky-item pickup. In-home pickups remain suspended. Call Resident Services to arrange for a pickup;
- The Landscape division picks up garden clippings on Fridays. Call Resident Services to schedule a pickup of your clippings;
- The 2020 census deadline has been extended to October 31.

## **10. Consent Calendar**

### **10a. Finance Committee Recommendations:**

Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual preliminary financials for the month of May 2020, and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code §5501.

- 10b.** (1) Recommendation to Approve a Resolution to Record Lien against Member ID# 934-902-51

#### **RESOLUTION 03-20-45** **RECORDING OF A LIEN**

**WHEREAS**, Member ID 934-902-51; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, July 21, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 934-902-51 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# 932-200-13

**RESOLUTION 03-20-46**  
**RECORDING OF A LIEN**

**WHEREAS**, Member ID 932-200-13; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, July 21, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-200-13 and;

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

- (3) Recommendation to Approve a Resolution to Record Lien against Member ID# 931-371-09

**RESOLUTION 03-20-47**  
**RECORDING OF A LIEN**

**WHEREAS**, Member ID 931-371-09; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, July 21, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-371-09 and;

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

- (4) Recommendation to Approve a Resolution to Record Lien against Member ID# 931-720-47

**RESOLUTION 03-20-48**  
**RECORDING OF A LIEN**

**WHEREAS**, Member ID 931-720-47; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, July 21, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-720-47 and;

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

(5) Recommendation to Approve a Resolution to Record Lien against Member ID# 931-710-19

**RESOLUTION 03-20-49**  
**RECORDING OF A LIEN**

**WHEREAS**, Member ID 931-710-19; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, July 21, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-710-19 and;

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

(6) Recommendation to Approve a Resolution to Record Lien against Member ID# 931-630-83

**RESOLUTION 03-20-50**  
**RECORDING OF A LIEN**

**WHEREAS**, Member ID 931-630-83; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, July 21, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-630-83 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.

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

**RESOLUTION 03-20-51**  
**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**, July 21, 2020, 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.

(8) Recommendation to Approve a Resolution to Record Lien against Member ID# 932-201-23

**RESOLUTION 03-20-52**  
**RECORDING OF A LIEN**

**WHEREAS**, Member ID 932-201-23; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, July 21, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-201-23 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.

(9) Recommendation to Approve a Resolution to Record Lien against Member ID# 932-310-40

**RESOLUTION 03-20-53**  
**RECORDING OF A LIEN**

**WHEREAS**, Member ID 932-310-40; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, July 21, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-310-40 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.

(10) Recommendation to Approve a Resolution to Record Lien against Member ID# 931-590-42

**RESOLUTION 03-20-54**  
**RECORDING OF A LIEN**

**WHEREAS**, Member ID 931-590-42; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

**NOW THEREFORE BE IT RESOLVED**, July 21, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-590-42 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.

- 10c.** (1) Approve the Variance Request by 5598-A to Extend the Double-door Entryway into Exclusive Use Common Area and Deny the request to Replace the Existing planters with a Concrete Slab on Previously Extended Common Area

Director Pearlstone made a motion to approve the consent calendar as presented.  
Director Karimi seconded the motion.

Discussion ensued among the directors.  
Director Bhada made an amendment to remove agenda item (10c) from the Consent Calendar for discussion. The amendment failed for lack of a second.

President Parsons called for the vote and the motion passed without objection.

## **11. Unfinished Business**

- 11a.** Entertain a Motion to Introduce a Resolution and Alternate Heat Source Policy for Alterations

President Parsons presented a summary of the following Resolution:

### **RESOLUTION 03-20-xx ALTERNATE HEAT SOURCE POLICY FOR ALTERATIONS**

**WHEREAS**, there is no documented policy currently in place that outlines the procedure for an alteration alternate heat source within a manor when the original heat source system fails.

**NOW THEREFORE BE IT RESOLVED**, [date], 2020, that the Board of Directors of this Corporation hereby adopts the Alteration Alternate Heat Source Policy that defines the conditions under which the Mutual will approve a heat source replacement by the Member, the standard type of heat source to be installed, and the Member responsibility for the replacement of such; and

**RESOLVED FURTHER**, that no new Mutual Consents will be issued that may compromise the original radiant heat source without having a corresponding alternate heat source listed on the same Mutual Consent or an existing alternate heat source already installed; and

**RESOLVED FURTHER**, alternative heat sources shall be hardwired and installed on a dedicated circuit as needed; and

**RESOLVED FURTHER**, where the original radiant heat system has been verified as compromised due to penetrations made previously or existing to the ceiling, the corresponding thermostat must be disconnected from that radiant heat system; and

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

**JULY Initial Notification**

Should the Board endorse the proposed resolution, 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.

President Parsons made a motion to introduce a resolution and alternate heat source policy for alterations for 28-day review. Director Jarrett seconded the motion and the motion passed without objection.

## **12. New Business**

### **12a. Landscape Committee Recommendation**

Entertain a Motion to Deny Tree Removal Request: Recommend Denial of Tree Removal Request: 3135-B Via Serena N. (Yang) – One Canary Island Pine tree

Director Jarrett presented a summary of the following Resolution:

**RESOLUTION 03-20-55  
DENY THE REQUEST OF OFF-SCHEDULE TRIMMING  
OF ONE CANARY ISLAND PINE TREE  
3135-B VIA SERENA N.**

**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 2, 2020, the Landscape Committee reviewed the request for the removal of one Canary Island Pine tree. The request was received from the Member at 3135-B who cited the reasons as sewer damage, structural damage, litter/debris, and a slip hazard and;

**WHEREAS**, the Committee determined that the trees do not meet the guidelines for tree removal and recommends denying the request for the removal of one Canary Island Pine tree located at 3135-B Via Serena N.

**NOW THEREFORE BE IT RESOLVED**, July 21, 2020, the Board of Directors denies the request for the removal of one Canary Island Pine tree located at 3135-B;

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

Director Jarrett made a motion to deny tree removal request (3135-B Via Serena N.-Yang). Director Mutchnick seconded the motion and the motion passed without objection.

**12b. Entertain a Motion to Introduce a Resolution to Designate Smoke Free Building Policy & Procedure from the Resident Policy and Compliance Committee Meeting**

Director Jarrett presented a summary of the following Resolution:

**RESOLUTION 03-20-XX**  
**SMOKE-FREE BUILDING DESIGNATION POLICY AND PROCEDURE**

**WHEREAS**, the Board of Directors (the "Board") of Third Laguna Hills Mutual ("Third") held a meeting on July 21, 2020, at which a quorum of the Board was present;

**WHEREAS**, the members (each, a "Member") of Third Laguna Hills Mutual ("Third") have an interest in their health, safety and welfare while within Third's common interest development (the "Development"), including when in the separate interest dwelling units located within the Development (each, a "Unit") in which the Members, their co-occupants and tenants, as applicable, reside; and

**WHEREAS**, certain Members have requested that Third's Board designate the buildings in which their Units are located as "smoke-free", to reduce



those Members', their co-occupants and tenants, as applicable, exposure to second-hand smoke; and

**WHEREAS**, the Board has determined that in addition to addressing health concerns related to second-hand smoke raised by Members as referenced above, prohibiting smoking in buildings at the Development will reduce the risk of fires related to accidents stemming from the use of smoking tobacco, marijuana and other substances, and reduce maintenance and repair costs for building components needed due to wear and tear to those components caused by smoke; and

**WHEREAS**, the Board has consulted with Third's legal counsel on the legality of prohibiting smoking at the Development and the Board has determined that upon certain conditions and requirements being met, that multi-dwelling unit buildings at the Development can be permanently designated as "smoke-free" going forward so long as specific terms and conditions are met; and

**WHEREAS**, the Board recognizes that Members, their co-occupants and tenants, if applicable, have a right to privacy within their respective Units and a right to freely use and occupy the Units (in accordance with Third's governing documents), that Members purchased their Units with the understanding that smoking was not expressly prohibited in their Unit, and that legal precedent does not exist as to whether the Board can unilaterally prohibit smoking in Units; and

**WHEREAS**, the Board has determined that it will designate a building containing Units as non-smoking if all of the then Members who are record owners of the Units in that building agree in writing before a notary public, that the building should be non-smoking and if certain other requirements are met; and

**WHEREAS**, the Board has tasked Third's legal counsel with drafting documents related to implementing and managing the designation of buildings at the Development as non-smoking that provide for such designation in a systematic, fair and reasonable manner; and

**WHEREAS**, Third's legal counsel has drafted those documents, the Board has reviewed those documents, and the Board believes those documents and the procedures and requirements described in those documents meet the Member needs and business requirements of Third; and

**WHEREAS**, those documents consist of (i) the "Smoke-Free Building Designation Policy and Procedure", (ii) the "Petition for Designating a

Building as Smoke-Free”, (iii) the “Petition Agreement Form” and (iv) the “Agreement And Covenant to Run with Land (Non-Smoking Building Designation)” (collectively, the “Designation Documents”), all of which are attached to this Resolution and incorporated in their entirety herein by this reference.

**NOW, THEREFORE, BE IT RESOLVED**, July 21, 2020, that the Board has determined that the Designation Documents, and the procedures and requirements described thereunder, shall be immediately effective upon adoption by the Board, to provide for a systematic, fair and reasonable manner to designate buildings at the Development as non-smoking.

**RESOLVED FURTHER**; that the directors, officers and agents of Third are hereby authorized on behalf of Third to carry out the purposes of this Resolution.

**JULY Initial Notification**

Should the Board endorse the proposed resolution, 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 Jarrett made a motion to introduce a resolution to designate smoke free building policy and procedure for 28-day review. Director Mutchnick seconded the motion.

Discussion ensued among the directors.

President Parsons called for the vote and the motion passed without objection.

**12c. Discuss the Fumigation Schedule**

President Parsons discussed the possibility of postponing the fumigation of buildings until a later date.

Jeff Parker-CEO commented that the fumigation of buildings can be postponed until next year. He asked the Board to consider the notification process which will impact the fumigation schedule.

Director Mutchnick made a motion to postpone the fumigation schedule until next year. The motion was seconded by Director McCary.

Discussion ensued among the directors.

Ernesto Munoz, Maintenance and Construction Director, answered questions from the Board.

President Parsons called for the vote and the motion passed without objection.

### **13. Committee Reports**

- 13a.** Report of the Finance Committee / Financial Report – Director Pearlstone deferred his time to Director Gibson. Director Gibson commented about the insurance costs and landscaping needs in the budget. Director Pearlstone gave a presentation on the Treasurer's report, Resale/Leasing report and the last Third Finance Committee report. The Committee met on June 2, 2020; next meeting August 4, 2020, at 1:30 p.m. as a virtual meeting.
- (1) Treasurer's Report
  - (2) Third Finance Committee Report
  - (3) Resales/Leasing Reports
- 13b.** Report of the Architectural Controls and Standards Committee – Director Parsons commented about the Alternate Heat Source Project. The Committee met on June 19, 2020; next meeting July 27, 2020, at 9:30 a.m. as a virtual meeting.
- 13c.** Report of the Communications Committee – Director McCary reported the Committee met on October 9, 2019; next meeting TBA.
- 13d.** Report of the Maintenance and Construction Committee – Directors Mutchnick reported on the last Committee Meeting. Many of the programs are on hold because of COVID-19. The Committee met on July 6, 2020; next meeting September 7, 2020, at 1:30 p.m. as a virtual meeting.
- (1) Report of the Parking and Golf Cart Task Force – President Parsons. The Task Force met on January 6, 2020; next meeting TBA.
  - (2) Garden Villa Rec. Room Sub-Committee – Director Jarrett reported the Sub-Committee met on February 10, 2020; the next meeting TBA.
- 13e.** Report of the Landscape Committee – Director Jarrett reported on the last Landscape Committee meeting. The Committee met on July 2, 2020; next meeting August 6, 2020, at 9:30 a.m. as a virtual meeting.
- 13f.** Report of the Water Subcommittee – Director Karimi asked residents to watch what they flush down the toilet and conserve water. The subcommittee met on October 9, 2019; next meeting TBA.
- 13g.** Report of the Resident Policy and Compliance Committee – Director Jarrett reported on the last Committee meeting. Director Jarrett commented about the

non-smoking building resolution, BBQ rules, and tightening up rules for guarantors. The committee met on June 30, 2020; next meeting July 29, 2020, at 9:30 a.m. as a virtual meeting.

- 13h.** Report of the Energy Research Group – Director Mutchnick. The next meeting TBA.

**14. GRF Committee Highlights**

- 14a.** Community Activities Committee – Director McCary reported on the Committee meeting. The Committee is looking into outdoor gym equipment. The Committee met on June 11, 2020; next meeting July 9, 2020, at 1:30 p.m. as a virtual meeting.

(1) Equestrian Center Ad Hoc Committee – Director Bhada. The Committee met on July 15, 2020; the next meeting August 25, 2020 at 9:30 a.m.

- 14b.** GRF Finance Committee – Director Pearlstone. The Committee met on June 24, 2020; next meeting August 19, 2020, 1:30 p.m. as a virtual meeting.

- 14c.** GRF Landscape Committee – Director Jarrett. The Committee met on February 12, 2020; next meeting August 12, 2020 at 1:30 p.m. as a virtual meeting.

- 14d.** GRF Maintenance & Construction Committee – Director Bhada reported on the last Committee meeting. The Committee met on June 10, 2020; next meeting August 12, 2020, at 9:30 a.m. as a virtual meeting.

(1) PAC Renovation Ad Hoc Committee – Director Pearlstone reported from the last Committee meeting. The Committee met on July 13, 2020.

(2) Clubhouse 1 Renovation Ad Hoc Committee – Director Pearlstone reporting from the last Committee meeting. The Committee met on June 1, 2020.

- 14e.** Media and Communications Committee – Director McCary reported on the Committee meeting. The committee met on June 15, 2020; next meeting August 17, 2020, at 1:30 p.m. as a virtual meeting.

- 14f.** Mobility and Vehicles Committee – Director Frankel reported on the Committee meeting. The Committee met on February 5, 2020; next meeting August 5, 2020, at 1:30 p.m. as a virtual meeting.

- 14g.** Security and Community Access Committee – Director Mutchnick. The Committee met on February 24, 2020; next meeting August 24, 2020, at 1:30 p.m. as a virtual meeting.

(1) Disaster Preparedness Task Force – Director Engdahl. The Task Force met on January 28, 2020; next meeting July 28, 2020, 9:30 a.m. as a virtual meeting.

**14h.** Report of the Laguna Woods Village Traffic Hearings – Director Frankel deferred his time to Director Mutchnick. The hearings were held on July 15, 2020; next hearings will be August 19, 2020 at 9:00 a.m. as virtual meetings.

**15. Future Agenda Items** – *All matters listed under Future Agenda Items are items for a future Board Meetings. The Board will take action on these items at a future Board Meeting.*

**15a.** Parking Report

**15b.** Resident Suggestion Program

**15c.** Alterations Review

**16. Director's Comments**

- Director Gibson commented his neighbor is happy with the new water heater that was installed;
- Director Jarrett commented about the non-smoking building resolution;

**17. Report of the Chair**

- President Parsons asked residents to wear their masks and protect yourself and your neighbors. Please comply with the new rules.

**18. Recess**

The Board recessed at 11:20 a.m. and reconvened in Closed Session at 11:30 a.m.

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

*During the June 16, 2020 Regular Closed Session, the Board:*

*Approved the Agenda*

*Approved the Meeting Minutes of:*

*(a) May 19, 2020 – Regular Closed Session*

*Discussed and Considered Legal and Litigation Matters*

*Discussed and Considered Contractual Issues:*


*Discussed Personnel Matters*

*Discussed Matters Related to COVID-19*

*Discussed the Disciplinary Case Report*

**19. Adjourn**

With no further business to come before the Board of Directors, the meeting was adjourned at 3:30 p.m.

  
\_\_\_\_\_  
Lynn Jarrett, Secretary of the Board  
Third Laguna Hills Mutual



### **RESOLUTION 03-20-XX**

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

**WHEREAS**, Member ID 931-900-12; 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 18, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-900-12 and;

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

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### **RESOLUTION 03-20-XX**

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

**WHEREAS**, Member ID 932-380-02; 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 18, 2020, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-380-02 and;

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

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## **RESOLUTION 03-20-XX**

### **Approve the Request for Removal of One Indian Laurel Fig Tree 3209-C Via Buena Vista**

**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 6 2020, the Landscape Committee reviewed the request for the removal of one Indian Laurel Fig tree. The request was received from the Member at 3209-C who cited the reasons as structural damage and the tree has outgrown the area and;

**WHEREAS**, the Committee determined that this tree does meet the guidelines set forth in Resolution 03-11-149 and recommends approving the request for the removal of one Indian Laurel Fig tree located at 3209-C Via Buena Vista.

**NOW THEREFORE BE IT RESOLVED**, August 18, 2020, the Board of Directors approves the request for the removal of one Indian Laurel Fig tree located at 3209-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 03-20-XX**

#### **Approve the Request to Reduce the Height of a Portion of the Carolina Cherry Hedge Located Adjacent to 5212 Elvira and 5191 Duenas**

**WHEREAS**, on August 6 2020, the Landscape Committee reviewed the request to reduce the height of a portion of the Carolina Cherry Hedge located adjacent to the subject properties. The request was received from the Member at 5191 who contends that a hedge, which was installed by the resident at 5212 approximately two years ago and runs along the top of the slope that abuts the residences at 5191 Duenas and 5211 and 5212 Elvira, blocks the view of the neighboring open space from the patio of 5191 Duenas. The residents at 5191 contend that since the hedge is new and did not exist when the residence was purchased, the hedge should be maintained at a height that does not interfere with the view of the open space and;

**WHEREAS**, the Committee recommends approving the request that the portion of the Carolina Cherry Hedge located adjacent to 5212 Elvira and 5191 Duenas be maintained at a height that does not interfere with the view of the open space from 5191 Duenas.

**NOW THEREFORE BE IT RESOLVED**, August 18, 2020, the Board of Directors approves the request that the portion of the Carolina Cherry Hedge located adjacent to 5212 Elvira and 5191 Duenas be maintained at a height that does not interfere with the view of the open space from 5191 Duenas;

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

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## **STAFF REPORT**

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**DATE:** August 18, 2020  
**FOR:** Board of Directors  
**SUBJECT:** Approve Resolution for the Variance Request by 5598-A

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### **RECOMMENDATION**

Adopt Resolution 03-20-XX to record the Board's actions on the variance requests from Mr. Douglas Ferraro of 5598-A vista Del Mando (Attachment 1).

### **BACKGROUND**

Mr. Douglas Ferraro of 5598-A Vista Del Mando, A Casa Palma style unit, requested Board approval of a variance to extend the 6'-0" wide by 8'-0" tall double entry doors forward by 8' toward the roofline, into exclusive use common area and to replace a planter box with a concrete slab on previously extended common area.

On July 21, 2020 the Board approved the variance request to extend the entryway into exclusive use common area.

On July 21, 2020 the Board denied the variance request to replace the planter box with a concrete slab on previously extended common area.

### **DISCUSSION**

A proposed resolution was not included with the original approval documents and is necessary to record the Board's actions on variance requests.

### **FINANCIAL ANALYSIS**

None.

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

**Reviewed By:** Robbi Doncost, Manor Alterations Manager

Ernesto Munoz, P.E., Maintenance and Construction Director

### **ATTACHMENT(S)**

Attachment 1 – Resolution 03-20-XX

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**ATTACHMENT 1**

**Resolution 03-20-XX  
5598-A Variance Requests**

**WHEREAS**, Mr. Douglas Ferraro of 5598-A Vista Del Mando, A Casa Palma style unit, requested Board approval of a variance to extend the 6'-0" wide by 8'-0" tall double entry doors forward by 8' toward the roofline, into exclusive use common area and to replace a planter box with a concrete slab on previously extended common area; and

**WHEREAS**, on July 21, 2020 the Board approved the variance request to extend the entryway into exclusive use common area; and

**WHEREAS**, on July 21, 2020 the Board denied the variance request to replace the planter box with a concrete slab on previously extended common area; and

**WHEREAS**, a proposed resolution was not included with the original approval documents and is necessary to record the Board's actions on variance requests.

**NOW THEREFORE BE IT RESOLVED**, on August 18, 2020, the Board of Directors hereby acknowledges and adopts this resolution for the previously given approval and denial of the two variance requests at 5598-A Vista Del Mando;

**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 5598-A and all future Mutual members at 5598-A;

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

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## STAFF REPORT

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**DATE:** August 18, 2020  
**FOR:** Board of Directors  
**SUBJECT:** Modified Temporary COVID-19 Rules

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### **RECOMMENDATION**

Ratify the approval of the resolution pertaining to the adoption of modified Temporary COVID-19 Rules

### **BACKGROUND**

On June 26, 2020, the Third Laguna Hills Mutual and United Laguna Woods Mutual boards of directors adopted Temporary COVID-19 Rules on an emergency basis in response to the ongoing public health threat to members/residents from the COVID-19 disease ("Disease") outbreak and global health pandemic. Mutual No. Fifty, which had previously implemented comprehensive restrictions to reduce risk of exposure to the Disease, supported the Temporary COVID-19 Rules adopted on an emergency basis by Third Mutual and United Mutual on June 26, 2020.

Since all corporations, including the Golden Rain Foundation (GRF), appreciated the need for unanimity in the implementation of Temporary COVID-19 Rules to address the severity of the public health crisis, resulting from the Disease, facing the entire Laguna Woods Village community, the boards of directors formed a working group consisting of two members from each corporation to review and make changes to the resolution adopted by Third Mutual and United Mutual on June 26, 2020. The designated representatives met as needed to achieve unanimity among the corporations and develop modified Temporary COVID-19 Rules to be considered on an emergency basis by each corporation.

### **DISCUSSION**

The attached resolution contains the modified Temporary COVID-19 Rules approved by the Third Mutual board of directors on July 24, 2020 in an emergency meeting held in compliance with California Civil Code Section 4923. The modified Temporary COVID-19 Rules were approved by GRF and United Mutual on July 18, 2020 and July 28, 2020, respectively. Both boards also ratified approval of the resolution regarding the modified Temporary COVID-19 Rules at their respective regularly scheduled July open board meetings.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Siobhan Foster, COO

**Reviewed By:** Jeffrey C. Parker, CEO

**ATTACHMENT**

ATT 1: Resolution 03-20-XX with Attachment



## **RESOLUTION 03-20-XX**

### **BOARD RESOLUTION REGARDING THE ADOPTION OF MODIFIED TEMPORARY COVID-19 RULES**

#### **RECITALS**

**WHEREAS**, on June 26, 2020, the Third Laguna Hills Mutual and United Laguna Woods Mutual Boards of Directors adopted Temporary COVID-19 Rules on an emergency basis in response to the ongoing public health threat to members/residents of each of said Mutuels from the COVID-19 disease outbreak and global health pandemic (the “Disease”).

**WHEREAS**, Mutual No. Fifty which had previously implemented comprehensive restrictions to reduce risk of exposure to the Disease, supported the Temporary COVID-19 Rules adopted on an emergency basis by Third Laguna Hills Mutual and United Laguna Woods Mutual on June 26, 2020.

**WHEREAS**, the Boards of Directors of Third Laguna Hills Mutual, United Laguna Woods Mutual, and Mutual No. Fifty sought unanimity among all corporations within Laguna Woods Village, including the Golden Rain Foundation, pertaining to the adoption of Temporary COVID-19 Rules due to the severity of the public health crisis facing the entire Laguna Woods Village Community.

**WHEREAS**, on July 6, 2020, Third Laguna Hills Mutual held a Special Meeting (closed) and authorized the formation of a committee (two members from each corporation) to review and make changes to the resolution adopted by Third Laguna Hills Mutual and United Laguna Woods Mutual on June 26, 2020, and supported by Mutual No. Fifty, to achieve critical unanimity among all corporations within Laguna Woods Village.

**WHEREAS**, designated representatives of the boards of directors from Third Laguna Hills Mutual, United Laguna Woods Mutual, the Golden Rain Foundation, and Mutual No. Fifty met on July 14, 2020, and as needed thereafter, to achieve unanimity among the corporations and develop modified Temporary COVID-19 Rules to be considered on an emergency basis by each corporation in response to the Disease.

**WHEREAS**, the Board of Directors of Third Laguna Hills Mutual held a duly called emergency meeting on July 24, 2020 at which a quorum of the Board was present.

**WHEREAS**, the meeting of the Third Laguna Hills Mutual Board was held on an emergency basis pursuant to California Civil Code Section 4923, as unforeseen circumstances require immediate attention and action by the Board where notice for such meeting was impractical.

**WHEREAS**, a majority of the members of the Third Laguna Hills Mutual Board determined that in accordance with California Civil Code Section 4360(d), immediate rule changes are required to compel residents to refocus on utilizing face coverings and social distancing (creating a six foot distance between people) in light of the ongoing threat of public health to Third Laguna Hills Mutual members in light of the Disease.

**WHEREAS**, in light of ongoing health concerns relating to the transmission of the Disease and the ease with which it spreads, the State of California has mandated that all persons be required to wear a cloth face covering while not within their homes and to maintain social distancing as referenced above.

**WHEREAS**, the modified Temporary COVID-19 Rules shall be adopted on an emergency basis, without notice or a member review and comment period, in accordance with California Civil Code Section 4360(d) and shall be effective for one hundred twenty (120) days from the effective date of the initial Temporary COVID-19 Rules adopted by Third Laguna Hills Mutual and United Laguna Woods Mutual, unless the Board modifies or rescinds the modified Temporary COVID-19 Rules on an earlier date pursuant to formal Board action. It is understood that the conditions and general health advice pertaining to the Disease may change from time to time and at any time; as such, the Board acknowledges that future changes to the modified Temporary COVID-19 Rules may be required and shall be reasonably made, as applicable, within the Board's discretion.

**WHEREAS**, the modified Temporary COVID-19 Rules shall be hereby adopted pursuant to this Resolution and shall be deemed an effective governing document and effective operating rules for Third Laguna Hills Mutual.

### **RESOLUTION**

**IT IS HEREBY RESOLVED** that the foregoing recitals are incorporated into and made a part of this Resolution.

**IT IS HEREBY FURTHER RESOLVED** that the modified Temporary COVID-19 Rules are hereby adopted on an emergency basis in accordance with California Civil Code Section 4360(d). A copy of the Temporary COVID-19 Rules is enclosed with this Resolution and incorporated into and made a part of this Resolution in their entirety.

**IT IS HEREBY FURTHER RESOLVED** that, a copy of this Resolution and the Temporary COVID-19 Rules shall be distributed and/or posted in a manner deemed suitable by the Board to adequately notify Third Laguna Hills Mutual membership.

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**CERTIFICATE OF SECRETARY  
OF  
THIRD LAGUNA HILLS MUTUAL**

I, the undersigned, do hereby certify that:

1. I am the duly appointed and acting Secretary of Third Laguna Hills Mutual, a California nonprofit mutual benefit corporation; and

2. The foregoing Resolution of the Board of Directors of Third Laguna Hills Mutual was approved by a majority of a quorum of the Board members during a duly held emergency Board meeting held on July 24, 2020.

IN WITNESS WHEREOF, I have hereunto subscribed my hand this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

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

Title: Secretary

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Village Management Services, Inc.

**Joint Boards COVID-19 Resolution on  
Face Covering Rules, Large Gathering Rules, Fine Schedule and Collective  
Enforcement**

**It has been observed that many Laguna Woods Village residents have become lax, over time, in observing face covering /mask usage and social distancing requirements. The purpose of this resolution, which is to refocus residents on these practices for the common good, presents clear written rules for all to follow and provides for penalties/fines for habitual rule breakers.**

Item	Description
1 <b>Face coverings in public areas: Owners/Shareholders</b>	<ul style="list-style-type: none"><li>• Require face coverings in Village public areas, including:<ul style="list-style-type: none"><li>○ Every public area within the Village (sidewalks, streets, parking lots, open areas, creek areas), including walking to and from manor, car, mailbox, laundry room, etc. Car interiors are not considered public areas.</li><li>○ Exception pursuant to state law: For active exercise within conditionally opened sports areas, specifically on golf courses, tennis/pickleball/paddle tennis courts, lawn bowling greens and in swimming pools when 6-foot social distancing requirement is met. Refer to GRF procedures pertaining to conditional reopening of these facilities for more information;</li><li>○ Exception pursuant to state law: Children 2 years of age and younger;</li><li>○ Exception pursuant to state law: Persons with a medical or mental health condition, or disability that prevents wearing a face covering. This includes persons with a medical condition for whom wearing a face covering could obstruct breathing or who are unconscious, incapacitated or otherwise unable to remove a face covering without assistance. These individuals are required to wear a face shield within the Village if possible; and</li><li>○ Exception pursuant to state law: Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication. These individuals are required to wear a face shield within the Village if possible.</li></ul></li></ul>

Item	Description
	<ul style="list-style-type: none"> <li>• Face covering: Material that is worn covering the nose and mouth. Face shields are not acceptable when worn without appropriate face covering.</li> <li>• Penalty owner/shareholders: There will be escalating fines based on the number of violations. <ul style="list-style-type: none"> <li>○ First violation: Fine \$0</li> <li>○ Second violation: Fine \$100</li> <li>○ Third violation: Fine \$250</li> </ul> </li> <li>• Suspension of privileges/rights: Suspension of membership privileges for a period of up to 30 days for a single noncontinuing violation. Membership privileges for any continuing violation may be suspended for so long as such continuing violation exists and remains uncured.</li> <li>• Hearing process: In accordance with the Davis-Stirling Common Interest Development Act.</li> </ul>
<b>2 Face covering check at gates in guest lanes</b>	<ul style="list-style-type: none"> <li>• Require each driver and passenger entering Village in the guest lane to demonstrate possession of face covering.</li> <li>• Deny access to drivers and passengers who do not have face coverings for each occupant in the vehicle.</li> </ul>
<b>3 Face coverings in public areas: Contractors (private and VMS), service providers, visitors</b>	<ul style="list-style-type: none"> <li>• Require face coverings in Village public areas, including: <ul style="list-style-type: none"> <li>○ Every public area within Village (sidewalks, streets, parking lots, open areas, creek areas), including walking to and from any manor, car, mailbox, laundry room, etc.; and</li> <li>○ For contractors and service providers: When loading and unloading vehicles, carrying tools and equipment to manor, taking breaks and similar activities.</li> <li>○ USPS employees must adhere to Postal Service policy, which requires employees to wear face coverings in areas where state and local governments have ordered or directed people to wear face coverings.</li> </ul> </li> <li>• Penalty for violations by contractors, service providers, visitors: <ul style="list-style-type: none"> <li>○ First violation: Village access suspended 14 days</li> <li>○ Second violation: Village access suspended 30 days</li> <li>○ Third violation: Village access suspended 60 days</li> </ul> </li> </ul>

Item	Description
<b>4 Large gatherings</b>	<ul style="list-style-type: none"> <li>Prohibit large group gatherings in any open space; large groups are defined as more than 15 individuals per group.</li> <li>Penalty owner/shareholders: There will be escalating fines based on number of violations. <ul style="list-style-type: none"> <li>First violation: Fine \$0</li> <li>Second violation: Fine \$100</li> <li>Third violation: Fine \$250</li> </ul> </li> <li>Suspension of privileges/rights: Suspension of membership privileges for a period of up to 30 days for a single noncontinuing violation. Membership privileges for any continuing violation may be suspended for so long as such continuing violation exists and remains uncured.</li> <li>Hearing process: In accordance with the Davis-Stirling Common Interest Development Act.</li> </ul>
<b>5 Indoor activities</b>	<ul style="list-style-type: none"> <li>Prohibit indoor activities at GVA recreation rooms.</li> </ul>
<b>6 Temperature checks: Community Center</b>	<ul style="list-style-type: none"> <li>Maximize number of Community Center employees who telecommute; limit number of Community Center employees who must be present on any given day.</li> <li>Require temperature checks of employees entering Community Center.</li> <li>Deny access to employees with temperature greater than 100.4 degrees pursuant to CDC guidelines.</li> </ul>
<b>7 Temperature checks: Contractors (private and VMS) and service providers</b>	<ul style="list-style-type: none"> <li>Require contractors and service providers to require daily employee temperature checks as part of their pandemic response plans prior entering the Village.</li> <li>Contractors and service providers must not send employees to the Village when temperatures exceed 100.4 degrees pursuant to CDC guidelines.</li> </ul>

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### **Timeline**

- Effective date: Monday, June 29, 2020
- Warning period: Monday, June 29, to Sunday, July 5, 2020
- Enforcement begins: Monday July 6, 2020
- Updated: Tuesday, July 28, 2020
- Duration: Maximum of 120 days from effective date

### **Enforcement Notes**

- Citations will be issued to violators as residents of United Mutual, Third Mutual or Mutual No. Fifty regardless of violation location.
- Hearing will occur in accordance with the Davis-Stirling Common Interest Development Act.
- United Mutual, Third Mutual or Mutual No. Fifty would take responsibility for levying of fines and suspension of cable television service for nonpayment.
- GRF would take responsibility for suspension of GRF membership as part of any continuing violation.

### **Disclaimer**

- This policy is intended to reduce risk of exposure to the COVID-19 virus but is not a guarantee of your health/safety. Residents should use their own good judgment in determining the amount of risk of exposure in using any shared facilities or amenities. Risk of exposure involves many factors out of the control of the Village corporations and management, including the compliance (or noncompliance) and safe/unsafe behavior of others using the same facilities or amenities.
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**RESOLUTION 03-20-XX**  
**Third Mutual Committee Appointments**

**RESOLVED**, August 18, 2020 that the following persons are hereby appointed to serve on the committees and services of this Corporation;

**RESOLVED FURTHER**, that each committee chair in consultation with the vice chair may appoint additional members and advisors with interim approval by the President subject to the approval of the Board of Directors:

**Architectural Standards and Control Committee**

Steve Parsons, Chair  
John Frankel  
Lynn Jarrett  
Ralph Engdahl  
Robert Mutchnick  
Craig Wayne, Alternate  
Voting Advisors: Mike Butler and Mike Plean  
Staff Advisor: Siobhan Foster

**Communications Committee**

Annie McCary, Chair  
Lynn Jarrett  
Reza Karimi  
Doug Gibson  
Steve Parsons, Alternate

**Executive Hearing Committee**

Annie McCary, Chair  
Ralph Engdahl, Co-Chair  
Robert Mutchnick  
Doug Gibson  
Steve Parsons, Alternate  
John Frankel, Alternate

**Finance (Committee of the Whole)**

Robert Mutchnick, Chair  
Steve Parsons, Co-Chair  
~~Jon Pearlstone, Chair~~  
Non-Voting Advisors: John Hess, Wei-Ming Tao

**Investment Task Force**

Robert Mutchnick

Craig Wayne, Alternate

~~Jon Pearlstone~~

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

Lynn Jarrett, Chair

Doug Gibson

Robert Mutchnick

Craig Wayne, Alternate

~~Jon Pearlstone~~

Voting Advisors: Sharon Molineri, Stuart Hack, Randy Scott

**Landscape Committee**

Lynn Jarrett, Chair

Cush Bhada

Reza Karimi

Annie McCary

Ralph Engdahl, Alternate

Doug Gibson, Alternate

~~Jon Pearlstone, Co-Chair~~

Advisors: Cindy Baker, Stuart Hack

**Maintenance and Construction Committee**

Robert Mutchnick, Chair

Cush Bhada, Co-Chair

John Frankel

Craig Wayne

Ralph Engdahl, Alternate

Reza Karimi, Alternate

Steve Parsons, Alternate

~~Jon Pearlstone~~

**New Resident Orientation**

Per Rotation List

**Water Conservation Committee (Quarterly)**

Reza Karimi, Chair

Lynn Jarrett

John Frankel

Ralph Engdahl

Doug Gibson, Alternate

~~Robert Mutchnick~~

Advisor: Katheryn Freshley, Kay Havens

**Parking & Golf Cart Task Force**

Steve Parsons, Chair  
Lynn Jarrett  
John Frankel  
Ralph Engdahl  
Craig Wayne, Alternate  
Advisors: Hal Horne

**Resident Policy and Compliance Task Force**

Lynn Jarrett, Chair  
Steve Parsons  
Robert Mutchnick  
Ralph Engdahl  
Cush Bhada, Alternate  
~~Reza Karimi~~  
Voting Advisors: Stuart Hack

**Energy Research Group**

Cush Bhada  
John Frankel  
Ralph Engdahl  
Reza Karimi, Alternate  
Advisors: Sue Stephens, Bill Walsh

**RESOLVED FURTHER**, that Resolution 03-20-36, adopted May 19, 2020, is hereby superseded and canceled; and,

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

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**RESOLUTION 03-20-xx**  
**GRF Committee Appointments**

**RESOLVED**, August 18, 2020 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**

Steve Parsons

Robert Mutchnick

~~Lynn Jarrett~~

~~Jon Pearlstone~~

**Community Activities Committee**

Annie McCary

Cush Bhada

Doug Gibson, Alternate

John Frankel, Alternate

~~Jon Pearlstone, Alternate~~

**Equestrian Center Ad Hoc Committee**

Cush Bhada

Annie McCary

**GRF Finance Committee**

Steve Parsons

Robert Mutchnick

Reza Karimi, Alternate

~~Jon Pearlstone~~

**Purchasing Ad Hoc Committee (new)**

Steve Parsons

Robert Mutchnick

Cush Bhada, Alternate

~~Jon Pearlstone~~

**GRF Landscape Committee**

Lynn Jarrett

Reza Karimi

Cush Bhada, Alternate

~~Ralph Engdahl, Alternate~~

**GRF Maintenance and Construction Committee**

Cush Bhada

John Frankel

Doug Gibson, Alternate

Ralph Engdahl, Alternate

~~Jon Pearlstone, Alternate~~

**Clubhouse 1 Renovation Ad Hoc Committee**

Robert Mutchnick

Cush Bhada

Ralph Engdahl

~~Jon Pearlstone~~

**PAC Renovation Ad Hoc Committee**

Robert Mutchnick

Ralph Engdahl

John Frankel, Alternate

~~Cush Bhada~~

~~Jon Pearlstone~~

**Media and Communication Committee**

Annie McCary

Lynn Jarrett

Craig Wayne, Alternate

Doug Gibson, Alternate

**Mobility and Vehicles Committee**

Craig Wayne

John Frankel

Cush Bhada, Alternate

**Security and Community Access Committee**

Cush Bhada

Doug Gibson

Annie McCary, Alternate

John Frankel, Alternate

~~Robert Mutchnick~~

~~Ralph Engdahl~~

~~Reza Karimi, Alternate~~

**Disaster Preparedness**

Annie McCary

John Frankel

~~Ralph Engdahl~~

Doug Gibson, Alternate

**Laguna Woods Village Traffic Hearings**

John Frankel

Doug Gibson

Robert Mutchnick, Alternate

~~Ralph Engdahl, Alternate~~

**Strategic Planning Committee**

Steve Parsons

Robert Mutchnick

Lynn Jarrett, Alternate

**RESOLVED FURTHER**, that Resolution 30-20-37, adopted May 19, 2020, is hereby superseded and canceled; and

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

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## **STAFF REPORT**

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**DATE:** August 18, 2020  
**FOR:** Third Mutual Board of Directors  
**SUBJECT:** Alternate Heat Source Policy for Alterations

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### **RECOMMENDATION**

Approve the proposed Alternate Heat Source Policy for Alterations and Resolution as shown in Attachments 1 and 2.

### **BACKGROUND**

The heat source for bedroom and living rooms for Third Mutual units was originally provided through radiant heat from conductive coils in the ceiling.

The installations of alterations such as skylights, solar tubes, ceiling fans or recessed lighting can compromise the radiant heat source due to penetrations in the ceiling which damage 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 in order to be considered a habitable area.

When a member applies for a Mutual Consent to install an alteration that may compromise the radiant heat, they are required to provide a letter from a certified electrician to confirm the heating coils were not affected by the alteration's installation and are still operable. If the system has been compromised then an alternate heat source must be installed. The alternate heat source can be provided by either a Central HVAC system that vents into the room, or a wall mounted heater, both would require an approved Mutual Consent on file.

### **DISCUSSION**

The City of Laguna Woods has approved the use of plug-in wall mounted heaters as an acceptable alternate 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 alternate heat source to maintain a room temperature of 68 degrees and be installed 3 feet above floor level.

During the resale process, 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 new policy would 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 alternate heat source. This would mean the heating unit would be a fixed appliance and will guarantee the living room and bedroom(s) meet the heating requirements at all times.

Additional safety concerns have been raised when allowing the radiant heat source to remain active once the ceiling has been penetrated, due to the inability to perform a thorough inspection of each heating coil, together with the possibility that over time with building settlement changes, previously innocuous penetrations to the ceiling may result in live wire coming into contact with metallic screws/hooks. If the original system has been compromised, the proposed policy would no longer allow the original radiant heat to remain as a primary heat source.

The member will be required to utilize the existing ceiling heat electrical circuit as a dedicated circuit for the alteration alternate heat source, or obtain a Mutual Consent and City permit that shows the thermostat has been fully disconnected from the ceiling heat.

### **FINANCIAL ANALYSIS**

None

**Prepared By:** Gavin Fogg, Inspections Supervisor

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

### **ATTACHMENT(S)**

Attachment 1: Alternate Heat Source Policy for Alterations

Attachment 2: Resolution 03-20-XX Alternate Heat Source Policy for Alterations

## **ENDORSEMENTS (to Board)**

### **Alternate Heat Source Policy for Alterations**

The Alterations Supervisor summarized the proposed policy and answered questions from the committee.

Discussion ensued regarding repair of ceiling heat system; compromised heating coils; responsibility to provide an alternate heat source; realtors using portable heaters; disconnection of thermostat; separate or common circuit breakers for each heating source; the requirement for a certified electrician to disconnect the ceiling heater coils and Garden Villa ceiling heat systems.

By consensus, the Committee recommended that the Board approve the proposed Alternate Heat Source Policy for Alterations and the proposed Resolution.

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**ATTACHMENT 1**  
**Alternate Heat Source Policy for Alterations**

I. Definitions

A. Original Heat Source

As related to this policy, an Original Heat Source is defined as a radiant heat system within the original manor ceiling, specifically excluding operational controls such as thermostat fixtures.

B. Alternate Heat Source

As related to this policy, an Alternate Heat Source is defined as an approved heat source installed in place of either the original radiant ceiling heat or a Mutual-installed replacement heat source.

C. Alteration Heat Source

Any replacement heat source installed by a Member (or any predecessor of the Member) is defined as an alteration for which the Member is solely responsible in accordance with the Mutual's alteration policies.

II. Determination Of Heat Source Failure/Safety Hazard

A. Determination of Heat Source Replacement Unit

1. The Mutual shall be responsible for determining when one or more heat source(s) within a unit require a replacement to comply with Section III of this policy.
2. The Mutual will evaluate and determine on a case by case basis at the time of review, the best suited heat source for the room requiring a replacement.

III. Alteration Heat Source Replacement Units

A. Alteration heat sources must comply with all applicable current laws, ordinances, codes and regulations as confirmed by the City of Laguna Woods.

1. Due to size and heating requirements, the standard replacement heat source for a bedroom shall be a hard wired wall heater on a dedicated circuit.

2. Due to size and heating requirements, the standard replacement heat source for a living/dining area shall be a heat pump.
3. A Central HVAC system may service each of the areas listed above to satisfy the replacement requirement.
4. Due to the lack of an approved Building Code compliant procedure for repairing a radiant heat system, repair or the Original Heat Source is prohibited.

#### IV. Replacement Responsibility of Original Heat Source

##### A. Disabling Radiant Heat System

1. The Member is responsible to ensure the compromised radiant heat system has been disconnected from the corresponding thermostat. The Member is required to obtain applicable Mutual Consents and City of Laguna Woods Permits for the work performed.

##### B. Maintenance and Repair

1. In accordance with Mutual alteration policies, the new heat source will be deemed to be an Alteration Heat Source for which the Member shall be solely responsible, including the performance and costs of maintenance, repair and replacement thereof.

## **ATTACHMENT 2**

### **Resolution 03-20-XX Alternate Heat Source Policy for Alterations**

**WHEREAS**, there is no documented policy currently in place that outlines the procedure for an alteration alternate heat source within a manor when the original heat source system fails.

**NOW THEREFORE BE IT RESOLVED**, July 21, 2020, that the Board of Directors of this Corporation hereby adopts the Alteration Alternate Heat Source Policy that defines the conditions under which the Mutual will approve a heat source replacement by the Member, the standard type of heat source to be installed, and the Member responsibility for the replacement of such; and

**RESOLVED FURTHER**, that no new Mutual Consents will be issued that may compromise the original radiant heat source without having a corresponding alternate heat source listed on the same Mutual Consent or an existing alternate heat source already installed; and

**RESOLVED FURTHER**, alternative heat sources shall be hardwired and installed on a dedicated circuit as needed; and

**RESOLVED FURTHER**, where the original radiant heat system has been verified as compromised due to penetrations made previously or existing to the ceiling, the corresponding thermostat must be disconnected from that radiant heat system; 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.

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## STAFF REPORT

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**DATE:** August 18, 2020  
**FOR:** Third Mutual Board of Directors  
**SUBJECT:** Smoke-Free Building Designation Policy and Procedure

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### **RECOMMENDATION**

Staff recommends adoption of a Smoke-Free Building Designation Policy and Procedure.

### **BACKGROUND**

The Board created a Residency Policy and Compliance Committee to review policies and processes for consistency. The committee and staff have identified areas of improvement including, but not limited to, the need to adopt a Smoke-Free Building Designation Policy and Procedure. On January 24, 2017, the Board adopted a Non-Smoking Policy to fairly and reasonably address smoking in Laguna Woods Village. The policy defines the areas where smoking is prohibited and the responsibility for remediation costs associated with second-hand smoke infiltration (Resolution 03-17-05). On October 31, 2019, the Residency Policy and Compliance Committee discussed and considered legal implications for designating a building as smoke-free. By unanimous vote, the Committee approved the creation of a procedure to designate a building as smoke-free.

On December 2, 2019, staff was directed to obtain clarification from Legal Counsel regarding:

- A resale disclosure for buyers to be aware that a unit being purchased is in a building designated as smoke free. Legal Counsel advised that it is the owner's responsibility to make the disclosure to the purchaser of the unit, not Third's.
- Include the estimated cost each unit owner may pay to have the covenant that runs with the land to be recorded with the County of Orange. The information was included in the updated policy.

On January 15, 2020, staff was directed to obtain clarification from Legal Counsel regarding:

- An internal procedure for notifications during the resale process. Legal Counsel advised the Resale Inspection form can include language that states: "Building ### has been designated as a smoke free building and all units located inside building ## are thus designated as smoke free. See Resolution 03-XX-XXX for further information."

### **DISCUSSION**

There are certain Members who have requested that Third designate buildings in which their Units are located as "smoke-free", to reduce those Members', their co-occupants' and lessees', as application, exposure to second hand smoke. The purpose of a Smoke-Free Building Designation Policy and Procedure is to provide for a systematic, fair, and reasonable manner to designate building as non-smoking. The Board has consulted with Third's legal counsel on the legality of prohibiting smoking in Third and the Board has determined that upon certain conditions and requirements being met, that multi-dwelling unit buildings in Third can be

permanently designated as “smoke-free” going forward so long as specific terms and conditions are met.

### **FINANCIAL ANALYSIS**

There is no financial impact to Third. However, the cost for Members to designate their building as smoke-free is estimated at \$225 per Unit which includes preparation of the actual covenant for each unit and filing cost with the state.

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

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

### **ATTACHMENT(S)**

Attachment 1: Smoke-Free Building Designation Policy and Procedure

Attachment 2: Resolution

Attachment 3: Petition

Attachment 4: Covenant

Attachment 5: Checklist

Attachment 6: Hearing Notice

Attachment 7: Hearing Determination – Approval

Attachment 8: Hearing Determination – Denial

## **ENDORSEMENT (to Board)**

### **Discuss & Consider Designate Smoke Free Building Policy and Procedure**

On January 24, 2017, the Board adopted a Non-Smoking Policy to fairly and reasonably address smoking in Laguna Woods Village. The policy defines the areas where smoking is prohibited and the responsibility for remediation costs associated with second-hand smoke infiltration (Resolution 03-17-05). On October 31, 2019, the Residency Policy and Compliance Committee discussed and considered legal implications for designating a building as smoke-free. By unanimous vote, the Committee approved the creation of a procedure to designate a building as smoke-free.

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On January 15, 2020, staff was directed to obtain clarification from Legal Counsel regarding:

- An internal procedure for notifications during the resale process. Legal Counsel advised the Resale Inspection form can include language that states: "Building ### has been designated as a smoke free building and all units located inside building ## are thus designated as smoke free. See Resolution 03-XX-XXX for further information."

Director Mutchnick made a motion to approve Designate Smoke Free Building Policy and Procedure. Director Parsons seconded the motion.

By unanimous vote, the motion carried.

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**Smoke-Free Building Designation Policy and Procedure**  
**Resolution 03-20-XX; Adopted \_\_\_\_\_ XX, 2020**

**I. Purpose**

Third Laguna Hills Mutual (“Third”) is the corporation formed to administer, manage and operate the business and affairs of the common interest development commonly known as Third Laguna Hills Mutual located at Laguna Woods Village in Laguna Woods, California (the “Development”). The Development is comprised of 6,102 separate dwelling units (collectively, the “Units”). Each occupant of a Unit is either a “Member”, “Qualifying Resident”, “Co-occupant” or “Lessee”, as such terms are defined in Third’s Bylaws (as may be amended from time to time, the “Bylaws”).

While many of the Units in Third are standalone residences, a significant portion of the Units are located within multi-dwelling Unit buildings (each, a “Building”) at the Development. Effective as of \_\_\_\_\_, 20\_\_\_\_, pursuant to Resolution 03-20-XX of Third’s Board of Directors (the “Board”), individual multi-dwelling Unit Buildings can be designated as non-smoking in perpetuity (the “Designation”) by the Members who are owners of the individual Units within a Building, except as may otherwise be required by law. Designation of a Building may occur upon the collective and unanimous written consent of all of the then current Members who own the Units in a Building in accordance with the procedures described below.

The purpose of this Smoke-Free Building Designation Policy and Procedure (“Policy”) is to establish and identify those specific procedures that must be followed in order to designate a Building as smoke-free.

**II. Smoke-Free Definition**

For the purposes of this Policy and for the Designation of any Building as smoke-free, “smoking” shall mean inhaling, exhaling, burning, holding or carrying any lighted cigarette, cigar, cigarillo, pipe or other lighted smoking device for burning tobacco or any other plant product (including but not limited to marijuana) in any manner or in any form, known as of the date of this Resolution or created and/or becomes known at a date after the effective date of this Designation. Smoking also includes the inhaling, exhaling, burning, carrying, or use of electronic cigarettes and/or vaping devices (electronic

tobacco delivery systems), hookahs, any other tobacco or nicotine product, marijuana (including medical marijuana), and/or legal or illegal substance(s).

If a Building is designated as smoke-free, no smoking shall be permitted in any area of the Building, including any Common Area portion of the Building (including any exclusive use Common Area) and any individually owned unit, including Owner's Unit. Any violation of the Designation may subject a Member to disciplinary action in accordance with this Policy, as further described below.

### **III. Process for Smoke-Free Designation**

Any Member may petition Third for a Designation for the Building in which his/her Unit is located (the "Petitioner"), by completing and submitting to Third the form titled "Petition for Designation as a Smoke-Free Building" (as may be amended from time to time, the "Petition"). Attached to the Petition is a "Petition Agreement Form" (the "Agreement Form") that must be signed by all of the Members who own the Units in the Building proposed for Designation at the time the completed Petition is submitted to Third (the "Applicable Members"). If the Agreement Form is not signed by all Applicable Members in front of a notary public, then the Petition will be deemed incomplete and returned to the Petitioner. By signing the Agreement Form, the Applicable Members agree to be bound by the terms of the Agreement Form.

Within thirty (30) days of receipt of the complete Petition and Agreement Forms, as described above, Third will prepare for each of the Applicable Members to sign an "Agreement and Covenant to Run with Land (Non-Smoking Building Designation)" (as may be amended from time to time, the "Covenant"), which will, when completed and executed before a Notary, be recorded against each Applicable Member's Unit in the Building. The Covenant will be sent by Third to the Applicable Members' mailing address(es) on record with Third via first class mail. All of the Applicable Members will be required to return signed and notarized original copies of the Covenant to Third. Each Applicable Member shall be responsible for the costs incurred by Third for the preparation and recordation of the Covenant for their Unit, which costs are estimated at \$225.00.\*

When the complete and original executed Covenants signed by all Applicable Members are submitted to and verified as complete by Third, the Board will schedule a hearing with the Applicable Members to confirm that none of them oppose the Designation of their Building. The hearing will be held in an open session meeting of the Board within sixty (60) days of the verification. At the hearing, the Applicable Members will have an opportunity to be heard before the Board regarding the Petition and their opposition to

\* This fee may be changed at any time by Third and such change shall not constitute a rule change to this Smoke-Free Building Designation Policy and Procedure which requires notice to the Members of Third.

same, if any. Notice of the hearing will be sent by Third to the Applicable Members' mailing address(es) on record with Third, via first class mail at least fifteen (15) days prior to the hearing.

If any Applicable Member opposes the Petition at the Hearing, then the Board will deny the Petition. The Applicable Members will be advised of the smoke-free Designation denial via first class mail within fifteen (15) days after the Hearing. The Petitioner or any other Applicable Member can resubmit a Petition for the Building to Third if a Petition is denied by the Board, provided, however, that a Petition for a specific Building may be submitted to Third only once during any six (6) month period.

If no Applicable Member opposes the Petition at the hearing, then the Board will approve the Petition. The Applicable Members will be advised of the smoke-free Designation approval via first class mail within fifteen (15) days after the hearing. The Designation will be effective forty-five (45) days after the hearing (the "Conversion Date")

#### **IV. Conversion to a Smoke-Free Building**

In the event the Petition is approved, after the notice of approval and before the Conversion Date:

1. The Board will execute all of the Covenants for the Manors in the Building receiving the Designation, and will arrange for the recording of the Covenants with the County Recorder's Office. Once Third receives back the fully recorded Covenants, a copy shall be mailed to each Applicable member via first class mail.
2. Copies of the fully executed Covenants will be placed in Third's corporate records for each of the Units in the Building, and provided to the employees and/or contractors of Third and/or Third's managing agent who are responsible for providing information regarding the Units to Members, prospective Members (through the current Member, and/or through the current Member's real estate broker or agent, as applicable) and lenders of either.
3. A "Smoke-Free Building" list compiled and maintained by Third will be updated to reflect that the Building is subject to Designation and the effective date of the Designation.
4. The "Smoke Free Building" webpage on Third's website will be updated to reflect that the Building is subject to Designation and the effective date of the Designation.

5. Third will post signs containing the language “No Smoking Anywhere in Building” at the main/common entrances to each Building designated as smoke-free (both at the exterior and interior entrances), if any, as well as in at least two (2) prominent places within common hallways/walkways on the floor of each Building, as may be applicable. The signs shall be of a design, material and size to be determined by the Board. As may be practical, Third will try to use the same or similar Signs for different Buildings subject to the Designation.
6. All Applicable Members will be required to remove all tobacco products, medical marijuana and other substances that generate smoke from their Units and the Building, as may be applicable. Notwithstanding the foregoing, Third shall have no duty to inspect the Units to confirm that this removal has occurred.

At the end of the conversion period, the Building will be deemed to have received a permanent Designation as a non-smoking Building. All Applicable Members and all current and future Qualifying Residents, Co-occupants and Lessees residing in a Unit in the Building, and the family members, guests and invitees of each of them, shall be prohibited from smoking anywhere in the Building as of the Conversion Date. Further, all new lease agreement and renewals of existing lease agreements for Units at the Building must include language prohibiting smoking of any substances anywhere within the applicable Unit and the other portions of the Building.

## **V. Violations of the Smoke-Free Designation**

Once a Designation is effective for a Building, no smoking or vaping of any products or items of any kind shall be allowed within the Building. Smoking within a Unit of a Building receiving a Designation shall be a violation of the Covenant applicable to the Manor associated with such person. If an alleged violation is reported to Third, Third will investigate the alleged violation, and, as appropriate, call an offending Member to a hearing before the Board regarding the violation, in accordance with the disciplinary proceeding requirements pursuant to applicable law and Third’s governing documents, including without limitation the Bylaws, Rules and Regulations, and the Schedule of Monetary Penalties.

In the event of a verified violation, the offending Member shall be subject to the rights and remedies of Third with respect to such violation as shall be permitted pursuant to the recorded Covenant (in the same manner as any other violation of Third’s governing documents), as described in any CC&Rs, the Bylaws, the other governing documents of Thirds and at law, including, without limitation, the imposition of monetary penalties and/or the suspension of membership privileges.

All Applicable Members are also able to enforce compliance of the Designation against any other Applicable Member, at their own cost and expense, and in accordance with the provisions of the Third's governing documents and applicable law.

Notwithstanding the foregoing, in no event shall Third be liable for any injury to any person or damage to any property of any kind resulting from an alleged or actual violation of the Designation.

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## **RESOLUTION 03-20-XX**

### **Smoke-Free Building Designation Policy and Procedure**

**WHEREAS**, the Board of Directors (the “Board”) of Third Laguna Hills Mutual (“Third”) held a meeting on August 18, 2020, at which a quorum of the Board was present;

**WHEREAS**, the members (each, a “Member”) of Third Laguna Hills Mutual (“Third”) have an interest in their health, safety and welfare while within Third’s common interest development (the “Development”), including when in the separate interest dwelling units located within the Development (each, a “Unit”) in which the Members, their co-occupants and tenants, as applicable, reside; and

**WHEREAS**, certain Members have requested that Third’s Board designate the buildings in which their Units are located as “smoke-free”, to reduce those Members’, their co-occupants’ and tenants’, as applicable, exposure to second hand smoke; and

**WHEREAS**, the Board has determined that in addition to addressing health concerns related to second-hand smoke raised by Members as referenced above, prohibiting smoking in buildings at the Development will reduce the risk of fires related to accidents stemming from the use of smoking tobacco, marijuana and other substances, and reduce maintenance and repair costs for building components needed due to wear and tear to those components caused by smoke; and

**WHEREAS**, the Board has consulted with Third’s legal counsel on the legality of prohibiting smoking at the Development and the Board has determined that upon certain conditions and requirements being met, that multi-dwelling unit buildings at the Development can be permanently designated as “smoke-free” going forward so long as specific terms and conditions are met; and

**WHEREAS**, the Board recognizes that Members, their co-occupants and tenants, if applicable, have a right to privacy within their respective Units and a right to freely use and occupy the Units (in accordance with Third’s governing documents), that Members purchased their Units with the understanding that smoking was not expressly prohibited in their Unit, and that legal precedent does not exist as to whether the Board can unilaterally prohibit smoking in Units; and

**WHEREAS**, the Board has determined that it will designate a building containing Units as non-smoking if all of the then Members who are record owners of the Units in that building agree in writing before a notary public, that the building should be non-smoking and if certain other requirements are met; and

**WHEREAS**, the Board has tasked Third's legal counsel with drafting documents related to implementing and managing the designation of buildings at the Development as non-smoking that provide for such designation in a systematic, fair and reasonable manner; and

**WHEREAS**, Third's legal counsel has drafted those documents, the Board has reviewed those documents, and the Board believes those documents and the procedures and requirements described in those documents meet the Member needs and business requirements of Third; and

**WHEREAS**, those documents consist of (i) the "Smoke-Free Building Designation Policy and Procedure", (ii) the "Petition for Designating a Building as Smoke-Free", (iii) the "Petition Agreement Form" and (iv) the "Agreement And Covenant to Run with Land (Non-Smoking Building Designation)" (collectively, the "Designation Documents"), all of which are attached to this Resolution and incorporated in their entirety herein by this reference.

**NOW, THEREFORE, BE IT RESOLVED**, on August 18, 2020, that the Board has determined that the Designation Documents, and the procedures and requirements described thereunder, shall be immediately effective upon adoption by the Board, to provide for a systematic, fair and reasonable manner to designate buildings at the Development as non-smoking.

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

JULY Initial Notification

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



## THIRD LAGUNA HILLS MUTUAL

### Petition for Designating a Building as Smoke-Free

(to be completed by Petitioning Member only)

I am a Member of Third Laguna Hills Mutual ("Third"). I am completing this Petition for Designating a Building as Smoke-Free (this "Petition") to request that the Building in which my Unit is located, including all Units and Common Areas comprising the Building, be designated as non-smoking, as defined in the Smoke-Free Building Designation Policy and Procedure (the "Procedure").

Prior to completing this form, I acknowledge and agree that I have read and understand the Procedure regarding the requirements for approval of this Petition and designation of my Building as non-smoking, and that I will be considered the Petitioner under the Procedure. The capitalized terms used in this Petition shall have the same meaning given to them in the Procedure, unless otherwise defined herein.

My information:

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

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

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

I understand that this Petition must be signed by all of the Applicable Members in my Building, on the form attached hereto and identified as the Petition Agreement Form (the "Agreement") before this Petition will be considered by the Board, and that an executed Covenant to Run With the Land Regarding Designation of a Building as Smoke-Free ("Covenant") for each Unit in my Building must also be submitted with this Petition. If an Agreement and Covenant are not completed and signed by all such Members and submitted with this Petition, then this Petition will be deemed incomplete and returned to me. By signing this Petition, I agree to be bound by the terms of this Petition and the Procedure, and to execute and submit a Covenant with this Petition.

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

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

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## THIRD LAGUNA HILLS MUTUAL

### Petition Agreement Form

I/We am/are a Member(s) of Third Laguna Hills Mutual, and I/We acknowledge and agree that I/We have read the Petition to which this Agreement is attached and the Procedure governing the Petition. I/We understand that by executing this Agreement and the attached Covenant, I/We am/are requesting that the Building in which my/our Unit is located be designated permanently and forever as a non-smoking Building. I/We further understand that upon such designation, should it occur, that neither I/We nor any current or future residents of, or visitors to, my/our Unit may smoke or vape any substance (tobacco, marijuana or otherwise) in my/our Unit or any portion of the Building in which my/our Unit is located, that I/we are, as a Member(s) responsible for the violation of the Designation by me/we, my/our guests and/or invitees actions, and that a non-smoking designation may negatively impact the market value of my/our Unit.

Upon such non-smoking designation, any smoking in my/our Unit will be deemed a violation of the Covenant and Third's governing documents, and could result in, enforcement action by Third, including, without limitation, the imposition of monetary penalties and/or the suspension of membership privileges, or be the subject of litigation, if determined by the Third Board to be in the best interests of the Designation. My/Our signature(s) below, which must be executed in front of a notary public who completes the following notary page, and my/our execution of the Covenant to Run With the Land Regarding Designation of a Building as Smoke-Free shall be deemed agreement with and acknowledgement of these potential enforcement actions by Third in the event of a smoking violation with respect to my/our Unit.

I/We understand that an original notarized copy of this Agreement signed by each of the Members who are owners of record for a Unit in my Building, and an original copy of the Covenant noted above, executed by all such Members for their respective Units, must be submitted to Third before the Petition to which this Agreement is attached will be considered by the Board. If the Agreement and Covenant are not completed and executed by all such Members, then the Petition will be deemed incomplete and my/our Building will not be designated as smoke-free.

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

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

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

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

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

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

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

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

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

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

Notary Public

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

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

Notary Public

Recording requested by and  
when recorded mail to:

**Third Laguna Hills Mutual  
c/o VMS, Inc.  
24351 El Toro Road  
Laguna Woods, CA 92637**

Attn: \_\_\_\_\_

\_\_\_\_\_  
Space above for Recorder's use\_

**AGREEMENT AND COVENANT TO RUN WITH LAND  
(NON-SMOKING BUILDING DESIGNATION)**

## AGREEMENT AND COVENANT TO RUN WITH LAND (NON-SMOKING BUILDING DESIGNATION)

This AGREEMENT AND COVENANT TO RUN WITH LAND (NON-SMOKING BUILDING DESIGNATION) (this "Covenant"), effective as of the date of execution hereof, is entered into by \_\_\_\_\_ and \_\_\_\_\_ (collectively, the "Owner") in favor of Third Laguna Hills Mutual ("Third"). Owner and Third shall sometimes be referred to herein individually as a "Party" and collectively as the "Parties" in this Covenant.

### RECITALS

A. Third is the governing body responsible for the management, operation and administration of the common interest development commonly known as Third Laguna Hills Mutual located in Laguna Woods, California (the "Development").

B. Owner is the owner of the condominium unit located at \_\_\_\_\_, Laguna Woods, California 92637 (the "Unit"), which is a part of the Development and is more particularly described in **Exhibit "A"** attached hereto and incorporated herein by reference.

C. The Development is subject to those certain Declarations of Covenants, Conditions and Restrictions for the various mutuels comprising Third (collectively, and as may be amended from time to time, the "Declaration"), including that *Amended and Restated Declaration of Covenants, Conditions and Restrictions* applicable to the Unit recorded in the official records of Orange County, California on \_\_\_\_\_, 19\_\_\_\_ as Document No. \_\_\_\_\_, as may be amended from time to time.

D. Notwithstanding the fact that Third's governing documents, including, without limitation, the Declaration do not prohibit smoking within any of the individually owned units in the Development, including Owner's Unit, Owner, along with all of the owners of units within the same building as the Unit within the Development (the "Building"), has petitioned Third to designate the Building as a non-smoking building in accordance with the procedures of Third's Smoke-Free Building Designation Policy and Procedure (the "Policy").

E. Owner's request to designate the Building as non-smoking, and Owner's agreements and obligations related to same, are also described in (i) the completed "Petition for Designating a Building as Smoke-Free" applicable to the Building (the "Petition"), attached hereto as **Exhibit "B"** and incorporated herein by reference, and (ii) the "Petition Agreement Form" executed by Owner applicable to the Petition (the "Form"), attached hereto as **Exhibit "C"** and incorporated herein by reference.

F. Third's Board of Directors (the "Board") held a hearing in accordance with the Policy regarding the petition, subsequently determined that the requirements of the Policy to designate the Building as non-smoking had been met, and granted the petitioners' request to so designate the Building.

G. In accordance with the Policy, Owner, along with all of the owners of units within the Building, has agreed to and executed this Covenant regarding the non-smoking designation of the Building and agrees on behalf of Owner's self and Owner's successors-in-interest that the Building shall be henceforth be non-smoking, and that Owner and the Unit shall be bound to the terms of this Covenant.

H. Third and Owner intend that this Covenant be made and entered into pursuant to the provisions of California Civil Code Section 1468, in effect as of the effective date of this Covenant, and that this Covenant shall run with the real property encompassing the Building and the real property of Owner, and that it shall benefit and be binding upon Third, Third's members, and Owner during their ownership of any portion of the real property affected hereby, and upon each party having an interest in the real property derived through any owner thereof.

I. Any capitalized terms not defined herein shall have the meanings given to them in the Declaration, as may be applicable.

NOW, THEREFORE, Owner does hereby covenant and agree as follows:

#### TERMS AND CONDITIONS

1. Incorporation of Recitals. The Recitals of this Covenant are hereby incorporated herein by this reference in their entirety as if fully set forth in this Covenant.

2. Building Non-Smoking Designation. Owner acknowledges and agrees that the Building in which Owner's Unit is located will be permanently and forever designated as a non-smoking building. No smoking shall be permitted in any area of the Building, including any Common Area portion of the Building (including any exclusive use Common Area) and any individually owned unit, including Owner's Unit. For the purposes of this Covenant, smoking shall mean inhaling, exhaling, burning, holding or carrying any lighted cigarette, cigar, cigarillo, pipe or other lighted smoking device for burning tobacco or any other plant product (including but not limited to marijuana) in any manner or in any form known as of the date of execution of this Covenant or which is created and/or becomes known at a date after the effective date of the non-smoking designation of the Building. Smoking also includes the inhaling, exhaling, burning, carrying, or use of electronic cigarettes and/or vaping devices (electronic tobacco delivery systems), hookahs, any other tobacco or nicotine product, marijuana (including medical marijuana), and/or legal or illegal substance known as of the date of execution



of this Covenant or which is created and/or becomes known at a date after the effective date of the non-smoking designation of the Building.

3. Violation of the Designation. Failure to adhere to the smoking restriction by Owner, any occupant of the Unit, or any guest or invitee of Owner or such occupant of the Unit, shall be a breach of this Covenant and shall constitute a nuisance pursuant to the governing documents of Third, and will subject Owner to the rights and remedies of Third under this Covenant; Third's governing documents, including without limitations the Declaration, the Bylaws, and any duly adopted Rules and Regulations; and at law.

4. Recordation of Covenant. Owner consents to and acknowledges that this Covenant will be recorded in the Official Records of the County Recorder of Orange County, State of California, and may, therefore, affect title to or the value of Owner's interest in the Property.

5. Attorney's Fees. If any legal action or proceeding is instituted by either Party to enforce or interpret any of the terms of this Covenant, the prevailing Party shall be entitled to recover from the other Party attorneys' fees, costs and expenses incurred in the prosecution or defense of such action, including, without limitation, fees and costs of retaining expert witnesses, incurred in good faith.

6. Effect of Waiver. The waiver by either Party of a breach of any term, promise or condition of this Covenant shall not constitute a waiver of any subsequent breach of the same or any other term, promise or condition. The failure by either Party to enforce any right for a period of time shall not constitute a waiver of such right or any term, promise or condition of this Covenant.

7. Covenant Running With the Land. Owner and Third further agree and covenant that the covenants provided herein shall run with both the land owned by Owner (the Unit) and the land controlled by Third (the Common Area) and shall benefit or be binding upon each successive owner, during such successor's ownership and/or control of any portion of the land affected by this Covenant (the Unit and the Common Area), and upon each party having any interest in such land and derived through any owner thereof; further, that the successive owner of the Unit and controller of the Common Area are to be bound by the covenants provided herein. The covenants running with the land described herein shall run with the land regardless of whether the Unit is sold or transferred through a bona fide sale to a third party or through an interfamilial or trust transfer of any type. Specifically, all future owners of the Unit agree that by way of their assumption of title to the Unit they shall be bound by, without limitation, the specific obligations and limitations described in this Covenant.

8. Disclosure of Covenant. Owner agrees and represents that Owner will not look to Third or hold Third responsible to disclose to potential buyers of the Unit any information concerning this Covenant, and the Association shall have no obligation to

disclose such information inasmuch as Owner and successive owners, as applicable, bear the sole responsibility to make such disclosure known.

9. Indemnity. Owner agrees to indemnify, defend and hold harmless Third and its past, present and future directors, officers, committee members, managing agents and attorneys (collectively, the “Released Parties”) from and against any and all claims, actions, lawsuits, liabilities, costs and expenses of any kind or nature whatsoever, including but not limited to attorney's fees and costs, (collectively, the “Claims”) involving, pertaining to or in connection with (i) the designation of the Building and/or the Unit as non-smoking and Third's power to so designate the Building and enforce such restriction; and (ii) this Covenant, and to pay all attorneys' fees and costs incurred by any of the Released Parties arising out of any litigation with respect to any Claims.

10. Relationship to Declaration. Nothing contained herein shall in any way constitute a release from or waiver of any of the conditions, covenants and restrictions contained in the Declaration or Third's other governing documents; this Covenant only concerns the non-smoking designation of the Building, and shall not be interpreted or construed to affect any other rights, powers, duties, burdens or obligations of Owner or Third, or any other parties.

11. Severability. The provisions of this Covenant are severable, and if any provision contained herein is determined by a court of competent jurisdiction to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions of this Covenant, and any partially unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.

12. Representation. Neither Third nor its legal counsel has rendered advice to Owner of any nature whatsoever with respect to execution of this Covenant, and Owner acknowledges that Owner has been advised by independent legal counsel, or has had the reasonable opportunity to be advised by independent legal counsel, with regard to this Covenant prior to executing it.

13. Amendment and Modification. This Covenant may only be modified or amended by a written instrument executed by Owner and acknowledged by Third and recorded in the official records of the County of Orange, California. This Covenant shall be construed according to its fair meaning and as though no single party drafted this Covenant. This Covenant shall also be construed in accordance with, and governed by, the laws of the State of California. The failure by Third to enforce any provision of this Covenant shall not be deemed to be a waiver of Third to enforce the applicable provision, or any other provision of this Covenant, in the future.

14. Reimbursement of Costs. Owner agrees to reimburse Third its attorneys' fees and costs incurred in the preparation and recordation of this Covenant. Such payment shall be made by Owner to Third within five (5) business days after demand by Third.

IN WITNESS WHEREOF, Owner has executed this Covenant on the date written below.

**"Owner"**

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

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

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

**ACKNOWLEDGEMENT**

Third has acknowledged this Covenant as of the date written below.

**"Third"**

Third Laguna Hills Mutual

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

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

Title: \_\_\_\_\_

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

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

STATE OF CALIFORNIA       )  
  )  
COUNTY OF \_\_\_\_\_ )

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

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

WITNESS my hand and official seal.

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

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

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

## Notary Public

**EXHIBIT “A”**

**UNIT LEGAL DESCRIPTION**

SAMPLE

**EXHIBIT “B”**

**PETITION FOR DESIGNATING A BUILDING AS SMOKE-FREE**

SAMPLE

**EXHIBIT “C”**

**OWNER’S PETITION AGREEMENT FORM**

SAMPLE





### Checklist for Designation of a Building as Smoke-Free

This checklist is designed for use in keeping track of the steps required to designate a building in Third's development as smoke-free (the "Designation") and documenting the completion/satisfaction of such steps, consistent with Third's procedure for Designation.

Building Address: \_\_\_\_\_  
(the "Building") \_\_\_\_\_

Petitioner: \_\_\_\_\_

Completed (check)	Step	Date of Submittal/ Action	Task (as more fully described in the Smoke-Free Building Designation Policy and Procedure)
	1		Receipt of a completed "Petition for Designating a Building as Smoke-Free" (the "Petition") signed by a Third member(s) who is a record owner(s) of a unit in the Building (the "Petitioner").
	2		Receipt of a completed and notarized "Petition Agreement Form" (an "Agreement Form"), which is an attachment to the Petition, signed separately by each of the Third members who are owners of a unit in the Building (collectively, the "Applicable Members").
	3		<p>Upon Receipt of the completed Petition and Agreement Forms, coordinate with Third's legal counsel for the preparation of the "Covenant to Run With the Land Regarding Designation of a Building as Smoke-Free" (the "Covenant") for the Building to be signed by each of the Applicable Members and Third.</p> <p><i>*The Amendments and Covenant must be prepared and mailed to the Applicable Members within thirty (30) days of Third's receipt of a complete Petition and complete Agreement Forms, to the Applicable Members' mailing addresses on record with Third.</i></p>

Completed (check)	Step	Date of Submittal/ Action	Task (as more fully described in the Smoke-Free Building Designation Policy and Procedure)
	4		<p>Mailing of the applicable Amendments and the Covenant to the Applicable Members.</p> <p><i>*The Amendments and Covenant must be prepared and mailed to the Applicable Members within thirty (30) days of Third's receipt of a complete Petition and complete Agreement Forms, to the Applicable Members' mailing addresses on record with Third.</i></p>
	5		<p>Receipt of notarized signatures by each of the Applicable Members for the Covenant.</p>
	6		<p>Verification that the executed Covenant copies received are signed by all Applicable Members, original and notarized, as applicable (the "Verification").</p> <p><i>*If the forms are not complete, the Petitioner should be advised in writing of same, why the forms are incomplete and what is required for the forms to be complete and the Designation process to move forward.</i></p>
	7		<p>Schedule a hearing before the Board to determine if any of the Applicable Members oppose the designation of the Building as smoke-free (the "Hearing").</p> <p><i>*The Hearing must occur within sixty (60) days of the Verification.</i></p>
	8		<p>Mailing of the notice of the Hearing to all of the Applicable Members.</p> <p><i>*The notice must be sent by first class mail at least fifteen (15) days prior to the Hearing, to the Applicable Members' mailing addresses on record with Third</i></p>
	9		<p>The Hearing is held.</p>
	10		<p>Petition and Designation approved by Board</p> <p><i>* If any Applicable Member opposes the Petition at the Hearing, then the Board will deny the Petition. If no Applicable Member opposes the Petition at the Hearing, then the Board will approve the Petition.</i></p> <p><b><u>IF PETITION DENIED, STOP HERE</u></b></p>

Completed (check)	Step	Date of Submittal/ Action	Task (as more fully described in the Smoke-Free Building Designation Policy and Procedure)
	11		<p>If the Petition and Designation were approved by the Board, the effective date of the Designation for the Building (the "Conversion Date") must be set.</p> <p><i>*The Conversion Date will be the date that is forty-five (45) days after the Hearing.</i></p>
	12		<p>Mailing of the Hearing results.</p> <p><i>*The Applicable Members must be advised of the Hearing results via first class mail within fifteen (15) days after the Hearing, to the Applicable Members' mailing addresses on record with Third. If the Petition and Designation are approved, the Applicable Members should be advised of the Designation approval and the Conversion Date. If the Petition and Designation are not approved, the Applicable Members should be advised of the Designation denial and that the Petitioner or any other Applicable Member can resubmit a Petition for Designation of the Building, provided that a Petition may be submitted to Third for the Building only once during any six (6) month period.</i></p>
	13		Third executes the Covenants, and the executed Covenants are submitted to the Orange County Registrar-Recorder for recordation.
	14		Upon receipt of the recorded Covenants from the County Recorder, a copy of each of the Covenants is mailed to the respective Applicable Members.
	15		A copy of the recorded Covenant is placed in Third's corporate records for each of the Units in the Building.
	16		A copy of the recorded Covenant is distributed to the employees and/or contractors of Third and/or Third's managing agent (e.g. persons or parties managing membership, real estate, Unit maintenance and escrow matters for Third) who are responsible for providing information regarding the Units to Members, prospective Members (through the current Member, and/or through the current Member's real estate broker or agent, as applicable) and lenders of either.

Completed (check)	Step	Date of Submittal/ Action	Task (as more fully described in the Smoke-Free Building Designation Policy and Procedure)
	17		The “Smoke-Free Building” list compiled and maintained by Third will be updated to reflect that the Building is subject to the Designation as of the Conversion Date.
	18		The “Smoke-Free Building” webpage on Third’s website will be updated to reflect that the Building is subject to the Designation as of the Conversion Date.
	19		Third will post Board-approved signs containing the language “ <u>No Smoking Anywhere in Building</u> ” at the main/common entrances to the Building (both at the exterior and interior entrances), if any, as well as in at least two (2) prominent places within common hallways/walkways on the floor of the Building, as may be applicable.
	20		All Applicable Members will be sent a notice reminding them to either remove all tobacco products, medical marijuana and other substances that generate smoke from their Units and the Building or to place on notice persons who enter their Unit of the Designation of the Building as smoke-free and the prohibition of smoking in the Unit.



## Notice of Hearing Regarding Designation of a Building as Smoke-Free

Pursuant to Third's "Smoke-Free Building Designation Policy and Procedure" (the "Procedure"), Third's Board of Directors has received completed forms petitioning for the designation of the building located at [REDACTED], Laguna Woods, California 92637 (the "Building") as smoke-free.

The Board has scheduled a hearing, in accordance with the Procedure, to determine if any of the members of Third who are record owners of units in the Building (the "Applicable Members") oppose the designation of the Building as smoke-free. The forms received by Third regarding designation of the Building as smoke-free indicate that all of the Applicable Members approve such designation.

The hearing will be held as follows:

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

Time: \_\_\_\_\_

Location: \_\_\_\_\_

*Please be advised that if any Applicable Member opposes the designation of the Building as smoke-free at the hearing, then the Board will deny the petition for such designation. If no Applicable Member opposes the petition at the hearing, then the Board will approve the petition and the Building will become smoke free on a permanent and irrevocable basis forty-five (45) days from the date of the above noticed hearing.*

This hearing will be held at an open session meeting of Third's Board, and this notice has been prepared and distributed/posted in accordance with the requirements of the Procedure, Third's other governing documents and applicable state statute.



**Results of Hearing Regarding Designation of a Building as Smoke-Free  
(Approval of Designation of Building as Smoke-Free)**

On [REDACTED], a hearing was held before/with Third's Board of Directors to determine whether the building located at [REDACTED], Laguna Woods, California 92637 (the "Building") would be designated as smoke-free, in accordance with Third's Smoke-Free Building Designation Policy and Procedure (the "Procedure"). All members of Third who are record owners of a Unit in the Building (the "Applicable Members") were sent notice of that hearing in accordance with the requirements of the Procedure, Third's other governing documents and applicable state statute. Prior to the hearing, all Applicable Members had submitted forms in accordance with the Procedure evidencing unanimous Applicable Member support for the designation of the Building as smoke-free.

At the hearing, none of the Applicable Members opposed the designation of the Building as smoke-free. Accordingly, in accordance with the Procedure, the Building will be designated as smoke-free on a permanent and irrevocable basis as of [REDACTED] (the "Conversion Date"), forty-five (45) days after the above noted hearing date. All Applicable Members will be required to remove all tobacco products, medical marijuana and other substances that generate smoke from their Units and the Building on or before the Conversion Date or, in the alternative, place on notice persons who enter their Unit of the designation of the Building as smoke-free and the prohibition of smoking in the Unit. All current and future persons residing in, occupying, leasing or visiting a Unit in the Building, and the family members, guests and invitees of each, shall be prohibited from smoking anywhere in the Unit and Building as of the Conversion Date on a permanent and irrevocable basis.

In the near future, a fully executed recorded copy of the Agreement and Covenant to Run with Land (Non-Smoking Building Designation), signed by each of the Applicable Members, will be forwarded to each such Applicable Member. Further communication with regard to this matter is forthcoming to you from Third, and this notice of hearing results is being sent in compliance with the Procedure, Third's other governing documents and applicable state statute.

Should you have any questions, please contact [REDACTED] via telephone at [REDACTED] or via email at [REDACTED].



**Results of Hearing Regarding Designation of a Building as Smoke-Free  
(Denial of Designation of a Building as Smoke-Free)**

On [REDACTED], a hearing was held before/with Third's Board of Directors to determine whether the building located at [REDACTED], Laguna Woods, California 92637 (the "Building") would be designated as "smoke-free", in accordance with Third's Smoke-Free Building Designation Policy and Procedure (the "Procedure"). All members of Third who are record Owners of a Unit in the Building (the "Applicable Members") were sent notice of that hearing in accordance with the requirements of the Procedure, Third's other governing documents and applicable state statute. Prior to the hearing, all Applicable Members had submitted forms in accordance with the Procedure evidencing unanimous Applicable Member support for the designation of the Building as smoke-free.

At the hearing, one or more of the Applicable Members opposed the designation of the Building as smoke-free. Accordingly, in accordance with the Procedure, the Building will not be designated as smoke-free. As described in the Procedure, in six (6) months the Applicable Members may re-petition and re-submit documentation to seek designation of the Building as smoke free; such action may only be taken once in any six (6) month period.

Should you have any questions, please contact [REDACTED] via telephone at [REDACTED] or via email at [REDACTED].

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## **RESOLUTION 03-20-XX**

### **Deny the Request for Removal of One Silk Oak Tree 2379-D Via Mariposa W.**

**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 6 2020, the Landscape Committee reviewed the request for the removal of one Silk Oak tree. The request was received from the Member at 2379-D who cited the reasons as litter/debris in the patio area, fire hazard, and poisonous to animals and;

**WHEREAS**, the Committee determined that the tree is not a poisonous tree and does not meet the guidelines set forth in Resolution 03-11-149 and recommends denying the request for the removal of one Silk Oak tree located at 2379-D Via Mariposa W.

**NOW THEREFORE BE IT RESOLVED**, August 18, 2020, the Board of Directors denies the request for the removal of one Silk Oak tree located at 2379-D;

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

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## STAFF REPORT

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**DATE:** August 18, 2020  
**FOR:** Third Mutual Board of Directors  
**SUBJECT:** Guidelines for Financial Qualifications  
Annual Income Requirement for Guarantors

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### **RECOMMENDATION**

Endorse the Resident Policy and Compliance Committee's recommendation to increase the annual income requirement for guarantors.

### **BACKGROUND**

The Resident Policy and Compliance Committee met on July 29, 2020 to discuss, among other items, the Guidelines for Financial Qualifications policy adopted by Third Laguna Hills Mutual ("Third"). Discussion noted the belief that the income requirement for guarantors is artificially low. Guarantors, particularly in the instance of multiple unit owners, are often being qualified in Third at lower income and asset requirements than those established for the buyers themselves.

At present, a Guarantor must verify net worth equal to the sum of the purchase price of the unit plus two hundred thousand dollars (\$200,000) in acceptable assets. Additionally, the guarantor must verify an annual income equal to the sum of the unit's annual mortgage payment plus eighty-thousand dollars (\$80,000). This requirement of guarantors applies even if the purchaser is a multiple unit owner who must themselves satisfy a higher stepped up income and asset requirement.

### **DISCUSSION**

The purpose of guarantors is to bolster an applicant who otherwise fails to meet income and asset thresholds necessary to qualify one for membership. The committee discussed an apparent discrepancy in the administration of financial qualifications applicable to applicants and guarantors. For example, an individual who owns one unit and desires to purchase a second unit (cash, no financing) must verify assets in excess of the purchase price of Unit 1 plus the purchase price of Unit 2 plus an additional \$125,000 for each unit.

Assuming the purchase price of Unit 1 is a modest \$300,000 and the purchase price of Unit 2 is \$350,000, the applicant must verify assets of \$900,000 or more. However, the guarantor in this example must only verify the purchase price of the second unit (\$350,000) plus \$200,000 or \$550,000 total. The discrepancy is even greater when an applicant is seeking to purchase a third unit. Since the guarantor pledges to assume any obligation to Third in the event a member who they guarantee should default on their obligations, it is contrary to the Third's interest to accept a guarantor who has accumulated a lesser net worth than the person being guaranteed.

Similarly, the guarantor's current minimum income requirement of \$80,000 does not provide sufficient cushion in the event a member defaults on his obligation to Third. The high cost of living in California necessitates a higher income stream if one is responsible for multiple households.

Following discussion of several recent transaction examples, the Committee recommended increasing the minimum annual income requirement for guarantors from \$80,000 to \$150,000 and forwarding the matter to the Finance Committee.

### **FINANCIAL ANALYSIS**

None.

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

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

### **ATTACHMENT(S)**

Attachment 1 – Guidelines for Financial Qualifications

Attachment 2 – Resolution Amendment of Guidelines for Financial Qualifications

## **ENDORSEMENT (to Board)**

### **Discuss & Consider Guidelines for Financial Qualifications**

Article 4 of the Bylaws, Section 4.2.2, Financial Qualification Assistance, provides that “In the event the person or persons seeking to become a Mutual Member are unable to satisfy the aforesaid financial requirements, the corporation may approve the person for Membership if another financially qualified person enters into an agreement with this corporation to become financially responsible for the expenses associated with such Membership and that other person meets the financial requirements established by the corporation from time to time.”

Similarly, Article II of the Covenants, Conditions and Restrictions (CC&Rs), Section 5(b) affirms “In the event the person or persons seeking to reside in the Condominium as Residents (other than lessees) are unable to satisfy the required average monthly income level, the Board may approve the application for residency if a financially responsible person who is other than one of the persons seeking to reside in the Condominium (including, but not limited to, a non-resident Owner of the Condominium) either enters into a contract with the Mutual in acceptable form and content to the Board by which such financially responsible person or persons seeking to reside in the Condominium, or presents an alternative arrangement satisfactory to the Board to assure payment of the average monthly housing expense. The Board is authorized by resolution adopted by a majority of the members of the Board to increase, decrease or otherwise modify the fixed dollar amounts set forth in this subsection 5(b) from time to time.”

The terms and conditions applicable to Guarantors were most recently codified and adopted by Resolution 03-18-131 on August 21, 2018.

By consensus, the Committee approved increasing the annual income to \$150,000 and forward to the Finance Committee for review and consideration.



Finance Committee

### **ENDORSEMENT (to board)**

#### **Guidelines for Financial Qualification Annual Income Requirement for Guarantors**

At the Finance committee meeting on August 6, 2020, the committee reviewed a staff report and endorsement from the Resident Policy and Compliance committee to increase the annual income requirement for guarantors.

A motion was made and carried unanimously to recommend the board follow staff's recommendation to increase the annual income requirement for guarantors to \$150,000.



**RESOLUTION 03-18-131**  
**Guidelines For Financial Qualifications**

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

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

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

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

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

**GUIDELINES FOR FINANCIAL QUALIFICATIONS**

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

**I. General Application Requirements.**

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



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

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

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





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

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

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

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



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

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

- a. In the event any Applicant is unable to satisfy the financial requirements set forth in the Mutual's governing documents (including, without limitation, these Guidelines), the Board may permit said Applicant to have a financial guarantor in accordance with this Section IV ("Guarantor").
- b. Each Applicant supported by a Guarantor shall submit proof that their primary residence is located in California, USA and satisfactory verification of a net worth of at least one hundred twenty-five thousand dollars (\$125,000) in acceptable assets, notwithstanding



the requirements of Section II and Section III of these Guidelines.

- c. Each Guarantor shall enter into an agreement with the Mutual to become financially responsible, jointly and severally, for all expenses associated with the Applicant's ownership, residency and/or membership at the Mutual ("Assessment/Charges Guarantor Obligation Form"). A Assessment/Charges Guarantor Obligation Form is attached hereto as Exhibit "A" and incorporated in its entirety herein by this reference as if fully set forth in these Guidelines.
- d. Each Guarantor shall submit **all** of the following documentation in a form satisfactory to the Board:
  - 1. A fully executed and completed Assessment/Charges Guarantor Obligation Form.
  - 2. Proof that the Guarantor's primary residence is located in California, USA.
  - 3. Verification of net worth equal to the *sum* of the purchase price of the unit *plus* two hundred thousand dollars (\$200,000) in acceptable assets.
  - 4. Verification that the Guarantor's annual income is greater than or equal to the *sum* of the total of the unit's annual mortgage payment *plus* ~~eighty (\$80,000)~~ **one hundred fifty** -thousand dollars (\$**150,000**) per year.
  - 5. A credit report.
- e. The Board may withhold its approval of any Guarantor for, without limitation, any the following reasons:
  - 1. A Guarantor or Applicant fails to provide **all** of the documentation as required by subsection (d), above, in a form consistent with these Guidelines and satisfactory to the Board.
  - 2. A Guarantor is subject to a bankruptcy proceeding that is pending or has not been discharged.
  - 3. Any foreclosure or short sale of any property owned by the Guarantor.
  - 4. Any outstanding balances, collection accounts, or judgments owed by the Guarantor.
  - 5. A Guarantor's credit score is lower than 680.
  - 6. A Guarantor resides in a primary residence outside of the State of California.
  - 7. A Guarantor's bank is located outside of the State of California.



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

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

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

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

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

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

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

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



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

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

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

July Initial Notification

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



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**EXHIBIT "A"**

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

**ASSESSMENT/CHARGES GUARANTOR OBLIGATION FORM**

**A. The Parties**

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

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

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

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

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

**E. Enforcement.**

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



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

2. This Assessment/Charges Guarantor Obligation Form is general and shall inure to, and may be relied upon and enforced by, any successor or assign of the Mutual.
  3. This Assessment/Charges Guarantor Obligation Form shall be governed by the laws of the State of California and the parties specifically agree that any legal action brought under this Assessment/Charges Guarantor Obligation Form or any underlying lease shall be brought only in Orange County, California, which Court is agreed to have jurisdiction over the parties.
  4. The Parties waive the right to a jury trial in any such legal action.
  5. If the Guarantor breaches this Assessment/Charges Guarantor Obligation Form, the Mutual shall be entitled to a full award of attorney fees, costs and expenses relative to any enforcement efforts taken, including any litigation pursued to enforce this Assessment/Charges Guarantor Obligation Form. Guarantor agrees to pay the Mutual's actual attorney fees, costs, and expenses in the enforcement of the Governing Documents and this Assessment/Charges Guarantor Obligation Form, whether before the lawsuit/proceeding is filed, after the lawsuit/proceeding is filed, or in any and all trial and appellate tribunals, whether suit be brought or not, if, after default, counsel shall be employed by the Mutual.
  6. All amounts due to the Mutual hereunder shall bear interest at the highest rate allowed by law from the date of default.
- F. Modification.** Alteration, Modification or Revocation of this Assessment/Charges Guarantor Obligation Form is not permitted unless otherwise agreed to and signed by the Parties in writing.
- G. No Strict Performance Required.** Failure of the Mutual to insist upon strict performance or observance of any of the terms of the Governing Documents or to exercise any right held by the Mutual will not diminish the enforceability of this Assessment/Charges Guarantor Obligation Form. Guarantor agrees that the foregoing obligations shall in no way be terminated, affected, or impaired by reason of any action which the Mutual may take, or fail to take against the Owner, or by reason of any waiver of, or failure to enforce, any of the rights or remedies to the Mutual in the Governing Documents and all amendments thereto.
- H. Binding on Successors.** The obligations of Guarantor shall be binding upon Guarantor and his/her/their successors and assigns.
- I. Effective Immediately Upon Signature.** Guarantor fully understands this Assessment/Charges Guarantor Obligation Form is neither a reference, credit check, nor application, that the Mutual has relied on Guarantor's representations and warranties contained herein and it is fully effective upon Guarantor's signature.



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

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

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

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

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

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

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

### ACKNOWLEDGMENT

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

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF )

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

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

WITNESS my hand and official seal.

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

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**RESOLUTION 03-20-XX**  
**AMENDMENT OF GUIDELINES FOR**  
**FINANCIAL QUALIFICATIONS**

**WHEREAS**, Third Laguna Hills Mutual ("Third") is formed to manage, operate and maintain housing within Laguna Woods Village;

**WHEREAS**, Third is authorized to adopt rules and regulations to carry out the purposes of this Corporation through its Board of Directors;

**WHEREAS**, financial qualifications have been established by the Board of Directors to ensure, to the extent possible, the financial integrity of the Corporation;

**WHEREAS**, a review of the Guidelines for Financial Qualifications revealed an apparent discrepancy in the administration of financial qualifications applicable to applicants and to guarantors;

**WHEREAS**, the minimum annual income requirement for guarantors is currently established at the sum of \$80,000 plus the annual mortgage payment;

**NOW THEREFORE BE IT RESOLVED**, September XX, 2020, that the United Board of Directors amends its Guidelines for Financial Qualifications to increase the annual income requirement for guarantors to be the sum of \$150,000 plus the annual mortgage payment;

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

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## STAFF REPORT

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**DATE:** August 18, 2020  
**FOR:** Third Mutual Board of Directors  
**SUBJECT:** Rules for Board Meetings

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### **RECOMMENDATION**

Adopt the amended Rules for Board Meetings.

### **BACKGROUND**

On January 15, 2013, the Board established rules for Board Meetings to ensure the management of the community's affairs is carried out professionally and in adherence with the provision of the Davis-Stirling Act (Resolution 03-13-04). On January 21, 2014, the Board approved revisions for Rules for Board Meetings. (Resolution 03-14-04).

The Executive Hearings Committee directed staff to include clarifying language to section IV., Closed Session Hearings, sub-section B., Attendance and sub-section C., Addressing the Board.

### **DISCUSSION**

The purpose of the amendment is to provide clarifying language regarding witnesses and reporting party attendance at the hearing; and breakdown of timeframe for the hearing.

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

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

### **ATTACHMENT(S)**

Attachment 1: Rules for Board Meetings

Attachment 2: Resolution 03-20-XX, Rules for Board Meetings

## **ENDORSEMENT (to Board)**

### **Discuss & Consider Rules for Board Meetings**

On January 15, 2013, the Board established rules for Board Meetings to ensure the management of the community's affairs is carried out professionally and in adherence with the provision of the Davis-Stirling Act (Resolution 03-13-04). On January 21, 2014, the Board approved revisions for Rules for Board Meetings. (Resolution 03-14-04).

The Executive Hearings Committee directed staff to include clarifying language to section IV., Closed Session Hearings, sub-section B., Attendance and sub-section C., Addressing the Board.

Director Mutchnick made a motion to approve Rules for Board Meetings with changes. Advisor Hack, second the motion.

By consensus, the motion carried.



**RULES FOR BOARD MEETINGS**  
**Resolution 03-20-XX; Adopted September XX, 2020**

**I. INTRODUCTION**

Successful, efficient and orderly Board meetings benefit everyone in the community. Manor owners (“Members”) have the right to observe the open board meetings and are encouraged to attend, but meetings which are disorderly or too long can be discouraging.

These Rules inform both Director and non-Director as to what is expected of all attending Board meetings, and how meetings are conducted. The goal is orderly and efficient meetings, protection of Owners’ right to observe productive deliberations, and enhancement of the governance and the Membership experience in Third Laguna Hills Mutual (“Third”).

**II. BOARD MEETINGS**

**A. Regular Board Meetings**

Notice of the date, time and location of regular Board meetings will be provided by posting in the Clubhouse kiosks and the community center bulletin board and on the web site a minimum of four days before the meeting is to take place. Board meetings are open to all Association Members to attend and observe. Non-Members may attend only at the discretion of the Board of Directors.

Normally, regular Board meetings are held in the morning on the third Tuesday of each month. However, four days posted advance notice is always given of all open Board meetings except in case of emergency. Regular Board meetings are normally held in the Board Room on the ground floor of the Community Center at 9:30 a.m.

**B. Special Meeting or Altering Location, Date or Time**

If a special Board meeting is called or if the location, date or time of a Board meeting is to be changed, all Members will be notified at least four days prior to the meeting by posting in the Clubhouse kiosks and on the web site. In an emergency, the President or any two Directors may call for a Board meeting on shorter notice.

**C. Attendance**

Members may attend Board meetings, but Executive Session meetings are closed. **A “Member” is not a tenant, guest, family, or legal counsel of the Member.**

**D. Agendas**

1. **Preparation.** Agendas are prepared by the President **1**, in cooperation with management staff. At least one week prior to a Board meeting, the President will inquire if any Director requests inclusion of an agenda item. The Chair may also call a Board meeting for the purpose of setting the regular Board meeting agenda.
2. **Request for inclusion.** A Director may request an item be included in an agenda, by submitting the action requested and an explanation of the reason for the request. A Director requesting an agenda item is responsible to present that item to the Board with supporting information if the item is included in the agenda.
3. **Rejected agenda items.** The Chair with the assistance of Management Staff shall include a requested item in the agenda unless the item:
  - a) Has no suggested action;
  - b) Is redundant with an item already on the agenda or was addressed in a Board meeting in the previous three months;
  - c) Must be discussed in Executive Session;
  - d) Would make the agenda unduly lengthy (and so will be on the next agenda);
  - e) Is sent first to a committee for recommendation; or
  - f) Is, based on the advice of legal counsel, proposing action barred by law.
4. **Board request for agenda item.** Notwithstanding the foregoing, if an agenda item is requested in writing or by electronic mail by at least six Directors, the Chair shall include it in the Agenda for the open meeting or the Executive Session meeting, depending upon the item.
5. **Member Request for Agenda Item.**
  - a) A Member may request the President in advance that a topic be added to the agenda, but the President with the assistance of Staff will determine whether a requested topic will be included in the agenda.
  - b) A topic will also be added to the agenda if at least one week prior to the scheduled Board meeting, the Chief Executive Officer (CEO) or Staff receives a petition signed by at least twenty five different Members entitled to vote.
  - c) The requested agenda topic must still meet the standards of Rule II(D)(3) above.

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1 Any action to be taken by the President may be taken by the First Vice President or the next officer in order as stated in the By-laws if the President is unable to attend or participate.

- d) A Member who has requested an agenda item which is placed on the agenda ("Requesting Member"), may speak to the item during Open Forum, or at the election of the Chair, may present the topic to the Board immediately before the Board begins its deliberation of the item (assuming there is a Motion from the Board after the Requesting Member speaks). The Requesting Member may speak on the matter for up to five minutes. Only one person may be considered the "Requesting Member" for the purpose of addressing the Board. The Board may by motion give the Requesting Member more time to speak.
- 6. **Publication, agenda packets.** Agendas will be published at least four days prior to any non-emergency Board meeting. The Board will receive a board packet (also referred to as "agenda package"), prepared by management staff, at least four days prior to the meeting, and may be transmitted electronically upon request. To make the meeting more efficient, Directors should read the board packet prior to arriving at the meeting.
- 7. **No discussion of matters not disclosed on agenda.** The Board may not discuss subjects which are not on the agenda unless the matter is determined by a majority of the Board to involve an emergency, or unless the matter arose prior to the meeting but after the agenda was published and at least eight Directors concur that the matter requires immediate action.

**Sample agenda.** The following is a typical Agenda:

- a) Call to Order, Roll Call & Confirmation of Quorum.
- b) Pledge of Allegiance
- c) Welcome
- d) Announcements (including announcements required by these Rules)
- e) Open Forum (see Rule "F" below)
- f) Reading and Approval of Minutes From Previous Meeting
- g) Consent calendar
- h) General Manager Report
- i) Reports (if applicable)
  - 1. President
  - 2. Secretary/Correspondence
  - 3. Treasurer/Financial
  - 4. Special/Committee Reports (further discussion below)
- j) Unfinished business
- k) New Business
- l) Second Open Forum (if any)
- m) Adjournment

**E. Committees: Reports, Meetings**

1. If the Bylaws provide for standing committees or if the Board from time to time establishes committees, committee reports may be submitted to the Board prior to the meeting for review. If the committee recommends any Board action, the report should also indicate the reasons it is recommended. If possible, the committee Chair or a Member of the committee should present the report.
2. A committee consisting solely of six or more Directors, or including at least six Directors in its roster, shall conduct its meetings in the same manner as a Board meeting, with agendas, minutes, Open Forum, and in compliance with all other requirements applicable to Board meetings.
3. A committee consisting of both Directors and non-Directors but which has less than six Directors may, but is not required to, conduct its meetings in the same manner as a Board meeting, but shall prepare and submit a report to the Board prior to the agenda publication, including any recommended action.
4. Any committee reports will be included in the board packets if they are timely submitted. Committee reports which do not contain a request for action will be noted in the minutes as “received.”
5. A committee request for action shall be placed by the Chair or staff on the agenda, so long as it complies with Rule D(3).
6. Directors, upon presentation of a committee report, may ask questions about the report, but may not deliberate about the report unless that subject was timely placed on the agenda for deliberation and possible action in that meeting.

**F. Open Forum**

The Open Meeting Act, Civil Code §§4900-4950, provides that Board meetings are open to Members. A “meeting” under the law is “a congregation of a majority of the Members of the board at the same time and place to hear, discuss, or deliberate upon any item of business that is within the authority of the board.” The Board thus may not exclude Members from attending, absent discipline imposed as provided herein. The only exception is for Executive Session as discussed further below.

1. **Time for Open Forum.** Open Forum will normally occur at the beginning of the Board meeting. The agenda may also provide for a second Open Forum time at the end of the agenda. The Board may by motion re-open Open Forum on a specific agenda item, or reschedule Open Forum within the agenda.

2. **Member's Right to Speak.** Open Forum is a valuable and legally required portion of every open Board meeting. Open Forum is the opportunity for the Member to inform the Board of matters which may not be known.
- a) During Open Forum, a Member may speak to the Board on any topic not on the agenda. The purpose of Open Forum is to inform the Board of viewpoints or information of which the Board may not be aware regarding Third. Therefore, although a Member may use their time to speak upon any topic of interest to the Member, Members are advised that the Board may not be as attentive to comments on matters outside the Board's jurisdiction.
  - b) At the time designated on the agenda for Open Forum, the Chair shall ask the Members present to raise their hand if they wish to speak in Open Forum. In order to give all Members an opportunity to speak at meetings, and to control meeting length, each Member may speak for a maximum of three minutes. In the event more than ten Members indicate a desire to speak, the time limit per speaker shall be shortened to two minutes per speaker.
  - c) Open Forum is the time for Members to speak and provide additional opinions and viewpoints to the Board, and is not a time for the Board to speak. Directors will listen and not respond or otherwise interrupt a speaker at Open Forum, so long as the speaker is within these Rules and time limits. A response, if any, by a Director or staff to an Open Forum remark or question shall be after the close of Open Forum. The Chair may appoint a Director or Staff-person as timekeeper.
  - d) So long as the Open Forum comments comply with these Rules, neither staff, the Chair, nor other Director shall interrupt the speaker.
  - e) The statements made by Members in Open Forum are not the position of the Association, and Third takes no responsibility as to the content of Open Forum comments. At the beginning of Open Forum, the Chair shall remind all attending as to these Rules regarding Open Forum.
3. **Open Forum During Agenda Item Discussions.**
- a) During the Board deliberations of a matter, and when the Chair at the Chair's sole discretion determines there has been sufficient discussion to inform the attendees in the audience of the issue, the Chair will inquire if any Members in the audience wish to speak to the motion at hand.
  - b) If the Chair sees any hands raised indicating a desire to speak, Open Forum will be reopened on the issue, and the Members indicating a desire to speak to the topic may speak for up to three (3) minutes on the specific agenda item.

- c) Off-topic commentary will not be permitted, but so long as the speaker complies with the Rules, neither the Chair nor any Director will interject or otherwise interrupt during the speaker's remarks.
  - d) The Chair in its sole discretion may reduce the time per speaker to two (2) minutes on an issue, if the Chair deems it necessary to insure that all who wish to speak have the opportunity to do so.
  - e) A Member (or co-Owner of a Member) shall only speak once on a given agenda item.
  - f) Once the Chair determines that all have spoken who wished to speak, or that no one has indicated a desire to speak, the Chair shall announce Open Forum is again closed, and the Board shall resume and conclude its deliberations on the item.
4. **Re-opening of Open Forum.** If an issue on the Agenda is deemed by the Board to require further Membership input, the Board may by majority vote re- open Open Forum, to allow Members to speak to the pending subject. If Open Forum is reopened, Members may speak for up to two minutes each. Upon completion of such Membership input, in compliance with Open Forum Rules, the Board will then close Open Forum and resume deliberating the subject.
5. **Member Observation of Deliberations.** Except for Open Forum, Members may not speak to the Board, and shall quietly observe Board deliberations except for those in Executive Session. Members do not vote or make motions at Board meetings, as only Directors vote at Board meetings. Applause, boos, or other audible response to Board deliberations or decisions is out of order.
6. **Addressing the Board During Open Forum.** When speaking, the Member will identify Member's name and Manor, and will stand at the speaker's podium if physically able to stand, and will address the Board, not the audience.

**G. Meeting Conduct**

Directors, Members and anyone else permitted to attend the meeting will conduct themselves in a reasonable manner. The following conduct is strictly prohibited:

- 1. Profane or obscene language;
- 2. Slurs involving race, religion, ethnicity, gender, sexual orientation, gender identity, or age;
- 3. Shouting or yelling;
- 4. Physical threats, including non-verbal communications such as gestures or using body language in such a way as to intimidate;

5. Pounding on table or throwing items; and
6. All other unreasonable and disruptive behavior which does not allow Members to peacefully observe the proceedings, or which otherwise impedes the ability of the Board to peacefully conduct its deliberations and the Members to peacefully observe those deliberations.

Directors will also refrain from making comments which:

7. Divulge information from closed sessions;
8. Divulge attorney client privileged confidential advice; or
9. Maliciously malign any person, business or entity.

To create a positive atmosphere, all persons present will be seated (unless some handicap exists by which they cannot be seated) and will remain seated at all times when others are speaking, except when standing in line to speak for their turn in Open Forum. Neither Directors nor anyone addressing the Board will be allowed to speak while standing or hovering over someone else. All in attendance must behave in a professional and orderly manner. Directors shall refrain from interrupting each other or from making audible “sidebar” remarks while a fellow Director is speaking. Directors shall keep their microphones off except when they are addressing the Board.

#### **H. Violation of Rules**

Anyone (Member or Director) violating these Rules during a meeting may be:

1. First warned by the Chair,
2. Then warned by majority vote of the Board, and
3. Then by majority vote of the Board asked to leave the meeting.
4. In the event a person refuses to leave after the Board votes to eject the individual, the meeting shall be recessed until such time as security and/or law enforcement can be summoned to assist or until the person voluntarily leaves.

The Board may schedule a disciplinary hearing to determine whether a Member will as a result of violation of these Rules be suspended from attending one or more future Board meetings as well as any other appropriate disciplinary measures.

A non-Member who is permitted to attend but disrupts a Board meeting may be ejected upon majority Board vote without warning.

#### **I. Parliamentary Procedure**

Meetings will generally follow “Robert’s Rules of Order.” In brief, there should be no discussion on an item unless and until motion is made and there is a second to the motion. A motion is a proposal that the Board takes a stand or takes action on some issue. Only Directors can make motions.

The Resolution or motion recommended by a Committee report shall be considered as a motion and need not have a second for discussion to commence, so long as the recommendation has been stated on the agenda at least four days in advance of the meeting, absent emergency.

The Chair, normally the President, may call for a motion or, if temporarily passing the gavel, may make a motion. If there is no second to a motion, the issue is dropped. If a motion receives a second, then the Chair will ask for debate and discussion. Fair play, courtesy and cooperative behavior is preferred over strict compliance with Robert's Rules.

**J. Recording of meetings: Minutes**

The proceedings of Board meetings shall not be electronically recorded, except by "Village TV". Any other recording devices (audio, video or photographic) at Board or committee meetings are forbidden. The proceedings of such meetings shall be recorded in the minutes of the meeting. Minutes of Board meetings are prepared by the Secretary or, if the Board directs, by a Recording Secretary who need not be a Director. Minutes shall record actions taken, but shall not record commentary or statements by Directors, or comments during Open Forum.

**K. Board Deliberations**

1. Directors will deliberate topics only when on an agenda, except for emergency matters, and when a motion has been made and seconded by a Director, except for Committee recommendations, which do not require a motion or second. Unless a Director is only asking a question, Directors will indicate at the beginning of their remarks if they speak for or against the pending motion.
2. Generally, the motion initiating discussion should be made by the Director requesting the item to be placed on the agenda.
3. Directors shall:
  - a) Cooperate to keep their remarks on the topic of a motion,
  - b) Speak to each other,
  - c) Not address the live audience or the television audience, and
  - d) Avoid repetition of points already made, or repeating their own previous remarks on a motion.
4. If a Director violates the standards set forth in these Rules, the Chair may remind the Director of the standard being violated, and will then request the Director to bring their comments into compliance. In the event a Director continues to violate these Rules, the Board may proceed pursuant to subpart II(H) herein.
5. Motions may be amended in at least two ways:
  - a) A motion, after receiving a second, may be amended by a motion, which motion must also receive a second and a majority vote.
  - b) A motion may also be amended by a "friendly amendment" in which



the author of the original motion consents to a proposed amendment to the motion. If the second also consents, the motion is amended and deliberations continue on the motion as amended.

**L. Board Comments During Meetings**

1. The comments of Directors, staff, or Mutual consultants during Board or Committee Meetings are not comments of the Mutual, and only the speaker's opinions.
2. The position of the Mutual is only that expressed in Motions or Resolutions which are adopted by the Board of Directors.
3. The Chair of any Board or Committee Open Meeting shall make an announcement at the beginning of the Board or Committee meeting which recites the first two sentences of this section verbatim.

**M. Chair**

1. The Chair shall be the President of Third, if present at the meeting, unless the Chair passes the gavel temporarily to the First Vice President. If the First Vice President is unavailable, then the Second Vice President may serve as Chair. If neither the President, First or Second Vice President are in attendance, a majority of the Board may elect a temporary Chair.
2. The Chair may discuss and vote on any motion, unless the Chair recuses itself.
3. If the Chair wishes to make a motion, the Chair shall pass the gavel to the First Vice President or next Officer in succession until deliberation of the motion is concluded by a vote on the motion.
4. The Chair shall be entrusted with the orderly progress of the Board's deliberations. In the event the Chair perceives that deliberations have ceased to move the discussion forward (either because unanimity already exists; debate has become repetitive or otherwise unduly lengthy; positions on a motion have become clear; or because the Board is not ready to decide on the matter), the Chair shall call for a motion to close debate, or a motion to table the matter.
5. The relationship between the Board and Chair should be one of mutual respect. The Board should give respect and deference to the Chair's leadership in moving deliberations forward, while the Chair should give respect and not request a conclusion to deliberations of a matter if the Board majority wishes to continue deliberation of a topic.
6. Any Director also may move the previous question, which is not debatable, and requires a two thirds vote to conclude deliberations so that the matter being deliberated may be voted upon.

**III. EXECUTIVE SESSION**

**A. Purpose of Executive Session**

Executive Session meetings allow the Board of Directors to address issues of

sensitive nature, which may involve attorney client privilege or other privacy rights. It is important that all information discussed and disclosed at these sessions remain private.

The Board may meet in Executive Session only on the following subjects:

1. Litigation or threatened litigation.
2. Contract negotiations.
3. Member disciplinary hearings (i.e.: imposing fines or other penalties).
4. **Hearings on Mutual reimbursement claims against a Member**
5. Member's proposal of a payment plan for delinquent assessments.
6. Voting on the decision to foreclose upon an assessment lien.
7. Personnel issues.

Subsequent Board minutes will contain a general note of the actions taken.

**B. Confidentiality Agreement**

To protect Third and its Members, each Director shall annually sign a confidentiality agreement before attending and participating in Executive Session meetings. A Director who refuses to do so will not be permitted to attend Executive Session meetings, and legal counsel will not copy that Director on confidential communications, nor participate in legal advice discussions with that Director present.

The Confidentiality Agreement shall state substantially as follows:

"I, \_\_\_\_\_ (Name), after having been duly elected or appointed as a Director of Third Laguna Hills Mutual, do hereby agree that all information which is disclosed by or to me, orally or in writing, and all discussions held at an Executive Session Meeting of the Board and all attorney advice shall be kept confidential and shall remain confidential, even after I am no longer a Director. I understand that this means that anything I say, hear or see at an Executive Session Meeting may not be discussed with anyone outside of Executive Session.

I further understand that if I do not sign this Confidentiality Agreement or do not honor this Agreement, I will not be permitted to participate in or attend Executive Session Meetings or to receive confidential attorney-client communications. I further understand that I will be held responsible for any damages which result to the Mutual or its individual Members if I violate this agreement."

**C. Procedure for Setting**

The notice for a meeting which is solely an Executive Session meeting must be posted two days in advance, unless it is an emergency Executive Session meeting.

The notice should state that the only item of business to come before the Board will be held in Executive Session and that no issues will be discussed in open session.

**D. Agenda Packets**

Due to the sensitive nature of the subjects discussed in closed session, Directors will return their Executive Session agenda packets to management staff immediately upon adjournment of the meeting, or when they depart from the meeting, whichever occurs first. Executive session agenda packets will not be distributed to Directors in electronic form.

**IV. CLOSED SESSION HEARINGS**

The Mutual conducts its disciplinary hearings and reimbursement claim hearings in closed session. The following rules are to inform both Members and Directors regarding how these hearings are conducted.

**A. Notification**

If the Mutual is considering discipline or pursuing a reimbursement claim against a Member, it will first provide written notification to the Member, of a hearing to be held by the Board to consider the matter, at least ten days after the date the notification is sent to the Member. The notification will inform the Member the nature of the alleged violation or reimbursement claim.

**B. Attendance**

A Member being considered for discipline or a reimbursement claim may attend the hearing to address the Board regarding whether the Board should impose discipline or pursue reimbursement. The Member may bring written witnesses statements. The Member may not bring legal counsel. The Member being considered for discipline or reimbursement claim may not observe the Board's deliberation of the matter. A Member may provide a written statement as a substitute for personally appearing at the hearing.

A complaining Member may provide a written statement to the Board. The complaining Member will not be permitted to hear the Board's deliberation or the presentation by the Member being considered for discipline.

**C. Addressing the Board**

A Member being considered for discipline or reimbursement claim may speak to the Board for a maximum of five minutes of uninterrupted time. Then the Board will have five minutes to ask questions for a total of 10 minutes. If a Member brings supporting documentation, it is suggested the Member bring one copy for staff, one copy for Mutual legal counsel, and 11 copies for the Board.

Members addressing the Board should be prepared and organized for the hearing, to maximize their allotted time.

D. The Board's Decision

The Board will notify in writing the Member being considered for discipline or reimbursement claim within fifteen (15) days of the hearing. The Board will not notify other Members of the Board's decision, which shall remain confidential.



**Rules for Board Meetings**  
**RESOLUTION 03-20-XX**

**WHEREAS**, each Owner Member of Laguna Woods Village has an ongoing interest and right under California law to participate in the governance of their community; and

**WHEREAS**, the Board of Directors of the Third Laguna Hills Mutual has an equal interest and duty under law to ensure that the management of the community's affairs is carried out professionally and in adherence with the provisions of the Davis-Stirling Act; and

**WHEREAS**, the Board of Directors wishes to promote order and regulate meeting time in an even and consistent fashion;

**NOW THEREFORE BE IT RESOLVED**, September XX, 2020, that the Board of Directors of this Corporation hereby approves the attached revised Rules for Board Meetings; and

**RESOLVED FURTHER**, that Resolution 03-14-04 adopted January 21, 2014 is hereby superseded and cancelled; and

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

**AUGUST Initial Notification**

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

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## Financial Report

Preliminary as of June 30, 2020



INCOME STATEMENT (in Thousands)	ACTUAL
Assessment Revenue	\$16,582
Non-assessment Revenue	\$1,421
Total Revenue	\$18,003
Total Expense	\$14,275
Net Revenue/(Expense)	\$3,728

1

## Financial Report

Preliminary as of June 30, 2020



OPERATING ONLY INCOME STATEMENT (in Thousands)	ACTUAL
Assessment Revenue	\$10,114
Non-assessment Revenue	\$519
Total Revenue	\$10,633
Total Expense <sup>1</sup>	\$10,003
Operating Surplus	\$630

1) excludes depreciation

2

## Financial Report

Preliminary as of June 30, 2020

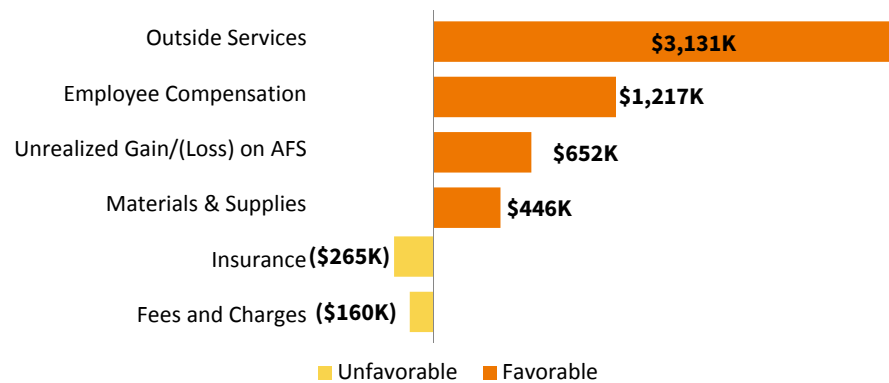


INCOME STATEMENT (in Thousands)	ACTUAL	BUDGET	VARIANCE B/(W)
Assessment Revenue	\$16,582	\$16,582	\$0
Non-assessment Revenue	\$1,421	\$993	\$428
Total Revenue	\$18,003	\$17,575	\$428
Total Expense	\$14,275	\$19,016	\$4,741
Net Revenue/(Expense)	\$3,728	(\$1,441)	\$5,169

3

## Financial Report

Preliminary as of June 30, 2020



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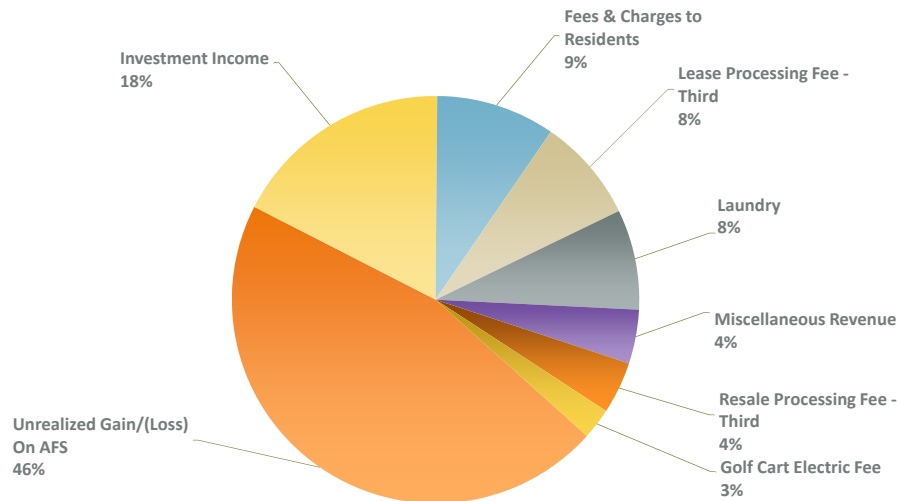


# Financial Report

Preliminary as of June 30, 2020



## Total Non Assessment Revenues \$1,421,430



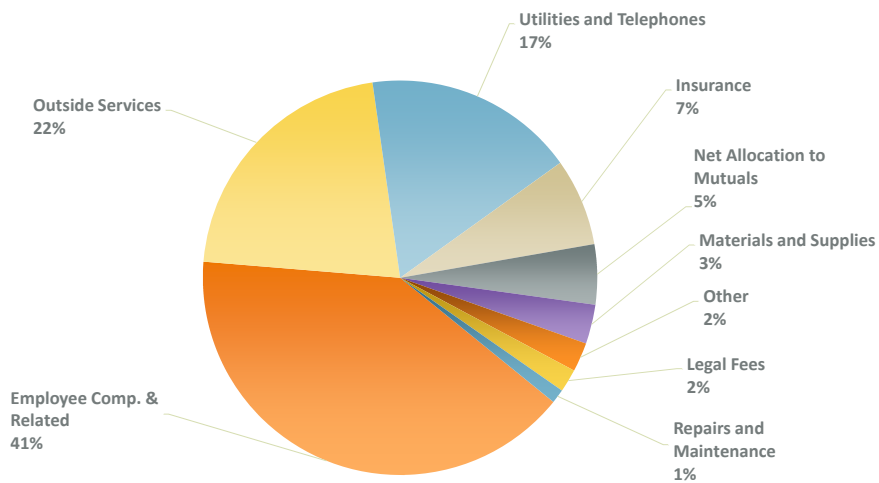
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# Financial Report

Preliminary as of June 30, 2020



## Total Expenses \$14,275,253



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## Financial Report

Preliminary as of June 30, 2020



NON OPERATING FUND BALANCES (in Thousands)	Replacement Funds*	Disaster Fund	Unappropriated Expenditures Fund	Garden Villa Fund	TOTAL
Beginning Balances: 1/1/20	\$16,033	\$9,065	\$3,626	\$73	\$28,797
Contributions & Interest	6,088	830	406	45	7,369
Expenditures	3,258	897	14	34	4,203
Current Balances: 6/30/20	\$18,863	\$8,998	\$4,018	\$84	\$31,963

\* Includes Elevator and Laundry Funds

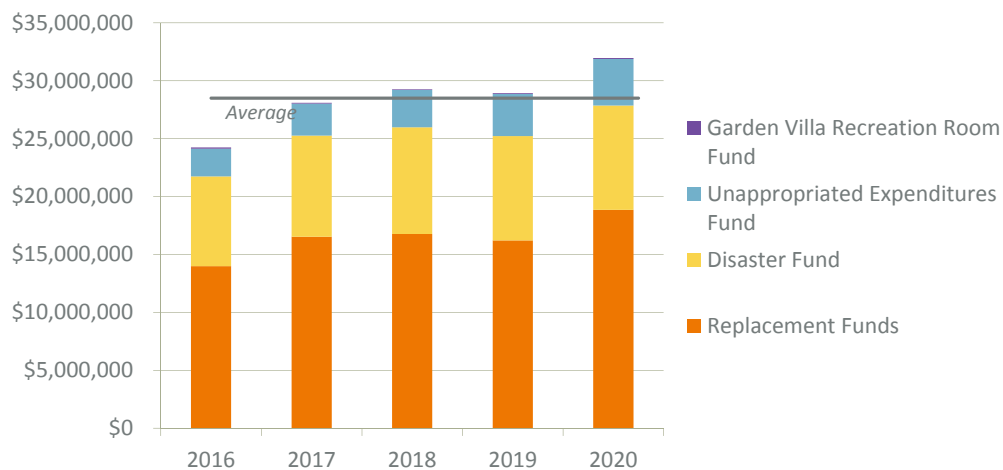
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## Financial Report

Preliminary as of June 30, 2020



### FUND BALANCES – Third Mutual



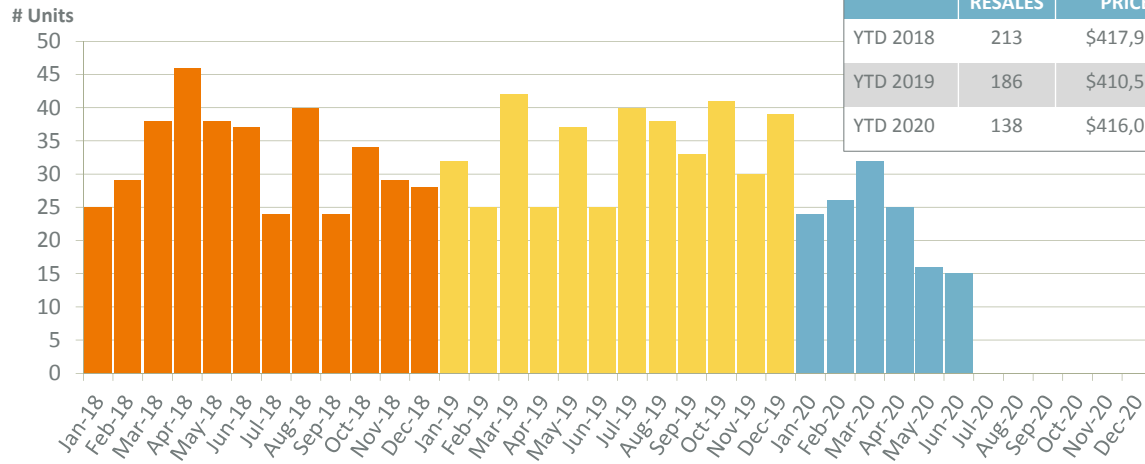
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# Financial Report

Preliminary as of June 30, 2020



## RESALE HISTORY – Third Mutual



	NO. OF RESALES	AVG. RESALE PRICE
YTD 2018	213	\$417,933
YTD 2019	186	\$410,567
YTD 2020	138	\$416,057

**Third Laguna Hills Mutual**  
**Statement of Revenues & Expenses - Preliminary**  
**6/30/2020**  
(\$ IN THOUSANDS)

		CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	TOTAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:									
Assessments:									
1	Operating	\$1,686	\$1,686		\$10,114	\$10,114		\$9,383	\$20,228
2	Additions to restricted funds	1,078	1,078		6,468	6,468		6,730	12,935
3	Total assessments	2,764	2,764		16,582	16,581		16,113	33,163
Non-assessment revenues:									
4	Fees and charges for services to residents	26	49	(23)	134	294	(160)	386	588
5	Laundry	16	18	(2)	113	110	3	96	220
6	Investment income	36	45	(9)	250	268	(18)	317	536
7	Unrealized gain/(loss) on AFS investments	33		33	652		652	299	
8	Miscellaneous	46	54	(8)	272	322	(50)	309	643
9	Total non-assessment revenue	157	166	(8)	1,421	994	428	1,408	1,988
10	Total revenue	2,921	2,929	(8)	18,003	17,575	428	17,521	35,150
Expenses:									
11	Employee compensation and related	857	1,219	362	5,777	6,995	1,217	6,308	13,940
12	Materials and supplies	36	147	110	460	906	446	681	1,787
13	Utilities and telephone	558	474	(84)	2,474	2,589	116	2,314	5,542
14	Legal fees	66	42	(25)	269	250	(19)	178	500
15	Professional fees	16	9	(7)	58	86	28	94	145
16	Equipment rental	1	2	1	10	10		14	20
17	Outside services	765	1,086	321	3,063	6,195	3,131	3,361	11,661
18	Repairs and maintenance	24	32	8	164	190	26	167	380
19	Other Operating Expense	6	17	11	54	100	46	72	199
20	Income taxes	20		(20)	20		(20)		
21	Insurance	170	126	(44)	1,023	759	(265)	651	1,517
22	Investment expense		4	4	6	23	17	23	47
23	Uncollectible Accounts	1	10	9	17	60	43	155	120
24	(Gain)/loss on sale or trade	(6)		6	108		(108)	7	
25	Depreciation and amortization	11	11		68	68		72	136
26	Net allocation to mutuals	118	129	11	703	785	82	597	1,577
27	Total expenses	2,644	3,308	664	14,275	19,016	4,741	14,692	37,572
28	Excess of revenues over expenses	\$277	(\$379)	\$656	\$3,728	(\$1,441)	\$5,169	\$2,829	(\$2,421)



**Statement of Revenues & Expenses - Preliminary**  
Variance Explanations as of June 30, 2020

**SUMMARY**

Third financial results were better than budget by \$5,169K as of June 30, 2020, primarily due to timing of programs and program adjustments related to the COVID-19 pandemic. Explanations for categories with significant variances are found below.

**REVENUE**

**Fees and Charges for Services to Residents – (\$160K) [Line 4](#)**

Unfavorable variance resulted from revenue not yet recorded from prior year moisture intrusion events, pending determination hearings. Variance was partially offset by more plumbing chargeable service. Water heater replacement is an expanded service that has generated more revenue than anticipated at the time of budget preparation.

**Unrealized gain/(loss) on AFS Investments – \$652K [Line 7](#)**

Favorable variance due to reporting of Unrealized Gain on Available for Sale Investments. A monthly entry is made to reflect investment market conditions, which fluctuate. The variance was partially offset by realized losses, recorded in line 23, below.

**EXPENSES**

**Employee Compensation and Related – \$1,217K [Line 11](#)**

Programs such as Prior to Paint, Exterior Paint Program, and Building structures were placed on hold beginning mid-March to comply with recent health order due to ongoing COVID-19 pandemic which also resulted in staff furloughs throughout the organization, particularly affecting Carpentry and Paint work centers contributing to a large portion of the favorable variance. Additional savings occurred in Landscape Services: tree maintenance and slope maintenance were outsourced creating a savings labor hours; mulch distribution will be primarily performed in the fall months; and blowing is expected to increase as mowing frequency increases to a weekly basis in the summer months. To a lesser extent, favorable variance was furthered by open positions in Landscape and M&C

**Materials and Supplies – \$446K [Line 12](#)**

Favorable variance due to timing and programs put on hold since mid-March due to the COVID-19 pandemic. Fewer materials used in programs such as building structures (carpentry), dry rot repairs and exterior paint program. Many purchases were delayed until facilities and services reopen.



**Statement of Revenues & Expenses - Preliminary**  
Variance Explanations as of June 30, 2020

**Utilities and Telephone – \$116K** [Line 13](#)

Electricity savings resulted due to energy consumption offset by higher solar credits than anticipated. To a lesser extent, average water consumption was lower than budget due to favorable weather conditions. Evapotranspiration (ET) weather data was used to measure water usage for irrigation.

**Outside Services – \$3,131K** [Line 17](#)

Favorable variance is due to:

- **Exterior Lighting – \$761K**

Favorable variance is due to timing of scheduled work for the Street Light LED Conversion Project, which consists of retrofitting the existing lighting fixtures to more efficient LED technology. In 2019, M&C conducted pilot programs and chosen fixtures were approved for installation in December. Staff completed staging the area for installation with the funds that were carried over from 2019. Siemens completed the installation of LED fixtures (Cobra head & King K427) in June. Staff is in the process of completing inspections and developing a punch list.

- **Building Structures – \$625K**

Favorable variance resulted from work being postponed due to the COVID-19 pandemic. In May, M&C Committee directed staff to restart certain programs such as building structures dry rot and parapet wall removal.

- **Roof Replacements – \$472K**

Favorable variance is due to work being put on hold related to the COVID-19 pandemic. Roof replacement is budgeted evenly throughout the year and work was scheduled to begin in late March but due to the pandemic, the roofing program began on June 8. Of the 20 scheduled buildings, 3 were completed through July.

- **Paving – \$384K**

Although budget is spread evenly throughout the year, paving programs such as asphalt repair, parkway concrete, and seal coat are scheduled from September through October.



**Statement of Revenues & Expenses - Preliminary**  
Variance Explanations as of June 30, 2020

- **Waste Line Remediation – \$304K**

Favorable variance is due to work being put on hold related to the COVID-19 pandemic. While the primary focus is on three-story buildings this year, other buildings with a high risk for stoppages will also be evaluated for epoxy lining. The three-story buildings take an average of 6-weeks to complete. There are five Garden Villa buildings left to complete this year. On May 19th, the Board approved a spending limit of \$750,000 to the 2020 program.

Offset:

- **Tree Maintenance – (\$173K)**

Although annual tree trimming is budgeted to be performed by in-house staff, work is now being done by outside vendors at a lower rate.

**Insurance – (\$265K) [Line 21](#)**

Unfavorable variance due to higher premiums at the 10/1/19 renewal for property and casualty insurance. Insurance premium increases were implemented after 2020 budget was finalized. Significant changes in market conditions, catastrophic losses including wildfires in California, and a non-renewal situation required a new layered program structure to achieve the existing limits in a tight market.

**(Gain)/loss on sale or trade – (\$108K) [Line 24](#)**

Unfavorable variance due to realized loss occurring from sale of underperforming investments, which partially offsets some of the unrealized gain reflected in line 7, above.

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# Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

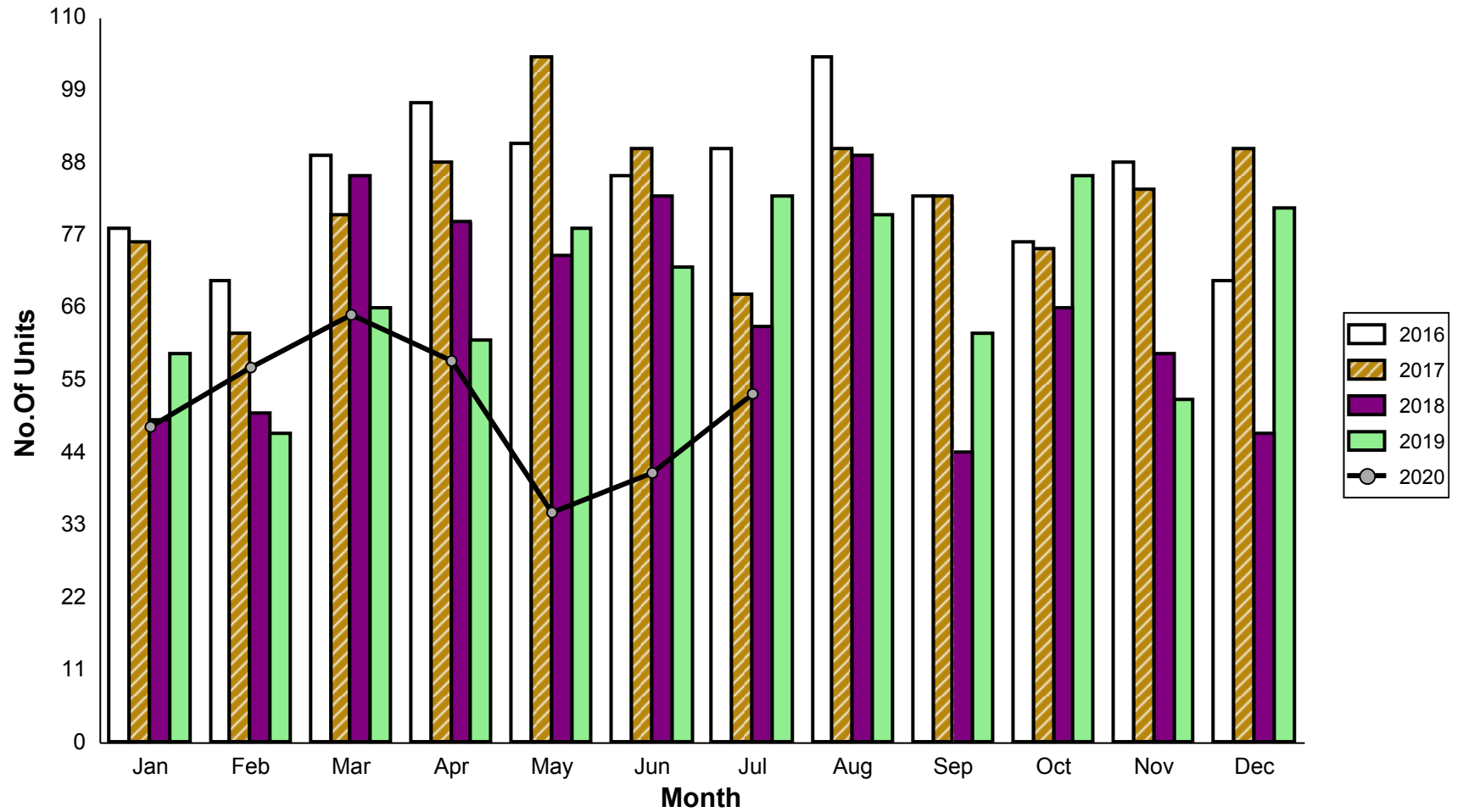
REPORT PERIOD

July, 2020

MONTH	NO. OF REALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	48	59	\$16,125,300	\$18,540,250	\$335,944	\$314,242
February	57	47	\$18,886,210	\$14,770,050	\$331,337	\$314,256
March	65	66	\$21,969,916	\$23,445,712	\$337,999	\$355,238
April	58	61	\$18,200,321	\$20,041,551	\$313,799	\$328,550
May	35	78	\$10,277,500	\$23,975,536	\$293,643	\$307,379
June	41	72	\$12,315,399	\$21,298,290	\$300,376	\$295,810
July	53	83	\$19,258,248	\$27,170,573	\$363,363	\$327,356
August		* 80		* \$26,206,000		* \$327,575
September		* 62		* \$20,171,980		* \$325,355
October		* 86		* \$26,648,300		* \$309,864
November		* 52		* \$18,653,350		* \$358,718
December		* 81		* \$27,517,600		* \$339,723
TOTAL	357.00	466.00	\$117,032,894	\$149,241,962		
MON AVG	51.00	66.00	\$16,718,985	\$21,320,280	\$325,209	\$320,404

\* Amount is excluded from percent calculation

## Resales - 5 Year Comparison



# Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

Third

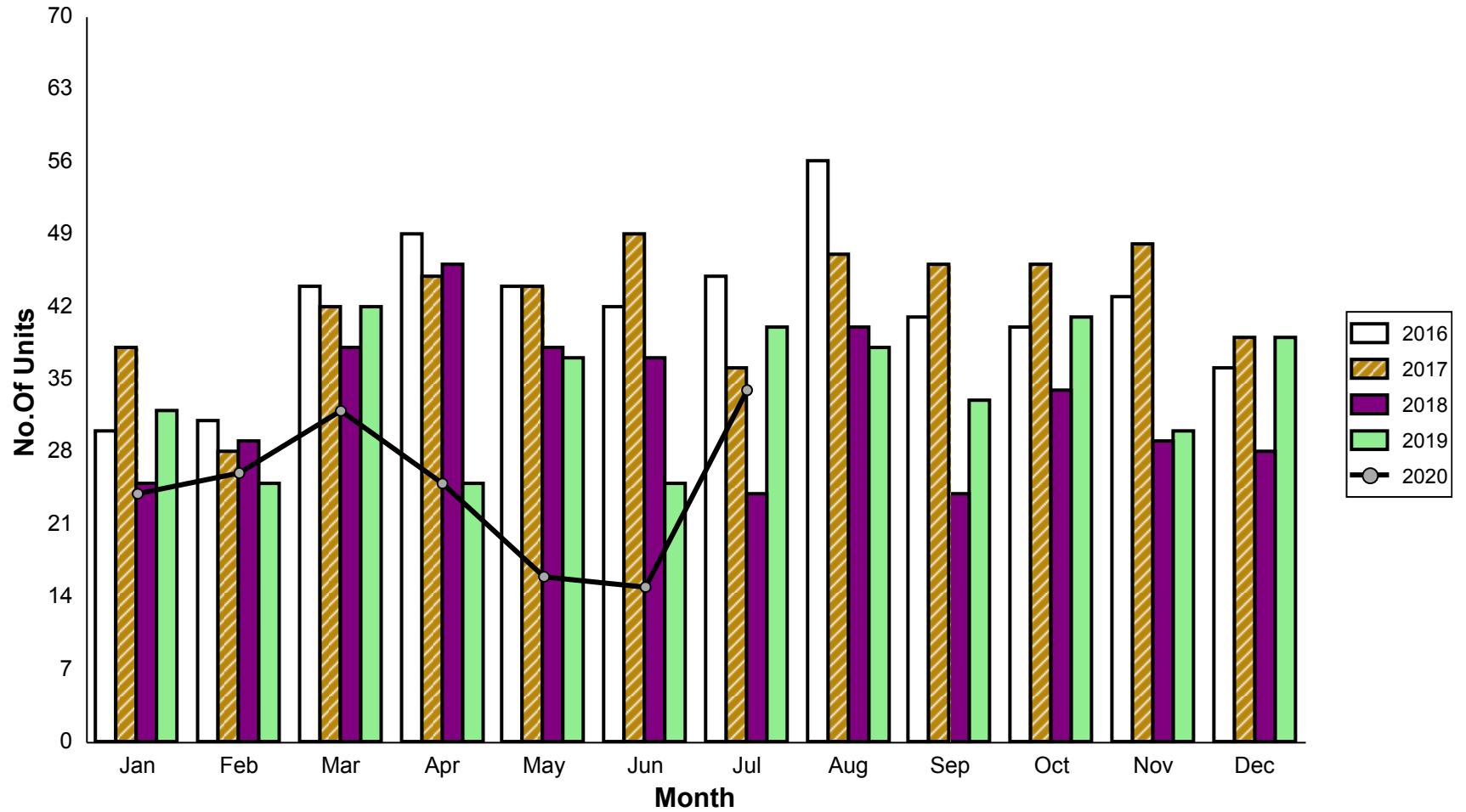
July, 2020

MONTH	NO. OF RESALES		TOTAL SALES VOLUME IN \$\$		AVG RESALE PRICE	
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
January	24	32	\$10,015,000	\$12,482,100	\$417,292	\$390,066
February	26	25	\$12,158,700	\$10,208,000	\$467,642	\$408,320
March	32	42	\$13,946,416	\$16,639,712	\$435,826	\$396,184
April	25	25	\$10,830,833	\$10,435,500	\$433,233	\$417,420
May	16	37	\$5,604,000	\$16,273,033	\$350,250	\$439,812
June	15	25	\$5,881,500	\$10,290,000	\$392,100	\$411,600
July	34	40	\$14,188,748	\$17,327,373	\$417,316	\$433,184
August		* 38		* \$15,994,900		* \$420,918
September		* 33		* \$12,643,180		* \$383,127
October		* 41		* \$16,142,900		* \$393,729
November		* 30		* \$13,520,950		* \$450,698
December		* 39		* \$18,319,800		* \$469,738
<b>TOTAL</b>	172.00	226.00	\$72,625,197	\$93,655,718		
<b>MON AVG</b>	24.00	32.00	\$10,375,028	\$13,379,388	\$416,237	\$413,798
<b>% CHANGE - YTD</b>	-23.9%		-22.5%		0.6%	

% Change calculated (ThisYear - LastYear)/LastYear

\* Amount is excluded from percent calculation

## Resales - 5 Year Comparison



## Resales Report Third Laguna Hills Mutual July, 2020

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
07/17/2020	2129-A	3	\$308,300	Cordoba	Compass	Berkshire Hathaway	Granite Escrow
07/07/2020	2245-D	3	\$370,000	Cordoba	Laguna Premier Realty, Inc	Presidential Real Estate	Blue Pacific Escrow
07/14/2020	2254-A	3	\$380,000	Seville	Realty Quest	Balboa Real Estate	Corner Escrow Inc.
07/28/2020	2258-B	3	\$205,000	Coronado	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Granite Escrow
07/27/2020	2298-B	3	\$250,000	Casa Contenta	Residential Agent Inc.	FATHOM REALTY	Granite Escrow
07/24/2020	2311-A	3	\$280,000	San Sebastian	Retrospect Properties	Country Club Properties	Blue Pacific Escrow
07/23/2020	2316-D	3	\$390,000	Casa Contenta	Prea Realty	Realty Connection Group	Corner Escrow Inc.
07/14/2020	2355-2G	3	\$295,000	Garden Villa	Regency Real Estate	Laguna Premier Realty, Inc	Blue Pacific Escrow
07/01/2020	2356-B	3	\$535,000	Cordoba	Marlene Thompson, Broker	Century 21 Rainbow	Granite Escrow
07/09/2020	2366-C	3	\$275,000	San Sebastian	Re/Max Coastal Luxury	Century 21 Astro	Corner Escrow Inc.
07/16/2020	2397-1C	3	\$315,000	Villa Capri	HomeSmart Evergreen	HomeSmart Evergreen	Escrow Options Group
07/28/2020	2400-2C	3	\$259,000	Villa Capri	Prea Realty	Coldwell Banker Residential	Corner Escrow Inc.
07/30/2020	3012-B	3	\$320,000	Villa Nova	Realty Quest	Century 21 Rainbow	Corner Escrow Inc.
07/27/2020	3026-N	3	\$480,000	Casa Del Mar	H & M Realty Group	HomeSmart Evergreen	Corner Escrow Inc.
07/17/2020	3035-N	3	\$276,000	Montecito	Select California Homes	HomeSmart Evergreen	Granite Escrow
07/24/2020	3060-A	3	\$195,260	La Casita	Berkshire Hathaway	HomeSmart Evergreen	Escrow Options Group
07/28/2020	3105-Q	3	\$510,000	Casa Vista	H & M Realty Group	Keller Williams Real Estate	Corner Escrow Inc.
07/08/2020	3118-D	3	\$419,888	Hermosa	HomeSmart Evergreen	First Team Real Estate	Escrow Options Group
07/01/2020	3131-B	3	\$474,800	Hermosa	Laguna Premier Realty, Inc	HomeSmart Evergreen	Blue Pacific Escrow
07/03/2020	3187-B	3	\$560,000	El Doble	Century 21 Rainbow	First Team Real Estate	Corner Escrow Inc.
07/08/2020	3241-2A	3	\$481,000	Villa Puerta	Coldwell Banker	Surterre Properties, Inc.	Corner Escrow Inc.
07/02/2020	3249-N	3	\$434,000	Casa Vista	Century 21 Rainbow	Century 21 Rainbow	Granite Escrow

## Resales Report Third Laguna Hills Mutual July, 2020

Close	Manor	Mutual	Price	Model/Style	Listing Realtor	Buyer Realtor	Escrow
07/30/2020	3299-A	3	\$292,500	Casa Vista	Residential Agent Inc.	Coldwell Banker Residential	Granite Escrow
07/15/2020	3319-A	3	\$640,000	El Doble	HomeSmart Evergreen	Laguna Premier Realty, Inc	Escrow Options Group
07/01/2020	3336-2C	3	\$243,000	Sierra	Bullock Russell Real Estate	Re/Pro	Generations Escrow
07/02/2020	3358-P	3	\$440,000	Catalina	Century 21 Rainbow	Bennion Deville Homes	Granite Escrow
07/28/2020	3383-A	3	\$359,000	Catalina	Century 21 Rainbow	Laguna Premier Realty, Inc	Granite Escrow
07/30/2020	3501-3D	3	\$337,500	Villa Nueva	Robert Ganem, Broker	Laguna Woods Village Realty	Granite Escrow
07/16/2020	5275	3	\$880,000	Villa Paraisa	Century 21 Rainbow	Presidential Real Estate	Corner Escrow Inc.
07/27/2020	5338-B	3	\$895,000	La Reina	Laguna Premier Realty, Inc	Laguna Premier Realty, Inc	Blue Pacific Escrow
07/30/2020	5370-3F	3	\$217,000	Villa Puerta	Coldwell Banker Residential	Allison James	Granite Escrow
07/29/2020	5371-1B	3	\$391,500	Villa Puerta	Century 21 Rainbow	Century 21 Rainbow	Granite Escrow
07/21/2020	5517-3A	3	\$380,000	El Mirador	Berkshire Hathaway	Regency Real Estate	Granite Escrow
07/10/2020	5595-A	3	\$1,100,000	Casa Palma	Presidential Real Estate	Royal Professionals	Generations Escrow

Number of Resales: 34

Total Resale Price: \$14,188,748

Average Resale Price: \$417,316

Median Resale Price: \$375,000

## Monthly Resale Report Third Mutual

PREPARED BY  
Community Services Department

Jul-20

Month	NUMBER OF REALES				TOTAL SALES VOLUME IN \$\$				AVG RESALE PRICE			
	2020	2019	2018	2017	2020	2019	2018	2017	2020	2019	2018	2017
January	24	32	25	38	\$10,015,000	\$12,482,100	\$8,807,150	\$14,513,062	\$417,292	\$390,066	\$352,286	\$381,923
February	26	25	29	28	\$12,158,700	\$10,208,000	\$12,600,892	\$9,887,500	\$467,642	\$408,320	\$434,514	\$353,125
March	32	42	38	42	\$13,946,416	\$16,639,712	\$16,909,199	\$15,185,800	\$435,826	\$396,184	\$444,979	\$361,567
April	25	25	46	45	\$10,830,833	\$10,435,500	\$18,869,626	\$18,847,150	\$433,233	\$417,420	\$410,209	\$418,826
May	16	37	38	44	\$5,604,000	\$16,273,033	\$15,452,990	\$18,157,951	\$350,250	\$439,812	\$406,658	\$412,681
June	15	25	37	49	\$5,881,500	\$10,290,000	\$16,981,138	\$21,011,450	\$392,100	\$411,600	\$458,950	\$428,805
July	34	40	24	36	\$14,188,748	\$17,327,373	\$9,892,800	\$13,526,020	\$417,316	\$433,184	\$412,200	\$375,723
August	0	38	40	47	\$0	\$15,994,900	\$17,327,000	\$17,967,189	\$0	\$420,918	\$433,175	\$382,281
September	0	33	24	46	\$0	\$12,643,180	\$12,552,692	\$16,020,038	\$0	\$383,127	\$523,029	\$356,001
October	0	41	34	46	\$0	\$16,142,900	\$14,146,300	\$18,804,700	\$0	\$393,729	\$416,068	\$408,798
November	0	30	28	49	\$0	\$13,520,950	\$10,675,000	\$19,847,200	\$0	\$450,698	\$381,250	\$405,045
December	0	39	28	38	\$0	\$18,319,800	\$13,693,599	\$18,509,275	\$0	\$469,738	\$489,057	\$487,086
<b>TOTAL</b>	172	226	237	282	\$72,625,197	\$93,655,718	\$99,513,795	\$111,128,933				
<b>MON AVG</b>	24.6	32.3	33.9	40.3	\$10,375,028	\$13,379,388	\$14,216,256	\$15,875,562	\$416,237	\$413,798	\$417,114	\$390,379
<b>% CHANGE-YTD</b>	-23.9%	-4.6%	-16.0%	-1.4%	-22.5%	-5.9%	-10.5%	14.3%	0.6%	-0.8%	6.8%	14.5%

% Change calculated (This Year - Last Year)/Last Year  
Percent calculation only includes YTD figures in black.



# MONTHLY LEASING REPORT

Report Period:  
July-2020

MONTH	LEASES IN EFFECT				Total this year	Total last year	Total Expirations	New Monthly Transactions		
	3 Months	6 Months	12 Months	12+Months				Leases	Renewals	Extensions
January	21	21	392	1289	1723	1688	31	35	123	3
February	20	21	402	1285	1728	1699	54	34	83	1
March	19	25	393	1288	1725	1708	73	37	93	7
April	10	22	388	1281	1701	1691	79	32	107	3
May	8	15	391	1232	1646	1682	104	31	151	4
June	14	15	373	1299	1701	1692	69	44	117	5
July	13	11	364	1316	1704	1708	67	47	136	6
August										
September										
October										
November										
December										

Monthly Average	15.0	18.6	386.1	1284.3	1704.0	1695.4	68.1	37.1	115.7	4.1
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Percentage Leased	1704 / 6102 = 27.9%									
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**OPEN MEETING**

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
LANDSCAPE COMMITTEE**

**Thursday, August 6, 2020 – 9:30 a.m.  
VIRTUAL MEETING**

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

**REPORT**

**COMMITTEE MEMBERS PRESENT:** Chair - Lynn Jarrett, Annie McCary, Cush Bhada, Reza Karimi, Doug Gibson

**COMMITTEE MEMBERS ABSENT:**

**OTHERS PRESENT:**

**ADVISORS PRESENT:** Cindy Baker

**STAFF PRESENT:** Kurt Wiemann, Eve Morton, Maribel Flores

**1. Call to Order**

Chair Jarrett called the meeting to order at 9:36 a.m.

**2. Acknowledgement of Media**

No media was present.

**3. Approval of the Agenda**

Advisor Baker made a motion to approve the agenda. The motion passed with a unanimous vote.

**4. Approval of the July 2, 2020 Report**

Director Gibson moved to approve the Report. The motion passed with a unanimous vote.

**5. Committee Chair Remarks**

Chair Jarrett stated that this is a virtual Open meeting and indicated the email address and phone number that Members may use to submit a Member Comment during this meeting.

Chair Jarrett stated that the Village is looking wonderful. She will be on Village TV This Day show a few days following the Third Board meeting on the 18th. She is pleased with the grass and how it looks. She asked Mr. Wiemann questions regarding the 2021 budget.

## **6. Department Head Update**

Mr. Wiemann discussed the 2021 budget and said it is still fluid at this point. The proposed Landscape budget for 2021 is basically the same as 2020. No big changes for 2021. He moved the outsourcing reserve funds for landscape modernization to internal staff, since there is now a new planting crew who can do that work.

Staff is now planting bare and neglected areas. They are spending a week in each section.

He is making some staff changes due to the Landscape reorganization. He is promoting from within and staff morale is better.

Chair Jarrett stated that the slopes are looking good.

Chair Gibson inquired about the mowing schedule. Mr. Wiemann reviewed the schedule. Staff is on track for four visits per manor, per year.

### Consent Calendar:

None.

### Reports:

## **7. Project Log**

Mr. Wiemann reviewed the Project Log with the committee.

Mr. Wiemann updated the committee on the some new numbers regarding funds spent on fire reduction activities. (See Project Log attached).

Director Karimi indicated that the recycled water bill has gone up quite a bit. He is concerned about water costs. Mr. Wiemann stated the he will look into it. Chair Jarrett and Director Karimi requested a copy of the water bills. Mr. Wiemann stated he will send it to them.

Chair Jarrett stated that there will be no landscape modernization work in Gate 11 for this year or next year.

## 8. Tree Work Status Report

Mr. Wiemann reviewed this report with the committee.

### Unfinished Business

None.

### Items for Discussion and Consideration:

## 9. Tree Removal Request: 2379-D Via Mariposa W. (Frei) – One Silk Oak

Advisor Baker made a motion to accept staff's recommendation and deny removal of this tree. Director Gibson seconded. The committee was in unanimous support.

## 10. Tree Removal Request: 3209-C Via Buena Vista (Thompson) – One Indian Laurel Fig

Director Gibson made a motion to accept staff's recommendation and approve removal of this tree. Director Bhada seconded. The committee was in unanimous support.

## 11. Hedge Trimming Request: 5191 Duenas (Powers)

Director Bhada made a motion to accept staff's recommendation and approve trimming of this hedge. Director Gibson seconded. The committee was in unanimous support.

Mr. Wiemann stated that the trimming will take place during the next trimming cycle for that area.

### Items for Future Agendas:

None.

### Concluding Business

## 12. Member Comments (Items Not on the Agenda)

*The Community Center is closed and this is a virtual meeting which Members may view on the Village website under Residents>Governance>Board Meeting Videos. Member comments will be read during the meeting and the committee will respond. Members may request to speak via email to [meeting@vmsinc.org](mailto:meeting@vmsinc.org) any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee meeting in the subject line of the email or you may call 949-268-2020 beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and unit number.*

*(John Edmiston 5531-B) "Last week someone called from landscape and informed us that our trees on the back of our property would be trimmed. We were appalled to find that our landscaping was gutted. We no longer have any privacy in our*

*bedroom or bathroom, noise is intensified, and heat and cold is much more pronounced. Our utilities will go up because there is no protection from sun or shade. El Toro road is just outside our back fence and we are a target for crime and mischief.*

*A barrier is needed to protect the community as well as privacy issues.*

*Please consider what you will do to help the residents who live on that side of the fence. Can you plant trees that will afford us privacy? We need or a higher wall with landscaping. Please help us with this immediate problem. Our park-like setting is gone.”*

**(Steve Stanfill, 3425- C)** *“Located behind my building on a small slope, we have three large Liquid Amber trees. These trees have not been trimmed in at least five years. My neighbors and I would like to know if there is a tentative schedule online or available where we can locate the approximate date for when these trees will be trimmed. Thank you.”*

### **13. Response to Member Comments**

(John Edmiston 5531-B) Mr. Wiemann said there was honeysuckle that grew up through these trees. Staff had to remove it due direction from the Orange County Fire Authority. Mr. Wiemann indicated that the Fire Authority approved a Carolina hedge there instead but it will cost approximately \$20,000 from the Fire Reduction budget. Staff has explained to the resident why it was trimmed. The Committee approved using the funds. Mr. Wiemann will reach out to the resident to let him now this will be done and the ETA.

(Steve Stanfill 3425-C) Mr. Wiemann indicated that those trees are on 5-year cycle and won't be trimmed until 2023. He will inform this resident.

### **14. Committee Member Comments**

Director Karimi thanked Landscaping staff and stated that he hasn't heard many complaints recently. He thanked Mr. Wiemann.

Director Gibson said “looking good.”

Director Parsons said it is good to hear that replanting is being done.

Chair Jarrett said Mr. Wiemann is doing a fantastic job.

### **15. Date of Next Meeting – September 3, 2020**

### **16. Adjournment at 10:20 a.m.**

  
Lynn Jarrett (Aug 12, 2020 10:10 PDT)

Lynn Jarrett, Chair  
Kurt Wiemann, Staff Officer  
Eve Morton, Landscape Operations Coordinator – 268-2565

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