



OPEN SESSION

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

**Tuesday, December 21, 2021 - 9:30 a.m.
Laguna Woods Village Community Center
Board Room/Virtual Meeting
24351 El Toro Road
Laguna Woods, California**

NOTICE OF MEETING AND AGENDA

The purpose of this meeting is to conduct the regular Third Mutual Board Meeting in accordance with *Civil Code §4930* and was hereby noticed in accordance with *Civil Code §4920*

- 1. Call meeting to order / Establish Quorum – President Mutchnick**
- 2. Pledge of Allegiance – Director Wayne**
- 3. Acknowledge Media**
- 4. Approval of Agenda**
- 5. Approval of Minutes**
 - a. November 5, 2021 – Agenda Prep Meeting
 - b. November 16, 2021 – Regular Board Meeting
 - c. October 7, 2021 – 51st Organizational Meeting
- 6. Report of the Chair**
- 7. Update from VMS Board**
- 8. 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 to thirty minutes. A member may speak only once during the forum. Speakers may not give their time to other people, no audio or video recording by attendees, and no rude or threatening comments. Members can attend the meeting by joining the Zoom link <https://zoom.us/j/94899806730> or call 1 (669) 900-6833 or email meeting@vmsinc.org to have your message read during the Open Forum.*

9. Responses to Open Forum Speakers

10. CEO/COO Report

- 11. Consent Calendar** - *All matters listed under the Consent Calendar are recommended for action by committees and will be enacted by the Board by one motion. In the event 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. Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual preliminary financials for the month of October 2021, and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code §5501.
 - b. **Recommendation from the Landscape Committee:**
 - (1) Recommend to Deny Tree Removal Request: 2394-1F Via Mariposa W. – One Red Bud tree
 - (2) Recommend to Approve Tree Removal Request: 3421-3H Calle Azul – One Brisbane Box tree
 - c. **Recommendation from the Finance Committee:**
 - (1) Recommendation to Approve a Resolution for Recording of Lien Against Member ID# 932-670-28
 - (2) Recommendation to Approve a Resolution for Recording a Lien against Member ID # 931-590-95
 - (3) Recommendation to Approve a Resolution for Recording a Lien against Member ID # 932-200-43
 - d. **Recommendation from the Architecture Controls and Standards Committee**
 - (1) Variance Request: 5560-A (Casa Lorenzo, Plan RC12) Kitchen Remodel with Structural Changes
 - (2) Variance Request: 5417 (San Marco, Plan C12C_2) Master Bedroom Addition, New Windows, Third Bathroom Addition, and Interior Remodel
 - e. Resolution to Update Committee Appointments

12. Unfinished Business

- a. Entertain a Motion to Approve the Contractor Violation Policy (**NOVEMBER Initial Notification—28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied**)
- b. Entertain a Motion to Introduce a Revised Resolution for a Stepping Stones Policy and Guidelines (**OCTOBER Initial Notification—NOVEMBER sent**)

back to Committee— Must postpone 28-days for Member review and comment to comply with Civil Code §4360)

13. New Business

- a. Entertain a Motion to Approve a Transfer of \$5 million from SunWest IntraFi Savings Account to an IntraFi Certificate of Deposit Account for a term of 1 year.

14. Committee Reports

- a. Report of the Finance Committee / Financial Report – Director Rane-Szostak. The committee met on December 7, 2021; next meeting January 4, 2022, at 1:30 p.m. in the Board Room and 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 – Director Mutchnick. The committee met on November 22, 2021; next meeting December 27, 2021 at 9:30 a.m. in the Board Room and as a virtual meeting.
- c. Report of the Communications Committee – Director McCary. The committee meeting on October 13, 2021 was canceled. The next meeting is January 12, 2022, at 1:30 p.m. in the Willow Room as a virtual meeting.
- d. Report of the Maintenance and Construction Committee – Director Engdahl. The committee met on December 6, 2021 in closed session; next meeting January 3, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
 - (1) Report of the Parking and Golf Cart Subcommittee – Director Bhada. The subcommittee met on August 18, 2021; next meeting TBA.
 - (2) Garden Villa Rec. Room Subcommittee – Director Jarrett. The subcommittee met on September 29, 2021; next meeting TBA.
- e. Report of the Landscape Committee – Director McCary. The committee met on December 2, 2021; next meeting January 6, 2022 at 9:30 a.m. in the Board Room and as a virtual meeting.
- f. Report of the Water Committee – Director Rane-Szostak. The committee met on November 9, 2021; next meeting January 27, 2022, at 2:00 p.m. in the Board Room and as a virtual meeting.
- g. Report of the Resident Policy and Compliance Committee – Director Mutchnick. The committee met on November 23, 2021; next meeting December 28, 2021, at 9:30 a.m. in the Board Room and as a virtual meeting.

15. GRF Committee Highlights

- a. Community Activities Committee – Director McCary. The committee met on December 9, 2021; next meeting January 13, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.
 - (1) Equestrian Center Ad Hoc Committee – Director Bhada. The committee met on November 4, 2021; next meeting, January 26, 2021, at 1:00 p.m. in the Board Room and as a virtual meeting.
- b. GRF Finance Committee – Director Rane-Szostak. The committee met on December 15, 2021; next meeting February 16, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.
- c. GRF Landscape Committee – Director Lewis. The committee met on December 8, 2021; next meeting February 9, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- d. GRF Maintenance & Construction Committee – Director Engdahl – The committee met on December 8, 2021; next meeting February 9, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.
 - (1) Clubhouse Facilities Renovation Ad Hoc Committee – Director Engdahl. The committee met on November 4, 2021; next meeting, January 26, 2022, at 1:00 p.m. in the Board Room and as a virtual meeting.
- e. Media and Communications Committee – Director McCary. The committee met on November 17, 2021; next meeting January 17, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- f. Mobility and Vehicles Committee – Director Bhada – The committee met on December 1, 2021; next meeting February 2, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- g. Security and Community Access Committee – Director McCary. The committee met on October 25, 2021; next meeting February 28, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
 - (1) Disaster Preparedness Task Force – Director Rane-Szostak. The task force met on November 30, 2021; next meeting January 25, 2022, at 9:30 a.m. in the Board Room and as a virtual meeting.
- h. Report of the Laguna Woods Village Traffic Hearings – Director Frankel. The hearings were held on December 15, 2021; next meeting January 19, 2022, at 9:00 a.m. as a virtual meeting.
- i. GRF Strategic Planning Ad Hoc Committee – Director Mutchnick. The committee met on June 28, 2021; next meeting TBA.
- j. Trash Task Force – Director Wayne

16. 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. Resident Suggestion Program
- b. Alterations Review
- c. Presentation from El Toro Water District

17. Director's Comments

18. Recess - *At this time the Meeting will recess for lunch and reconvene to Executive Session to discuss the following matters per California Civil Code §4935.*

Closed Session Agenda

Approval of Agenda

Approval of the Minutes

(a) November 16, 2021—Regular Closed Session

(b) December 6, 2021—Emergency Closed Session

Discuss and Consider Member Matters

Discuss Personnel Matters

Discuss and Consider Contractual Matters

Discuss and Consider Litigation Matters

19. Adjourn

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OPEN SESSION

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

**Friday, November 5, 2021 - 9:30 a.m.
Willow Room/Virtual Meeting
24351 El Toro Road
Laguna Woods, California**

The purpose of this meeting to discuss agenda items for the Third Board Regular Meeting
Civil Code §4930

Directors present: Robert Mutchnick, Annie McCary, John Frankel, Ralph Engdahl,
Craig Wayne, Cush Bhada, Donna Rane-Szostak, Jim Cook, Mark
Laws, Nathaniel Lewis, Lynn Jarrett

Directors absent:

Staff present: Jeff Parker-CEO, Siobhan Foster, Grant Schultz and Cindy
Shoffeitt

Others present:

1. Call Meeting to Order / Establish Quorum

President Mutchnick called the meeting to order at 9:30 a.m. and established that a quorum was present.

2. Approval of the Agenda

Director Bhada made a motion to approve the agenda. Director Engdahl and the agenda was approved as presented.

3. Discuss and Consider Items to be placed on the Third Board Regular Meeting Agenda (open & closed session) on November 16, 2021

4. Director Comments

- President Mutchnick gave a summary of the Third Mutual Town Hall.
- Director Lewis made a comment on landscape staffing levels.
- Director Bhada made a comment on the closing of escrow in Third Mutual. Director Bhada mentioned that today is Diwali.

5. Adjournment

The meeting was adjourned at 11:01 a.m.



Lynn Jarrett, Secretary of the Board
Third Mutual Laguna Hills



OPEN SESSION

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

**Tuesday, November 16, 2021 - 9:30 a.m.
Laguna Woods Village Community Center
24351 El Toro Road
Laguna Woods, California**

Directors Present: Robert Mutchnick, Annie McCary, Craig Wayne, Ralph Engdahl, John Frankel, Cush Bhada, Jim Cook, Mark Laws, Nathaniel Ira Lewis, Donna Rane-Szostak

Directors Absent: None

Staff Present: Jeff Parker-CEO, Siobhan Foster-COO, Connie Habal, Eileen Paulin, Cindy Shoffeitt and Grant Schultz

Others Present:

1. Call meeting to order / Establish Quorum – President Mutchnick, Chair

President Mutchnick called the meeting to order at 9:30 a.m. and established that a quorum was present.

2. Pledge of Allegiance

Director Bhada led the Pledge of Allegiance.

3. Acknowledge Media

The media was acknowledged online and through Village Television.

4. Approval of Agenda

President Mutchnick asked for a motion to approve the agenda.

Director Rane-Szostak made a motion to approve the agenda. Director Bhada seconded the motion.

President Mutchnick called for the motion passed without objection.

5. Approval of Minutes

- a. October 1, 2021 – Tabulation Meeting
- b. October 7, 2021 – Annual Meeting
- c. October 8, 2021 – Agenda Prep Meeting
- d. October 19, 2021 – Regular Board Meeting

President Mutchnick asked for a motion to approve the minutes.

Director Cook made a motion to approve the minutes of October 1, 2021–Tabulation Meeting, October 7, 2021---Annual Meeting, October 8, 2021---Agenda Prep Meeting, and the October 19, 2021—Regular Board Meeting. Director Wayne seconded the motion and the motion passed without objection.

Directors Laws, Lewis, Cook abstained from the approval of October 1, 2021. Tabulation Meeting minutes. Director Jarrett was not seated at the October 7, 2021 and October 8, 2021 meetings.

6. Report of the Chair

President Mutchnick commented on need for Advisors for Third Mutual and stated to contact him at Thirdmutual@lagunawoodsvillage.com if interested in being an advisor for a committee.

7. Update from the VMS Board

VMS Director Tao gave an update from the last VMS Board Meeting accompanied with a presentation:

- Community Center Art Exhibit
- New temporary positions in resale division
- Landscaping customer satisfaction
- Garden center water conservation
- Transportation revenue enhancement
- 2022 Mulch Days

VMS Director Tao answered questions from the board.

8. Open Forum (Three Minutes per Speaker) - *At this time Members only addressed 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 to thirty minutes. A member can speak only once during the forum. Speakers may not give their time to other people, no audio or video recording by attendees, and no rude or threatening comments. Members an attend the meeting by joining the Zoom link <https://zoom.us/j/94899806730> or call 1 (699)900-6833 or email meeting@vmsinc.org to have your message read during the Open Forum.*

- A member commented on means of contacting directors/board.

- A member commented on an electrical engineer
- A member commented on more lighting availability.
- A member commented on electric golf carts and light posts.
- A member commented on golf carts and charging spaces.
- A member commented on carports and EV charging for golf carts and cars.
- A member commented on property insurance and figures.
- A member commented on common area compliance.
- A member commented on architectural landscaping in common areas.
- A member commented on termite inspections.
- A member commented on pet waste pick-ups.
- A member commented on boards and staff.

9. Responses to Open Forum Speakers

- Director Bhada commented on EV charging/parking of golf carts.
- CEO commented on termite inspection process.
- CEO commented on an electrical engineer.
- Director Laws commented on Board contacts.

10. CEO/COO Report (Jeff Parker-CEO and Siobhan Foster-COO)

- CEO Jeff Parker commented on rise in COVID numbers
- CEO Jeff Parker commented on nominations for VMS Board positions due November 30, 2021, 5:00 p.m.
- COO Siobhan Foster showed Employee Recognition of Excellence Video

Jeff Parker – CEO, and Siobhan Foster – COO answered questions from the Board.

11. Consent Calendar - *All matters listed under the Consent Calendar were recommended for action by committees and were enacted by the Board by one motion. Items removed from the Consent Calendar by members of the Board were moved for further discussion and action by the Board.*

- a. Consistent with its statutory obligations the Board members individually reviewed Third Laguna Hills Mutual preliminary financials for the month of September 2021, and by this vote ratify that such review be confirmed in this month's Board Member Open Session Meeting minutes per Civil Code §5501.
- b. **Recommendation from the Landscape Committee:**
 1. Recommend to Approve Landscape Revision Request: 3428-A Bahia Blanca W.

RESOLUTION 03-21-81
Approve the Landscape Revisions Request
3428-A Bahia Blanca W.

WHEREAS, on November 4, 2021, the Landscape Committee reviewed a request from the Member at 3428-A for landscape revisions to the rear of her manor, at her expense. The Member cited the reasons as resident preference;

WHEREAS, the Committee recommends approving the request for landscape revisions, at the Member's expense, located at 3428-A Bahia Blanca W., with the following conditions:

1. All costs for design, construction, and maintenance of the improvement are the responsibility of the Property's Member Owner at 3428-A.
2. All materials and installation shall be approved by the Landscape Department prior to start of work.
3. The requesting Member understands that the area will remain Common Area subject to the use and passage of all members of Third Mutual.
4. The alterations are limited to be within the seven foot by 30-foot area indicated in the submitted plan.
5. Mulch must be placed around the tree in front of her patio to avoid any gap there with grass that would be difficult to mow.
6. All potted plants within the mulched area shown on plan to be either planted into the ground or removed

NOW THEREFORE BE IT RESOLVED, November 16, 2021, the Board of Directors approves the request for a landscape revision, with the conditions stated above, at the Member's expense, at 3428-A;

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

2. Recommend to Approve Tree Removal Request: 3143-Q Via Vista – One Carrotwood tree

RESOLUTION 03-21-82

**Approve the Request
For Removal of One Carrotwood Tree
3143-Q Via Vista**

WHEREAS, February 16, 2021, that the Board of Directors adopted Resolution 03-21-10 Tree Maintenance Policy which states:

"...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 shall not be removed to preserve, enhance or create a view.

- Trees which are damaging or will damage a structure, pose a hazard, diseased, in failing health or interfering with neighboring trees, will be considered for removal.
- Removal requests will be reviewed by a staff arborist and, if necessary, referred to the Committee...”

WHEREAS, on November 4, 2021, the Landscape Committee reviewed a request from the Member at 3143-Q to remove one Carrotwood tree. The Member cited the reasons as overgrown;

WHEREAS, the Committee determined that the tree meets the guidelines set forth in Resolution 03-21-10 and recommends approving the request for the removal of one Carrotwood tree located at 3143-Q Via Vista.

NOW THEREFORE BE IT RESOLVED, November 16, 2021, the Board of Directors approves the request for the removal of one Carrotwood tree located at 3143-Q;

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

3. Recommend to Deny Tree Removal Request: 3244-3A San Amadeo – One Canary Island Pine tree

RESOLUTION 03-21-83

**Deny the Request
For Removal of One Canary Island Pine Tree
3244-3A San Amadeo**

WHEREAS, February 16, 2021, that the Board of Directors adopted Resolution 03-21-10 Tree Maintenance Policy which states:

“...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 shall not be removed to preserve, enhance or create a view.

- Trees which are damaging or will damage a structure, pose a hazard, diseased, in failing health or interfering with neighboring trees, will be considered for removal.
- Removal requests will be reviewed by a staff arborist and, if necessary, referred to the Committee...”

WHEREAS, on November 4, 2021, the Landscape Committee reviewed a request from the Member at 3244-3A to remove one Canary Island Pine tree. The Member cited the reasons as litter/debris, overgrown, and a fire hazard;

WHEREAS, the Committee determined that the tree does not meet the guidelines set forth in Resolution 03-21-10 and recommends denying the request for the removal of one Canary Island Pine tree located at 3244-3A San Amadeo, however, during the next trim cycle in 2022, a clearance trim away from the roof line and manor patios will be performed.

NOW THEREFORE BE IT RESOLVED, November 16, 2021, the Board of Directors denies the request for the removal of one Canary Island Pine tree located at 3244-3A;

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

c. Approve a Resolution to Update Committee Appointments

RESOLUTION 03-21-84
Third Mutual Committee Appointments

RESOLVED, November 16, 2021, 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

Robert Mutchnick, Chair

John Frankel

Ralph Engdahl

James Cook

Craig Wayne, ~~Alternate~~

~~Reza Karimi~~

Voting Advisors: Mike Butler and Mike Plean

Communications Committee

Annie McCary, Chair

Donna Rane-Szostak

~~Steve Parsons~~

James Cook

Mark Laws

~~Lynn Jarrett~~

Cush Bhada, Alternate

Executive Hearing Committee

Annie McCary, Chair
Ralph Engdahl, Co-Chair
Robert Mutchnick
John Frankel, Alternate
Mark Laws, Alternate

Finance (Committee of the Whole)

Donna Rane-Szostak, Chair
Non-Voting Advisors: John Hess, Wei-Ming Tao

Investment Ad Hoc Committee

Robert Mutchnick
Craig Wayne
Donna Rane-Szostak

Garden Villa Recreation Room Subcommittee (Quarterly)

~~Steve Parsons, Chair~~
Lynn Jarrett, Chair
Donna Rane-Szostak
Nathaniel Ira Lewis
Voting Advisors: Sharon Molineri, Stuart Hack, Randy Scott

Landscape Committee

~~Steve Parsons, Chair~~
Lynn Jarrett
Annie McCary, Chair
Ralph Engdahl
Donna Rane-Szostak
Nathaniel Ira Lewis
Cush Bhada, Alternate
Advisor: Cindy Baker

Maintenance and Construction Committee

Ralph Engdahl, Chair
Robert Mutchnick
John Frankel
Craig Wayne
James Cook
Cush Bhada, Alternate

New Resident Orientation

Everybody Participates on a Rotating Basis

Water Conservation Committee (Quarterly)

Donna Rane-Szostak, Chair
John Frankel
Cush Bhada
Nathaniel Ira Lewis
Lynn Jarrett
Advisor: Katheryn Freshley, Kay Havens

Parking & Golf Cart Task Force

~~Steve Parsons, Chair~~
John Frankel
Cush Bhada, Chair
Mark Laws
Advisor: Hal Horne

Resident Policy and Compliance Committee

~~Steve Parsons, Chair~~
Robert Mutchnick, **Chair**
Cush Bhada
Annie McCary
Mark Laws
Nathaniel Ira Lewis, Alternate
Lynn Jarrett
Voting Advisors: Stuart Hack

Energy Research Group

Ralph Engdahl
John Frankel
Nathaniel Ira Lewis
Advisors: Sue Stephens, Bill Walsh

RESOLVED FURTHER, that Resolution 03-21-78, adopted October 19, 2021, is hereby superseded and canceled; and,

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

RESOLUTION 03-21-85
GRF Committee Appointments

RESOLVED, November 16, 2021, 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:

Community Activities Committee

Annie McCary
Cush Bhada

Equestrian Center Ad Hoc Committee

Cush Bhada
Annie McCary

GRF Finance Committee

Donna Rane-Szostak
Mark Laws
Craig Wayne, Alternate

Purchasing Ad Hoc Committee

Donna Rane-Szostak
Ralph Engdahl
Robert Mutchnick, Alternate

GRF Landscape Committee

~~Steve Parsons~~
Nathaniel Ira Lewis
Annie McCary, Alternate
Lynn Jarrett

GRF Maintenance and Construction Committee

Ralph Engdahl
James Cook
Cush Bhada, Alternate
John Frankel, Alternate
~~Reza Karimi, Alternate~~

Clubhouse Renovation Ad Hoc Committee

John Frankel
Ralph Engdahl
~~Cush Bhada, Alternate~~

Media and Communication Committee

Annie McCary
James Cook
~~Steve Parsons, Alternate~~
Lynn Jarrett, Alternate

Broadband Ad Hoc Committee

Annie McCary
Lynn Jarrett

Mobility and Vehicles Committee

James Cook
Cush Bhada

Security and Community Access Committee

Annie McCary

Craig Wayne

Donna Rane-Szostak, Alternate

Disaster Preparedness

John Frankel

Donna Rane-Szostak

James Cook

Laguna Woods Village Traffic Hearings

John Frankel

Mark Laws

Strategic Planning Committee

Robert Mutchnick

Nathaniel Ira Lewis

Budget Ad Hoc Committee

Robert Mutchnick

Annie McCary

Donna Rane-Szostak, Alternate

Trash Task Force

Craig Wayne

John Frankel, Alternate

IT Technology Advisory Committee (ITAC)

Mark Laws

~~Steve Parsons~~

Lynn Jarrett

RESOLVED FURTHER, that Resolution 03-21-79, adopted October 19, 2021, 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

President Mutchnick asked for a motion to approve the Consent Calendar.

Director McCary made a motion to approve the Consent Calendar. Director Wayne seconded the motion and the motion passed without objection.

12. Unfinished Business

12a. Entertain a Motion to Approve a Resolution for the 2022 Collection and Lien Enforcement Policy

Director Jarrett, Secretary of the Board, read the following resolution:

RESOLUTION 03-21-86

2022 Collection & Lien Enforcement Policy

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

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

NOW THEREFORE BE IT RESOLVED, November 16, 2021, that the Board of Directors hereby adopts the 2022 Third Laguna Hills Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; and

RESOLVED FURTHER, the policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2021 as part of the Annual Policy Statement.

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

Director Rane-Szostak made a motion to adopt the resolution. Director McCary seconded the motion.

President Mutchnick stated that he would like to make the following addition:

"A monthly assessment becomes delinquent if it is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or, for special assessments, if it is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due). A reminder notice **and email** may be sent to the Member. It is each Member's responsibility to pay assessments in full each month regardless of whether a reminder notice is received."

Hearing no objection, the amendment was approved.

Director Engdahl suggested that "written notice" be added to the paragraph, to read: "...A **written** reminder notice **and email** may be sent to the Member...."

Hearing no objection, the amendment was approved.

President Mutchnick called for the vote on the main motion as amended and it passed without objection.

12b. Entertain a Motion to Approve a Resolution for a Stepping Stones Policy and Guidelines

RESOLUTION 03-21-XX

Stepping Stone Policy and Guidelines

WHEREAS, on January 16, 2007, that the Board of Directors adopted Resolution 03-07-02 Approval to Revoke Alteration Standard Section 36 – Stepping Stones;

WHEREAS, Resolution 03-07-02, revoked the standard for stepping stones and required a variance application to the Architectural Committee;

WHEREAS, the Landscape Committee determined that stepping stones are temporary in nature and are placed within common area landscaping;

WHEREAS, the Landscape Committee determined that requiring a variance application is unduly burdensome for Members and the process could be simplified by use of the Landscape Request form process. All stepping stone installations must be approved by the Board of Directors prior to installation.

NOW THEREFORE BE IT RESOLVED, November 16, 2021, the Board of Directors approves the change from variance request to landscape request form and consideration thereof shall be performed by the Landscape Committee;

RESOLVED FURTHER, all new stepping stone installations shall be performed following the attached Stepping Stone Guidelines and all existing stepping stone installations not approved by variance shall be removed upon resale;

RESOLVED FURTHER, Resolution 03-07-02, adopted January 16, 2007, is hereby superseded in their entirety and no longer in effect;

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

Director McCary made a motion to approve the Stepping Stone Policy and Guidelines. Director Engdahl seconded the motion.

Discussion ensued among the directors.

Director Jarrett made a motion to amend the motion to send the policy back to the Landscaping Committee for discussion. Director McCary seconded the motion.

Director McCary withdrew her motion to approve the Stepping Stone Policy and Guidelines. Director Engdahl withdrew his second.

Discussion ensued among the directors.

Director Jarrett made a motion send the policy back to the Landscaping Committee for discussion. Director Laws seconded the motion.

Hearing no objections, the motion was approved by unanimous consent

12c. Entertain a Motion to Provide a Company cell phone for Board President.

CEO Parker gave an overview the plan for providing a company cell phone for the Board president.

Director McCary made a motion to approve a company cell phone for the Board president at a cost of \$35 per month. The motion was approved by Director Rane-Szostak.

Discussion ensued among the directors.

President Mutchnick called the motion to a vote and the motion passed 9-0-1 (Director Mutchnick abstained, Director Frankel absent)

13. New Business

13a. Entertain a Motion to Introduce the Alteration Fee Schedule Revision

Director Cook motioned to send the Alteration/Variance Processing Fee Policy back to committee. Director Jarrett seconded the motion.

Hearing no objection, the motion was approved by unanimous consent.

13b. Entertain a Motion to Introduce the Contractor Violation Policy

Director Jarrett read the following resolution:

RESOLUTION 03-21-XX
Contractor Violation Policy

WHEREAS, the purpose of the Contractor Violation Policy is to enact a unilateral and unambiguous matrix of penalties for contractors who violate current Mutual rules and obligations or exceed the scope of approval for a project; and

WHEREAS, this pending Resolution would make the Contractor Violation Policy permanent and provide a clear template for invoking penalties, inclusive of

temporary or potentially permanent suspension from work within Laguna Woods Village, reduction of MC lifespan to ninety (90) days with the possibility for an approved timeline extension; and

WHEREAS, the Third ACSC and Manor Alterations agree that the Contractor Violation Policy will be effective and both recommend the approval by the Third ACSC.

NOW THEREFORE, BE IT RESOLVED, on November 16, 2021, the Third Mutual Board hereby approve the Contractor Violation Policy as attached to these minutes; and

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

Director Rane-Szostak motioned to place under 28-day review. Director Frankel seconded the motion.

Hearing no objection, the motion passed by unanimous consent.

14. Committee Reports

14a. Report of the Finance Committee / Financial Report – Director Rane-Szostak gave the Treasurer's Report. The committee met on November 2, 2021; next meeting December 7, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.

(1) Treasurer's Report

(2) Third Finance Committee Report

(3) Resale/Leasing Reports

14b. Report of the Architectural Controls and Standards Committee – Director Mutchnick gave an update from the last committee meeting. The committee met on October 13, 2021; next meeting November 22, 2021, at 9:30 a.m. in the Willow Room and as a virtual meeting.

14c. Report of the Communications Committee – Director McCary gave an update from the committee. The committee met October 13, 2021; next meeting is scheduled for January 12, 2022 at 1:30 p.m. in the Willow Room as a virtual meeting.

14d. Report of the Maintenance and Construction Committee – Director Engdahl gave an update from the M&C Committee. The committee met on November 1, 2021; next meeting January 3, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.

1) Report of the Parking and Golf Cart Subcommittee – Director Bhada gave an update from the subcommittee. The subcommittee met on August 18, 2021; next meeting TBA.

- 2) Report of the Garden Villa Rec. Room Subcommittee – Director Jarrett gave an update from the subcommittee. The Garden Villas Rec. Room Subcommittee met on September 29, 2021; next meeting February 23, 2022, at 9:30 a.m. in the Board Room.

14e. Report of the Landscape Committee – Director McCary gave an update from the Landscape Committee. The committee met on November 4, 2021; next meeting December 2, 2021, at 9:30 a.m. in the Board Room and as a virtual meeting.

14f. Report of the Water Committee – Director Rane-Szostak gave a presentation on Water Conservation. The committee met on November 9, 2021; next meeting January 27, 2022, at 2:00 p.m. in the Board Room and as a virtual meeting.

14g. Report of the Resident Policy and Compliance Committee – Director Mutchnick. The committee met on August 24, 2021; next meeting November 23, 2021 at 9:30 a.m. in the Board Room and as a virtual meeting.

15. GRF Committee Highlights

15a. Community Activities Committee – Director McCary shared highlights from the last Community Activities Committee. The committee met on November 8, 2021; next meeting December 9, 2021, at 1:30 p.m. as a virtual meeting.

- (1) Equestrian Center Ad Hoc Committee – Director Bhada shared highlights from the last committee meeting. The committee met on November 4, 2021; next meeting January 26, 2022 at 1:00 p.m. in the Board Room and as a virtual meeting.

15b. GRF Finance Committee – Director Rane-Szostak shared highlights from the last committee meeting. The committee met on October 20, 2021; next meeting December 15, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.

15c. GRF Landscape Committee – No report available. The committee met on November 10, 2021; next meeting November 18, 2021 at 1:30 p.m. in the Board Room and as a virtual meeting.

15d. GRF Maintenance & Construction Committee – Director Engdahl shared highlights from the last committee meeting. The committee met October 13, 2021; next meeting December 8, 2021, at 9:30 a.m. in the Board Room and as a virtual meeting.

- (1) Clubhouse Facilities Renovation Ad Hoc Committee – Director Engdahl shared highlights from the last committee meeting. The committee met on July 9, 2021; next meeting TBA.

15e. Media and Communications Committee – Director McCary shared highlights from the last committee meeting. The committee met on October 18, 2021; next meeting November 17, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.

15f. Mobility and Vehicles Committee – No report available. The committee met on October 6, 2021; next meeting December 1, 2021, at 1:30 p.m. in the Board Room and as a virtual meeting.

15g. Security and Community Access Committee – Director McCary shared highlights from the last committee meeting. The committee met on October 25, 2021; next meeting December 27, 2021 at 1:30 p.m. in the Board Room and as a virtual meeting.

(1) Disaster Preparedness Task Force – Director McCary updated the board on the last task force meeting. The task force met on September 28, 2021; next meeting November 30, 2021, 9:30 a.m. in the Board Room and as a virtual meeting.

15h. Report of the Laguna Woods Village Traffic Hearings – Director Frankel reported on the last traffic hearings held on October 20, 2021; next meeting November 17, 2021 at 9 a.m. as a virtual meeting.

15i. Report of the GRF Strategic Planning Ad Hoc Committee – Director Mutchnick shared highlights from the last committee meeting. The committee met on June 28, 2021; next meeting TBA.

15j. Report of the Trash Task Force – Director Wayne commented about the increase in trash fees. No meeting has been scheduled.

15k. Information Technology Advisory Committee – Director Laws made presentation on work of this committee.

16. Future Agenda Items-- *All matters listed under Future Agenda Items are items for a future board meeting. No action will be taken by the Board on these agenda items at this meeting. The Board will take actions on these items at a future Board meeting.*

- a. Resident Suggestion Program
- b. Alterations Review
- c. Property and Casualty Insurance
- d. Presentation from El Toro Water District

17. Director's Comments


- Director Mutchnick commented on all Boards training success.
- Director McCary commented that holiday scams are on the rise.
- Director Jarrett commented on ITAC Committee

18. Recess - *At this time, the meeting will recess for lunch and reconvene to Executive*

Session to discuss the following matters per California Civil Code §4935.

19. Adjournment

The meeting was adjourned at 12:42 p.m.



Lynn Jarrett, Secretary of the Board
Third Mutual Laguna Hills

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**~~YEAR 2021~~2022 COLLECTION AND LIEN ENFORCEMENT POLICY AND
PROCEDURES FOR ASSESSMENT DELINQUENCIES**

PURPOSE STATEMENT

The following is a statement of the specific procedures, policies, and practices (“Policy Statement”) employed by Third Laguna Hills Mutual, a California nonprofit mutual benefit corporation (the “Mutual”) in enforcing lien rights or other legal remedies for default in payment of its assessments against its owners (“Members”). This Policy Statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7).

The collection of delinquent assessments is of vital concern to all Members of the Mutual. Such efforts ensure that all Members pay their fair share of the costs of services and facilities provided and maintained by the Mutual. Members’ failure to pay assessments when due creates a cash-flow problem for the Mutual and causes those Members who make timely payment of their assessments to bear a disproportionate share of the community’s financial obligations. Special assessments must be received in a timely fashion in order to finance the needs for which said special assessments are imposed.

Accordingly, in order to reduce the amount and duration of delinquencies and to encourage the prompt and full payment of all assessments, the Mutual has been vested with certain enforcement rights and remedies which are in addition to those which exist generally for creditors. These rights and remedies are described in this Policy Statement.

~~WE SINCERELY TRUST THAT ALL MEMBERS, IN THE SPIRIT OF COOPERATION AND
RECOGNIZING THEIR LEGAL OBLIGATIONS, WILL FAILURE TO MAKE~~ TIMELY
PAYMENTS ~~AND AVOID~~ CAN RESULT IN THE IMPOSITION OF LATE CHARGES, INTEREST,
COSTS OF COLLECTION, POSSIBLE RESULTANT LEGAL ACTION, ~~AND THE LEGAL
OBLIGATION~~ AGREE MEMBERS CAN BE REQUIRED TO REIMBURSE THE MUTUAL FOR
~~THE COSTS OF~~ SUCH LEGAL COSTS, REGARDLESS OF WHETHER FORMAL LEGAL
ACTION IS TAKEN. IT IS IN ~~THE BEST INTEREST OF YOU YOUR~~ AND EVERY OTHER
~~MEMBER OF THE MUTUAL MEMBER’S BEST INTEREST~~ FOR EACH OF YOU TO MAKE
YOUR MONTHLY ASSESSMENT PAYMENTS ON TIME.

REGARDLESS OF WHETHER THE MUTUAL RECORDS A LIEN ON YOUR PROPERTY DURING THE COLLECTION OF PAST-DUE ASSESSMENTS, ALL MEMBERS HAVE A PERSONAL AND ONGOING OBLIGATION TO PAY ASSESSMENTS AND CHARGES.

BASIC POLICIES AND PROCEDURES

Delinquency reports are ~~made~~prepared monthly by the Mutual’s managing agent to the Mutual’s Board of Directors ~~of the Mutual~~ (“Board”), identifying the delinquent Member, and the amount and length of time the assessments have been in arrears. The policies and practices outlined in this Policy Statement shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted

resolution of the ~~Mutual's~~ Board, or unless the applicable statutory scheme changes, in which event, this Policy Statement shall be construed so as to be consistent with any newly adopted statutes or court decisions. In accordance with the Mutual's governing documents (including, without limitation, the Articles of Incorporation, the Bylaws, the recorded CC&Rs, rules and regulations, and written policies) (collectively, the "Governing Documents") and the ~~California~~ Civil Code, to ensure the prompt payment of monthly assessments, the Mutual employs the following collection and lien enforcement policies and procedures, including for the collection of assessments, late charges, ~~finer~~ interest, fees, and chargeable services charged against Members pursuant to the Governing Documents and current law:

1. Assessment Due Date

Regular assessments ("Carrying Charges" as defined in Article 1, Section 8 of the CC&Rs) are due and payable to the Mutual, in advance, in equal monthly installments, on the first (1st) day of each month. It is each Member's responsibility to pay assessments in full each month regardless of whether a billing statement is received. Special assessments shall be due and payable on the due date specified by the Board in the notice imposing the special assessment or in the ballot presenting the special assessment to the Members for approval. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed.

2. Reminder Notice

~~If the current~~ A monthly assessment becomes delinquent if it is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or ~~if a, for~~ special ~~assessment~~ assessments, if it is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due), ~~a Reminder Notice is~~. A written reminder notice and email may be sent to the Member. It is each Member's responsibility to pay assessments in full each month regardless of whether a reminder notice is received.

~~PLEASE NOTE THAT~~ TO BE CONSIDERED TIMELY, ~~THE~~ PAYMENT MUST BE RECEIVED BY THE MUTUAL WITHIN ~~THIS~~ THE FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS ~~NOT SUFFICIENT~~ INSUFFICIENT.

IN ADDITION TO THE FOREGOING, CHARGEABLE SERVICES ARE LATE IF NOT PAID WITHIN 25 DAYS AFTER BECOMING DUE.

3.

Administrative Collection Fee

It is the policy of the Mutual not to routinely waive any duly imposed late charges, interest, or actually incurred "Costs of Collection." "Costs of Collection" as used in this Policy Statement include, without limitation, an administrative collection fee, currently in the amount of Five Hundred Dollars (\$500) (the "Administrative Collection Fee"), which is charged by the Mutual's managing agent to cover staff's costs to prepare ~~the~~ files for delivery to the Mutual's legal counsel and/or collection agent in order to carry out authorized legal and/or collection actions ~~authorized hereunder~~, as well as direct costs incurred in recording and/or mailing documents attendant to ~~this~~ the legal and/or collection process.

The Administrative Collection Fee may be increased by majority vote of the Mutual's Board and may be collected by the Mutual's legal counsel and/or collection agent on its behalf, and remitted to the Mutual's managing agent, or may be directly collected by the Mutual's managing agent. -Any change to

the Administrative Collection Fee shall not be deemed a change to this Policy and shall not require rule change or member review period procedures to be undertaken by the Board.

4.**Late Charge**

IT IS THE MEMBER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE ~~THE DELINQUENCY DATE. THEY BECOME DELINQUENT.~~ Any notices or invoices for assessments (Are these "regular" monthly assessments and/or "special" assessments???) will be sent to Members by first-class and/or certified mail addressed to the Member at his ~~or~~ /her/their/its address as shown on the books and records of the Mutual. However, it is the Member's responsibility to be aware of the assessment payment amounts and due dates and to advise the Mutual of any changes in the Member's mailing address, pursuant to Civil Code section 4041.

A late payment charge for a delinquent assessment will be assessed in the amount of ~~Sixty~~Seventy-Five Dollars (\$~~60~~75.00) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both ~~state law~~Civil Code section 5650 and the Mutual's Governing Documents provide for interest on ~~the all sums imposed in accordance with Section 5650, including on~~ delinquent assessment, reasonable fees and ~~the late charge~~costs of collection, and ~~accordingly interest~~reasonable attorney's fees, which may be imposed thirty (30) days after the assessment is due, at an annual percentage rate of twelve percent (12%) ~~as allowed by Civil Code section 5650. %).~~ Such interest may be imposed and collected ~~per the foregoing sentence~~ regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel and/or collection agent for ~~further~~ handling. Non-assessment fines, fees, and chargeable services are also subject to a late fee and interest, in an amount determined by Board resolution.

5. Demand Letter (aka Pre-Lien Notice)

If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of ~~the Reminder Notice~~, a Demand Letter (also known reminder notice, as described in section 2 above, or if no reminder notice was sent, then within thirty (30) days after the date when the delinquent amount became due, then a Pre-Lien Notice demand letter pursuant to ~~California Civil Code section section~~ section 5660), (a "Pre-Lien Notice"), as detailed ~~further~~ below, will be sent to the Member by Certified Mail. The Mutual, through its managing agent, ~~will~~may also attempt to contact the Member by telephone to remind the Member of the delinquency and determine when payment will be made. However, no assurances can be given that the Mutual will in fact reach the Member by telephone, and the Member is responsible to pay off the delinquency whether or not a reminder notice ~~or~~ telephone reminder is actually received by the Member.

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

If full payment of the delinquent amount (such as a duly levied and imposed assessment, fine, fee, or chargeable service including associated late charges and interest) is not received by the close of business on the thirtieth (30th) day after the date of ~~the Demand Letter/Pre-Lien Notice~~ a demand letter for payment of same (and with respect to recording a lien against a Member's separate interest in the condominium project ("Manor") ~~which is governed by the Mutual,~~), on the thirtieth (30th) day after receipt of ~~the Demand Letter/a~~ Pre-Lien Notice), the Mutual may, at its option, in accordance with the requirements and conditions herein and applicable law, and based on the circumstances of the

delinquency, including but not limited to, the total delinquent amount owing and the Member's payment history, undertake to collect the delinquency by: (1) suspending a Member's right (and that of the Resident or Tenant of that Member's Manor) to use Mutual or ~~GRF~~Golden Rain Foundation of Laguna Woods ("GRF") facilities; (2) termination of the delinquent Member's Membership in the Mutual as a result of any foreclosure, (3) legal actions, discussed further below, or (4) other means permitted by law.

A demand letter and/or Pre-Lien Notice is presumed to have been received in the regular course of mail within five (5) days of mailing if the mailing address is within California and within ten (10) days if the mailing address is within the United States but outside of California and within twenty (20) days if the mailing address is outside of the United States.

The Mutual may, after following appropriate procedures prescribed by law and the Mutual's Governing Documents, suspend a delinquent Member's right to ~~vote on matters as to which the Member would otherwise be entitled to vote (based on applicable law and/or the Mutual's governing documents), or to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full, including interest, late charges, and/or the Administrative Costs of Collection Fee, as may have been imposed or incurred in a particular instance. Failure to pay the assessments, interest, late charges, and/or the Administrative Collection Fee in full such amounts~~ may also result in suspension of certain Membership rights and the ability to use the facilities or services provided by ~~the Golden Rain Foundation of Laguna Woods~~GRF or by this Mutual.

The Mutual may also take various legal actions to enforce the collection of delinquencies. **THESE ACTIONS MAY BE TAKEN SEPARATELY OR CONCURRENTLY.**

7.

Small Claims Court

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

PLEASE NOTE THAT A SMALL CLAIMS COURT ACTION MAY BE PURSUED BASED ON A BOARD RESOLUTION EITHER BEFORE OR AFTER RECORDING A NOTICE OF DELINQUENT ASSESSMENT, (LIEN), AND/OR AFTER A WRITE-OFF.

The amount that may be recovered in small claims court may not exceed the jurisdictional limits of the small claims court, and shall be the sum of the following: (a) the amount owed as of the date of filing of the complaint in the small claims court ~~proceeding~~; and (b) in the discretion of the court, an additional amount equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments, fines, fees, or chargeable services, and any reasonable late charges, fees and Costs of Collection (~~which costs shall, as stated above, include, without limitation, the Administrative Collection Fee~~), attorney's fees including attorney's fees, and interest, all up to the jurisdictional limits of the small claims court.

Successive small claims court actions may be pursued, consistently with applicable laws, until the entire amount of the delinquency is recovered.

8.

Lien

The Mutual may secure the delinquency by recording a notice of delinquent assessment (lien) on the owner's Manor with the countyOrange County recorder ~~of the county in which the Manor is located.~~

The debt shall be a lien on the owner's Manor from and after the time the Mutual records a notice of delinquent assessment, which shall state: the amount of the assessment and other sums imposed in accordance with ~~subdivision (b) of Section 5650 of the California~~ Civil Code; section 5650(b); a legal description of the owner's Manor ~~against which the assessment and other sums are levied~~; and the name of the record owner of the Manor ~~against which the lien is imposed~~.

~~The~~ An itemized statement of the ~~charges~~ debt owed by the owner, as described in ~~subdivision (b) of Section 5660 of the California~~ Civil Code section 5660(b), shall be recorded together with the notice of delinquent assessment. In order for the lien to be enforced by nonjudicial foreclosure as provided in ~~Sections Civil Code sections 5700 to 5710 of the California Civil Code~~, inclusive, the notice of delinquent assessment shall state the name and address of the trustee authorized by the ~~association~~ Mutual to enforce the lien by sale of the Manor. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the ~~association~~ Mutual for that purpose, or if no one is designated, by the president of the ~~association~~ Mutual. A copy of the recorded notice of delinquent assessment shall be mailed by certified mail to every person whose name is shown as an owner of the Manor in the ~~association's~~ Mutual's records, and ~~the notice~~ shall be mailed no later than ten (10) calendar days after recordation.

~~The Mutual is prohibited from recording a lien or initiating a foreclosure action without participating in dispute resolution or ADR procedures if so requested by the Member.~~ If it is determined that the Mutual has recorded a lien for a delinquent assessment in error, the Mutual shall promptly reverse all related late charges, fees, interest, attorney's fees, ~~costs and~~ Costs of collection, ~~costs imposed for the notice prescribed in Section 5660 of the California Civil Code, and costs of recordation and release of the lien authorized under subdivision (b) of Section 5720~~ Collection, and pay all costs incurred by the Mutual related to any related an internal dispute resolution (IDR) or alternative dispute resolution ~~-(ADR)~~.

2.

Foreclosure/ADR

After ~~the expiration of~~ thirty (30) days following the recording of a delinquent assessment lien ~~created pursuant to California Civil Code Section 5675~~, the lien may be enforced in any manner permitted by law. Once the amount of delinquent assessments (not including any late charges, fees, ~~attorney's fees~~, interest, or Costs of Collection), exceeds One Thousand Eight Hundred Dollars (\$1,800), ~~or~~ OR any unpaid assessments are more than twelve (12) months delinquent, then, subject to the conditions specified ~~conditions below~~, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

These conditions include that, prior to initiating a foreclosure, the Mutual shall offer the Member, and if so requested by the Member, the Mutual ~~must~~ shall participate in dispute resolution pursuant to the Mutual's "meet and confer" program, or alternative dispute resolution ("ADR"). THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE MEMBER, EXCEPT THAT BINDING ARBITRATION SHALL NOT BE AVAILABLE IF THE MUTUAL INTENDS TO INITIATE A JUDICIAL FORECLOSURE.

Civil Code section 5965 requires ~~the~~ the following statement to be included in this Policy Statement:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

If any “meet and confer” session or ADR is engaged in by and between the Member and the Mutual (or any neutral third parties, as the case may be), and these efforts do not result in a payment plan, then, assuming the statutory minimum as to the delinquent amount or duration of the delinquency has been met, ~~a proceeding may be commenced to foreclose~~ the Mutual may commence foreclosing the lien against the Member’s Manor and sell the Manor at a private sale or by a judicial sale. If this occurs, the Member may lose title to his ~~or~~ /her/their/its Manor.

10.**Board Decision to Initiate Foreclosure**

The decision to initiate foreclosure of a ~~lien for delinquent assessments that has been~~ delinquent assessment lien shall be made only by the Board and may not be delegated to an agent of the Mutual. The Board shall approve the decision by a majority vote of the Board in an executive session. The vote must be recorded in the minutes of the next meeting of the Board open to all Members; however, the confidentiality of the delinquent Member shall be maintained by identifying the matter in the minutes only by the Parcel Number, and not by the name of the delinquent Member ~~or Members~~. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale or judicial foreclosure.

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

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

A non-judicial foreclosure by the Mutual to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the Manor may be redeemed from a foreclosure sale ends ninety (90) days after the sale, per ~~California~~ Civil Code section 5715.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the Member may be seized or a lien may be placed on such assets to satisfy the judgment. Pursuant to the provisions of ~~the Davis-Stirling Common Interest Development Act~~ California law, applicable regulations, and the Covenants, Conditions and Restrictions (CC&Rs), the delinquent amount, as well as late ~~payment penalties for charges on~~ the delinquent assessments and/or interest charges and/or ~~charges for~~ Costs of Collection ~~that are incurred by the Mutual and/or its managing agent acting on behalf of the Mutual in its efforts to collect delinquent assessments~~ (including, but not limited to, attorney’s fees, title company and foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters (such as the Administrative Collection Fee), recording costs and costs associated with small claims court actions) may be enforced as a lien against the Member’s ~~Manor~~.

Moreover, pursuant to ~~the Davis-Stirling Common Interest Development Act~~ California law, monetary penalties that have been imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common areas and/or community facilities for which a Member or a Member’s guests or tenants were responsible may also be enforced as a lien against the Member’s Manor.

12. Prerequisites to Recording a Lien: Offer of IDR/ADR and Thirty (30) Day Pre-Lien Notice to the Delinquent Member

Before a lien ~~can~~may be recorded ~~in the chain of title to the~~against a Manor of a delinquent Member, the Mutual must offer the Member, and if so requested by the Member, the Mutual must participate in ~~dispute resolution~~IDR pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 2 commencing with section 5900 of Chapter 10) or ADR as set forth in Article 3 (commencing with Section 5925 of Chapter 10), both in the ~~California~~ Civil Code.

Any choice by a Member to pursue IDR or any kind of ADR must be made by the Member's delivery of written notice of such choice to the Mutual's managing agent within thirty (30) days of any event which triggers a Member's right to pursue IDR/ADR, whether it is before a lien can be recorded (i.e., upon receipt of the certified Pre-Lien Notice), or prior to initiating a foreclosure action, or in any other situation for which the Davis-Stirling Common Interest Development Act or the Mutual's Governing Documents authorize or allow a Member to choose IDR/ADR. A Member's right to pursue IDR/ADR may be triggered, by, among other things, a decision by the Board and/or Executive Hearing Committee, as applicable, following any right to appeal pursuant to the Mutual's Appeal Policy.

THE DECISION TO PURSUE ~~DISPUTE RESOLUTION~~IDR OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE OWNER. However, binding arbitration is not available if the Mutual intends to initiate a judicial foreclosure.

13. Pre-Lien Notice

Prior to recording a lien against a Member's Manor, the Mutual must send the Member a certified notice providing information regarding the sums claimed as being delinquent ("Pre-Lien Notice"). No lien can be recorded until thirty (30) days after this Pre-Lien Notice has been given.

The Pre-Lien Notice must include the following information (per ~~California~~ Civil Code Section 5660):

- (a) A general description of the collection and lien enforcement procedures of the Mutual and the method of calculation of the amount, a statement that the owner of the Manor has the right to inspect the association records pursuant to Section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed;

"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION"
- (b) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any;
- (c) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association;
- (d) The right to request a meeting with the board as provided in Section 5665;

- (e) The right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10;
- (f) The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 before the association may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure;

14. Member's Right to Request a Meeting with the Board, or ~~Dispute Resolution~~IDR or ADR.

Upon receipt of the certified Pre-Lien Notice described above, the noticed Member has several possible courses of action that can be taken at this point in the collection process, such as:

- (a) The Member has the right to dispute the assessment debt by submitting a written request for ~~dispute resolution~~IDR to the Mutual pursuant to the Mutual's "meet and confer" program, which is required by Civil Code sections 5900-5920;
- (b) The Member may exercise his-~~or~~-her/~~their~~/~~its~~ right to participate in ~~alternative dispute resolution~~ADR with a neutral third party under Civil Code sections 5925-5965 before the Mutual may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure;
- (c) The Member has a right to submit a written request to meet with the Board-~~of Directors~~ to discuss a payment plan for the delinquent assessment, as long as the request for a meeting is made within fifteen (15) days following the postmark on the Mutual's Pre-Lien Notice to the Member. That meeting must take place within forty-five (45) days (calculated from the postmark on the Member's request) and must be conducted in executive session. When a Member has made a timely request for a meeting to discuss a payment plan, the Mutual must provide the requesting Member with the Mutual's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the Board to delegate this meeting obligation to a property manager, but the Board may designate a committee of one or more directors to meet with the Member ~~if there is no regularly scheduled Board~~in a specially called executive session meeting that will occur within forty-five (45) days of the Member's request.

15. Payment Plan Requests

Any Member who is unable to timely pay regular or special assessments is entitled to make a written request for a payment plan to the Mutual's Board. A Member may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the Pre-Lien Notice. The Mutual's Board will consider payment plan requests on a case-by-case basis, and is under no obligation to grant payment plan requests. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans may not impede the Mutual's ability to record a lien on the Member's Manor to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Member is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Mutual may resume its efforts to collect the delinquent assessments from the time prior to entering into

the payment plan. The Mutual reserves the right to impose reasonable conditions on any approvals for a payment plan and request that the delinquent Member provide disclosure of certain identifying information and other assets that may be used as additional security for the debt owed.

16. Application of Payments

~~Additionally, in~~In accordance with state law, unless otherwise waived in writing by the Member, payments received on delinquent assessments shall be applied to the Member's account in the following order of priority: ~~first, to the principal assessments owed;~~, then ~~to accrued interest fees~~ and ~~late charges;~~ ~~then to costs of collection, attorney's fees;~~ ~~then to title company and foreclosure service company charges and other Costs of Collection-;~~ ~~late charges, interest.~~ Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code section 5655.

17. Secondary Address

Members have a right and obligation to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to the Mutual's Policy Statement, and upon receipt of a proper written request from a Member identifying a secondary address that complies with Civil Code section 4041 and the Governing Documents, the Mutual must send additional notices to this secondary address. Pursuant to Civil Code section 4041, Members must keep the Mutual updated with respect to any mailing or secondary address to which notices from the Mutual are to be delivered. If Members fail to provide such information to the Mutual, the ~~onsite manor~~Manor shall be deemed to be the address to which notices are to be delivered.

18. No Right of Offset

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

19. Returned Checks

The Mutual may charge the Member a twenty-five dollar (\$25.00) fee for the first check tendered to the Mutual that is returned unpaid by the Member's bank, and thereafter, the Mutual may charge a thirty-five dollar (\$35.00) fee for any subsequent check that is returned based on insufficient funds. If a Member's check cannot be negotiated for any reason, then the Mutual may also seek to recover damages of the greater of (a) one hundred dollars (\$100.00); or (b) three (3) times the amount of the check up to fifteen hundred dollars (\$1,500.00) in accordance with ~~California~~Civil Code section 1719.

20. Charges and Fees Subject to Change

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

21.

Overnight Payments

The mailing address for overnight payment of assessments is:

Third Laguna Hills Mutual
Attn: Assessment Payments
24351 El Toro Road
Laguna Woods, CA 92637

22.

Rights Reserved by Mutual

Although the matters set forth above summarize the policies and practices ordinarily employed to collect delinquent assessments, the Mutual reserves the right to employ other or additional policies and practices as may be necessary or appropriate when the uniqueness of the circumstances or habitualness of the delinquency so requires.

23.

Attachments

Notice of Assessments and Foreclosure (pursuant to Civil Code Section 5730): Attachment "A".

State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act disclosures: Attachment "B".

BOARD OF DIRECTORS

THIRD LAGUNA HILLS MUTUAL

ATTACHMENT "A"**NOTICE OF
ASSESSMENTS AND FORECLOSURE**

The following notice is provided pursuant to California Civil Code Section 5730

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

ATTACHMENT "B"

The following Disclosure is made pursuant to California Civil Code Sections 1812.700-1812.703

“The State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov.”



2022 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

The following is a statement of the specific procedures, policies, and practices (“Policy Statement”) employed by Third Laguna Hills Mutual, a California nonprofit mutual benefit corporation (the “Mutual”) in enforcing lien rights or other legal remedies for default in payment of its assessments against its owners (“Members”). This Policy Statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7).

The collection of delinquent assessments is of vital concern to all Members of the Mutual. Such efforts ensure that all Members pay their fair share of the costs of services and facilities provided and maintained by the Mutual. Members’ failure to pay assessments when due creates a cash-flow problem for the Mutual and causes those Members who make timely payment of their assessments to bear a disproportionate share of the community’s financial obligations. Special assessments must be received in a timely fashion in order to finance the needs for which said special assessments are imposed.

Accordingly, in order to reduce the amount and duration of delinquencies and to encourage the prompt and full payment of all assessments, the Mutual has been vested with certain enforcement rights and remedies which are in addition to those which exist generally for creditors. These rights and remedies are described in this Policy Statement.

FAILURE TO MAKE TIMELY PAYMENTS CAN RESULT IN THE IMPOSITION OF LATE CHARGES, INTEREST, COSTS OF COLLECTION, POSSIBLE RESULTANT LEGAL ACTION AND AGREE MEMBERS CAN BE REQUIRED TO REIMBURSE THE MUTUAL FOR SUCH LEGAL COSTS, REGARDLESS OF WHETHER FORMAL LEGAL ACTION IS TAKEN. IT IS IN YOUR AND EVERY OTHER MEMBER’S BEST INTEREST FOR EACH OF YOU TO MAKE YOUR MONTHLY ASSESSMENT PAYMENTS ON TIME.

BASIC POLICIES AND PROCEDURES

Delinquency reports are prepared monthly by the Mutual’s managing agent to the Mutual’s Board of Directors (“Board”), identifying the delinquent Member, and the amount and length of time the assessments have been in arrears. The policies and practices outlined in this Policy Statement shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board, or unless the applicable statutory scheme changes, in which event, this Policy Statement shall be construed so as to be consistent with any newly adopted statutes or court decisions. In accordance with the Mutual’s governing documents (including, without limitation, the Articles of

Incorporation, the Bylaws, the recorded CC&Rs, rules and regulations, and written policies) (collectively, the “Governing Documents”) and the Civil Code, to ensure the prompt payment of monthly assessments, the Mutual employs the following collection and lien enforcement policies and procedures, including for the collection of assessments, late charges, interest, fees, and chargeable services charged against Members pursuant to the Governing Documents and current law:

1. Assessment Due Date

Regular assessments (“Carrying Charges” as defined in Article 1, Section 8 of the CC&Rs) are due and payable to the Mutual, in advance, in equal monthly installments, on the first (1st) day of each month. It is each Member’s responsibility to pay assessments in full each month regardless of whether a billing statement is received. Special assessments shall be due and payable on the due date specified by the Board in the notice imposing the special assessment or in the ballot presenting the special assessment to the Members for approval. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed.

2. Reminder Notice

A monthly assessment becomes delinquent if it is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or, for special assessments, if it is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due). A written reminder notice and email may be sent to the Member. It is each Member’s responsibility to pay assessments in full each month regardless of whether a reminder notice is received.

TO BE CONSIDERED TIMELY, PAYMENT MUST BE RECEIVED BY THE MUTUAL WITHIN THE FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS INSUFFICIENT.

IN ADDITION TO THE FOREGOING, CHARGEABLE SERVICES ARE LATE IF NOT PAID WITHIN 25 DAYS AFTER BECOMING DUE.

3. Administrative Collection Fee

It is the policy of the Mutual not to routinely waive any duly imposed late charges, interest, or actually incurred “Costs of Collection.” “Costs of Collection” as used in this Policy Statement include, without limitation, an administrative collection fee, currently in the amount of Five Hundred Dollars (\$500) (the “Administrative Collection Fee”), which is charged by the Mutual’s managing agent to cover staff’s costs to prepare files for delivery to the Mutual’s legal counsel and/or collection agent in order to carry out authorized legal and/or collection actions, as well as direct costs incurred in recording and/or mailing documents attendant to the legal and/or collection process.

The Administrative Collection Fee may be increased by majority vote of the Mutual’s Board and may be collected by the Mutual’s legal counsel and/or collection agent on its behalf, and remitted to the Mutual’s managing agent, or may be directly collected by the Mutual’s managing agent. Any change to the Administrative Collection Fee shall not be deemed a change to this Policy and shall not require rule change or member review period procedures to be undertaken by the Board.

4. Late Charge

IT IS THE MEMBER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THEY BECOME DELINQUENT. Any notices or invoices for assessments and/or special assessments will be sent to Members by first-class and/or certified mail addressed to the Member at his/her/their/its address as shown on the books and records of the Mutual. However, it is the Member's responsibility to be aware of the assessment payment amounts and due dates and to advise the Mutual of any changes in the Member's mailing address, pursuant to Civil Code section 4041.

A late payment charge for a delinquent assessment will be assessed in the amount of Seventy-Five Dollars (\$75.00) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both Civil Code section 5650 and the Mutual's Governing Documents provide for interest on all sums imposed in accordance with Section 5650, including on delinquent assessment, reasonable fees and costs of collection, and reasonable attorney's fees, which may be imposed thirty (30) days after the assessment is due, at an annual percentage rate of twelve percent (12%). Such interest may be imposed and collected regardless of whether the Member's delinquent account is referred to the Mutual's legal counsel and/or collection agent for handling. Non-assessment fines, fees, and chargeable services are also subject to a late fee and interest, in an amount determined by Board resolution.

5. Demand Letter (aka Pre-Lien Notice)

If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of a reminder notice, as described in section 2 above, or if no reminder notice was sent, then within thirty (30) days after the date when the delinquent amount became due, then a demand letter pursuant to Civil Code section 5660 (a "Pre-Lien Notice"), as detailed below, will be sent to the Member by Certified Mail. The Mutual, through its managing agent, may also attempt to contact the Member by telephone to remind the Member of the delinquency and determine when payment will be made. However, no assurances can be given that the Mutual will in fact reach the Member by telephone, and the Member is responsible to pay off the delinquency whether or not a reminder notice or telephone reminder is actually received by the Member.

6. Alternate Means to Collect Delinquent Sums

If full payment of the delinquent amount (such as a duly levied and imposed assessment, fine, fee, or chargeable service including associated late charges and interest) is not received by the close of business on the thirtieth (30th) day after the date of a demand letter for payment of same (and with respect to recording a lien against a Member's separate interest in the condominium project ("Manor"), on the thirtieth (30th) day after receipt of a Pre-Lien Notice) the Mutual may, at its option, in accordance with the requirements and conditions herein and applicable law, and based on the circumstances of the delinquency, including but not limited to, the total delinquent amount owing and the Member's payment history, undertake to collect the delinquency by: (1) suspending a Member's right (and that of the Resident or Tenant of that Member's Manor) to use Mutual or Golden Rain Foundation of Laguna Woods ("GRF") facilities; (2) termination of the delinquent Member's Membership in the Mutual as a result of any foreclosure, (3) legal actions, discussed further below, or (4) other means permitted by law.

A demand letter and/or Pre-Lien Notice is presumed to have been received in the regular course of mail within five (5) days of mailing if the mailing address is within California and within ten (10) days if the mailing address is within the United States but outside of California and within twenty (20) days if the mailing address is outside of the United States.

The Mutual may, after following appropriate procedures prescribed by law and the Mutual's Governing Documents, suspend a delinquent Member's right to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full, including interest, late charges, and/or Costs of Collection, as may have been imposed or incurred in a particular instance. Failure to pay in full such amounts may also result in suspension of certain Membership rights and the ability to use the facilities or services provided by GRF or by this Mutual.

The Mutual may also take various legal actions to enforce the collection of delinquencies. **THESE ACTIONS MAY BE TAKEN SEPARATELY OR CONCURRENTLY.**

7.

Small Claims Court

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

PLEASE NOTE THAT A SMALL CLAIMS COURT ACTION MAY BE PURSUED BASED ON A BOARD RESOLUTION EITHER BEFORE OR AFTER RECORDING A NOTICE OF DELINQUENT ASSESSMENT (LIEN), AND/OR AFTER A WRITE-OFF.

The amount that may be recovered in small claims court may not exceed the jurisdictional limits of the small claims court, and shall be the sum of the following: (a) the amount owed as of the date of filing of the complaint in the small claims court; and (b) in the discretion of the court, an additional amount equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments, fines, fees, or chargeable services, and any reasonable late charges, fees and Costs of Collection (including attorney's fees), and interest, all up to the jurisdictional limits of the small claims court.

Successive small claims court actions may be pursued, consistently with applicable laws, until the entire amount of the delinquency is recovered.

8.

Lien

The Mutual may secure the delinquency by recording a notice of delinquent assessment (lien) on the owner's Manor with the Orange County recorder. The debt shall be a lien on the owner's Manor from and after the time the Mutual records a notice of delinquent assessment, which shall state: the amount of the assessment and other sums imposed in accordance with Civil Code section 5650(b); a legal description of the owner's Manor; and the name of the record owner of the Manor.

An itemized statement of the debt owed by the owner, as described in Civil Code section 5660(b), shall be recorded together with the notice of delinquent assessment. In order for the lien to be enforced by nonjudicial foreclosure as provided in Civil Code sections 5700 to 5710, inclusive, the notice of delinquent assessment shall state the name and address of the trustee authorized by the Mutual to enforce the lien by sale of the Manor. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the Mutual for that purpose, or if no one is designated, by the president of the Mutual. A copy of the recorded notice of delinquent assessment shall be mailed by certified mail to every person whose name is shown as an owner of the Manor in the Mutual's records, and shall be mailed no later than ten (10) calendar days after recordation.

If it is determined that the Mutual has recorded a lien for a delinquent assessment in error, the Mutual shall promptly reverse all related late charges, fees, interest, attorney's fees, and Costs of Collection, and pay all costs incurred by the Mutual related to any related an internal dispute resolution (IDR) or alternative dispute resolution (ADR).

9. Foreclosure/ADR

After thirty (30) days following the recording of a delinquent assessment lien, the lien may be enforced in any manner permitted by law. Once the amount of delinquent assessments (not including any late charges, fees, interest, or Costs of Collection), exceeds One Thousand Eight Hundred Dollars (\$1,800), OR any unpaid assessments are more than twelve (12) months delinquent, then, subject to the conditions specified below, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

These conditions include that, prior to initiating a foreclosure, the Mutual shall offer the Member, and if so requested by the Member, the Mutual shall participate in dispute resolution pursuant to the Mutual's "meet and confer" program, or alternative dispute resolution ("ADR"). THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE MEMBER, EXCEPT THAT BINDING ARBITRATION SHALL NOT BE AVAILABLE IF THE MUTUAL INTENDS TO INITIATE A JUDICIAL FORECLOSURE.

Civil Code section 5965 requires the following statement to be included in this Policy Statement:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

If any "meet and confer" session or ADR is engaged in by and between the Member and the Mutual (or any neutral third parties, as the case may be), and these efforts do not result in a payment plan, then, assuming the statutory minimum as to the delinquent amount or duration of the delinquency has been met, the Mutual may commence foreclosing the lien against the Member's Manor and sell the Manor at a private sale or by a judicial sale. If this occurs, the Member may lose title to his/her/their/its Manor.

10. Board Decision to Initiate Foreclosure

The decision to initiate foreclosure of a validly recorded delinquent assessment lien shall be made only by the Board and may not be delegated to an agent of the Mutual. The Board shall approve the decision by a majority vote of the Board in an executive session. The vote must be recorded in the minutes of the next meeting of the Board open to all Members; however, the confidentiality of the delinquent Member shall be maintained by identifying the matter in the minutes only by the Parcel Number, and not by the name of the delinquent Member. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale or judicial foreclosure.

If the Board votes to foreclose upon an owner's Manor, the Board shall provide notice by personal service to an owner of a Manor if the owner occupies the Manor or to their legal representative. For a non-occupying owner, the Board shall provide written notice by first-class mail, postage prepaid, at the most current address shown on the books of the Mutual. In the absence of written notification by a non-

occupying owner to the Mutual, the address of the owner's Manor may be treated as the owner's mailing address.

11. Non-Judicial Foreclosure/Right of Redemption

A non-judicial foreclosure by the Mutual to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the Manor may be redeemed from a foreclosure sale ends ninety (90) days after the sale, per Civil Code section 5715.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the Member may be seized or a lien may be placed on such assets to satisfy the judgment. Pursuant to the provisions of California law, applicable regulations, and the Covenants, Conditions and Restrictions (CC&Rs), the delinquent amount, as well as late charges on the delinquent assessments and/or interest charges and/or Costs of Collection (including, but not limited to, attorney's fees, title company and foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters (such as the Administrative Collection Fee), recording costs and costs associated with small claims court actions) may be enforced as a lien against the Member's Manor.

Moreover, pursuant to California law, monetary penalties that have been imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common areas and/or community facilities for which a Member or a Member's guests or tenants were responsible may also be enforced as a lien against the Member's Manor.

12. Prerequisites to Recording a Lien: Offer of IDR/ADR and Thirty (30) Day Pre-Lien Notice

Before a lien may be recorded against a Manor of a delinquent Member, the Mutual must offer the Member, and if so requested by the Member, the Mutual must participate in IDR pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 2 commencing with section 5900 of Chapter 10) or ADR as set forth in Article 3 (commencing with Section 5925 of Chapter 10), both in the Civil Code.

Any choice by a Member to pursue IDR or any kind of ADR must be made by the Member's delivery of written notice of such choice to the Mutual's managing agent within thirty (30) days of any event which triggers a Member's right to pursue IDR/ADR, whether it is before a lien can be recorded (i.e., upon receipt of the certified Pre-Lien Notice), or prior to initiating a foreclosure action, or in any other situation for which the Davis-Stirling Common Interest Development Act or the Mutual's Governing Documents authorize or allow a Member to choose IDR/ADR. A Member's right to pursue IDR/ADR may be triggered by, among other things, a decision by the Board and/or Executive Hearing Committee, as applicable, following any right to appeal pursuant to the Mutual's Appeal Policy.

THE DECISION TO PURSUE IDR OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE OWNER. However, binding arbitration is not available if the Mutual intends to initiate a judicial foreclosure.

13.**Pre-Lien Notice**

Prior to recording a lien against a Member's Manor, the Mutual must send the Member a certified notice providing information regarding the sums claimed as being delinquent ("Pre-Lien Notice"). No lien can be recorded until thirty (30) days after this Pre-Lien Notice has been given.

The Pre-Lien Notice must include the following information (per Civil Code Section 5660):

- (a) A general description of the collection and lien enforcement procedures of the Mutual and the method of calculation of the amount, a statement that the owner of the Manor has the right to inspect the association records pursuant to Section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed:

"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION"
- (b) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any;
- (c) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association;
- (d) The right to request a meeting with the board as provided in Section 5665;
- (e) The right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10;
- (f) The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 before the association may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure;

14.**Member's Right to Request a Meeting with the Board, or IDR or ADR.**

Upon receipt of the certified Pre-Lien Notice described above, the noticed Member has several possible courses of action that can be taken at this point in the collection process, such as:

- (a) The Member has the right to dispute the assessment debt by submitting a written request for IDR to the Mutual pursuant to the Mutual's "meet and confer" program, which is required by Civil Code sections 5900-5920;
- (b) The Member may exercise his/her/their/its right to participate in ADR with a neutral third party under Civil Code sections 5925-5965 before the Mutual may initiate foreclosure against the owner's Manor, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure;

- (c) The Member has a right to submit a written request to meet with the Board to discuss a payment plan for the delinquent assessment, as long as the request for a meeting is made within fifteen (15) days following the postmark on the Mutual's Pre-Lien Notice to the Member. That meeting must take place within forty-five (45) days (calculated from the postmark on the Member's request) and must be conducted in executive session. When a Member has made a timely request for a meeting to discuss a payment plan, the Mutual must provide the requesting Member with the Mutual's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the Board to delegate this meeting obligation to a property manager, but the Board may designate a committee of one or more directors to meet with the Member in a specially called executive session meeting that will occur within forty-five (45) days of the Member's request.

15.**Payment Plan Requests**

Any Member who is unable to timely pay regular or special assessments is entitled to make a written request for a payment plan to the Mutual's Board. A Member may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the Pre-Lien Notice. The Mutual's Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans may not impede the Mutual's ability to record a lien on the Member's Manor to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Member is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Mutual may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan. The Mutual reserves the right to impose reasonable conditions on any approvals for a payment plan and request that the delinquent Member provide disclosure of certain identifying information and other assets that may be used as additional security for the debt owed.

16.**Application of Payments**

In accordance with state law, unless otherwise waived in writing by the Member, payments received on delinquent assessments shall be applied to the Member's account in the following order of priority: assessments owed, then fees and costs of collection, attorney's fees, late charges, interest. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code section 5655.

17.**Secondary Address**

Members have a right and obligation to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to the Mutual's Policy Statement, and upon receipt of a proper written request from a Member identifying a secondary address that complies with Civil Code section 4041 and the Governing Documents, the Mutual must send additional notices to this secondary address. Pursuant to Civil Code section 4041, Members must keep the Mutual updated with respect to any mailing or secondary address to which notices from the Mutual are to be delivered. If Members fail to provide such information to the Mutual, the Manor shall be deemed to be the address to which notices are to be delivered.

18. **No Right of Offset**

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

19. **Returned Checks**

The Mutual may charge the Member a twenty-five dollar (\$25.00) fee for the first check tendered to the Mutual that is returned unpaid by the Member's bank, and thereafter, the Mutual may charge a thirty-five dollar (\$35.00) fee for any subsequent check that is returned based on insufficient funds. If a Member's check cannot be negotiated for any reason, then the Mutual may also seek to recover damages of the greater of (a) one hundred dollars (\$100.00); or (b) three (3) times the amount of the check up to fifteen hundred dollars (\$1,500.00) in accordance with Civil Code section 1719.

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

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

21. **Overnight Payments**

The mailing address for overnight payment of assessments is:

Third Laguna Hills Mutual
Attn: Assessment Payments
24351 El Toro Road
Laguna Woods, CA 92637

22. **Rights Reserved by Mutual**

Although the matters set forth above summarize the policies and practices ordinarily employed to collect delinquent assessments, the Mutual reserves the right to employ other or additional policies and practices as may be necessary or appropriate when the uniqueness of the circumstances or habitualness of the delinquency so requires.

23. **Attachments**

Notice of Assessments and Foreclosure (pursuant to Civil Code Section 5730): Attachment "A".

State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act disclosures: Attachment "B".

BOARD OF DIRECTORS

THIRD LAGUNA HILLS MUTUAL

ATTACHMENT "A"

**NOTICE OF
ASSESSMENTS AND FORECLOSURE**

The following notice is provided pursuant to California Civil Code Section 5730

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

ATTACHMENT "B"

The following Disclosure is made pursuant to California Civil Code Sections 1812.700-1812.703

“The State Rosenthal Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov.”

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Attachment 2– Contractor Violation Policy 03-21-XX

CONTRACTOR VIOLATION POLICY

It is crucial that contractors hired by members strictly follow mutual rules and restrictions related to construction, improvement and repair projects. Given the proximity between units and age of the buildings, among other related factors, any deviation from mutual rules or the member's approved scope of work has the potential to have a significant impact on the property as well as the adjacent neighbors. Staff has discovered a material increase in violations by member contractors who are either unfamiliar with or fail to abide by mutual rules and restrictions or who perform work outside of what was approved. Oftentimes this can lead to delays; increased project costs for members; increased noise, inconvenience and disturbance to neighbors; and unnecessary staff time and resources diverted to regulating and overseeing contractor violations and corrections.

This Contractor Violation Policy (policy) provides for penalties in the form of prohibiting offending contractors from performing work in Third in an effort to protect members and Third property and to encourage contractors to adhere to the rules and obligations governing the members and mutual.

Manor Alterations (MA) is the representative acting on behalf of the managing agent (VMS) for the mutual (Third). This policy classifies the noticing, violation severity, enforcement, ramifications of disciplinary actions and remedies relating to the offenses. MA would use the policy criteria listed herein to evaluate the contractors' behavior and administer notices and violations to member contractors.

The circumstances for providing a potential violation notice or notice of violation and issuing violation suspensions are based on the severity of the offense listed in two categories as defined below:

Moderate Violation

1. Any violation of Exhibit A – Conditions Rules & Obligations unless noted as a severe violation.

Severe Violations

1. Any violation by a contractor performing demolition or initiating renovation work without all appropriate governmental and MA approvals inclusive of mutual consents issued by MA and City of Laguna Woods approvals, and
2. Any contractor performing work contrary to the work specifically noted on the mutual consent (MC) issued by MA for the following:
 - a. Performing any structural removal or modification, including, but not limited to, the widening of an opening of a doorway, passageway or window or removal or modification of a structural building element (inclusive of columns, bearing walls, shear walls, foundations, exterior walls, any work that would have required a variance approval from the board or lapse of any insurance coverage so disclosed by the contractor on the mutual standard certificate of liability insurance (COLI).

Attachment 2 continued – Contractor Violation Policy 03-21-XX

- b. Performing any work that is beyond the scope of work as defined by the mutual consent (MC). This expanded work will include, but not be limited to, installing a larger quantity of materials, amending the parameters initially identified, revised layout, increased dimensions of an approved renovation or using differing materials as was indicated on the MC.
3. Any expansion of the MC description for demolition or improvement work previously issued without further authorization from MA. Any unauthorized asbestos release contrary to city code, SCAQMD or Cal/OSHA regulations, or
4. The reluctance to complete the approved MC scope of work within 90 calendar days of permit issuance, or such reasonable time for the work so described on the MC as agreed to with MA when the MC was initially issued, exempting therefrom, any reasonable extension of time for force majeure condition affecting the timely completion of the work. See Exhibit A – Construction Rules & Obligations Contractor, Item 17, for complete terms relating to time of completion. A force majeure event shall be defined as an event beyond the control of the contractor affecting the timely completion of the work. Allowable force majeure events shall be considered as an event(s) affecting the entire local contracting community that would include major material shortages, war, strike, riot, catastrophic weather event, labor disputes or governmental orders relating to a pandemic. The contractor's time shall only be extended for the duration of the force majeure event. Contractor shall notify MA within 3 business days of knowledge of such delay or the potential of a force majeure event to allow consideration of an appropriate extension of time.

MA is responsible for providing the following enforcement actions of this policy:

1. Substantiate violations with notices, notes and photographs; document and archive the violation events; and transmit violation material to contractor and member,
2. Maintain a log of violations recording at a minimum the contractor's name and address; detail of the violation circumstances; notes regarding the rules, regulations and obligations of violation; and other pertinent information of the event,
3. MA shall notify the manor member and contractor of all violations and potential consequences within seven working days from time of MA's knowledge of the violation,
4. Issuance of all violation notice documents are to be posted on the manor with a description of the violation(s). Contractor violations shall also be published in the biweekly news bulletin only after validation of the violation.
5. Maintain a master list of contractors who are ultimately determined to have engaged in violation of and/or have been suspended under this policy.

Contractor Violations

Also see the contractor violation description below:

1. Moderate first violations – Any violation of the Exhibit A – Construction Rules & Obligations unless noted as a severe violation. Contractor and member will be notified of the first violation. All subsequent violations in this category will then escalate to a severe violation as described below.

Attachment 2 continued – Contractor Violation Policy 03-21-XX

2. Severe violations – If the first violation is a severe first violation (or a second moderate violation) then MA shall issue a potential violation notice. MA shall allow the contractor the opportunity to explain the circumstances of the violation. Under special circumstances shall the contractor be allowed to continue work. MA shall then determine if the potential violation notice shall become a violation notice and invoke those actions described in the contractor violation description.
3. In the event a suspension is issued, the contractor will no longer be allowed to do work within Third. After the second suspension, board approval is necessary for contractor reinstatement. Thereafter, any violation would result in permanent suspension from Third.
 - a. The member is responsible for any supplemental cost to mitigate the actions of his/her contractor that might be attributable to the consequences of damage, including, but not limited to, remediation of emergency asbestos cleanup and mitigation, damage to mutual property and fines established by governmental agencies.
 - b. The member is responsible for any increased costs in replacing a suspended contractor from an existing project, subject to No. 4 below.
4. Upon issuance of a notice of severe violation, the contractor shall not be allowed to submit any new application(s), and existing applications will be refused and/or the contractor will not be allowed to perform any further work in the mutual. However, the member of the manor issued the offense and any member who is currently using this contractor shall be allowed, with consultation, under special circumstances and only with the express written approval of MA to continue to use the offending contractor to finish an existing contract at the discretion of MA and in consideration of code compliance.

Contractor Violation Description

Any violation or suspension due to a violation hereunder will be viewed in totality for any work performed by the contractor in the mutual, and not on a per-project/mutual basis.

Moderate Violation

1. First offense – Notice of moderate violation and no further action to be taken.
2. Second offense – Escalation to severe violation pending MA conference (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). If MA determines no further action is needed, it remains a moderate violation without suspension. If determined to be a second violation, MA will apply a 30-calendar-day suspension from working in the mutual.

Severe Violation

1. First offense – Notice of potential violation. Pending conference with MA (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). The result of this conference will be the basis a 30-calendar-day suspension.
2. Second offense – Notice of violation and mandatory 90-day suspension.
3. Third offense – Notice of violation and mandatory termination of contractor from all work within the mutual. Only board reinstatement can result in the contractor continuing to work in the mutual.

Attachment 2 continued – Contractor Violation Policy 03-21-XX

Suspensions resulting from the second and third offense violations will occur after a conference is held between MA and the contractor to determine if there was a violation or a misunderstanding. It shall also be determined if the member of the manor issued the offense and any member that is currently using this contractor, shall be allowed, under special circumstances, to continue to use the offending contractor to finish their existing contract at the discretion of MA and in consideration of code compliance.

Regardless of the violations levied as noted herein, contractor and member may be subject to other costs as a result of damages to mutual property.

Contractor Right to Dispute

The contractor's right to dispute the violation shall be as follows:

1. The contractor has the right to dispute the MA notice of violation by emailing a hearing request to alterations@vmsinc.org and copying the MA supervisor and MA manager within seven calendar days of the notice of violation issuance to contractor.
2. Said hearing request will be heard by Third's ACSC at its next appropriate hearing date.
3. Should the contractor make a hearing request, all conditions of the violation, including the suspension, will remain in effect until the ACSC provides a final determination.

Attachment 2 – Exhibit A – Construction Rules & Obligations

Exhibit A – Construction Rules & Obligations

Both member and contractor shall abide by Exhibit A – Construction Rules & Obligations, may be held responsible for damages and take responsibility for the violations as a result of not complying with Exhibit A – Construction Rules & Obligations. Contractor agrees to comply with all rules and regulations, and violation provisions as stated in Exhibit A – Construction Rules & Obligations and the Contractor Violation Policy.

1. Mutual consent (MC) approvals: No improvement shall be installed, constructed, modified or altered at any manor (property) within Third Laguna Woods Mutual (mutual) without obtaining the proper demolition and new improvement permits in the forms of MCs for alterations and demolitions made to and approved in writing by Village Management Services Inc. (VMS), Manor Alterations Division (MA) or, in the event of a variance from the mutual's alteration standards, the Architectural Control and Standards Committee (ACSC) and the Third board. In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the property, the member agrees to comply with the mutual's governing documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
2. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the property's member and/or all future mutual members. Contractor may be held responsible to repair mutual property damaged and/or modified in the course of its work without having obtained the approval to do so via a duly executed MC.
3. Parking of contractors' or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible, contractors' or other invitees' vehicles should be limited in number.
4. A City of Laguna Woods permit may be required as well as a clearance requirement from the South Coast Air Quality Management District (SCAQMD) (asbestos hotline, 909-396-2336). Prior to the issuance of an MC for alterations and/or demolition, the appropriate City of Laguna Woods permit number(s) must be submitted to the MA office located in the Laguna Woods Village Community Center. The city permit must be approved within the prescribed time frame, and a copy of the final permit must be submitted to MA.
5. Member hereby consents and grants to the mutual, MA, the Maintenance and Construction Department and their representatives a right of property entry at any time to inspect said property and its improvements and for the mutual and the department, including its representatives and contractors, to remedy any violation upon the property, including, but not limited to, removing trash and/or any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.

Attachment 2 continued – Exhibit A – Construction Rules & Obligations

6. Subject to the Contractor Violation Policy, member and contractor shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents, any others who perform work on the property and any violation of the mutual's governing documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, damage to mutual property and use of mutual property for storage of equipment or materials without prior approval. member acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the mutual's rules and regulations; however, that does not relieve contractor from compliance with the rules due to ignorance or otherwise, as contractor will sign the MC for alterations and/or demolition as a condition to and requirement of any approval. Member shall be liable for any violation of the mutual's governing documents or for any damage caused by any invitee, including any fine, assessment or other charge levied in connection therewith; however, contractor is also responsible to repair all damage that was done in the execution of the alteration, consistent with item number two in this exhibit.
7. Member and contractor are responsible for following the gate clearance process in place to admit contractors and other invitees. See <http://www.lagunawoodsvillage.com>.
8. Member contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use mutual recreational facilities or other amenities while they are in Laguna Woods Village for performance of work in connection with the property.
9. All improvements must be installed in accordance with California State building code, and the published mutual architectural alterations standards, policies and guidelines. See <http://www.lagunawoodsvillage.com>.
10. During construction, work hours established by the mutual and the noise ordinance set forth in the City of Laguna Woods municipal code must be adhered to at all times. Except in an emergency, work hours from 8 a.m. to 5 p.m. on weekdays; no work is permitted on holidays and weekends.
11. During construction, both the MC for demolition, alterations and the city building permit must be on display for public view at all times in a location approved by MA.
12. No waste or materials associated with the construction may be dumped in Laguna Woods Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
13. Call the Security Services Department at 949-580-1400 to receive dumpster location approval. All dumpsters must conform to the policy for temporary containers. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.

Attachment 2 continued – Exhibit A – Construction Rules & Obligations

14. Call Security at 949-580-1400 for portable bathroom placement approval.
15. The MC for alterations is expected to be completed within 90 calendar days after the date of approval, unless an application is submitted with fees and approved by MA for an extension or documentation is submitted with the MC that justifies the need for a period longer 90 days and MA has agreed to this extension in writing. If the MC has an established completion period of more than 90 days but less than 180 days, the date established by the MC shall govern. An extension for a maximum of an additional 90 calendar days beyond the maximum 180-day period may be granted at the request of the member prior to expiration and at the discretion of MA. The contractor shall not perform any work beyond this 180-day period or six months unless authorized by MA in writing.
16. Violations of the forgoing conditions or the mutual's governing documents (see <http://www.lagunawoodsvillage.com>), including, but not limited to, unpaid assessments, work outside the approved plans, excessive noise, illegal dumping or working after hours, will result in disciplinary action, which could result in a stop-work notice, loss of privileges and/or severe fines to the member as presented in the Contractor Violation Policy.
17. Mutual member and his/her contractor shall indemnify, defend and hold harmless Third and its officers, directors, committee members, employees and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from the mutual shareholder's improvements and installation, construction, design and maintenance of same.

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OPEN SESSION

**MINUTES OF THE 51st ORGANIZATIONAL MEETING OF THE THIRD LAGUNA
HILLS MUTUAL BOARD OF DIRECTORS A CALIFORNIA NON-PROFIT MUTUAL
BENEFIT CORPORATION**

**Thursday, October 7, 2021
Immediately Following the Annual Meeting
Laguna Woods Village Virtual Meeting
24351 El Toro Road
Laguna Woods, California**

The purpose of this meeting to select board officers in accordance with the Third Bylaws Section 9.2

Directors Present: Robert Mutchnick, Annie McCary, Cush Bhada, John Frankel, Craig Wayne, Steve Parsons, Donna Rane-Szostak, Ralph Engdahl, Jim Cook, Mark Laws and Nathaniel Lewis

Directors Absent: None

Staff Present: Jeff Parker, Siobhan Foster, Cheryl Silva, Grant Schultz and Cindy Shoffeitt

1. Call meeting to Order / Establish Quorum - President Parsons

President Parsons called the meeting to order at 11:20 a.m. and established that a quorum was present.

2. Approval of the Agenda

Director McCary made a motion to approve the agenda as presented. Director Bhada seconded the motion and the motion was approved by unanimous consent.

3. Approval of the Meeting Minutes

a. November 5, 2020, 50th Organizational Meeting of Members

Director Wayne made a motion to approve the minutes of November 5, 2020, 50th Organizational Meeting minutes. Director McCary seconded the motion.

Director Wayne requested a correction to the November 5, 2020, 50th Organizational Meeting minutes to include the election of the board secretary.

President Parsons called for a vote of the minutes as corrected and the minutes were approved by unanimous consent.

4. Member Comments

There were no member comments.

5. Election of Officers - Entertain a Motion to Open Nominations, Close Nominations and Vote for President, First Vice President, Second Vice President, Treasurer and Secretary

President Parsons made a motion to open nominations for board officers. Director Wayne seconded the motion and the motion passed without objection.

PRESIDENT

Director Parsons opened the floor for nomination of President.

Director Frankel nominated Robert Mutchnick for the position of President. Director Mutchnick accepted the nomination.

Director Lewis nominated Mark Laws for the position of President. Director Laws accepted the nomination.

Hearing no other nominations, the board voted by secret ballot. Assistant Corporate Secretary, Grant Schultz, tallied the vote and announced that Director Mutchnick was elected President of the Board by a vote of 7-4-0.

FIRST VICE PRESIDENT

President Mutchnick opened the floor for First Vice President.

Director Lewis nominated Cush Bhada for the position of First Vice President. Director Bhada accepted the nomination.

Director Engdahl nominated Annie McCary for the position of First Vice President. Director accepted the nomination.

Hearing no other nominations, the board voted for the First Vice President by secret ballot. Assistant Corporate Secretary, Grant Schultz, tallied the votes and announced that Director McCary was elected First Vice President of the Board by a vote of 7-4-0.

SECOND VICE PRESIDENT

President Mutchnick opened the floor for nominations for Second Vice President.

Director Laws nominated Jim Cook for the position of Second Vice President. Director Cook accepted the nomination.

Director McCary nominated Ralph Engdahl for the position of Second Vice President. Director Engdahl accepted the nomination.

Hearing no other nominations, the board voted for the Second Vice President by secret ballot. Assistant Corporate Secretary, Grant Schultz, tallied the votes and announced that Director Engdahl was election Second Vice President of the Board by a vote of 7-4-0.

SECRETARY

President Mutchnick opened the floor for nominations for Secretary.

Director McCary nominated Steve Parsons for the position of Secretary. Director Parsons accepted the nomination.

Hearing no other nominations, Director Parsons was elected Secretary of the Board by acclamation.

TREASURER

President Mutchnick opened the floor for nominations for Treasurer.

Director Bhada nominated Mark Laws for the position of Treasurer. Director Laws accepted the nomination.

Director McCary nominated Donna Rane-Szostak for the position of Treasurer. Director Rane-Szostak accepted the nomination.

Hearing no other nominations, the board voted for the Treasurer by secret ballot. Assistant Corporate Secretary, Grant Schultz, tallied the votes and announced that Director Rane-Szostak was elected Treasurer of the Board by a vote of 7-4-0.

RESOLUTION 03-21-67 **APPOINTMENT OF OFFICERS**

RESOLVED, on October 7, 2021, pursuant to Third Laguna Hills Mutual Bylaws Article 9 which sets guidelines, terms and responsibilities for the election of Officers to this Corporation the following persons are hereby elected to the office indicated next to their names to serve:

| | |
|--------------------|--------------------------------|
| Robert Mutchnick | President |
| Annie McCary | 1 st Vice President |
| Ralph Engdahl | 2 nd Vice President |
| Steve Parsons | Secretary |
| Donna Rane-Szostak | Treasurer |

RESOLVED FURTHER, that the following Staff person is hereby appointed as ex Officio officer of this Corporation:

| | |
|----------------|--------------------------------|
| Jeff Parker | Vice President ex Officio |
| Siobhan Foster | Assistant Secretary ex Officio |
| Steve Hormuth | Assistant Treasurer ex Officio |

RESOLVED FURTHER, that Resolution 03-20-21, adopted November 5, 2020, is hereby superseded and cancelled; and

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

Director Rane-Szostak made a motion to approve the resolution for appointment of officers. Director Bhada seconded the motion and the motion passed without objection

8. Adjournment

There being no further business, the meeting was adjourned at 11:35 a.m.


Robert Mutchnick, President of the Board
Third Mutual Laguna Hills

RESOLUTION 03-21-XX

Deny the Request For Removal of One Red Bud Tree 2394-1F Via Mariposa W.

WHEREAS, February 16, 2021, that the Board of Directors adopted Resolution 03-21-10 Tree Maintenance Policy which states:

“...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 shall not be removed to preserve, enhance or create a view.

- Trees which are damaging or will damage a structure, pose a hazard, diseased, in failing health or interfering with neighboring trees, will be considered for removal.
- Removal requests will be reviewed by a staff arborist and, if necessary, referred to the Committee...”

WHEREAS, on December 2, 2021, the Landscape Committee reviewed a request from the Member at 2394-1F to remove one Red Bud tree. The Member cited the reasons as overgrown and view obstruction and;

WHEREAS, the Committee determined that the tree does not meet the guidelines set forth in Resolution 03-21-10 and recommends denying the request for the removal of one Red Bud tree located at 2394-1F Via Mariposa W.

NOW THEREFORE BE IT RESOLVED, December 21, 2021, the Board of Directors denies the request for the removal of one Red Bud tree located at 2394-1F;

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 03-21-XX

Approve the Request For Removal of One Brisbane Box Tree 3421-3H Calle Azul

WHEREAS, February 16, 2021, that the Board of Directors adopted Resolution 03-21-10 Tree Maintenance Policy which states:

“...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 shall not be removed to preserve, enhance or create a view.

- Trees which are damaging or will damage a structure, pose a hazard, diseased, in failing health or interfering with neighboring trees, will be considered for removal.
- Removal requests will be reviewed by a staff arborist and, if necessary, referred to the Committee...”

WHEREAS, on December 2, 2021, the Landscape Committee reviewed a request from the Member at 3421-3H to remove one Brisbane Box tree. The Member cited the reasons as structural damage and quality of life due to the lack of sunlight and;

WHEREAS, the Committee determined that the tree does meet the guidelines set forth in Resolution 03-21-10 and recommends approving the request for the removal of one Brisbane Box tree located at 3421-3H Calle Azul.

NOW THEREFORE BE IT RESOLVED, December 21, 2021, the Board of Directors approves the request for the removal of one Brisbane Box tree located at 3421-3H;

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 03-21-XX

Recording of a Lien

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

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

NOW THEREFORE BE IT RESOLVED, December 21, 2021, 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.

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RESOLUTION 03-21-XX

Recording of a Lien

WHEREAS, Member ID 931-590-95; 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, December 21, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-590-95 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 03-21-XX

Recording of a Lien

WHEREAS, Member ID 932-200-43; 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, December 21, 2021, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-200-43 and;

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

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STAFF REPORT

DATE: December 21, 2021
FOR: Third Mutual Board
SUBJECT: Variance Request: Ms. Susan Nam of 5560-A (Casa Lorenzo, Plan RC12) Kitchen Remodel with Structural Changes

RECOMMENDATION

Third Mutual Architectural & Standards Committee recommends the Board approve the request for a **kitchen remodel with structural revisions** with the conditions stated in Appendix A.

BACKGROUND

Ms. Susan Nam of 5560-A Via Portora, a Casa Lorenzo style manor, requests Board approval of a variance for a **kitchen remodel with structural changes**.

Due to there being no existing Standard plan for the proposed alterations, which requires structural changes to the unit, Staff seeks Board approval prior to issuing a Mutual Consent for the alterations.

Plans and specifications have been submitted for review (Attachment 1).

DISCUSSION

Ms. Nam is proposing to remodel the existing kitchen, removing interior supporting walls and introducing new support columns and beams, as part of a large remodel project.

The existing kitchen cabinetry and appliances will be expanded into the existing nook area. The new kitchen island will face into the new great room, creating a more open floorplan.

Currently, there is one Mutual Consent open for the manor, which is the alteration application regarding this remodel.

Staff recommends approval from the Board regarding the variance request for the following reasons. The requested modifications are interior to the manor, and represent no concern with respect to view from neighboring manors, or anyone else. Ms. Nam has submitted architectural and structural drawings for the proposed alteration

The existing plumbing lines need to meet size and slope fall of current code to accommodate any additional loads from new appliances.

A City of Laguna Woods building permit final would verify compliance with all applicable building codes.

A Neighbor Awareness Notice was sent to Units 5559-B, 5560-A, 5561-A, and 5561-B, on November 16, 2021 due to sharing common walls, having line of sight, or being potentially affected during construction.

At the time of writing the report, there have been no responses to the Neighbor Awareness Notices.

All future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at **5560-A**.

Prepared By: Richard de la Fuente, Alterations Inspector II

Prepared By: Gavin Fogg, Inspections Supervisor

Robbi Doncost, Manor Alterations Manager

ATTACHMENT(S)

Appendix A: Conditions of Approval

Attachment 1: Scope

Attachment 2: Variance Application

Attachment 3: Photos

Attachment 4: Map

Attachment 5: Resolution 03-21-XX

APPENDIX A

CONDITIONS OF APPROVAL

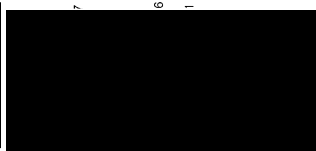
1. No improvement shall be installed, constructed, modified or altered at unit **5560-A**, ("Property") within the Third Laguna Hills Mutual ("Mutual") unless and until a Mutual Consent for Alterations application for the improvement has been made to, and approved, in writing, by, the Village Management Services, Inc. ("VMS, Inc."), Alterations Division ("Division"), or, in the event of a Variance from the Mutual's Alteration Standards, the Architectural Control and Standards Committee ("ACSC"). In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the Property, the Member Owner or Owners ("Member Owner") agrees to comply with the Mutual's Governing Documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
2. A Variance for Unit Alterations has been granted at **5560-A** for a **kitchen remodel with bearing wall removal**, subject to the attached plans stamped approved and is subject to the final inspection by the Division. Any variations to the approved attached plans are not allowed and could result in a stop work notice and/or severe fines to the Member.
3. Member Owner hereby consents to and grants to the Mutual and the Division, and their representatives, a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and for the Mutual and the Division, and their representatives and contractors to remedy any violation upon the Property, including, but not limited to, removing trash, removing any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.
4. 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 **5560-A** and all future Mutual members at **5560-A**.
5. Member Owner shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others who perform work on the Property, including any violation of the Mutual's Governing Documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, and use of Mutual property for storage of equipment or materials without prior approval. Member Owner acknowledges and agrees that all such persons are his/her invitees. Member Owner shall be responsible for

informing all his/her invitees of the Mutual's Rules and Regulations.

6. Member Owner shall be liable for any violation of the Mutual's Governing Documents by any invitee, including any fine, assessment, traffic or other charge levied in connection therewith.
7. Member is responsible for following the gate clearance process (<http://www.lagunawoodsvillage.com/residents/resident-services> and click on documents and Business Pass Application Instructions) in place to admit contractors and other invites.
8. Member Owner's contractors and other invitees shall have business signage on vehicles and travel to and from the job site by the most direct route available and are not authorized to use Mutual recreational facilities or other amenities while they are in the Village for performance of work in connection with the Property.
9. Parking of contractors or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible contractors' or other invitees' vehicles should be limited in number.
10. Member Owner(s) of the Property must sign and submit to the Mutual, c/o VMS, Inc., at the Division office located in the Laguna Woods Village Community Center, an executed and notarized "Recordable Common Area Agreement" for a proposed improvement that would utilize any portion of the Mutual's Common Area. Prior to the issuance of a Mutual Consent for Manor Alterations, that "Recordable Common Area Agreement" must be filed with the Orange County Clerk/Recorder.
11. A City of Laguna Woods permit is required, which may include the requirement to obtain clearance from the South Coast Air Quality Management District (Asbestos Hot Line at (909) 396-2336). Prior to the issuance of a Mutual Consent for Unit Alterations, the appropriate City of Laguna Woods permit number(s) must be submitted to the Division office located in the Laguna Woods Village Community Center. The City permit must be finalized within the prescribed timeframe, and a copy of the final permit must be submitted to the Division within two weeks.
12. Prior to the issuance of a Mutual Consent for Unit Alterations, a complete set of unit specific plans prepared by a licensed architect or structural engineer depicting the proposed improvement must be submitted to the Division office located in the Laguna Woods Village Community Center. The plans must depict any required structural modifications ensuring the structural integrity of the building is maintained upon completion of the proposed improvement.

13. Prior to the Issuance of a Mutual Consent for Alternations, if required, the Manor Owner shall verify with Plumbing if the manor plumbing has been treated with an ePIPE Epoxy Barrier, to assure that Mutual property is appropriately addressed during construction. Any repair or connection to the epoxy coated pipe should be performed in such a manner that the repair or the remodel of the existing system does not damage the epoxy barrier. Before repairing or remodeling any ACE Duraflo epoxy barrier, call 800-359-6369 to ensure the proper technique is used for the specific repair or remodel.
14. Prior to the issuance of a Mutual Consent for Unit Alterations, if required, a Mutual Roof Alteration Notification ("Tie-In Form") must be submitted to the Division. All roof tie-ins must be performed by a C-39 Licensed Contractor. The Member Owner may hire a C-39 Licensed Contractor of his/her own choice to perform roof tie-ins for the installation of solar panels on all roof types except PVC Cool Roofs. For PVC Cool Roofs, regardless of the roof type, all tie-ins must be performed by the Mutual's roofing contractor at the Member Owner's expense. All tie-ins may only be made to sound structural elements. Existing structural elements proposed to be tied to, which exhibit signs of dry rot or other structural defects, must first be replaced or repaired at the Member Owner's expense during construction of the improvement.
15. Prior to the issuance of a Mutual Consent for Manor Alternations, the Member Owner shall request a Maintenance and Construction Department inspection to assure that Mutual property is appropriately addressed during construction.
16. Prior to the issuance of a Mutual Consent for Unit Alterations, any altered exterior surface should match the Building color; vinyl fence/gate will be either white or taupe, tubular steel or wrought iron fence/gate will be black or white; the approved colors and materials are identified as "Third Laguna Hill Mutual Color Selections" at Resident Services, located at the Community Center first floor.
17. All improvements must be installed in accordance with the California State Building Code, and the published Mutual Architectural Alterations Standards. See <http://www.lagunawoodsvillage.com>.
18. This approval does not change the number of bedrooms or the original maximum occupants permitted in the Unit.
19. Paver install must be set in compacted subgrade.
20. During construction, work hours established by the Mutual and the Noise Ordinance set forth in the City of Laguna Woods Municipal Code must be adhered to at all times.

21. During construction, both the Mutual Consent for Unit Alterations and the City Building Permit must be on display for public view at all times in a location approved by the Division.
22. It is mandatory that no waste or materials associated with the construction be dumped in the Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
23. A dumpster is approved for placement at the location identified by Security Staff by calling 949-580-1400. All dumpsters must conform to the Policy for Temporary Containers. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.
24. A portable bathroom is approved for placement at the location identified by Security Staff by calling 949-580-1400.
25. The Mutual Consent for Unit Alterations expires six months after the date of approval, unless an application is submitted with fees and approved by the Division for an extension. Only one extension for a maximum of an additional six months may be granted.
26. Violations of the forgoing conditions or the Mutual's Governing Documents (See <http://www.lagunawoodsvillage.com>), including, but not limited to, work outside the approved plans, excessive noise, illegal dumping, or working after hours, will result in disciplinary action, which could result in a stop work notice, loss of privileges and/or severe fines to the Owner Member. Such fines left unpaid will result in forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.
27. Mutual member shall indemnify, defend and hold harmless Third and its officers, directors, committee members and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from Mutual member's improvements and installation, construction, design and maintenance of same.



ATTACHMENT 1 SCOPE OF WORK

| DATE | ISSUE |
|---------|--------|
| 3/23/21 | HOA S. |
| 5/18/21 | Varian |
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| REV# | DATE |
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CONTACT
Timothy Oh

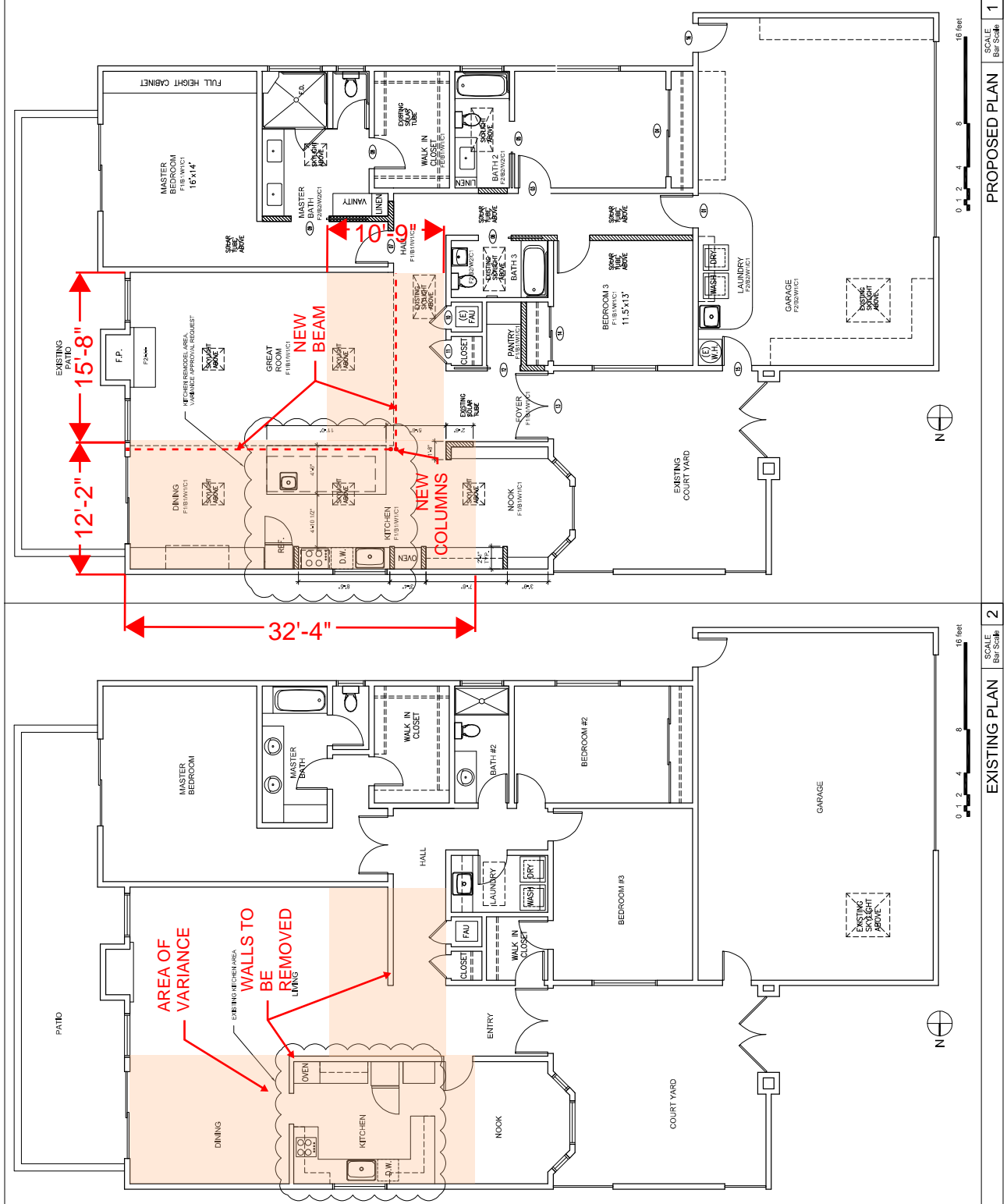
SCALE: 1/4" = 1'-0"

Floor
Plans

A2.1 H

NOTES

OWNER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS. THE ARCHITECT'S RESPONSIBILITY IS LIMITED TO THE DESIGN AND CONSTRUCTION OF THE PROJECT. THE ARCHITECT SHALL NOT BE RESPONSIBLE FOR THE OBTAINING OF PERMITS OR APPROVALS. SEE BAR SCALE FOR DIMENSION MEASUREMENT.

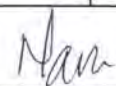






PROPOSED PLAN 1

EXISTING PLAN 2

Variance Request Form

SA

| | | | | | |
|---------------------|---|-----------|---|--------|---|
| Model: | Casa Lorenzo | Plan: | RC12 | Date: | May 18, 2021 |
| Member Name: | Susan Nam | Signature |  | | |
| Phone: |  | Email: |  | | |
| Contractor Name/Co: | Kay Jeon | Phone: |  | Email: |  |

Description of Proposed Variance Request ONLY:

Kitchen Remodel needs some structural work.
See Attached Structural Dwgs & Calculations

REMOVAL OF EXISTING BEARING WALLS AND INSTALLATION OF
NEW STRUCTURAL COLUMNS AND BEAMS

Dimensions of Proposed Variance Alterations ONLY:

12' x 12' Kitchen Area

GREAT ROOM: 168 SF
KITCHEN/DINING ROOM: 398 SF

FOR OFFICE USE ONLY

RECEIVED BY: _____ DATE RECEIVED: _____ Check# _____ BY: _____

| | |
|---|--|
| <p>Alteration Variance Request</p> <p>Check Items Received:</p> <p><input type="checkbox"/> Drawing of Existing Floor Plan</p> <p><input type="checkbox"/> Drawing of Proposed Variance</p> <p><input type="checkbox"/> Dimensions of Proposed Variance</p> <p><input type="checkbox"/> Before and After Pictures</p> <p><input type="checkbox"/> Other: _____</p> | <p>Complete Submittal Cut Off Date:</p> <p>Meetings Scheduled:</p> <p>Third AC&S Committee : _____</p> <p>United AC&S Committee: _____</p> <p>Board Meeting: _____</p> <p><input type="checkbox"/> Denied <input type="checkbox"/> Approved</p> <p><input type="checkbox"/> Tabled <input type="checkbox"/> Other _____</p> |
|---|--|

ATTACHMENT 3
PHOTOS



NOOK



KITCHEN (TOWARD NOOK)



KITCHEN (TOWARD DINING ROOM)



LIVING ROOM (VIEW TOWARD FIREPLACE)

ATTACHMENT 4
AERIALS



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| ATTACHMENT 5 RESOLUTION |
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RESOLUTION 03-21-XX

Variance Request

WHEREAS, Ms. Susan Nam of 5560-A Via Portora, a Casa Lorenzo style unit, is requesting Board approval of a variance to install a kitchen remodel with structural revisions; and,

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected units November 16, 2021, notifying them that an application to make an alteration to a neighboring unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on November 22, 2021.

NOW THEREFORE BE IT RESOLVED, on December 21, 2021, the Board of Directors hereby approves the request to install a kitchen remodel with structural revisions;

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 5560-A Via Portora and all future Mutual members at 5560-A Via Portora;

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

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STAFF REPORT

DATE: December 21, 2021
FOR: Third Mutual Board
SUBJECT: Variance Request: Ms. Lisa Mills and Mr. Ron Phulps of 5417 (San Marco, Plan C12C_2) Master Bedroom Addition, New Windows, Third Bathroom Addition, and Interior Remodel

RECOMMENDATION

Third Mutual Architectural & Standards Committee recommends the Board approve the request for a **master bedroom addition, new windows, third bathroom addition, and interior remodel** with the conditions stated in Appendix A.

BACKGROUND

Ms. Lisa Mills and Mr. Ron Phulps of 5417 Via Carrizo, a San Marco style manor, requests Board approval of a variance for **a master bedroom addition, new windows and skylights, third bathroom addition and interior remodel**.

Due to there being no existing Standard plan for the proposed alterations, Staff seeks Board approval prior to issuing a Mutual Consent for the alterations.

Plans and specifications have been submitted for review (Attachment 1).

DISCUSSION

Ms. Lisa Mills and Mr. Ron Phulps are proposing to remodel the existing kitchen, removing non-bearing walls, adding a third bathroom, extending a master bedroom addition into the back patio and adding additional windows and skylights, as part of a larger remodel project.

The kitchen remodel portion of the variance requires the removal of a window and the addition of a larger window in the remodeled dining area. There will also be two skylights added in the kitchen, which due to their larger than standard size impact the roof truss structural system. The new kitchen island will face into the new great room, creating a more open floorplan.

The master bedroom extension portion of the variance requires the removal of the existing patio enclosure. The enclosure sits on a patio slab which was previously extended into common area by 24". Per current common area usage policy, no new alterations may be approved on the common area portion of land and at the time of removal of the patio enclosure, the non-compliant full-width patio slab and the patio wall at the rear of the house shall be returned to the original exclusive-use common area depth of 8' from the

original rear exterior wall. The portion of the existing patio slab to be occupied by the room addition shall be demolished and replaced with a new slab, footings, and moisture barrier per the current building code, to match the existing interior floor slab elevation. Additionally, the master bedroom extension requires the removal of a significant portion of exterior wall at the rear of the house. Per the provided drawings, the extension is 14'-8" wide by the full original 8' patio depth. The addition will also incorporate (2) new 2'x4' windows, (1) 9'x5' egress window to the rear, and a 6'x6'-8" sliding glass door opening onto the new patio slab.

As part of the remodel, a third bathroom is to be incorporated within the unit. Per the provided plans, a second master suite is to be created by relocating the existing second bathroom to occupy part of the current Bedroom 3 area, with the remainder of the area becoming a utility/storage room with direct garage access. The existing master bath will be relocated to accommodate an office. This office space is effectively a relocated Bedroom 3. The third bathroom will be located outside the utility room among a cluster of closet spaces. Due to the significant rearrangement of rooms, the existing windows for the bedrooms and bathrooms will be removed, infilled, relocated and resized. All walls to be demolished shall be verified to be non-bearing prior to demolition.

Currently, there are no Mutual Consents open for the manor.

Staff recommends approval from the Board regarding the variance request for the following reasons. Ms. Mills and Mr. Phulps have submitted architectural drawings for the proposed alteration for review. As indicated on the plans, bedroom addition is contained by the original construction exclusive-use common area limits as shown in Appendix B. Although the requested modifications are significant, the addition does not increase the volume currently occupied by the existing patio enclosure. Similarly, the remodel should not cause a significant change to existing drainage, landscaping, or similar issues related to common area maintenance. The new window locations could potentially impact the immediate neighbors, however, a letter of acceptance from the only immediately adjacent neighbor at 5416 Via Carrizo has been provided.

Structural drawings will be submitted for review prior to issuance of the Mutual Consents for Demolition and Alteration. Specifically, cutting of roof trusses to accommodate the addition of skylights will not be allowed. The existing trusses are to remain intact. Additionally, the structural tie-in of the bedroom extension shall be addressed on the structural drawings.

All walls to be demolished shall be verified to be non-bearing prior to demolition.

Cutting of roof trusses to accommodate any alteration is prohibited. The existing trusses are to remain intact. See Conditions of Approval item 13.

The bedroom addition shall be contained by the limits of the original construction exclusive-use common area limits. The area of the existing patio slab to be occupied by the addition shall be demolished and replaced with a new slab, footings and moisture barrier per current building code, to match the existing interior floor slab elevation. An overpour will not be allowed. Additionally, the rear patio slab shall be returned to the original construction exclusive-use common area limitations per original tract map as shown in Appendix B. See Conditions of Approval items 14 and 15.

The existing plumbing lines need to meet size and slope fall of current code to accommodate any additional loads from new appliances and fixtures.

A City of Laguna Woods building permit final inspection would verify compliance with all applicable building codes.

A Neighbor Awareness Notice was sent to Unit 5416 on November 16, 2021 due to sharing common walls, having line of sight, or being potentially affected during construction.

At the time of writing the report, there have been no responses to the Neighbor Awareness Notices.

All future costs and maintenance associated with the subject alterations are the responsibility of the Mutual member(s) at **5417**.

Prepared By: Richard de la Fuente, Alterations Inspector II

Prepared By: Gavin Fogg, Inspections Supervisor

Robbi Doncost, Manor Alterations Manager

ATTACHMENT(S)

Appendix A: Conditions of Approval

Appendix B: Tract Map

Attachment 1: Scope

Attachment 2: Variance Application

Attachment 3: Photos

Attachment 4: Map

Attachment 5: Resolution 03-21-XX

APPENDIX A

CONDITIONS OF APPROVAL

1. No improvement shall be installed, constructed, modified or altered at unit **5417**, ("Property") within the Third Laguna Hills Mutual ("Mutual") unless and until a Mutual Consent for Alterations application for the improvement has been made to, and approved, in writing, by, the Village Management Services, Inc. ("VMS, Inc."), Alterations Division ("Division"), or, in the event of a Variance from the Mutual's Alteration Standards, the Architectural Control and Standards Committee ("ACSC"). In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the Property, the Member Owner or Owners ("Member Owner") agrees to comply with the Mutual's Governing Documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
2. A Variance for Unit Alterations has been granted at **5417** for **a master bedroom addition, new windows and skylights, third bathroom addition, and interior remodel**, subject to the attached plans stamped approved and is subject to the final inspection by the Division. Any variations to the approved attached plans are not allowed and could result in a stop work notice and/or severe fines to the Member.
3. Member Owner hereby consents to and grants to the Mutual and the Division, and their representatives, a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and for the Mutual and the Division, and their representatives and contractors to remedy any violation upon the Property, including, but not limited to, removing trash, removing any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.
4. 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 **5417** and all future Mutual members at **5417**.
5. Member Owner shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others who perform work on the Property, including any violation of the Mutual's Governing Documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, and use of Mutual property for storage of equipment or materials without prior approval. Member Owner acknowledges and agrees that

all such persons are his/her invitees. Member Owner shall be responsible for informing all his/her invitees of the Mutual's Rules and Regulations.

6. Member Owner shall be liable for any violation of the Mutual's Governing Documents by any invitee, including any fine, assessment, traffic or other charge levied in connection therewith.
7. Member is responsible for following the gate clearance process (<http://www.lagunawoodsvillage.com/residents/resident-services> and click on documents and Business Pass Application Instructions) in place to admit contractors and other invites.
8. Member Owner's contractors and other invitees shall have business signage on vehicles and travel to and from the job site by the most direct route available and are not authorized to use Mutual recreational facilities or other amenities while they are in the Village for performance of work in connection with the Property.
9. Parking of contractors or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible contractors' or other invitees' vehicles should be limited in number.
10. Member Owner(s) of the Property must sign and submit to the Mutual, c/o VMS, Inc., at the Division office located in the Laguna Woods Village Community Center, an executed and notarized "Recordable Common Area Agreement" for a proposed improvement that would utilize any portion of the Mutual's Common Area. Prior to the issuance of a Mutual Consent for Manor Alterations, that "Recordable Common Area Agreement" must be filed with the Orange County Clerk/Recorder.
11. A City of Laguna Woods permit is required, which may include the requirement to obtain clearance from the South Coast Air Quality Management District (Asbestos Hot Line at (909) 396-2336). Prior to the issuance of a Mutual Consent for Unit Alterations, the appropriate City of Laguna Woods permit number(s) must be submitted to the Division office located in the Laguna Woods Village Community Center. The City permit must be finalized within the prescribed timeframe, and a copy of the final permit must be submitted to the Division within two weeks.
12. Prior to the issuance of a Mutual Consent for Unit Alterations, a complete set of unit specific plans prepared by a licensed architect or structural engineer depicting the proposed improvement must be submitted to the Division office located in the Laguna Woods Village Community Center. The plans must depict any required structural modifications ensuring the structural integrity of the building is maintained upon completion of the proposed improvement.

13. Cutting of roof trusses to accommodate any alteration is prohibited. The existing trusses are to remain intact.
14. Rear patio slab shall be returned to original construction exclusive-use common area limitations per original tract map.
15. Room addition extents shall be limited by original construction exclusive-use common area limitations per original tract map. The area of the existing patio slab to be occupied by the addition shall be demolished and replaced with a new slab, footings and moisture barrier per current building code, to match the existing interior floor slab elevation. An overpour will not be allowed.
16. Prior to the Issuance of a Mutual Consent for Manor Alterations, the Member Owner must have conducted an inspection of the waste lines, by a VMS Plumber, to assure no repairs are needed. The inspection will be a chargeable service to the Member Owner. Inspection appointments are to be made with Resident Services, by authorized persons only. Findings from the video inspection will be recorded on the chargeable service ticket for Manor Alterations staff to review.
17. Prior to the Issuance of a Mutual Consent for Alternations, if required, the Manor Owner shall verify with Plumbing if the manor plumbing has been treated with an ePIPE Epoxy Barrier, to assure that Mutual property is appropriately addressed during construction. Any repair or connection to the epoxy coated pipe should be performed in such a manner that the repair or the remodel of the existing system does not damage the epoxy barrier. Before repairing or remodeling any ACE Duraflo epoxy barrier, call 800-359-6369 to ensure the proper technique is used for the specific repair or remodel.
18. Prior to the issuance of a Mutual Consent for Unit Alterations, if required, a Mutual Roof Alteration Notification ("Tie-In Form") must be submitted to the Division. All roof tie-ins must be performed by a C-39 Licensed Contractor. The Member Owner may hire a C-39 Licensed Contractor of his/her own choice to perform roof tie-ins for the installation of solar panels on all roof types except PVC Cool Roofs. For PVC Cool Roofs, regardless of the roof type, all tie-ins must be performed by the Mutual's roofing contractor at the Member Owner's expense. All tie-ins may only be made to sound structural elements. Existing structural elements proposed to be tied to, which exhibit signs of dry rot or other structural defects, must first be replaced or repaired at the Member Owner's expense during construction of the improvement.
19. Prior to the issuance of a Mutual Consent for Manor Alterations, the Member Owner shall request a Landscape Department inspection in order to assure all landscape irrigation, and drainage modifications associated with the improvements

are identified and completed by the Landscape Department at the expense of the Member Owner. All gutter drainage shall be directed away from structures, free standing walls, foundations, and pedestrian walkways.

20. Prior to the issuance of a Mutual Consent for Manor Alternations, the Member Owner shall request a Maintenance and Construction Department inspection to assure that Mutual property is appropriately addressed during construction.
21. Prior to the issuance of a Mutual Consent for Unit Alterations, any altered exterior surface should match the Building color; vinyl fence/gate will be either white or taupe, tubular steel or wrought iron fence/gate will be black or white; the approved colors and materials are identified as "Third Laguna Hill Mutual Color Selections" at Resident Services, located at the Community Center first floor.
22. All improvements must be installed in accordance with the California State Building Code, and the published Mutual Architectural Alterations Standards. See <http://www.lagunawoodsvillage.com>.
23. This approval does not change the number of bedrooms or the original maximum occupants permitted in the Unit.
24. During construction, work hours established by the Mutual and the Noise Ordinance set forth in the City of Laguna Woods Municipal Code must be adhered to at all times.
25. During construction, both the Mutual Consent for Unit Alterations and the City Building Permit must be on display for public view at all times in a location approved by the Division.
26. It is mandatory that no waste or materials associated with the construction be dumped in the Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
27. A dumpster is approved for placement at the location identified by Security Staff by calling 949-580-1400. All dumpsters must conform to the Policy for Temporary Containers. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.
28. A portable bathroom is approved for placement at the location identified by Security Staff by calling 949-580-1400.
29. The Mutual Consent for Unit Alterations expires six months after the date of approval, unless an application is submitted with fees and approved by the Division for an extension. Only one extension for a maximum of an additional six months may be granted.

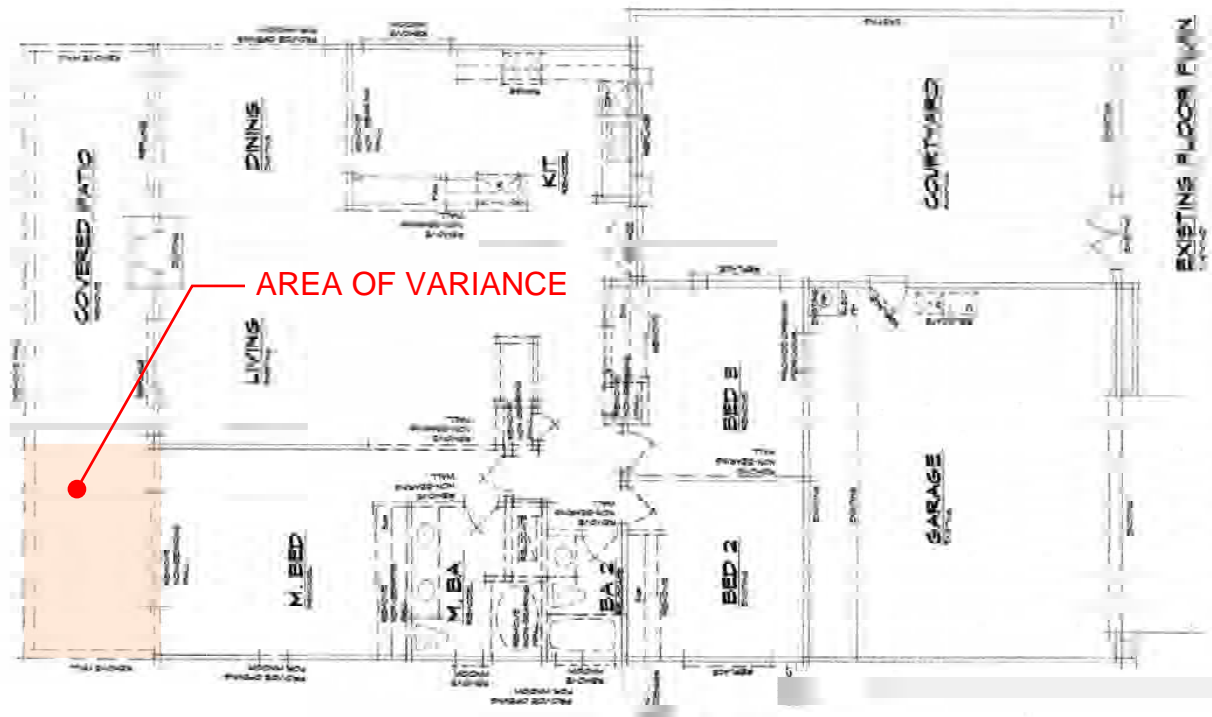
30. Violations of the forgoing conditions or the Mutual's Governing Documents (See <http://www.lagunawoodsvillage.com>), including, but not limited to, work outside the approved plans, excessive noise, illegal dumping, or working after hours, will result in disciplinary action, which could result in a stop work notice, loss of privileges and/or severe fines to the Owner Member. Such fines left unpaid will result in forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.
31. Mutual member shall indemnify, defend and hold harmless Third and its officers, directors, committee members and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from Mutual member's improvements and installation, construction, design and maintenance of same.

EX-11953PG 309

SHEET 16 OF 16 SHEETS

JAMES W. SKINNER, R.C.E. 23207



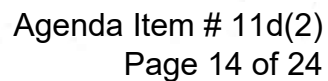


AREA OF VARIANCE



[illegible]





Variance Request Form

SA _____

| | | |
|--|--|-------------------------|
| Model: <u>San Marco</u> | Plan: <u>C</u> | Date: <u>9-21-21</u> |
| Member Name: <u>LISA mills & Ron Phelps</u> | Signature: <u>Lisa C Mills & Ron Phelps</u> | |
| Ph: <u>[REDACTED]</u> | E-mail: <u>[REDACTED]</u> | |
| Contractor Name/Co: | Phone: <u>[REDACTED]</u> | |
| Owner Mailing Address: (to be used for official correspondence) <u>[REDACTED]</u> | | |

Description of Proposed Variance Request ONLY:

- 1) Master Bedroom extension
- 2) New Windows in dining room, office and master bedroom
- 3) Third bathroom - sink & toilet only
- 4) Door to garage.

Dimensions of Proposed Variance Alterations ONLY:

Master Bedroom 8' x 14'8" 147 sq. ft.

FOR OFFICE USE ONLY

RECEIVED BY: _____ DATE RECEIVED: _____ Check# _____ BY: _____

| Alteration Variance Request | Complete Submittal Cut Off Date: |
|---|--|
| Check Items Received: <input type="checkbox"/> Drawing of Existing Floor Plan <input type="checkbox"/> Drawing of Proposed Variance <input type="checkbox"/> Dimensions of Proposed Variance <input type="checkbox"/> Before and After Pictures <input type="checkbox"/> Other: _____ | Meetings Scheduled: Third AC&S Committee (TACSC): _____ United M&C Committee: _____ Board Meeting: _____ <input type="checkbox"/> Denied <input type="checkbox"/> Approved <input type="checkbox"/> Tabled <input type="checkbox"/> Other: _____ |

September 20, 2021

Alterations Department/Variance Request
Laguna Woods Village
24351 El Toro Road
Laguna Woods, CA 92637

Subject: 5417 Via Carrizo (San Marco Model)

Dear Staff:

We purchased our home in August 2021 and are planning a complete remodel. The home is mostly original with the exception of the sunroom on the back. We have hired a professional contractor, Bill McFadden, who understands the rules, regulations and insurance requirements for Laguna Woods. After we complete the variance process, our contractor will complete the permit applications for construction.

Our conceptual drawings and preliminary plans of the proposed alteration are attached. In summary, the variances are:


- Third bathroom (sink and toilet)
- New windows in dining room, office area and master bedroom
- Door to garage
- Master bedroom expansion

We will remove the entire sunroom which extends out beyond the footprint of the home. The master bedroom expansion will stay within the original patio footprint.

We have discussed the changes with our only neighbors, George and Jean Hammontree (5416 Via Carrizo). They have endorsed our plans. Their letter of support is included.

We look forward to working with you and improving our home. We are anxious to get started, hopefully, we can move in early next year. Please call us with any questions.

Sincerely,



Lisa Mills and Ron Phulps

September 20, 2021

Alterations Department/Variance Request
Laguna Woods Village
24351 El Toro Road
Laguna Woods, CA 92637

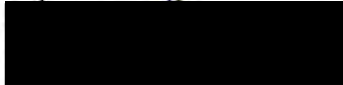
Re: Proposed remodel at 5417 Via Carrizo, Laguna Woods

As the only neighbors adjacent to 5417 Via Carrizo, we have reviewed the proposed remodel regarding additional windows and the Master bedroom expansion. We have no objections to these improvements.

Sincerely,

A handwritten signature in blue ink, appearing to read "George E. Hammontree", with a large, stylized flourish extending from the end of the signature.

George and Jean Hammontree



ATTACHMENT 3
PHOTOS



FRONT ENTRY FROM STREET



WEST SIDE OF MANOR



EAST SIDE OF MANOR



REAR ELEVATION OF PATIO ENCLOSURE

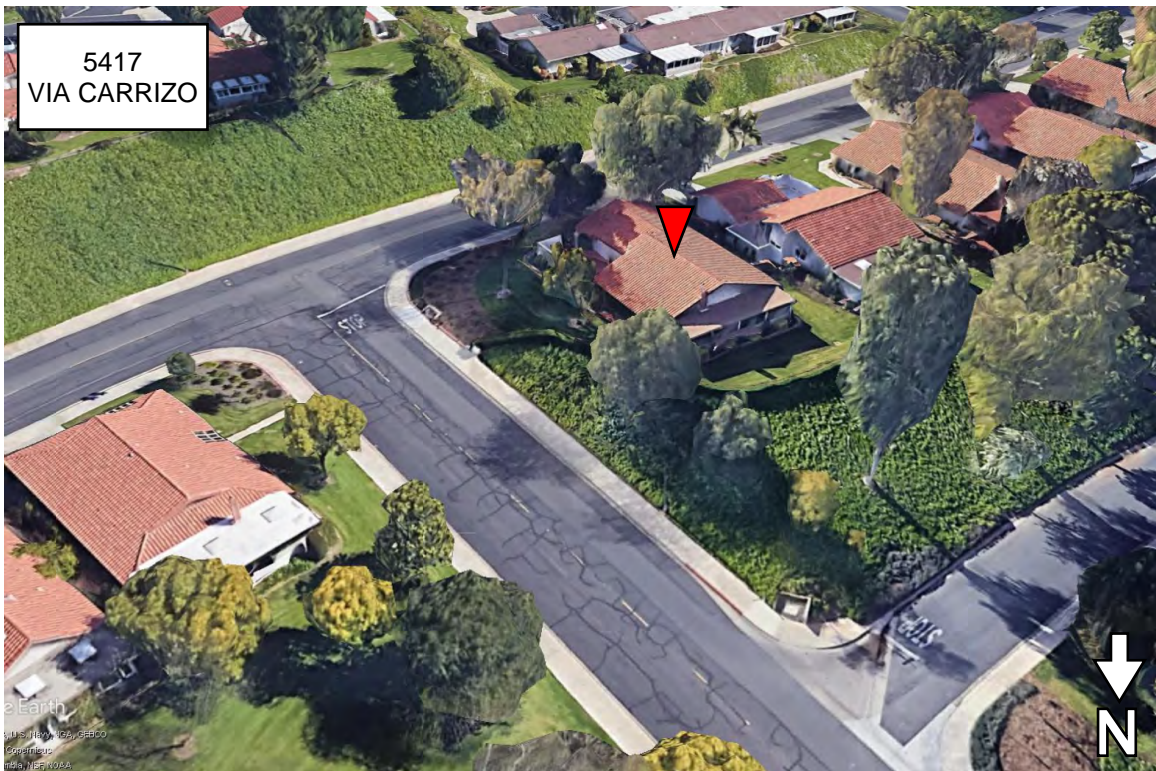
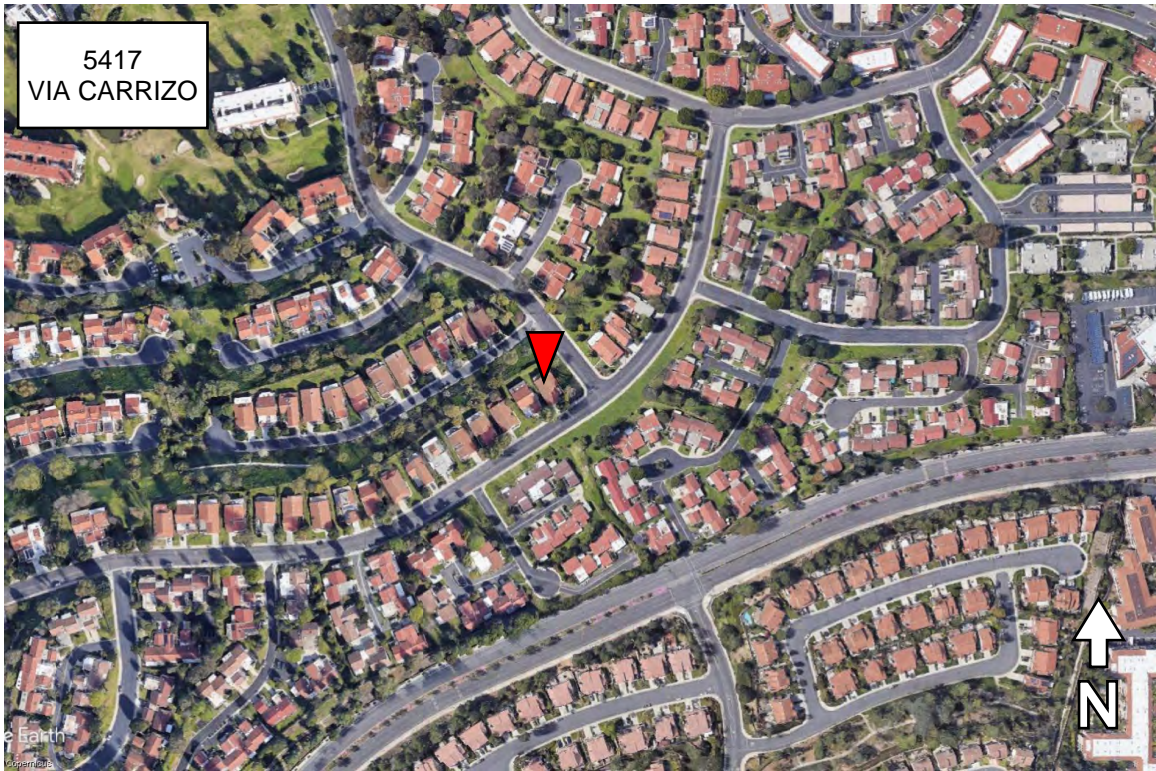


REAR CORNER - LOCATION OF ADDITION



FRONT ELEVATION

ATTACHMENT 4
AERIALS



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| ATTACHMENT 5 RESOLUTION |
|------------------------------------|

RESOLUTION 03-21-XX

Variance Request

WHEREAS, Ms. Lisa Mills and Mr. Ron Phulps of 5417 Via Carrizo, a San Marco style unit, are requesting Board approval of a variance to install a master bedroom addition, new windows and skylights, third bathroom addition and interior remodel; and,

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected units November 16, 2021, notifying them that an application to make an alteration to a neighboring unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on November 22, 2021.

NOW THEREFORE BE IT RESOLVED, on December 21, 2021, the Board of Directors hereby approves the request to a master bedroom addition, new windows and skylights, third bathroom addition and interior remodel;

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 5417 Via Carrizo and all future Mutual members at 5417 Via Carrizo;

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 03-21-xx
Third Mutual Committee Appointments

RESOLVED, December 21, 2021, 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

Robert Mutchnick, Chair
John Frankel
Ralph Engdahl
James Cook
Craig Wayne
Voting Advisors: Mike Butler and Mike Plean

Communications Committee

Annie McCary, Chair
Donna Rane-Szostak
Lynn Jarrett
James Cook
Mark Laws
Cush Bhada, Alternate

Executive Hearing Committee

Annie McCary, Chair
Ralph Engdahl, Co-Chair
Robert Mutchnick
John Frankel, Alternate
Mark Laws, ~~Alternate~~

Finance (Committee of the Whole)

Donna Rane-Szostak, Chair
Non-Voting Advisors: John Hess, Wei-Ming Tao

Investment Ad Hoc Committee

Robert Mutchnick
Craig Wayne
Donna Rane-Szostak

Garden Villa Recreation Room Subcommittee (Quarterly)

Lynn Jarrett, Chair
Donna Rane-Szostak
Nathaniel Ira Lewis
Voting Advisors: **Martina Mangan, Sharon Molineri**

Landscape Committee

Lynn Jarrett, **Chair**
~~Annie McCary, **Chair**~~
Ralph Engdahl
Donna Rane-Szostak
Nathaniel "Ira" Lewis
Cush Bhada, Alternate
Non-Voting Advisor: Cindy Baker

Maintenance and Construction Committee

Ralph Engdahl, Chair
Robert Mutchnick
John Frankel
Craig Wayne
James Cook
Cush Bhada, Alternate
Non-voting Advisor – **David Bienek, Judith Troutman**

New Resident Orientation

Everybody Participates on a Rotating Basis

Water Conservation Committee (Quarterly)

Donna Rane-Szostak, Chair
John Frankel
Cush Bhada
Lynn Jarrett
Nathaniel Ira Lewis
Non-Voting Advisor: **Lee Goldstein**

Parking & Golf Cart Task Force

Cush Bhada, Chair
John Frankel
Mark Laws
Non-Voting Advisor: Hal Horne

Resident Policy and Compliance Committee

Robert Mutchnick, Chair
Cush Bhada
Lynn Jarrett
Mark Laws
Nathaniel Ira Lewis, Alternate

Non-Voting Advisors: Stuart Hack, **Mary Seto**

Energy Research Group

Ralph Engdahl

John Frankel

Nathaniel Ira Lewis

Non-Voting Advisors: Sue Stephens, Bill Walsh

RESOLVED FURTHER, that Resolution 03-21-84, adopted November 16, 2021, is hereby superseded and canceled; and,

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

RESOLUTION 03-21-xx
GRF Committee Appointments

RESOLVED, December 21, 2021, 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:

Community Activities Committee

Annie McCary
Cush Bhada

Equestrian Center Ad Hoc Committee

Cush Bhada
Annie McCary

GRF Finance Committee

Donna Rane-Szostak
Mark Laws
Craig Wayne, Alternate

Purchasing Ad Hoc Committee (new)

Donna Rane-Szostak
Ralph Engdahl
Robert Mutchnick, Alternate

GRF Landscape Committee

Lynn Jarrett
Nathaniel Ira Lewis
Annie McCary, Alternate

GRF Maintenance and Construction Committee

Ralph Engdahl
James Cook
~~Cush Bhada, Alternate~~
John Frankel, Alternate

Clubhouse Renovation Ad Hoc Committee

John Frankel
Ralph Engdahl
Cush Bhada, Alternate

GRF Media and Communications Committee

Annie McCary
James Cook
Lynn Jarrett, Alternate

Broadband Ad Hoc Committee

Lynn Jarrett
Annie McCary

Mobility and Vehicles Committee

James Cook
Cush Bhada

Security and Community Access Committee

Annie McCary
Craig Wayne
Donna Rane-Szostak, Alternate

Disaster Preparedness

John Frankel
Donna Rane-Szostak
James Cook, Alternate

Laguna Woods Village Traffic Hearings

John Frankel
Mark Laws

Strategic Planning Committee

Robert Mutchnick
Nathaniel Ira Lewis

Budget Ad Hoc Committee

Robert Mutchnick
Annie McCary
Donna Rane-Szostak, Alternate

Trash Task Force

Craig Wayne
John Frankel, Alternate

IT Technology Advisory Committee (ITAC)

Lynn Jarrett
Mark Laws

RESOLVED FURTHER, that Resolution 03-21-85, adopted November 16, 2021, 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

DATE: December 21, 2021
FOR: Third Mutual Board
SUBJECT: Contractor Violation Policy

RECOMMENDATION

The Third Laguna Woods Mutual Architectural Control and Standards Committee (ACSC) recommends the Third Mutual Board adopt the proposed Contractor Violation Policy (Attachment 1), Exhibit A - Contractor Rules & Obligations (Attachment 2) and Resolution 03-21-XX (Attachment 3) to provide additional protections to members and mutual property as a result of the members hiring contractors that continue to violate mutual construction rules and regulations.

BACKGROUND

Manor Alterations (MA) is seeing more frequent violations by member-hired contractors. Many violations are minimal; some are severe, causing additional time management required by MA and extensive additional member costs. These costs may include, but are not limited to, asbestos cleanups, removing mutual structural components (damage to the mutual) and starting work without MA or city permits.

Many contractors are repeat offenders. Currently, MA has no policy in place to manage contractor violations in this effort. As contractors are in direct contract with members and not the mutual, the mutual is limited in its deployment of contractor violations. Third's attorney advises limiting the course of action against contractors to suspension or total exclusion from future work in Third if the contractor has a proven track record justifying such action. MA has increased its presence in an ongoing effort to educate members, contractors and realtors with the addition of a biweekly news bulletin, additional staff to answer inquiries and guide applicants through the permit process, articles in the Village Breeze, additional new tools such as a process map and a frequently asked questions guide. In the past year, much more information has been provided; however, violations continue to increase.

DISCUSSION

MA is seeking to enact the Contractor Violation Policy as a method of leverage for enforcement of Third's current rules and regulations. This policy would only benefit Third Mutual members, as it would provide clarity on potential contractor conduct expectations. It would also provide clarity on current mutual rules and regulations. This policy would be incorporated within the mutual consent (Attachment 4) and demolition (Attachment 5) application verbiage as a method of acknowledgment for both contractors and applicants.

FINANCIAL ANALYSIS

No financial analysis is provided. It can be assumed that adopting this policy will result in a slight reduction in staff time, as less attention will be needed to respond to violating contractor behavior.

Even if the only reduction of staff responses to illegal asbestos releases is considered the following would apply:

Reduction in P-5 ACM Releases

P-5 Releases per year estimate: Two per month for 24 responses

Staff est. time/Response: 12 hours x AV. Fee of \$38.94 (2021 Bill Rate inclusive of burden) =

\$467.28 per event x 24 events yields a savings of **\$11,214.72.**

Prepared By: Robbi Doncost - MA Manager

Reviewed By: Gavin Fogg - MA Supervisor

ATTACHMENT(S)

Attachment 1 – Contractor Violation Policy 03-21-XX

Attachment 2 – Exhibit A – Construction Rules & Obligations

Attachment 3 – Contractor Violation Resolution 03-21-XX

Attachment 4 – Mutual Consent Application Revised Verbiage

Attachment 5 – Demolition Application Revised Verbiage

Attachment 1 – Contractor Violation Policy 03-21-XX

CONTRACTOR VIOLATION POLICY

It is crucial that contractors hired by members strictly follow mutual rules and restrictions related to construction, improvement and repair projects. Given the proximity between units and age of the buildings, among other related factors, any deviation from mutual rules or the member's approved scope of work has the potential to have a significant impact on the property as well as the adjacent neighbors. Staff has discovered a material increase in violations by member contractors who are either unfamiliar with or fail to abide by mutual rules and restrictions or who perform work outside of what was approved. Oftentimes this can lead to delays; increased project costs for members; increased noise, inconvenience and disturbance to neighbors; and unnecessary staff time and resources diverted to regulating and overseeing contractor violations and corrections.

This Contractor Violation Policy (policy) provides for penalties in the form of prohibiting offending contractors from performing work in Third in an effort to protect members and Third property and to encourage contractors to adhere to the rules and obligations governing the members and mutual.

Manor Alterations (MA) is the representative acting on behalf of the managing agent (VMS) for the mutual (Third). This policy classifies the noticing, violation severity, enforcement, ramifications of disciplinary actions and remedies relating to the offenses. MA would use the policy criteria listed herein to evaluate the contractors' behavior and administer notices and violations to member contractors.

The circumstances for providing a potential violation notice or notice of violation and issuing violation suspensions are based on the severity of the offense listed in two categories as defined below:

Moderate Violation

1. Any violation of Exhibit A – Conditions Rules & Obligations unless noted as a severe violation.

Severe Violations

1. Any violation by a contractor performing demolition or initiating renovation work without all appropriate governmental and MA approvals inclusive of mutual consents issued by MA and City of Laguna Woods approvals, and
2. Any contractor performing work contrary to the work specifically noted on the mutual consent (MC) issued by MA for the following:
 - a. Performing any structural removal or modification, including, but not limited to, the widening of an opening of a doorway, passageway or window or removal or modification of a structural building element (inclusive of columns, bearing walls, shear walls, foundations, exterior walls, any work that would have required a variance approval from the board or lapse of any insurance coverage so disclosed by the contractor on the mutual standard certificate of liability insurance (COLI).

Attachment 1 continued – Contractor Violation Policy 03-21-XX

- b. Performing any work that is beyond the scope of work as defined by the mutual consent (MC). This expanded work will include, but not be limited to, installing a larger quantity of materials, amending the parameters initially identified, revised layout, increased dimensions of an approved renovation or using differing materials as was indicated on the MC.
3. Any expansion of the MC description for demolition or improvement work previously issued without further authorization from MA. Any unauthorized asbestos release contrary to city code, SCAQMD or Cal/OSHA regulations, or
4. The reluctance to complete the approved MC scope of work within 90 calendar days of permit issuance, or such reasonable time for the work so described on the MC as agreed to with MA when the MC was initially issued, exempting therefrom, any reasonable extension of time for force majeure condition affecting the timely completion of the work. See Exhibit A – Construction Rules & Obligations Contractor, Item 17, for complete terms relating to time of completion. A force majeure event shall be defined as an event beyond the control of the contractor affecting the timely completion of the work. Allowable force majeure events shall be considered as an event(s) affecting the entire local contracting community that would include major material shortages, war, strike, riot, catastrophic weather event, labor disputes or governmental orders relating to a pandemic. The contractor's time shall only be extended for the duration of the force majeure event. Contractor shall notify MA within 3 business days of knowledge of such delay or the potential of a force majeure event to allow consideration of an appropriate extension of time.

MA is responsible for providing the following enforcement actions of this policy:

1. Substantiate violations with notices, notes and photographs; document and archive the violation events; and transmit violation material to contractor and member,
2. Maintain a log of violations recording at a minimum the contractor's name and address; detail of the violation circumstances; notes regarding the rules, regulations and obligations of violation; and other pertinent information of the event,
3. MA shall notify the manor member and contractor of all violations and potential consequences within seven working days from time of MA's knowledge of the violation,
4. Issuance of all violation notice documents are to be posted on the manor with a description of the violation(s). Contractor violations shall also be published in the biweekly news bulletin only after validation of the violation.
5. Maintain a master list of contractors who are ultimately determined to have engaged in violation of and/or have been suspended under this policy.

Contractor Violations

Also see the contractor violation description below:

1. Moderate first violations – Any violation of the Exhibit A – Construction Rules & Obligations unless noted as a severe violation. Contractor and member will be notified of the first violation. All subsequent violations in this category will then escalate to a severe violation as described below.

Attachment 1 continued – Contractor Violation Policy 03-21-XX

2. Severe violations – If the first violation is a severe first violation (or a second moderate violation) then MA shall issue a potential violation notice. MA shall allow the contractor the opportunity to explain the circumstances of the violation. Under special circumstances shall the contractor be allowed to continue work. MA shall then determine if the potential violation notice shall become a violation notice and invoke those actions described in the contractor violation description.
3. In the event a suspension is issued, the contractor will no longer be allowed to do work within Third. After the second suspension, board approval is necessary for contractor reinstatement. Thereafter, any violation would result in permanent suspension from Third.
 - a. The member is responsible for any supplemental cost to mitigate the actions of his/her contractor that might be attributable to the consequences of damage, including, but not limited to, remediation of emergency asbestos cleanup and mitigation, damage to mutual property and fines established by governmental agencies.
 - b. The member is responsible for any increased costs in replacing a suspended contractor from an existing project, subject to No. 4 below.
4. Upon issuance of a notice of severe violation, the contractor shall not be allowed to submit any new application(s), and existing applications will be refused and/or the contractor will not be allowed to perform any further work in the mutual. However, the member of the manor issued the offense and any member who is currently using this contractor shall be allowed, with consultation, under special circumstances and only with the express written approval of MA to continue to use the offending contractor to finish an existing contract at the discretion of MA and in consideration of code compliance.

Contractor Violation Description

Any violation or suspension due to a violation hereunder will be viewed in totality for any work performed by the contractor in the mutual, and not on a per-project/mutual basis.

Moderate Violation

1. First offense – Notice of moderate violation and no further action to be taken.
2. Second offense – Escalation to severe violation pending MA conference (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). If MA determines no further action is needed, it remains a moderate violation without suspension. If determined to be a second violation, MA will apply a 30-calendar-day suspension from working in the mutual.

Severe Violation

1. First offense – Notice of potential violation. Pending conference with MA (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). The result of this conference will be the basis a 30-calendar-day suspension.
2. Second offense – Notice of violation and mandatory 90-day suspension.
3. Third offense – Notice of violation and mandatory termination of contractor from all work within the mutual. Only board reinstatement can result in the contractor continuing to work in the mutual.

Attachment 1 continued – Contractor Violation Policy 03-21-XX

Suspensions resulting from the second and third offense violations will occur after a conference is held between MA and the contractor to determine if there was a violation or a misunderstanding. It shall also be determined if the member of the manor issued the offense and any member that is currently using this contractor, shall be allowed, under special circumstances, to continue to use the offending contractor to finish their existing contract at the discretion of MA and in consideration of code compliance.

Regardless of the violations levied as noted herein, contractor and member may be subject to other costs as a result of damages to mutual property.

Contractor Right to Dispute

The contractor's right to dispute the violation shall be as follows:

1. The contractor has the right to dispute the MA notice of violation by emailing a hearing request to alterations@vmsinc.org and copying the MA supervisor and MA manager within seven calendar days of the notice of violation issuance to contractor.
2. Said hearing request will be heard by Third's ACSC at its next appropriate hearing date.
3. Should the contractor make a hearing request, all conditions of the violation, including the suspension, will remain in effect until the ACSC provides a final determination.

Attachment 2 – Exhibit A – Construction Rules & Obligations

Exhibit A – Construction Rules & Obligations

Both member and contractor shall abide by Exhibit A – Construction Rules & Obligations, may be held responsible for damages and take responsibility for the violations as a result of not complying with Exhibit A – Construction Rules & Obligations. Contractor agrees to comply with all rules and regulations, and violation provisions as stated in Exhibit A – Construction Rules & Obligations and the Contractor Violation Policy.

1. Mutual consent (MC) approvals: No improvement shall be installed, constructed, modified or altered at any manor (property) within Third Laguna Woods Mutual (mutual) without obtaining the proper demolition and new improvement permits in the forms of MCs for alterations and demolitions made to and approved in writing by Village Management Services Inc. (VMS), Manor Alterations Division (MA) or, in the event of a variance from the mutual's alteration standards, the Architectural Control and Standards Committee (ACSC) and the Third board. In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the property, the member agrees to comply with the mutual's governing documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
2. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the property's member and/or all future mutual members. Contractor may be held responsible to repair mutual property damaged and/or modified in the course of its work without having obtained the approval to do so via a duly executed MC.
3. Parking of contractors' or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible, contractors' or other invitees' vehicles should be limited in number.
4. A City of Laguna Woods permit may be required as well as a clearance requirement from the South Coast Air Quality Management District (SCAQMD) (asbestos hotline, 909-396-2336). Prior to the issuance of an MC for alterations and/or demolition, the appropriate City of Laguna Woods permit number(s) must be submitted to the MA office located in the Laguna Woods Village Community Center. The city permit must be approved within the prescribed time frame, and a copy of the final permit must be submitted to MA.
5. Member hereby consents and grants to the mutual, MA, the Maintenance and Construction Department and their representatives a right of property entry at any time to inspect said property and its improvements and for the mutual and the department, including its representatives and contractors, to remedy any violation upon the property, including, but not limited to, removing trash and/or any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.

Attachment 2 continued – Exhibit A – Construction Rules & Obligations

6. Subject to the Contractor Violation Policy, member and contractor shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents, any others who perform work on the property and any violation of the mutual's governing documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, damage to mutual property and use of mutual property for storage of equipment or materials without prior approval. member acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the mutual's rules and regulations; however, that does not relieve contractor from compliance with the rules due to ignorance or otherwise, as contractor will sign the MC for alterations and/or demolition as a condition to and requirement of any approval. Member shall be liable for any violation of the mutual's governing documents or for any damage caused by any invitee, including any fine, assessment or other charge levied in connection therewith; however, contractor is also responsible to repair all damage that was done in the execution of the alteration, consistent with item number two in this exhibit.
7. Member and contractor are responsible for following the gate clearance process in place to admit contractors and other invitees. See <http://www.lagunawoodsvillage.com>.
8. Member contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use mutual recreational facilities or other amenities while they are in Laguna Woods Village for performance of work in connection with the property.
9. All improvements must be installed in accordance with California State building code, and the published mutual architectural alterations standards, policies and guidelines. See <http://www.lagunawoodsvillage.com>.
10. During construction, work hours established by the mutual and the noise ordinance set forth in the City of Laguna Woods municipal code must be adhered to at all times. Except in an emergency, work hours from 8 a.m. to 5 p.m. on weekdays; no work is permitted on holidays and weekends.
11. During construction, both the MC for demolition, alterations and the city building permit must be on display for public view at all times in a location approved by MA.
12. No waste or materials associated with the construction may be dumped in Laguna Woods Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
13. Call the Security Services Department at 949-580-1400 to receive dumpster location approval. All dumpsters must conform to the policy for temporary containers. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.

Attachment 2 continued – Exhibit A – Construction Rules & Obligations

14. Call Security at 949-580-1400 for portable bathroom placement approval.
15. The MC for alterations is expected to be completed within 90 calendar days after the date of approval, unless an application is submitted with fees and approved by MA for an extension or documentation is submitted with the MC that justifies the need for a period longer 90 days and MA has agreed to this extension in writing. If the MC has an established completion period of more than 90 days but less than 180 days, the date established by the MC shall govern. An extension for a maximum of an additional 90 calendar days beyond the maximum 180-day period may be granted at the request of the member prior to expiration and at the discretion of MA. The contractor shall not perform any work beyond this 180-day period or six months unless authorized by MA in writing.
16. Violations of the forgoing conditions or the mutual's governing documents (see <http://www.lagunawoodsvillage.com>), including, but not limited to, unpaid assessments, work outside the approved plans, excessive noise, illegal dumping or working after hours, will result in disciplinary action, which could result in a stop-work notice, loss of privileges and/or severe fines to the member as presented in the Contractor Violation Policy.
17. Mutual member and his/her contractor shall indemnify, defend and hold harmless Third and its officers, directors, committee members, employees and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from the mutual shareholder's improvements and installation, construction, design and maintenance of same.

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Attachment 3 – Contractor Violation Resolution 03-21-XX

RESOLUTION 03-21-XX **Contractor Violation Policy**

WHEREAS, the purpose of the Contractor Violation Policy is to enact a unilateral and unambiguous matrix of penalties for contractors who violate current Mutual rules and obligations or exceed the scope of approval for a project; and

WHEREAS, this pending Resolution would make the Contractor Violation Policy permanent and provide a clear template for invoking penalties, inclusive of temporary or potentially permanent suspension from work within Laguna Woods Village, reduction of MC lifespan to ninety (90) days with the possibility for an approved timeline extension; and

WHEREAS, the Third ACSC and Manor Alterations agree that the Contractor Violation Policy will be effective and both recommend the approval by the Third ACSC.

NOW THEREFORE, BE IT RESOLVED, on **December 21, 2021**, the Third Mutual Board hereby approve the Contractor Violation Policy as attached to these minutes; 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.

November Initial Notification

NOVEMBER Initial Notification—28-day notification for Member review and comment to comply with Civil Code §4360 has been satisfied

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Attachment 4 – Mutual Consent Application Verbiage

REVISED VERBIAGE

MUTUAL CONSENT FOR MANOR ALTERATION(S)

The undersigned, a member of United Laguna Woods Mutual or Third Laguna Hills Mutual, a California nonprofit corporation (hereafter referred to as the "Corporation"), hereby requests permission of the Corporation to make the alteration described below to the Manor. Said alteration (hereafter sometimes referred to as the "Work") shall be performed subject to the terms and conditions printed on the reverse side hereof, and the latest version of the Contractor Violation Policy, which terms and conditions set out the responsibilities of the member and the below named contractor.

Third Laguna Hills Mutual, hereby designates that the member of Third Mutual listed below is a representative of the Mutual exclusively for the purpose of obtaining a City of Laguna Woods building permit for the alteration proposed herein. By signing hereon below both member and contractor acknowledge receipt of the entire Contractor Violation Policy and will adhere to the terms and conditions.

Manor: _____
Street: _____
Mutual Consent#: _____
Final Inspection: _____
A copy of the signed City Final Inspection is required for final acceptance by the Mutual
City Demo Permit#: _____
Final Inspection: _____
City Permit#: _____
Final Inspection: _____
NAF: _____
Expiration Date of Mutual Consent: _____

MANOR MODEL NAME:

PLAN #:

PROPERTY OWNER / APPLICANT INFORMATION

Name: _____ Phone: _____
Street Address: _____
City: _____ State: _____ Zip Code: _____
Email: _____

CONTRACTOR INFORMATION

Company Name: _____ Phone: _____
Street Address: _____
City: _____ State: _____ Zip Code: _____
Email: _____ License: _____ Class: _____ Expires: _____

PROJECT DESCRIPTION: _____ VALUATION: \$ _____

ALTERATIONS TO BE COMPLETED PER MUTUAL RULES & STANDARD SECTION(S):

PER MUTUAL APPROVED STANDARD PLAN(S) #

PER MUTUAL APPROVED VARIANCE RESOLUTION #

Attachment 4 continued – Mutual Consent Application Verbiage

MEMBER & CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY

1. The Mutual's Alteration process requires the Mutual Member receive a copy of the Mutual Standard to which the requested Mutual Consent applies, where applicable. To ensure compliance, the Member's signature below indicates receipt of the Standard is necessary, and a Mutual Consent will not be issued without this required signature.

2. We (Member and Contractor) understand that we will be in non-conformance if we do not conform to Mutual Rules and Regulations, and that the Member may be subject to Member Disciplinary Procedures, including the possibility of a fine in accordance with the Schedule of Monetary Penalties.

3. We (Member and Contractor) also understand and agree that we are responsible for all risks in connection with all alteration(s) or improvement(s), including but not limited to, the costs of removing, altering, protecting, or replacing the same as may be necessary or appropriate to conduct Corporation business.

4. The Member understands and agrees that the Member is responsible for, and will bear all costs in connection with all alteration(s) or improvement(s), and remediation(s) required to complete the alteration(s) or improvement(s). The member and contractor will be responsible for any costs associated with remediation, clean-up or repair of mutual owned or controlled property, caused by or resulting from alteration(s) or improvement(s) or the installation thereof as a result of the contractor not following the protocols and policies outlined in the Mutual Rules and Regulations, Mutual Consent Form, and the Contractor Violation Policy.

By signing below, both Member and Contractor agree to adhere to the four directives listed above.

I certify that all items listed on this Mutual Consent will be represented on the City of Laguna Woods building and demolition permit, and no work shall be covered without inspection and approval by the City of Laguna Woods. I also understand that the Mutual Consent will EXPIRE within 90 CALENDAR DAYS unless extended in writing by Manor Alterations

► Signature of Member:

Date:

CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY

I have received, read, understand, and agree to follow and confirm to all current Mutual Standards regarding this alteration(s). In addition, I am a contractor licensed pursuant to the laws of the State of California and agree to perform the work subject to the terms and conditions printed on the reverse side of this application. I will ensure that items requiring inspections will not be covered WITHOUT INSPECTION AND APPROVAL by the CITY OF LAGUNA WOODS BUILDING INSPECTOR. I also understand that Mutual Consent will EXPIRE within 90 CALENDAR DAYS unless Manor Alterations approves a documented request for extension. For all work performed in the Mutual, the contractor acknowledges receipt of the Contractor Violation policy and will adhere to its terms and conditions.

► Signature of Contractor:

Date:

IMPORTANT NOTICE: ASBESTOS CONTAINING MATERIALS THAT ARE BASICALLY INERT AND HARMLESS IF NOT DISTURBED MAY BE PRESENT IN CEILINGS, FLOORS AND OTHER BUILDING COMPONENTS. LEAD-BASED PAINT MAY BE PRESENT. MEMBER AND CONTRACTOR ARE CAUTIONED TO TAKE ALL REASONABLE AND PRUDENT MEASURES TO PROTECT PERSONS AND PROPERTY BEFORE DISTURBING SUCH MATERIALS. MEMBER AND CONTRACTOR AGREE TO ABIDE BY ALL FEDERAL, STATE, AND LOCAL LAWS, ORDINANCES, CODES AND REGULATIONS RELATING TO DISTURBANCE, REMOVAL AND/OR DISPOSAL OF ALL REGULATED MATERIALS; AND UPON REQUEST, COPIES OF DISPOSAL MANIFESTS WILL BE PROVIDED TO THE CORPORATION.

FOR OFFICE USE ONLY

This application is approved and said member is hereby granted permission to make the above described alteration(s).

Alteration Code(s):

VMS, Inc.

Permit Fee

Penalty Fee (If Applicable)

Paid By

Date

Attachment 5 – Demolition Application Revised Verbiage

REVISED VERBIAGE

| MUTUAL CONSENT FOR DEMOLITION | | | |
|--|-----------------|-----------------|--|
| <p>The undersigned, a member of United Laguna Woods Mutual or Third Laguna Hills Mutual, a California nonprofit corporation (hereafter referred to as the "Corporation"), requests permission of the Corporation to perform the demolition required to make the alteration described below to the dwelling. Said alteration (hereafter sometimes referred to as the "work") shall be performed subject to the terms and conditions printed on the reverse side hereof, which terms and conditions set out the responsibilities of the member and the below named contractor, if a contractor is to perform said alteration; and which is incorporated herein and made a part hereof, and the latest revision Contractor Violation Policy, which terms and conditions set out the responsibilities of the member and the below named contractor.</p> <p>Third Laguna Hills Mutual, hereby designates that the member of Third Mutual listed below is a representative of the Mutual exclusively for the purpose of obtaining a City of Laguna Woods building permit for the alteration proposed herein. By signing hereon below both member and contractor acknowledge receipt of the entire Contractor Violation Policy and will adhere to the terms and conditions.</p> | | | <div style="border: 1px solid black; padding: 5px;"> Manor: _____ Street: _____ Demo Consent #: _____ City Demo Permit #: _____ Final Date: _____ City Permit #: _____ Final Date: _____ NAF: _____ Expiration Date of Mutual Consent: _____ <input type="checkbox"/> WASTE LINE <input type="checkbox"/> LANDSCAPE </div> |
| MANOR MODEL NAME: _____ PLAN #: _____ | | | |
| APPLICANT INFORMATION | | | |
| Name: _____ | | Phone: _____ | |
| Street Address: _____ | | | |
| City: _____ | State: _____ | Zip Code: _____ | |
| Email: _____ | | | |
| PROPERTY OWNER INFORMATION | | | |
| Name: _____ | | Phone: _____ | |
| Street Address: _____ | | | |
| City: _____ | State: _____ | Zip Code: _____ | |
| Email: _____ | | | |
| CONTRACTOR INFORMATION | | | |
| Company Name: _____ | | Phone: _____ | |
| Street Address: _____ | | | |
| City: _____ | State: _____ | Zip Code: _____ | |
| Email: _____ | License#: _____ | Class: _____ | Expires: _____ |
| DEMOLITION DESCRIPTION: | | | VALUATION: \$ |
| | | | |
| | | | |
| | | | |
| | | | |
| IMPORTANT NOTICE: ASBESTOS CONTAINING MATERIALS MAY BE PRESENT IN ALL BUILDING COMPONENT, SUCH AS CEILINGS, FLOORS, AND MANY MORE. SUCH MATERIALS DO NOT IMPOSE RISK IF NOT DISTURBED. LEAD-BASED PAINT AND LEAD-CONTAINING CERAMIC TILES MAY ALSO BE PRESENT. MEMBER AND CONTRACTOR ARE CAUTIONED TO TAKE ALL REASONABLE AND PRUDENT MEASURES TO PROTECT PERSONS AND PROPERTY BEFORE DISTURBING SUCH MATERIALS. MEMBER AND CONTRACTOR AGREE TO ABIDE BY ALL FEDERAL, STATE, AND LOCAL LAWS, ORDINANCES, CODES AND REGULATIONS RELATED TO PROPER TESTING, PERMITS & REQUIRED LICENCES DURING DISTURBANCE, REMOVAL AND/OR DISPOSAL OF ALL REGULATED MATERIALS. DISPOSAL MANIFESTS AND POST REMOVAL CLEARANCES MUST BE PROVIDED TO THE CORPORATION. | | | |
| ALL DEMOLITION IS TO BE PERFORMED PER STATE, FEDERAL, CITY, AND MUTUAL REGULATIONS | | | |

Attachment 5 continued – Demolition Application Revised Verbiage

MEMBER & CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY

1. The Mutual's Alteration process requires the Mutual Member receive a copy of the Mutual Standard to which the requested Mutual Consent applies, where applicable. To ensure compliance, the Member's signature below indicates receipt of the Standard is necessary, and a Mutual Consent will not be issued without this required signature.
2. We (Member and Contractor) understand that we will be in non-conformance if we do not conform to Mutual Rules and Regulations, and that the Member may be subject to Member Disciplinary Procedures, including the possibility of a fine in accordance with the Schedule of Monetary Penalties.
3. We (Member and Contractor) also understand and agree that we are responsible for all risks in connection with all alteration(s) or improvement(s), including but not limited to, the costs of removing, altering, protecting, or replacing the same as may be necessary or appropriate to conduct Corporation business.
4. The Member understands and agrees that the Member is responsible for, and will bear all costs in connection with all alteration(s) or improvement(s), and remediation(s) required to complete the alteration(s) or improvement(s). The member and contractor will be responsible for any costs associated with remediation, clean-up or repair of mutual owned or controlled property, caused by or resulting from alteration(s) or improvement(s) or the installation thereof as a result of the contractor not following the protocols and policies outlined in the Mutual Rules and Regulations, Mutual Consent Form, and the Contractor Violation Policy.

By signing below, both Member and Contractor agree to adhere to the four directives listed above.

I certify that all items listed on this Mutual Consent will be represented on the City of Laguna Woods building and demolition permit, and no work shall be covered without inspection and approval by the City of Laguna Woods. I also understand that the Mutual Consent will EXPIRE within 90 CALENDAR DAYS unless extended in writing by Manor Alterations.

► Signature of Member:

Date:

CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY

I have received, read, understand, and agree to follow and confirm to all current Mutual Standards, Rules and Regulations. In addition, I certify that I am a contractor licensed pursuant to the laws of the state of California and agree to perform the work subject to the terms and conditions printed on the reverse side of this application. For all work performed in the Mutual, the contractor acknowledges receipt of the Contractor Violation Policy and will adhere to its terms and conditions.

► Signature of Contractor:

Date:

FOR OFFICE USE ONLY

Alteration Code(s):

Date: VMS, INC: Permit Fee: \$ Penalty Fee: \$



STAFF REPORT

DATE: December 21, 2021
FOR: Board of Directors
SUBJECT: Stepping Stone Approval Process and Guidelines

RECOMMENDATION

Approve the Stepping Stone Resolution and Guidelines.

BACKGROUND

At the September 29, 2021, Landscape Committee meeting, the committee discussed this topic and made a recommendation of approval to the Board. The Board of Directors reviewed this report on November 16, 2021; the Board requested revisions to the attachments and sent it back to Committee. The committee reviewed the updates at their December 2, 2021, and are recommending approval.

Stepping stones in common area have long been a contentious subject in Third Mutual. There have been various resolutions adopted and revoked over the years (Attachment 1). The most recent Board action on the subject was Resolution 03-07-02 in which the stepping stone standard was revoked and required an application for a variance from the Alterations Committee.

DISCUSSION

Stepping stones are popular with residents; they enable them to access hose bibs, gardens, and electrical panels.

The most recent Board action requires the time-consuming process of applying for an architectural variance. As the stepping stones are located within the common area landscaping, the issue is better served by review from the Landscape Committee. Additionally, with the proposed process, the member would submit a Landscape Request form which is free to the members; requiring an Architectural Variance is an expensive and time-consuming process.

The proposed resolution (Attachment 2) would change the process to the Landscape Request form.

The proposed resolution makes it clear that stepping stones are not a gift of common area and must be temporary in nature. All existing stepping stones not approved by this process, the variance process, or by Standard, will need to be removed.

FINANCIAL ANALYSIS

There are no funds attributable to this action.

Prepared By: Kurt Wiemann, Director of Landscape Services
Reviewed By: Eve Morton, Landscape Coordinator

ATTACHMENT(S)

| | |
|----------------------|---|
| Attachment 1: | Stepping Stone Resolution History |
| Attachment 2: | Proposed Stepping Stone Resolution and Guidelines |
| Attachment 3: | Sample Landscape Request Form (Blank and Completed) |

ATTACHMENT 1

Stepping Stone Resolution History in Third Mutual

| Resolution Number | Topic | Date Approved |
|--------------------------|---|----------------------|
| M385-7 | Prohibition of stepping stones in common area | 1/15/85 |
| M396- 28 | Approve Third LHM Alteration Standards revised | 5/21/96 |
| 03-05-19 | Approval of New Alteration Standard, Section 36 <i>Stepping Stones</i> (Resolution M3-96-28, adopted May 21, 1996 is amended and Resolution M3-85-7 adopted January 15, 1985 is cancelled) | 9/20/05 |
| 03-07-02 | Approval to revoke Alteration Standard <i>Section 36 – Stepping Stones</i> (Resolution M3-96-28, adopted May 21, 1996 is amended; and Resolution 03-05-19, adopted September 20, 2005 is cancelled.) | 1/16/07 |
| 03-09-108 | Adopt policy to allow for the installation of pavers, gravel, decomposed granite, and stepping stones as part of the re-landscaping program for soil retention in areas not to exceed 300 square feet | 09/15/09 |

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ATTACHMENT 2

RESOLUTION 03-21-XX

Stepping Stone Policy and Guidelines

WHEREAS, on January 16, 2007, that the Board of Directors adopted Resolution 03-07-02 Approval to Revoke Alteration Standard Section 36 – Stepping Stones;

WHEREAS, Resolution 03-07-02, revoked the standard for stepping stones and required a variance application to the Architectural Committee;

WHEREAS, the Landscape Committee determined that stepping stones are temporary in nature and are placed within common area landscaping;

WHEREAS, the Landscape Committee determined that requiring a variance application is unduly burdensome for Members and the process could be simplified by use of the Landscape Request form.

NOW THEREFORE BE IT RESOLVED, January 18, 2021, the Board of Directors introduces the change from variance request to landscape request form and consideration thereof shall be performed by the Landscape Committee;

RESOLVED FURTHER, all new stepping stone installations shall be performed following the attached Stepping Stone Guidelines and all existing stepping stone installations not previously approved by Variance or Standard, shall be removed through the Compliance process or at Resale, whichever occurs first;

RESOLVED FURTHER, Resolution 03-07-02, adopted January 16, 2007, is hereby superseded in their entirety and no longer in effect;

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

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THIRD LAGUNA HILLS MUTUAL

Stepping Stone Guidelines

PLANS: The Member applying for a Landscape Variance shall provide to the Landscape Department a Landscape Request Form with detailed plan(s), for approval, indicating all work to be done, i.e., size, location, description, and specifications.

2.0 PREPARATIONS

- 2.1 Stepping stones shall not be used to create a new path across common area for access to exclusive use patios, courtyards or parking areas.
- 2.2 No stepping stones will be allowed that will hinder yard drainage.
- 2.3 In no case will stepping stones cover over sprinklers, sprinkler lines, or other related items.
- 2.4 Stepping stones may not hinder access by maintenance crews.
- 2.5 Stepping stones will not be allowed farther than four feet from the walls of the manor. No stepping stones will be permitted in the grass.
- 2.6 Stepping stone layout will only be permitted to provide access from a point of ingress/egress to a hose bib, an existing patio gate or opening and/or personal plants.

3.0 APPLICATIONS

- 3.1 Stepping stones should be constructed of concrete. No wood or degradable products.
- 3.2 All stepping stones must have a non-slip/non-skid surface.
- 3.3 All stepping stones must have a minimum diameter or width of 12 inches.
- 3.4 Stepping stones should be spaced no more than eight inches apart.
- 3.5 The layout created with the stepping stones should be no greater than two feet wide.
- 3.6 No decorative material may be used to fill in the spacing between stepping stones (i.e. gravel, pebbles, etc.)

MUTUAL LANDSCAPE REQUEST FORM**PLEASE NOTE: THIS FORM IS NOT INTENDED FOR ROUTINE MAINTENANCE REQUESTS**

For all non-routine requests, please fill out this form. Per the policy of your Mutual, if your request falls outside the scope of the managing agent's authority, it will be forwarded to the Mutual's Landscape Committee for review. If you are unsure whether your request falls into this category, first contact Resident Services at 597-4600 in order to make that determination.

PLEASE RETURN COMPLETED REQUEST FORM TO RESIDENT SERVICES.**Resident/Owner Information***You must be an owner to request non-routine Landscape requests.*_____
Address_____
Today's Date_____
Resident's Name_____
Telephone Number**Non-Routine Request***Please checkmark the item that best describes your request. If none apply, please checkmark "Other" and explain.*☐ Tree Removal☐ New Landscape☐ Off-Schedule Trimming☐ Other (explain): _____**Reason for Request***Please checkmark the item(s) that best explain the reason for your request.*☐ Structural Damage ☐ Sewer Damage ☐ Overgrown ☐ Poor Condition☐ Litter/Debris ☐ Personal Preference☐ Other (explain): _____**GUIDELINES:**

- **Structural/Sewer Damage:** Damage to buildings, sidewalks, sewer pipes, or other facilities may justify removal if corrective measures are not practical.
- **Overgrown/Crowded:** Trees or plants that have outgrown the available space may justify removal.
- **Damaged/Declining Health:** Trees or plants that are declining in health will be evaluated for corrective action before removal/replacement is considered.
- **Litter and Debris:** Because all trees shed litter seasonally, generally this is not an adequate reason to justify removal. However, if granted, removal/replacement may be at the resident's expense.
- **Personal Preference:** Because one does not like the appearance or other characteristics of the tree or plant generally does not justify its removal. However, if granted, removal/replacement is usually at the resident's expense.

Description & Location of Request

Please briefly describe the situation and the exact location of the subject of the request (e.g., "roots of pine tree in front of manor XYZ are lifting the sidewalk"). Attach pictures as necessary.

Signatures of All Neighbors Affected By This Request

Because your request may affect one or more of your neighbors, it is imperative that you obtain their signatures, manor numbers, and whether they are for, undecided, or against this request.

| Signature | Manor # | For | Undecided | Against |
|-----------|---------|-----|-----------|---------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

(Please attach a separate sheet if more signatures are necessary.)

Acknowledgement - Owner

By signing, you are acknowledging this request.

Owner's Signature

Owner's Name

OFFICE USE ONLY

MOVE-IN DATE: _____

DATE: _____ INITIALS: _____

530 _____ 540 _____

570 _____ LAST PRUNED: _____

RELANDSCAPED: _____

NEXT TIME: _____

TREE SPECIES: _____

COMMENTS: _____

TREE VALUE: _____ TREE REMOVAL COST: _____

EXAMPLE



MUTUAL LANDSCAPE REQUEST FORM

PLEASE NOTE: THIS FORM IS NOT INTENDED FOR ROUTINE MAINTENANCE REQUESTS

For all non-routine requests, please fill out this form. Per the policy of your Mutual, if your request falls outside the scope of the managing agent's authority, it will be forwarded to the Mutual's Landscape Committee for review. If you are unsure whether your request falls into this category, first contact Resident Services at 597-4600 in order to make that determination.

PLEASE RETURN COMPLETED REQUEST FORM TO RESIDENT SERVICES.

Resident/Owner Information

You must be an owner to request non-routine Landscape requests.

5599 Ronda Granada
Address

11-15-2021
Today's Date

Elizabeth Smith
Resident's Name

[REDACTED]
Telephone Number

Non-Routine Request

Please checkmark the item that best describes your request. If none apply, please checkmark "Other" and explain.

☐ Tree Removal

☐ New Landscape

☐ Off-Schedule Trimming

☒ Other (explain): would like to place stepping stones to access
my hose bib

Reason for Request

Please checkmark the item(s) that best explain the reason for your request.

☐ Structural Damage

☐ Sewer Damage

☐ Overgrown

☐ Poor Condition

☐ Litter/Debris

☐ Personal Preference

☐ Other (explain): _____

GUIDELINES:

- **Structural/Sewer Damage:** Damage to buildings, sidewalks, sewer pipes, or other facilities may justify removal if corrective measures are not practical.
- **Overgrown/Crowded:** Trees or plants that have outgrown the available space may justify removal.
- **Damaged/Declining Health:** Trees or plants that are declining in health will be evaluated for corrective action before removal/replacement is considered.
- **Litter and Debris:** Because all trees shed litter seasonally, generally this is not an adequate reason to justify removal. However, if granted, removal/replacement may be at the resident's expense.
- **Personal Preference:** Because one does not like the appearance or other characteristics of the tree or plant generally does not justify its removal. However, if granted, removal/replacement is usually at the resident's expense.


Description & Location of Request

Please briefly describe the situation and the exact location of the subject of the request (e.g., "roots of pine tree in front of manor XYZ are lifting the sidewalk"). Attach pictures as necessary.

I would like to place 12 inch, round, concrete stepping stones from my front walkway to the hose bib located at the side of my manor.

Signatures of All Neighbors Affected By This Request

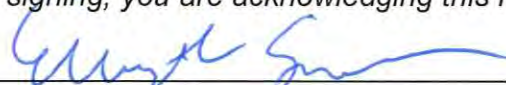
Because your request may affect one or more of your neighbors, it is imperative that you obtain their signatures, manor numbers, and whether they are for, undecided, or against this request.

| Signature | Manor # | For | Undecided | Against |
|---|---------|-----|-----------|---------|
|  | 5598 | ✓ | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

(Please attach a separate sheet if more signatures are necessary.)

Acknowledgement - Owner

By signing, you are acknowledging this request.


Owner's Signature

Elizabeth Smith
Owner's Name

OFFICE USE ONLY

MOVE-IN DATE: _____

DATE: _____ INITIALS: _____

530 _____ 540 _____

570 _____ LAST PRUNED: _____

RELANDSCAPED: _____

NEXT TIME: _____

TREE SPECIES: _____

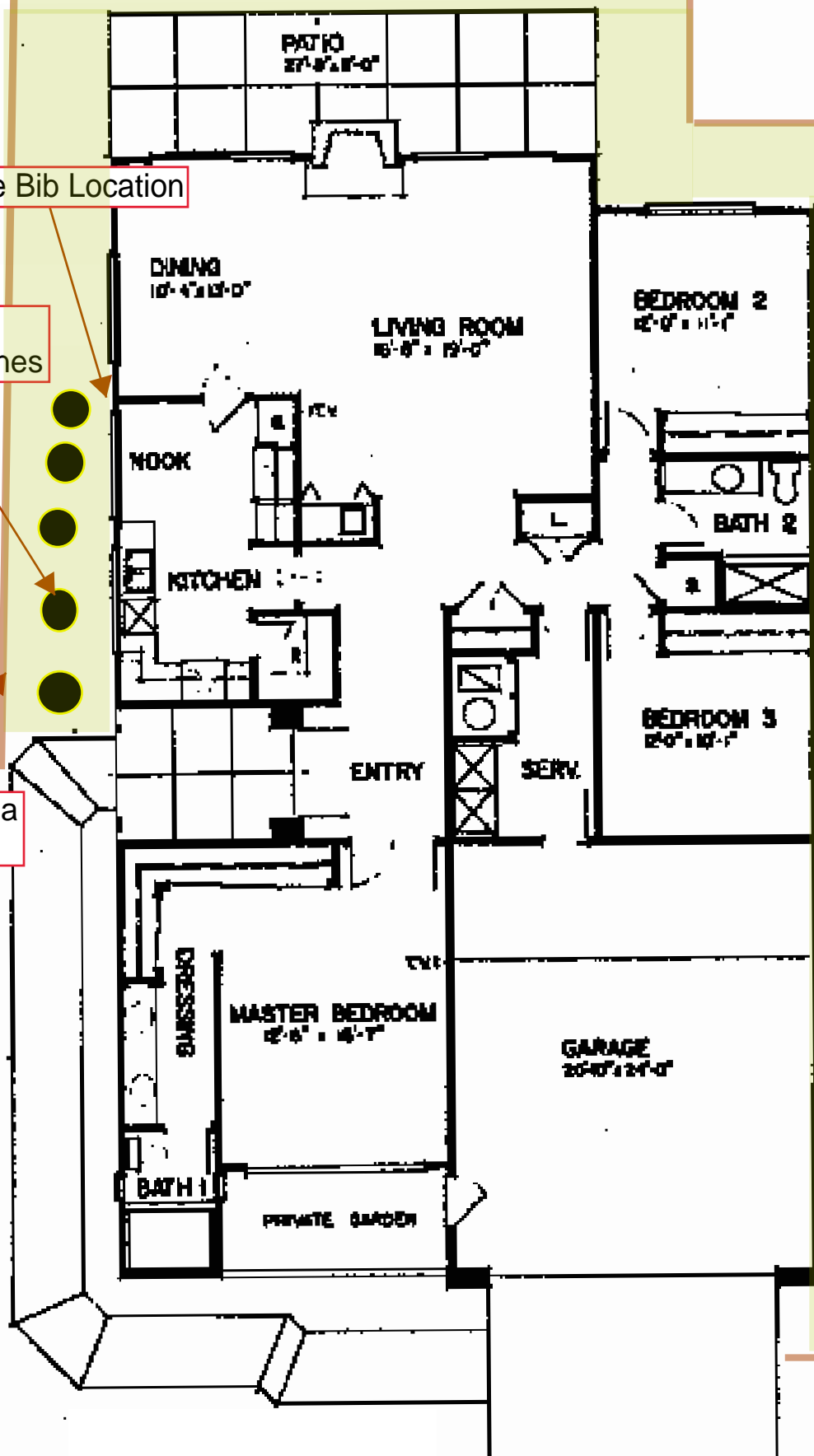
COMMENTS: _____

TREE VALUE: _____ TREE REMOVAL COST: _____

Existing Hose Bib Location

Proposed
Stepping Stones

Common Area
Shrub Beds





STAFF REPORT

DATE: December 21, 2021
FOR: Board of Directors
SUBJECT: Discretionary Investment Internal Transfer from Money Market to 1Yr CD

RECOMMENDATION

Staff recommends transferring \$5,000,000 of money market funds earning 12 basis points to a 1-year term certificate of deposit (CD) earning 15 basis points with all funds remaining in the Discretionary Investment account.

BACKGROUND

During September 2021 Third Laguna Hills Mutual closed its Fidelity Investment account and transferred all funds to Sunwest Bank where the money market accounts earn 12 basis points, or 0.12%, and are fully insured by the federal government. At the December 7, 2021 Finance Meeting the committee voted unanimously to transfer \$5M of the \$25M balance from money market funds to a 1-year term CD.

DISCUSSION

Sunwest Bank offers a Certificate of Deposit Account Registry Service (CDARS) product that allows investors to deposit funds of any amount and still being fully insured by the FDIC. Once the funds are deposited, the CDARS program electronically moves the monies to other participating banks whereby each bank holds an amount not to exceed the \$250,000 FDIC limit. If the money being held in the CDARS program is needed prior to the 1-year term, a penalty of 90 days interest will be assessed.

FINANCIAL ANALYSIS

A transfer of \$5M from the money market account to a CD will earn an additional 3 basis points equating to \$125per month or \$1,500 annually.

Prepared By: Steve Hormuth, Controller

Reviewed By: Jose Campos, Interim Financial Services Director

Attachment 1: Resolution 03-21-xx Discretionary Investment Transfer to CD

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RESOLUTION 03-21-XX

Discretionary Investment Transfer to CD

RESOLVED, December 21, 2021 that the Board of Directors of this Corporation hereby authorizes the transfer of \$5,000,000 Money Market Discretionary Investments to a Certificate Of Deposit (CDARS) Discretionary Investment with a term of 1 year; and

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

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Financial Report

As of October 31, 2021



| INCOME STATEMENT (in Thousands) | | ACTUAL |
|------------------------------------|--|----------|
| Assessment Revenue | | \$28,833 |
| Non-assessment Revenue | | \$1,341 |
| Total Revenue | | \$30,174 |
| Total Expense | | \$29,625 |
| Net Revenue/(Expense) | | \$549 |

Financial Report

As of October 31, 2021



| OPERATING INCOME STATEMENT (in Thousands) | | ACTUAL |
|--|--|----------|
| Assessment Revenue | | \$17,473 |
| Non-assessment Revenue | | \$1,254 |
| Total Revenue | | \$18,727 |
| Total Expense ¹ | | \$19,266 |
| Operating Deficit | | (\$539) |

1) excludes depreciation

Financial Report

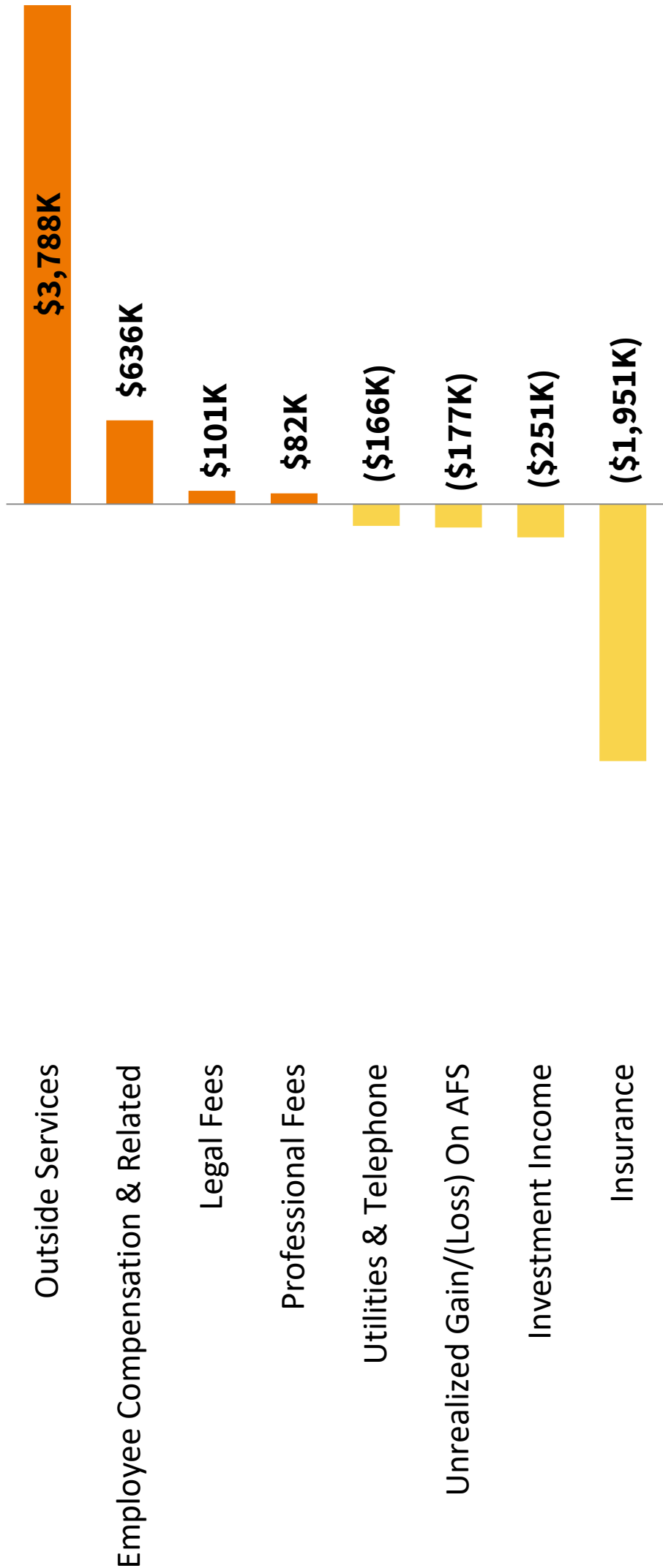
As of October 31, 2021



| INCOME STATEMENT (in Thousands) | ACTUAL | BUDGET | VARIANCE |
|------------------------------------|----------|-----------|----------|
| Assessment Revenue | \$28,833 | \$28,833 | \$0 |
| Non-assessment Revenue | \$1,341 | \$1,808 | (\$467) |
| Total Revenue | \$30,174 | \$30,641 | (\$467) |
| Total Expense | \$29,625 | \$32,309 | \$2,684 |
| Net Revenue/(Expense) | \$549 | (\$1,668) | \$2,217 |

Financial Report

As of October 31, 2021

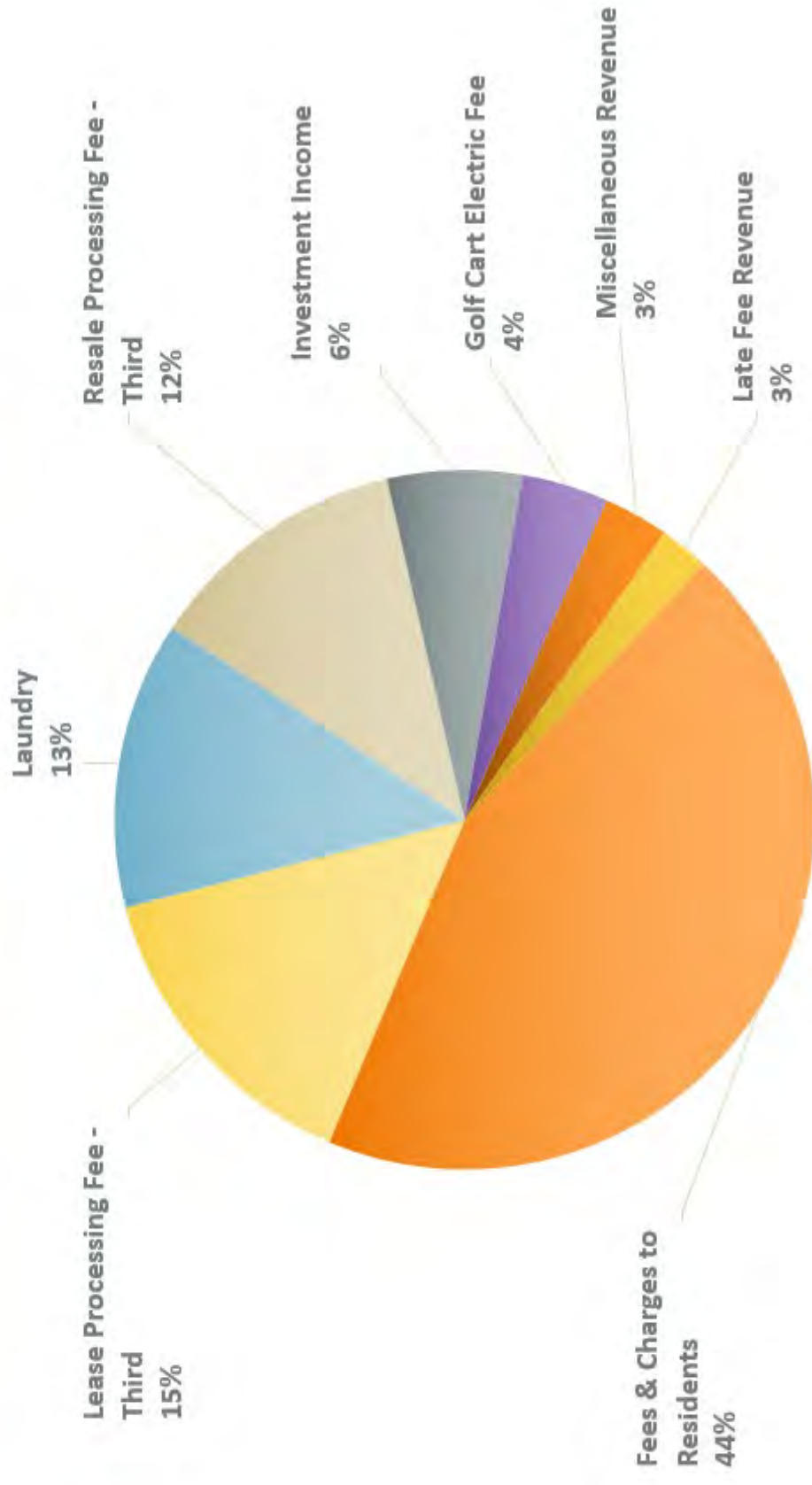


■ Unfavorable ■ Favorable

Financial Report

As of October 31, 2021

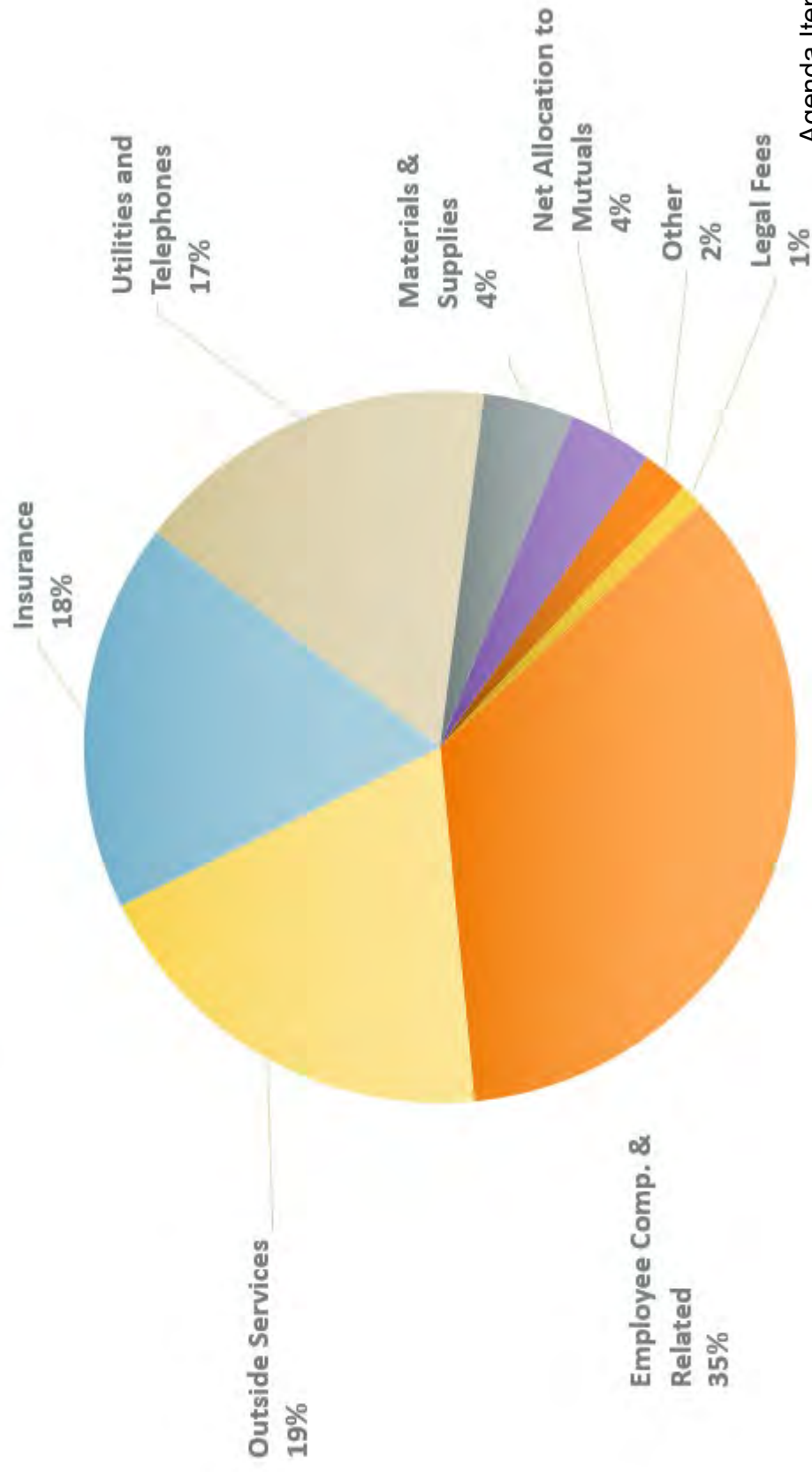
Total Non Assessment Revenues \$1,340,100



Financial Report

As of October 31, 2021

Total Expenses \$29,624,613



Financial Report

As of October 31, 2021



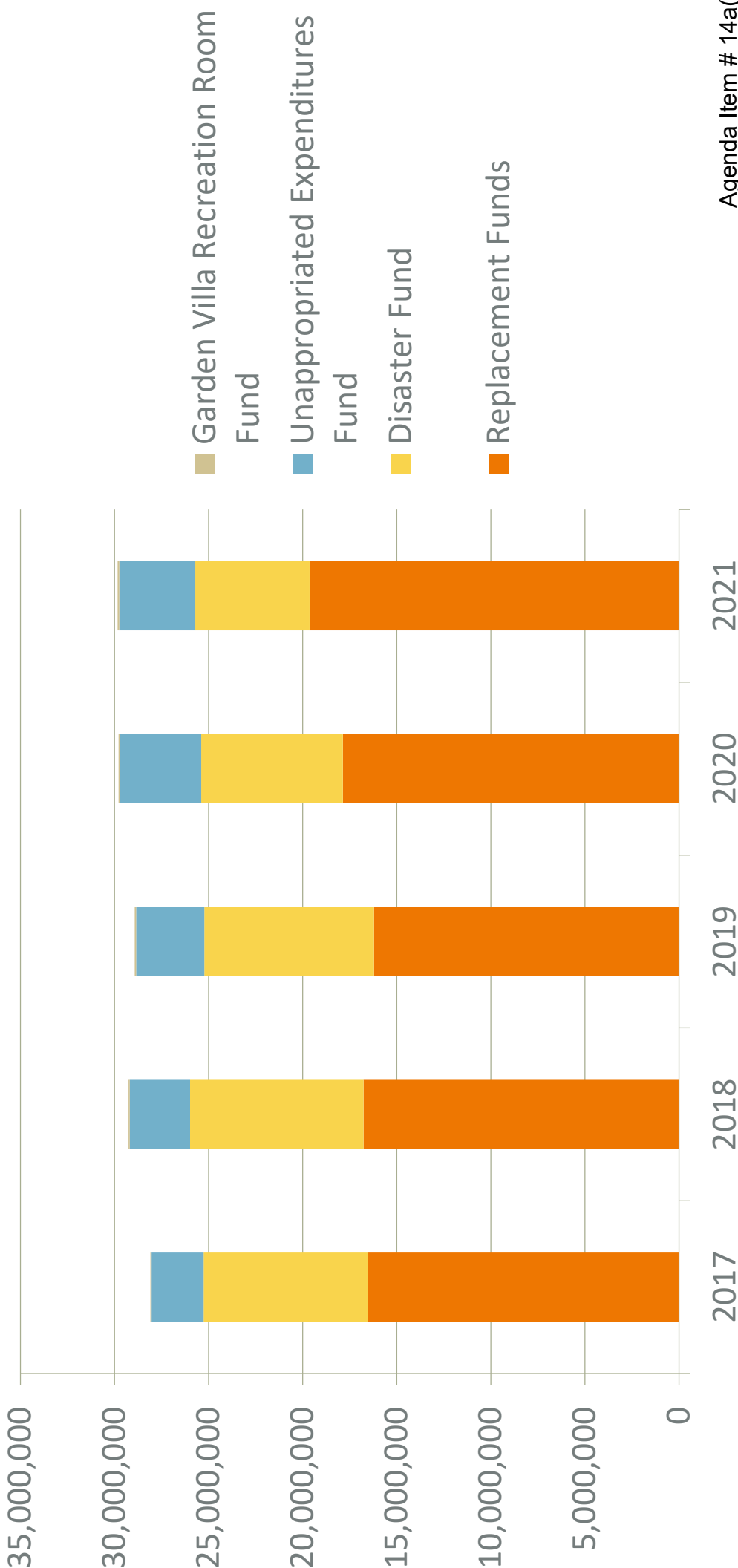
| NON OPERATING FUND BALANCES (in Thousands) | Replacement Funds* | Disaster Fund | Unappropriated Expenditures Fund | Garden Villa Fund | TOTAL |
|--|-----------------------|------------------|--|----------------------|----------|
| Beginning Balances: 1/1/21 | \$17,437 | \$6,843 | \$4,271 | \$89 | \$28,640 |
| Contributions & Interest | 9,325 | 1,551 | 499 | 71 | 11,446 |
| Expenditures | 7,122 | 2,321 | 732 | 71 | 10,246 |
| Current Balances: 10/31/21 | \$19,640 | \$6,073 | \$4,038 | \$89 | \$29,840 |

* Includes Elevator and Laundry Funds

Financial Report

As of October 31, 2021

FUND BALANCES – Third Mutual

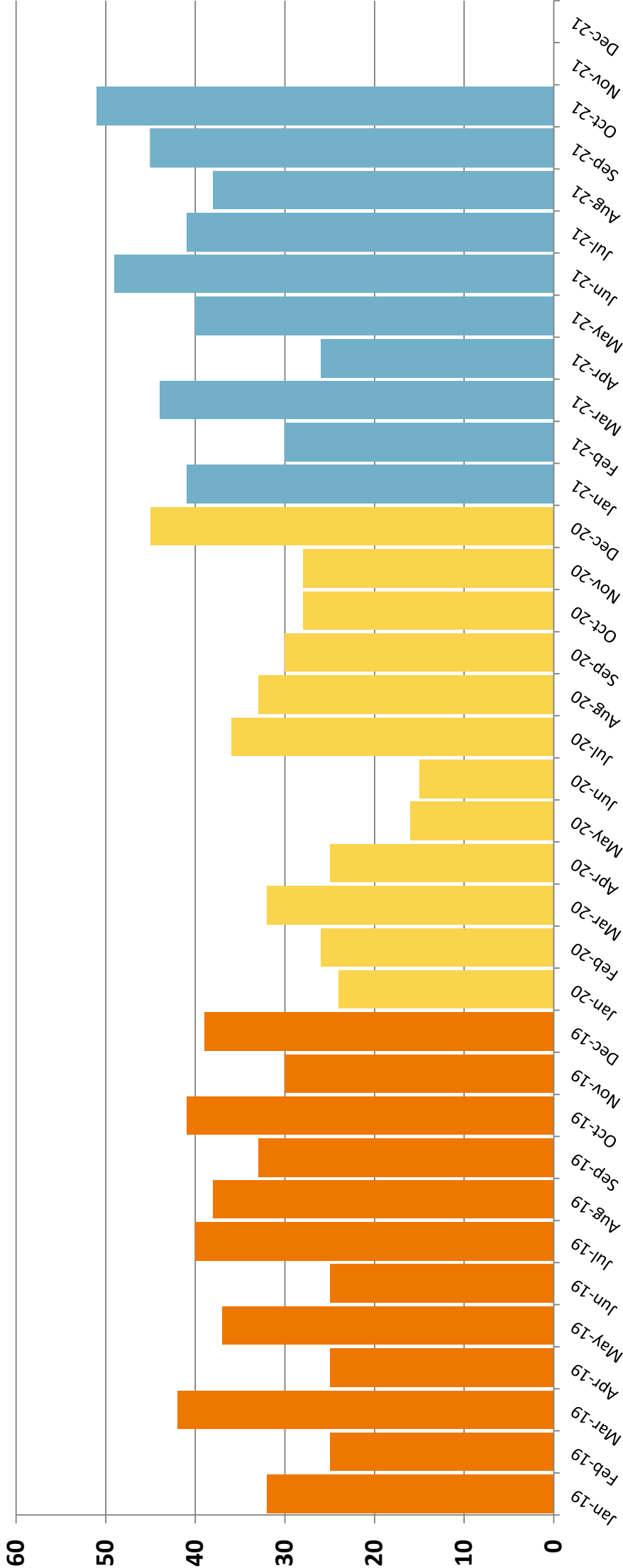


Financial Report

As of October 31, 2021

RESALE HISTORY – Third Mutual

| | NO. OF RESALES | AVG. RESALE PRICE |
|----------|-------------------|----------------------|
| YTD 2019 | 338 | \$409,436 |
| YTD 2020 | 265 | \$422,204 |
| YTD 2021 | 405 | \$458,643 |



Financial Report

As of October 31, 2021



Highlights: Cost Saving Initiative

Landscape Department

BEFORE:

- Paid to have large tree trunks & other landscape debris hauled away
- Paid to have horse manure hauled away from the stable
- Purchased necessary mulch

Financial Report

As of October 31, 2021

Highlights: Cost Saving Initiative

Landscape Department

- GRF Purchased “tub grinder”
to convert landscape debris to mulch
- No longer necessary to pay for:
 - Hauling away landscape debris & manure from stable
 - Purchasing mulch



Annual Savings to Third Mutual



| | Prior Cost | New Cost | Savings |
|------------------------|------------|----------|-------------|
| Cost to Haul | | | |
| Landscape debris | \$550,356 | \$0 | (\$550,356) |
| Manure | | | |
| Cost to Purchase Mulch | \$301,671 | \$0 | (\$301,671) |
| Sub Total | \$852,027 | \$0 | (\$852,027) |
| Greenwaste Transport | \$0 | \$63,182 | \$63,182 |
| Total | \$852,027 | \$63,182 | (\$788,845) |

Annual Savings to Laguna Woods Village

| | Prior Cost | New Cost | Savings |
|------------------------|--------------|-----------|---------------|
| Cost to Haul | | | |
| Landscape debris | \$976,808 | \$0 | (\$976,808) |
| Manure | | | |
| Cost to Purchase Mulch | \$535,426 | \$0 | (\$535,426) |
| Sub Total | \$1,512,234 | \$0 | (\$1,512,234) |
| Greenwaste Transport | \$0 | \$112,139 | \$112,139 |
| Total | \$ 1,512,234 | \$112,139 | (\$1,400,095) |



Treasurer's Report for December 21, 2021 Board Meeting

SLIDE 1 – Through the reporting period of **October 31, 2021**, total revenue for Third was \$30,174K compared to expenses of \$29,625K, resulting in excess revenue over expenses of \$549K.

SLIDE 2 – In Finance, we keep a close eye on the operating portion of our financial results. The Operating Fund shows an operating deficit of (\$539K) through the reporting period. This chart shows how much of our revenue went into operations, with \$17,473K coming in from assessments and \$1,254K coming from non-assessment revenue. This is compared to operating expenditures of \$19,266K (without Depreciation).

SLIDE 3 – This next chart takes the full income statement and compares those results to budget. We can see that Third ended the period better than budget by \$2,217K when combining both operating and reserve savings.

SLIDE 4 – The most significant variances from budget were attributable to:

- **Outside Services \$3,788K**; Favorable variance due to late start. Budgets are spread evenly for programs such as building structures, wasteline remediation, and roof replacement whereas expense are recorded as the work is completed.
- **Employee Compensation & Related \$636K**; Favorable variance resulted primarily in Landscape and M&C departments. In Landscape department, ground maintenance was favorable due to outsourcing of 8 staff positions. The variance was furthered in carpentry services due to budgeted position put on hold in the beginning of the year. To a lesser extent, Property Services, Damage Restoration, and Projects are favorable due to open positions; recruitment is in progress.
- **Legal Fees \$101K**; Favorable variance resulted due to lower expenditures to date than anticipated. The budget for legal fees is a contingency, which fluctuates from year to year.
- **Professional Fees \$82K**; Favorable variance due to lower expenditures for consultation service for epoxy programs in M&C. Consultant was unable to meet the schedule due to the pandemic.
- **Utilities & Telephone (\$166K)**; Unfavorable variance due to less seasonal rainfall. Budget was based on a five-year average of water consumption, however, seasonal rainfall through October was 18% lower than 5-year average during the same period. Unfavorable variance was partially offset by electricity due to delays in SCE billing.



Treasurer's Report for December 21, 2021 Board Meeting

- **Unrealized Gain/(Loss) on AFS (\$177K);** Unfavorable variance due to the current investment portfolio being sold and funds were placed in FDIC insured interest bearing accounts. The current year-to-date actual unrealized loss was transferred to realized gains/losses along with offsetting prior year unrealized gain.
- **Investment Income (\$251K);** Unfavorable variance due to less revenue being generated from current portfolio of Discretionary investments as opposed to budgeted investment bonds.
- **Insurance (\$1,951K);** Unfavorable variance due to higher premiums for property and casualty insurance. Insurance premium increases were implemented after 2021 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.

SLIDE 5 – On this pie chart, we show non-assessment revenues received to date of \$1,340K by category, starting with our largest revenue generating category, Fees and Charges to Residents, followed by Lease Processing Fee, Laundry, Resale Processing Fee, Investment Income, and so forth.

SLIDE 6 – On this pie chart, we see the expenses to date of \$29,625K, showing that our largest categories of expense are for Employee Compensation and Outside Service, followed by Insurance, Utilities and Telephone, Materials and Supplies, and so forth.

SLIDE 7 – The non-operating fund balance on October 31, 2021 was \$29,840K. YTD contributions and interest were \$11,446K while YTD expenditures were \$10,246K.

SLIDE 8 – We compare this to historical fund balances for the past five years on this chart, which has averaged \$29 Million. Third Mutual has been committed to supporting reserve requirements while providing more contingency funds for unexpected events.

SLIDE 9 – We have a slide here to show resale history from 2019 - 2021. Through October 31, 2021, Third sales totaled 405, which is 140 higher than prior year for the same time period. The average YTD resale price for a Third Mutual was \$459K, which is \$36K higher than prior year for the same time period.

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

Tuesday, December 7, 2021 – 1:30 p.m.
Board Room/Virtual Meeting

MEMBERS PRESENT: Donna Rane-Szostak – Chair, Robert Mutchnick, Ralph Engdahl, Jim Cook, John Frankel, Craig Wayne, Ira Lewis, Annie McCary, Cush Bhada, Lynn Jarrett

MEMBERS ABSENT: Advisor: Wei-Ming Tao, Advisor: John Hess, Mark Laws, John Frankel

STAFF PRESENT: Jose Campos, Steve Hormuth, Erika Hernandez

Call to Order

Director Donna Rane-Szostak chaired and called the meeting to order at 1:30pm

Acknowledgement of Media

Director Donna Rane-Szostak acknowledged the media through Granicus.

Approval of Meeting Agenda

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

Approval of Meeting Report for November 2, 2021

A motion was made and by consensus was approved as presented with the following change:

- Under Highlights, the following sentence has been changed from “[...] resulting from the 10-year paint program changing to 15 years” to state “relating to the increase of paint warranty from 10 years to 15 years”.

Chair Remarks

Director Rane-Szostak deferred her Chair comments to Agenda Item # 10 in Highlights and acknowledged the present audience for their attendance to the Finance Committee meeting.

Member Comments

Member Joe Camera commented on the following: Downspouts, replacement of the CEO and insurance coverage. Director Robert Mutchnick addressed his comments.

Member Gary Draper made a comment on the CC&Rs and insurance. Director Mutchnick addressed his comments and questions.

Members Fatemah Fathi and Tara Abbassi commented on the annual assessment letter sent to Third Mutual's residents. In addition, member Abbassi mentioned laundry maintenance. Their comments and questions were addressed by Director Rane-Szostak.

Department Head Update

Jose Campos, Interim Financial Services Director, provided updates on the 2022 budget and annual policy statement, insurance review and purchasing policy review.

Preliminary Financial Statements dated October 31, 2021

Jose Campos presented the Preliminary Financial Statements dated October 31, 2021 and questions were addressed from the committee. No actions were taken.

Highlights

Donna Rane-Szostak gave a presentation to the committee and audience illustrating the cost savings associated with changes in the Landscape Department. The result was a savings of \$788k for the Third Mutual and \$1.4k overall for the Laguna Woods Village.

Future Agenda Items

None.

Committee Member Comments

Director Ralph Engdahl thanked the audience for their presence.

Date of Next Meeting

Tuesday, January 4, 2022 at 1:30 p.m.

Recess to Closed Session

The meeting recessed at 2:33 p.m.

DRAFT

Donna Rane-Szostak, Chair

Monthly Resale Report

PREPARED BY

Community Services Department

MUTUAL

All Mutuals

REPORT PERIOD

November, 2021

| MONTH | NO. OF RESALES | | TOTAL SALES VOLUME IN \$\$ | | AVG RESALE PRICE | |
|-----------|----------------|-----------|----------------------------|---------------|------------------|-------------|
| | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| January | 77 | 48 | \$25,440,878 | \$16,125,300 | \$330,401 | \$335,944 |
| February | 58 | 57 | \$18,806,125 | \$18,886,210 | \$324,244 | \$331,337 |
| March | 75 | 65 | \$28,284,525 | \$21,969,916 | \$377,127 | \$337,999 |
| April | 63 | 58 | \$22,499,399 | \$18,200,321 | \$357,133 | \$313,799 |
| May | 85 | 35 | \$29,079,200 | \$10,277,500 | \$342,108 | \$293,643 |
| June | 100 | 41 | \$40,080,488 | \$12,315,399 | \$400,805 | \$300,376 |
| July | 107 | 56 | \$35,145,888 | \$20,514,748 | \$328,466 | \$366,335 |
| August | 96 | 59 | \$33,947,600 | \$21,522,228 | \$353,621 | \$364,784 |
| September | 102 | 63 | \$36,154,540 | \$22,132,600 | \$354,456 | \$351,311 |
| October | 97 | 66 | \$35,344,800 | \$20,962,800 | \$364,379 | \$317,618 |
| November | 100 | 57 | \$38,193,500 | \$17,923,188 | \$381,935 | \$314,442 |
| December | | * | | \$29,495,361 | | * \$324,125 |
| TOTAL | 960.00 | 605.00 | \$342,976,943 | \$200,830,210 | | |
| ALL TOTAL | 960.00 | 696.00 | \$342,976,943 | \$230,325,571 | | |
| MON AVG | 87.00 | 55.00 | \$31,179,722 | \$18,257,292 | \$355,880 | \$329,781 |

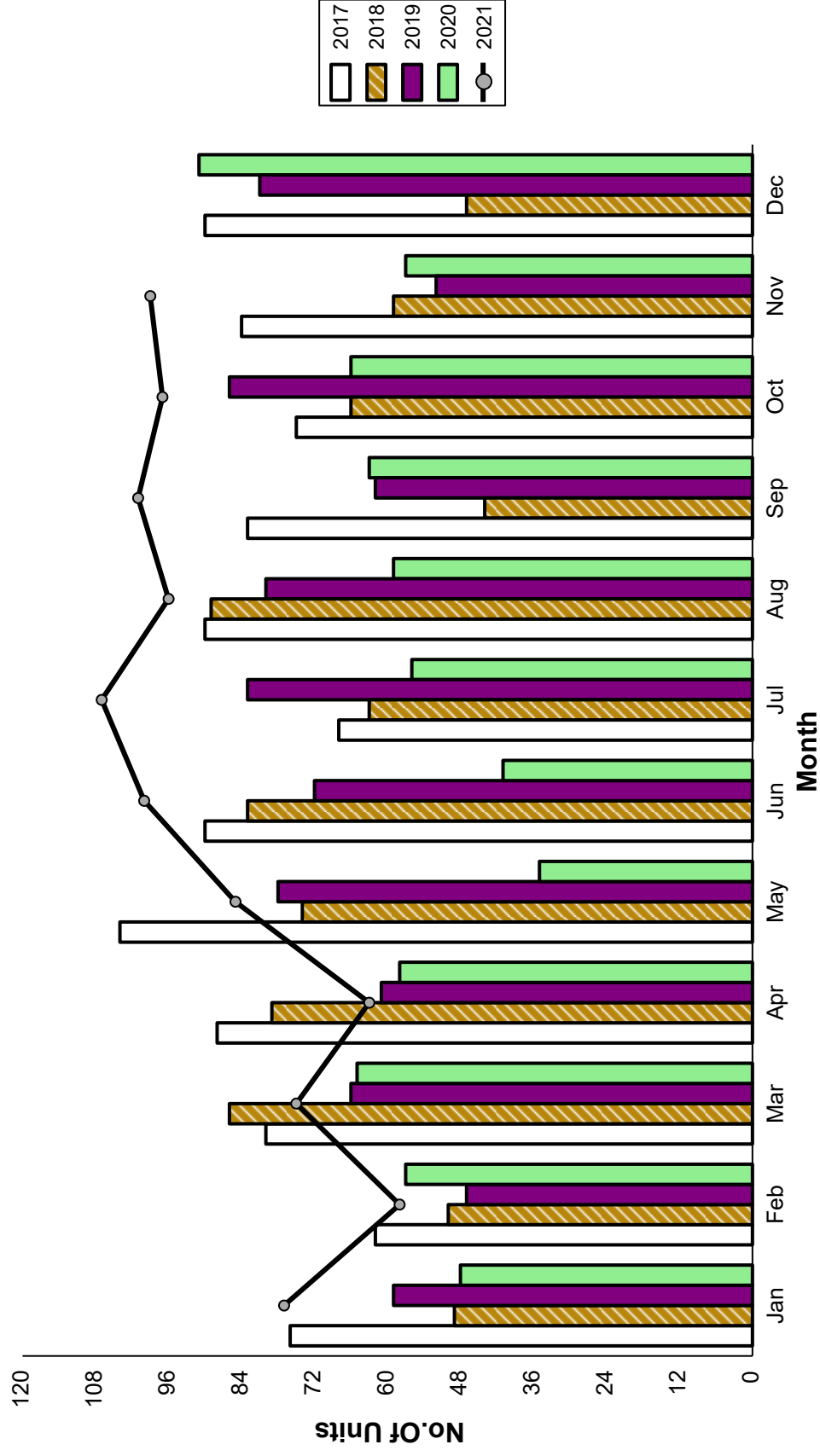
* Amount is excluded from percent calculation

% Change calculated (ThisYear - LastYear)/LastYear

Year to-date totals now include Mutual Fifty

ALL MUTUALS

Resales - 5 Year Comparison



Monthly Resale Report

PREPARED BY

MUTUAL

REPORT PERIOD

Community Services Department

Third

November, 2021

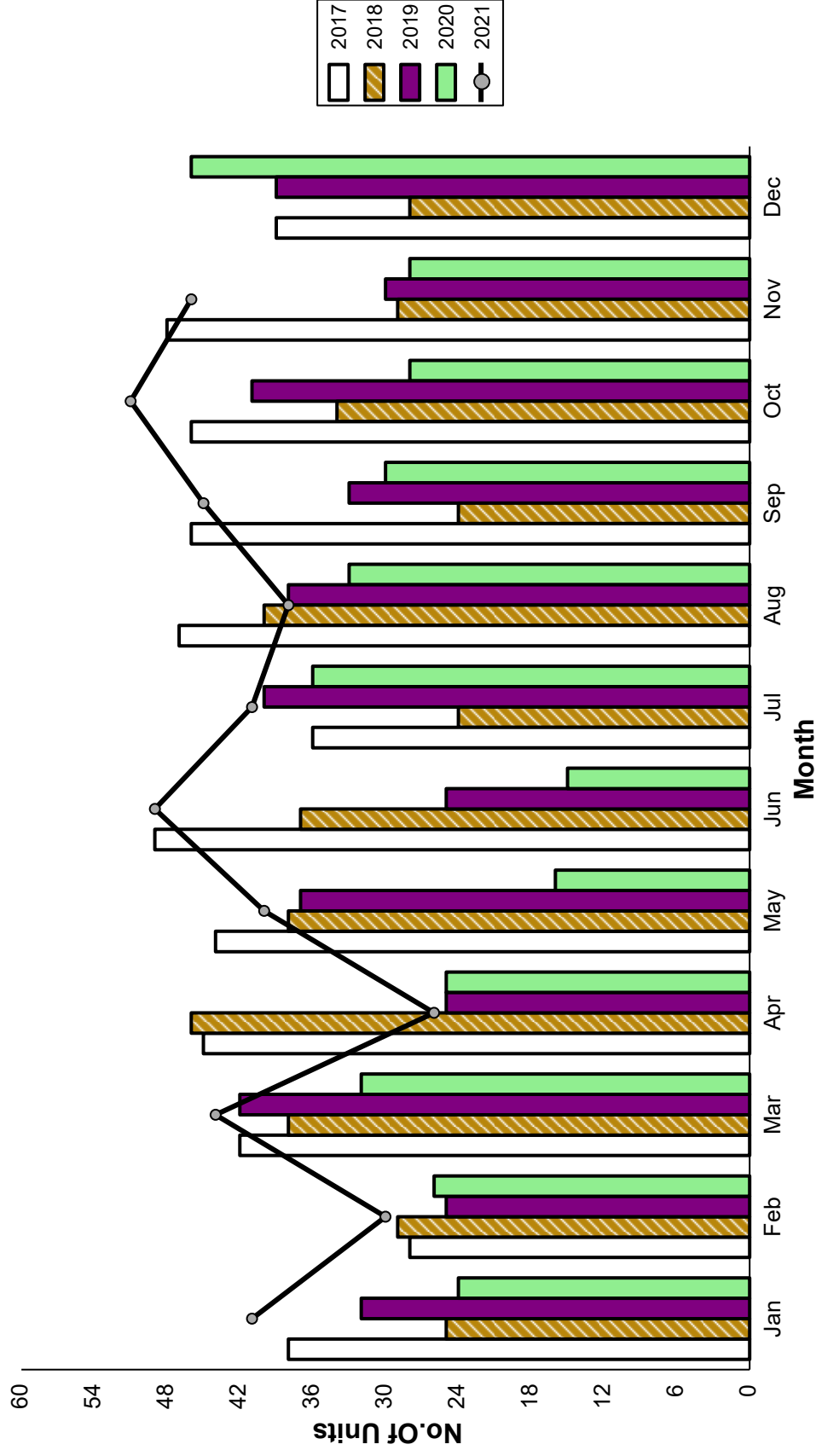
| MONTH | NO. OF RESALES | | TOTAL SALES VOLUME IN \$\$ | | AVG RESALE PRICE | |
|----------------|----------------|-----------|----------------------------|----------------|------------------|-------------|
| | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| January | 41 | 24 | \$16,433,725 | \$10,015,000 | \$400,823 | \$417,292 |
| February | 30 | 26 | \$11,904,525 | \$12,158,700 | \$396,818 | \$467,642 |
| March | 44 | 32 | \$20,903,100 | \$13,946,416 | \$475,070 | \$435,826 |
| April | 26 | 25 | \$12,851,400 | \$10,830,833 | \$494,285 | \$433,233 |
| May | 40 | 16 | \$18,741,800 | \$5,604,000 | \$468,545 | \$350,250 |
| June | 49 | 15 | \$25,804,388 | \$5,881,500 | \$526,620 | \$392,100 |
| July | 41 | 36 | \$17,901,388 | \$15,240,248 | \$436,619 | \$423,340 |
| August | 38 | 33 | \$18,292,000 | \$14,612,928 | \$481,368 | \$442,816 |
| September | 45 | 30 | \$20,638,940 | \$14,314,100 | \$458,643 | \$477,137 |
| October | 51 | 28 | \$22,829,400 | \$10,707,400 | \$447,635 | \$382,407 |
| November | 46 | 28 | \$23,744,300 | \$11,057,300 | \$516,180 | \$394,904 |
| December | | * 46 | | * \$18,548,901 | | * \$403,237 |
| TOTAL | 451.00 | 293.00 | \$210,044,966 | \$124,368,425 | | |
| ALL TOTAL | 451.00 | 339.00 | \$210,044,966 | \$142,917,326 | | |
| MON AVG | 41.00 | 26.00 | \$19,094,997 | \$11,306,220 | \$463,873 | \$419,722 |
| % CHANGE - YTD | 53.9% | | 68.9% | | 10.5% | |

% Change calculated (ThisYear - LastYear)/LastYear

* Amount is excluded from percent calculation

THIRD MUTUAL

Resales - 5 Year Comparison



Monthly Resale Report Third Mutual

PREPARED BY
Community Services Department

Nov-21

| Month | NUMBER OF RESALES | | | | TOTAL SALES VOLUME IN \$\$ | | | | AVG RESALE PRICE | | | |
|--------------|-------------------|--------|------|--------|----------------------------|---------------|---------------|---------------|------------------|-----------|-----------|-----------|
| | 2021 | 2020 | 2019 | 2018 | 2021 | 2020 | 2019 | 2018 | 2021 | 2020 | 2019 | 2018 |
| January | 41 | 24 | 32 | 25 | \$16,433,725 | \$10,015,000 | \$12,482,100 | \$8,807,150 | \$400,823 | \$417,292 | \$390,066 | \$352,286 |
| February | 30 | 26 | 25 | 29 | \$11,904,525 | \$12,158,700 | \$10,208,000 | \$12,600,892 | \$396,818 | \$467,642 | \$408,320 | \$434,514 |
| March | 44 | 32 | 42 | 38 | \$20,903,100 | \$13,946,416 | \$16,639,712 | \$16,909,199 | \$475,070 | \$435,826 | \$396,184 | \$444,979 |
| April | 26 | 25 | 25 | 46 | \$12,851,400 | \$10,830,833 | \$10,435,500 | \$18,869,626 | \$494,285 | \$433,233 | \$417,420 | \$410,209 |
| May | 40 | 16 | 37 | 38 | \$18,741,800 | \$5,604,000 | \$16,273,033 | \$15,452,990 | \$468,545 | \$350,250 | \$439,812 | \$406,658 |
| June | 49 | 15 | 25 | 37 | \$25,804,388 | \$5,881,500 | \$10,290,000 | \$16,981,138 | \$526,620 | \$392,100 | \$411,600 | \$458,950 |
| July | 41 | 36 | 40 | 24 | \$17,901,388 | \$15,240,248 | \$17,327,373 | \$9,892,800 | \$436,619 | \$423,340 | \$433,184 | \$412,200 |
| August | 38 | 33 | 38 | 40 | \$18,292,000 | \$14,612,928 | \$15,994,900 | \$17,327,000 | \$481,368 | \$442,816 | \$420,918 | \$433,175 |
| September | 45 | 30 | 33 | 24 | \$20,638,940 | \$14,314,100 | \$12,643,180 | \$12,552,692 | \$458,643 | \$477,137 | \$383,127 | \$523,029 |
| October | 51 | 28 | 41 | 34 | \$22,829,400 | \$10,707,400 | \$16,142,900 | \$14,146,300 | \$447,635 | \$382,407 | \$393,729 | \$416,068 |
| November | 46 | 28 | 30 | 28 | \$23,744,300 | \$11,057,300 | \$13,520,950 | \$10,675,000 | \$516,180 | \$394,904 | \$450,698 | \$381,250 |
| December | 0 | 46 | 39 | 28 | \$0 | \$18,548,901 | \$18,319,800 | \$13,693,599 | \$0 | \$403,237 | \$469,738 | \$489,057 |
| TOTAL | 451 | 293 | 368 | 363 | \$210,044,966 | \$124,368,425 | \$151,957,648 | \$154,214,787 | | | | |
| ALL TOTAL | 451 | 339 | 407 | 391 | \$210,044,966 | \$142,917,326 | \$170,277,448 | \$167,908,386 | | | | |
| MON AVG | 41.0 | 26.6 | 33.5 | 33.0 | \$19,094,997 | \$11,306,220 | \$13,814,332 | \$14,019,526 | \$463,873 | \$419,722 | \$413,187 | \$424,847 |
| % CHANGE-YTD | 53.9% | -20.4% | 1.4% | -22.8% | 68.9% | -18.2% | -1.5% | -16.1% | 10.5% | 1.6% | -2.7% | 9.1% |

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

Resales Report

Third Laguna Hills Mutual

November, 2021

| Close | Manor | Mutual | Price | Model/Style | Listing Realtor | Buyer Realtor | Escrow |
|------------|---------|--------|-----------|--------------|-----------------------------|-------------------------------|---------------------|
| 11/30/2021 | 969-3D | 3 | \$375,000 | Villa Capri | Laguna Woods Village Realty | Laguna Premier Realty, Inc | Granite Escrow |
| 11/16/2021 | 2115-P | 3 | \$342,000 | Casa Linda | Century 21 Award | Century 21 Everest | Corner Escrow Inc. |
| 11/18/2021 | 2291-B | 3 | \$269,000 | Castilla | Village Real Estate | Keller Williams Realty Irvine | Granite Escrow |
| 11/18/2021 | 2299-F | 3 | \$450,000 | La Jolla | eXp Realty of California | eXp Realty of California | Granite Escrow |
| 11/23/2021 | 2302-D | 3 | \$410,000 | La Jolla | First Team Real Estate | Prea Realty | Generations Escrow |
| 11/05/2021 | 2310-C | 3 | \$425,000 | Seville | Coldwell Banker | Coldwell Banker | Blue Pacific Escrow |
| 11/03/2021 | 2330-O | 3 | \$330,000 | Casa Linda | Century 21 Rainbow | Kiely Realty | Generations Escrow |
| 11/23/2021 | 2345-A | 3 | \$310,000 | Valencia | FSBO | FSBO | Granite Escrow |
| 11/22/2021 | 2354-2H | 3 | \$310,000 | Garden Villa | Century 21 Sunny Hills | Century 21 Sunny Hills | Blue Pacific Escrow |
| 11/23/2021 | 2369-1F | 3 | \$298,000 | Garden Villa | Coldwell Banker | Laguna Premier Realty, Inc | Granite Escrow |
| 11/02/2021 | 2393-2C | 3 | \$330,000 | Garden Villa | Uniti Realty | Uniti Realty | Team Escrow, Inc. |
| 11/01/2021 | 2398-3E | 3 | \$562,000 | Villa Capri | First Team Real Estate | Century 21 Rainbow | Granite Escrow |
| 11/02/2021 | 2399-2F | 3 | \$333,000 | Villa Capri | Berkshire Hathaway | First Team Real Estate | Granite Escrow |
| 11/03/2021 | 2400-2G | 3 | \$300,000 | Villa Capri | Century 21 Rainbow | Century 21 Rainbow | Granite Escrow |
| 11/30/2021 | 3012-D | 3 | \$500,000 | Villa Nova | Presidential Real Estate | Presidential Real Estate | Blue Pacific Escrow |
| 11/02/2021 | 3032-Q | 3 | \$300,000 | Casa Del Mar | Lancelot | Lancelot | Corner Escrow Inc. |
| 11/30/2021 | 3071-A | 3 | \$525,000 | Villa Nova | Laguna Premier Realty, Inc | Laguna Premier Realty, Inc | Blue Pacific Escrow |
| 11/02/2021 | 3151-C | 3 | \$745,000 | Las Flores | Century 21 Award | Evergreen Realty | Corner Escrow Inc. |
| 11/03/2021 | 3154-B | 3 | \$540,000 | Las Flores | Century 21 Rainbow | First Team Estates | Granite Escrow |
| 11/01/2021 | 3198-B | 3 | \$700,000 | La Reina | Laguna Premier Realty, Inc | First Team Real Estate | Blue Pacific Escrow |
| 11/10/2021 | 3230-A | 3 | \$825,000 | El Doble | Century 21 Rainbow | Uniti Realty | Corner Escrow Inc. |
| 11/29/2021 | 3238-A | 3 | \$790,000 | La Reina | Presidential Real Estate | Corcoran Global Living | Blue Pacific Escrow |
| 11/23/2021 | 3241-1H | 3 | \$299,000 | Villa Puerta | Century 21 Rainbow | Century 21 Rainbow | Corner Escrow Inc. |
| 11/10/2021 | 3259-B | 3 | \$700,000 | El Doble | Century 21 Rainbow | Laguna Premier Realty, Inc | Blue Pacific Escrow |
| 11/19/2021 | 3276-A | 3 | \$306,000 | Casa Vista | Century 21 Rainbow | Village Real Estate | Granite Escrow |

Resales Report

Third Laguna Hills Mutual

November, 2021

| Close | Manor | Mutual | Price | Model/Style | Listing Realtor | Buyer Realtor | Escrow |
|------------|---------|--------|-------------|---------------|----------------------------|---------------------------------|----------------------|
| 11/09/2021 | 3295-B | 3 | \$640,000 | Las Flores | HomeSmart Evergreen | Laguna Premier Realty, Inc | Corner Escrow Inc. |
| 11/08/2021 | 3307-B | 3 | \$265,000 | Casa Vista | Berkshire Hathaway | Laguna Premier Realty, Inc | Generations Escrow |
| 11/24/2021 | 3307-Q | 3 | \$600,000 | Casa Vista | Abdulla Mipur, Broker | Professional's Broker | Corner Escrow Inc. |
| 11/01/2021 | 3357-O | 3 | \$390,000 | Catalina | Laguna Premier Realty, Inc | Integr8tive Solutions, Inc. | Blue Pacific Escrow |
| 11/03/2021 | 3366-1D | 3 | \$228,000 | Aragon | eXp Realty of California | Coldwell Banker | Granite Escrow |
| 11/19/2021 | 3367-2E | 3 | \$355,000 | Aragon | Mark Carlson, Broker | Laguna Premier Realty, Inc | Corner Escrow Inc. |
| 11/19/2021 | 3420-3B | 3 | \$270,000 | Casa Dorado | Century 21 Rainbow | Laguna Premier Realty, Inc | Corner Escrow Inc. |
| 11/10/2021 | 3518-B | 3 | \$750,000 | Cabrillo | Trust Properties USA | Laguna Premier Realty, Inc | Escrow Options Group |
| 11/24/2021 | 4020-B | 3 | \$565,000 | Casa Milano | Prestigious Realty, Inc | Century 21 Rainbow | Corner Escrow Inc. |
| 11/30/2021 | 5029 | 3 | \$1,070,000 | Villa Paraisa | Everwise Realty | Everwise Realty | Granite Escrow |
| 11/29/2021 | 5156 | 3 | \$870,000 | Villa Serena | Century 21 Rainbow | Keller Williams Newport Estates | Corner Escrow Inc. |
| 11/04/2021 | 5177 | 3 | \$1,000,000 | Villa Paraisa | Presidential Real Estate | HomeSmart Evergreen | Blue Pacific Escrow |
| 11/04/2021 | 5247 | 3 | \$950,000 | Villa Serena | Century 21 Rainbow | Compass | Corner Escrow Inc. |
| 11/19/2021 | 5323-B | 3 | \$279,000 | Casa Vista | Laguna Premier Realty, Inc | Laguna Premier Realty, Inc | Blue Pacific Escrow |
| 11/12/2021 | 5355-N | 3 | \$375,000 | Casa Vista | Laguna Premier Realty, Inc | Century 21 Rainbow | Blue Pacific Escrow |
| 11/03/2021 | 5371-1A | 3 | \$468,000 | Villa Puerta | Re/Max Fine Homes | Better Loans and Homes Realty | Generations Escrow |
| 11/05/2021 | 5499-1H | 3 | \$360,000 | El Mirador | Vanguard Property Group | ReMax | Concord Escrow |
| 11/22/2021 | 5515-1G | 3 | \$530,000 | El Mirador | Century 21 Rainbow | | Granite Escrow |
| 11/16/2021 | 5527-C | 3 | \$446,300 | Villa Lugano | OCDreamhomes | Legacy Realty Partners | Escrow Leaders |
| 11/30/2021 | 5542-B | 3 | \$649,000 | Casa Mario | HomeSmart Evergreen | HomeSmart Evergreen | Escrow Options Group |
| 11/22/2021 | 5545-A | 3 | \$1,410,000 | Casa Siena | Century 21 Rainbow | Century 21 Rainbow | Corner Escrow Inc. |

Number of Resales: 46

Total Resale Price: \$23,744,300

Resales Report Third Laguna Hills Mutual November, 2021

| Close | Manor | Mutual | Price | Model/Style | Listing Realtor | Buyer Realtor | Escrow |
|-----------------------|-------|--------|-----------|-------------|-----------------|---------------|--------|
| Average Resale Price: | | | \$516,180 | | | | |
| Median Resale Price: | | | \$435,650 | | | | |



OPEN MEETING

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

Monday, November 22 2021: 9:30AM-11:30AM
Laguna Woods Village Community Center (Zoom)
24351 El Toro Road, Laguna Woods, CA 92637

REPORT

COMMITTEE MEMBERS PRESENT: Robert Mutchnick, John Frankel, Ralph Engdahl, James Cook

DIRECTORS PRESENT:

COMMITTEE MEMBERS ABSENT:

ADVISORS PRESENT: Michael Plean, Michael Butler

STAFF PRESENT: Robbi Doncost, Lauryn Varnum, Gavin Fogg, Richard DeLaFuente

1. Call to Order

Chair Mutchnick called the meeting to order at 9:30 AM.

2. Acknowledgement of Media

Zoom recording.

3. Approval of Agenda

Agenda was approved by consensus.

4. Approval of Meeting Report for October 25, 2021

The committee approved the meeting report by consensus.

5. Chair's Remarks

None.

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

None.

7. Manor Alterations Division Update

Mr. Doncost updated the current status of the Manor Alterations ("MA") office, the forward progress with training, and the effort to work cohesively.



Consent:

All matters listed under the Consent Calendar are considered routine and will be enacted by the Committee by one motion. In the event that an item is removed from the Consent Calendar by members of the Committee, such item(s) shall be the subject of further discussion and action by the Committee.

8. Monthly Mutual Consent Report

Mr. Doncost stated that MA is trending in a positive direction with issuance of MC's, but is still behind on phones and emails. Advisor Plean inquired if any more staff was to be brought on, and when the new technology would be integrated. Mr. Doncost confirmed that staff was now full, and there was no way to predict when the technology would be fully integrated. He stated that once integrated, there would be more possibilities for tracking and analysis of data.

Advisor Plean inquired if the variance process could be shortened, in order to process permits quicker. Mr. Doncost highlighted the major time impact came from submissions lacking sufficient paperwork, and the need for approval from both ACSC and the Board.

Variance Requests:

- A. Variance Request – 5417 (San Marco, Plan C12C_2) Master Bedroom Addition, New Windows, Third Bathroom Addition, and Interior Remodel (PDF Page 9)

Staff Officer DeLaFuentes summarized the variance request, the expansion of the bedroom, the addition of another bathroom, and the letter of support from neighbors. Chair Mutchnick asked clarifying questions regarding the courtyard and access points, which Mr. DeLaFuentes explained. A motion to approve the variance was passed by consensus.

- B. Variance Request – 5560-A (Casa Lorenzo, Plan RC12) Kitchen Remodel with Structural Changes (PDF Page 31)

Mr. DeLaFuentes summarized the variance request, highlighting the shared garage wall, that the City will deal with code compliance regarding plumbing and gas lines. After discussion ensued, a motion to approve the variance was passed by consensus.

Items for Discussion:

9. Staff Report - Water Heater Enclosure

Chair Mutchnick gave a physical description of the existing water heater enclosures and a summary of the efforts made until this point. Discussion ensued on the potential for updating existing structures, the capacity to grandfather in existing structures, and the potential costs for completing updates.

Director Frankel inquired if most water heaters were contained within the garage or outside, and Mr. Doncost confirmed that exterior water heaters fell within the exclusive-use common area. Discussion



ensued as to which material upgrades would be most efficient and cost-effective, ultimately deciding that Staff should provide a cost analysis of upgrades. The committee elected to call a motion to grant a temporary stay prohibiting new installations of water heater cabinets within common area. The motion passed. Then a motion was passed to have staff gather costs and pricing to create a new standard for water heater cabinets, inclusive of update occurring before a resale is completed, which would be reviewed by the ACSC before submitting to the Board for approval.

10. ACM: Legal Involvement Progress & Dual Mutual Involvement – Update from Chairman

Chair Mutchnick confirmed he had received no contact from the United ACSC relating to ACM.

11. Staff Report – Alternative Wood Flooring Materials

Mr. Doncost summarized the request made of staff to provide costs and guidance on sound transmission, and make recommendations on a composition or product that could be recommended to members. Mr. Doncost stated that staff had worked with a consultant who had previously provided recommendations within the community.

Discussion ensued regarding the potential issues with members who have already installed flooring not meeting new standards, if the existing structure of the buildings belied sound dampening efforts, or if underlayment was a solution. No motion was made.

12. Staff Report - Policy and Procedures for Requests for Handrails in Common Area

Chair Mutchnick highlighted the edits to be made within the policy, namely the removal of references to ADA, the inclusion of language clarifying the licensing of the handrail, and the potential for members to retain a handrail within a resale. Motion was passed to table the staff report and return it to the ACSC at the next meeting.

Items for Future Agendas:

- Manor Alterations News Bulletin
- Handrail Resolution

Concluding Business:

13. Committee Member Comments:

None.

14. Date of Next Meeting – December 27, 2021

15. Adjournment at 11:00 PM

X _____



Robert Mutchnick, Chair

Robbi Doncost, Staff Officer

Telephone: (949) 268-2281



OPEN MEETING

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

Monday, November 1, 2021 – 1:30 PM

24351 El Toro Road, Board Room & Zoom

MEMBERS PRESENT: Ralph Engdahl – Chair, John Frankel, Jim Cook, Craig Wayne, Robert Mutchnick

MEMBERS ABSENT: None

OTHERS PRESENT: Cush Bhada, Bill Walsh

STAFF PRESENT: Manuel Gomez – Maintenance & Construction Director, Baltazar Mejia – Facilities Manager, Ian Barnette – Maintenance Services Manager, Guy West – Projects Manager, Laurie Chavarria – Sr. Management Analyst

1. Call to Order/Establish a Quorum

Chair Engdahl called the meeting to order at 1:31 p.m. and stated that the meeting is being held pursuant to notice duly given and established that a quorum of the Committee was present.

2. Acknowledgement of Media

The media was not present.

3. Approval of the Agenda

Add 3-story light clock to the agenda. The meeting agenda was approved as amended.

4. Approval of Meeting Report for September 13, 2021

The meeting report for September 13, 2021 was approved as written.

5. Chair's Remarks

Chair Engdahl had no remarks.

6. Member Comments (Items Not on the Agenda)

- A member commented on the solar and street light programs.
- A member commented on gutters needed for her manor.
- A member commented via email on the removal of architectural details from buildings, during the Prior-to-Paint Program and asked how often termite and dry rot inspections are conducted.
- A member commented on stop sign violations, common area benches that need repair, and buildings where stucco/plaster is falling off the exterior walls.

Mr. Gomez responded to all member comments and will direct staff appropriately.

Staff will look into the frequency of building inspections for termite infestations and bring a recommendation back to a future committee meeting.

By consensus staff was asked to look into the request for a downspout at 5357-Q and the non-working solar light at Via Del Faro/Ave. Sosiega.

7. Department Head Update

Mr. Gomez introduced the committee to two new staff members to Maintenance & Construction; Facilities Manager Baltazar (Bart) Mejia & Maintenance Operations Manager Koh Shida. Interviews for consultants to conduct a feasibility study for Building E are scheduled for November 19, 2021.

Consent

All matters listed under the Consent Calendar are considered routine and will be enacted by the Committee by one motion. In the event that an item is removed from the Consent Calendar by members of the Committee, such item(s) shall be the subject of further discussion and action by the Committee.

The Consent Calendar was approved unanimously.

8. Project Log (moved for discussion)

9. Solar Production Report

For Discussion and Consideration

10. Alternatives to Mitigate Nuisance Seepage at Brazo and Calzado in Gate 11

Mr. Mejia summarized the staff report and answered questions from the Committee.

Discussions ensued regarding drains that were previously installed to address the seepage at Building 5127; the depth and width of the proposed French drain; the source of the seepage is from an underground natural spring water between the layers of soil; the proposed areas where drains will be needed; can the drained water be collected and reused

for landscape; staff has coordinated with the water district to confirm that their mains are not leaking.

By consensus, staff was asked to prepare a Scope of Work (with alternate bid items including inspection at end of drain so ensure there is no blockage) and send the RFP via email to the committee for review prior to publication.

11. Common Area Lighting Controllers for Three-Story Buildings

Mr. Barnette informed the Committee that most of the lighting controllers have already been converted to photocell light sensors. Staff received a quote by an outside contractor for replacement of light timer controllers for photocell controller where needed.

Staff was directed to prepare a report for the cost of photocell controllers and motion-sensor lightbulbs in various areas within Garden Villas as appropriate.

12. Project Log Review/Update

Director Mutchnick asked for an update on line items of the project log. This will be sent to the Committee via email.

Director Frankel asked for an update on the SB326 requirement.

The project log was approved by consensus.

Items for Future Agendas

- TBD

Concluding Business:

12. Committee Member Comments

- Director Frankel congratulated Laurie Chavarria on her new role within the department.

13. Date of Next Meeting – January 3, 2022

14. Adjournment - This meeting was adjourned at 2:55 p.m.


Ralph Engdahl, Chair

Ralph Engdahl, Chair
Manuel Gomez, Staff Officer
(949) 268-2380



OPEN MEETING

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

**Thursday, December 2, 2021 – 9:30 a.m.
BOARD ROOM AND VIRTUAL MEETING**

Laguna Woods Village Community Center 24351 El Toro Road

REPORT

COMMITTEE MEMBERS PRESENT: Chair - Annie McCary, Lynn Jarrett, Ralph Engdahl, Ira Lewis, Donna Rane-Szostak

COMMITTEE MEMBERS ABSENT

OTHERS PRESENT:

ADVISORS PRESENT:

STAFF PRESENT: Kurt Wiemann, Eve Morton

1. Call to Order

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

2. Acknowledgement of Media

No media was present.

3. Approval of the Agenda

The agenda was approved by consensus.

4. Approval of the November 4, 2021 Report

The report was approved by consensus.

5. Committee Chair Remarks

Chair McCary said it is great to see residents here in-person.

6. Member Comments (Items Not on the Agenda)

Member stated her Junipers were all cut down instead of trimmed. They took away her privacy and the sound barrier. She is requesting for tall shrubs to be put in their place. She spoke to Raul said last summer and he is waiting for approval to put

irrigation in that area. Now, half of those trees are dead. Mr. Wiemann stated he will talk to his staff and get back to her.

Member spoke about neighbor's landscape alteration and wanted to make staff was making sure neighbor followed plan of what committee allowed.

Member stated he just moved in June 1 and loves the amenities here. He has put in Landscape Request Form to change his landscape. He would like to encourage the use of California native vegetation in the Village. They don't have some of the pests that exotics attract. He said the California Holly may work for Member who previously spoke. Mr. Wiemann asked him to look at the list of drought-tolerant plants on Village website and give him any feedback.

7. Response to Member Comments

Above.

8. Department Head Update

Mr. Wiemann presented a PowerPoint of the Landscape Department's Key Performance Indicators (KPI) and answered some questions.

Mr. Wiemann presented a report on an Alternative Herbicide Trial he conducted and answered some questions.

8a. Project Log

Mr. Wiemann reviewed the Project Log information with the committee and answered some questions.

8b. Tree Work Status Report

Mr. Wiemann reviewed this report with the committee.

Consent:

None

Unfinished Business

9. Review Proposed Stepping Stones Resolution and Policy

Chair McCary explained that resolution went to the Board and is back to this committee because the resolution needed more clear wording and Board requested that examples of a Landscape Request Form, a sample filled-in Landscape Request form, and a sample of a sketch showing where a fictitious Member was requesting stepping stones be allowed accompany the resolution.

Instead of a variance for stepping stone requests, these requests will now be made with a Landscape Request Form and go to the Landscape committee for consideration.

The committee agreed unanimously to recommend the updated Stepping Stones Resolution, Policy, and accompanying documents to the Board.

Items for Discussion and Consideration

10. Tree Removal Request: 2394-1F Via Mariposa W. – One Red Bud tree

Director Lewis made a motion to accept staff recommendation and deny this request. Director Jarrett seconded. The committee was in unanimous support.

11. Tree Removal Request: 3421-3H Calle Azul – One Brisbane Box tree

Director Lewis made a motion to accept staff recommendation and approve this request. Director Engdahl seconded. The committee was in unanimous support.

Future Agenda Items

12. Tree Replacement Program

13. Members Converting Turf Campaign

Concluding Business:

14. Committee Member Comments

Director Jarrett thanked residents for attending.

Director Lewis stated that some native plants don't look too great at some points of the year.

Mr. Wiemann stated that staff is being re-trained on trimming methods. They are focusing more on quality of work and will reduce the amount of time it takes for them to trim.

Director Rane-Szostak said as Chair of the Water Conservation committee that climate change is happening faster than anticipating. Drought conditions will require water conservation and may stop any outdoor watering by residents. Please watch your water usage.

Mr. Wiemann stated that GRF has commissioned the updating of our irrigation system and he will be presenting that to the GRF Landscape Committee this month.

15. Date of Next Meeting – Thursday, January 6, 2022 at 9:30 a.m.

16. Adjournment at 10:50 a.m.

Annie McCary

Annie McCary (Dec 13, 2021 13:35 PST)

Annie McCary, Chair
Kurt Wiemann, Staff Officer
Eve Morton, Landscape Coordinator – 268-2565