

OPEN SESSION

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

Tuesday, February 15, 2022 - 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 Frankel
- 3. Acknowledge Media
- 4. Approval of Agenda
- 5. Approval of Minutes
 - a. January 7, 2022 Agenda Prep Meeting
 - **b.** January 18, 2022 Regular Board 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

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10. CEO Report

- **a.** Overview of Third Projects Log Manuel Gomez, M&C Director
- 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 December 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: 5473-A Paseo Del Lago E. – One Sugar Gum Eucalyptus tree

c. Recommendation from the Finance Committee

- (1) Approve a Resolution for Recording a Lien against Member ID # 937-990-21
- (2) Approve a Resolution for Recording a Lien against Member ID # 933-800-28
- (3) Approve a Resolution for a Notice of Sale against Member ID # 932-791-75

12. Unfinished Business

- a. Entertain a Motion to Approve a Revised Resolution for a Stepping Stones Policy and Guidelines (JANUARY conditionally accepted pending board approval at FEBRUARY meeting- 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)
- b. Entertain a Motion to Introduce Lease Authorization Renewal (JANUARY Initial Notification—28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)

13. New Business

- a. Entertain a Motion to Introduce a Revised Alteration Fee Schedule (February Initial Notification postpone 28-days for Member review and comment to comply with Civil Code §4360)
- b. Entertain a Motion to Introduce a Contractor Violation Policy (February Initial Notification postpone 28-days for Member review and comment to comply with Civil Code §4360)
- c. Entertain a Motion to Introduce a Revision to the Water Heater Enclosure Disposition (February Initial Notification—postpone 28-days for Member review and comment to comply with Civil Code §4360)

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d. Entertain a Motion to Introduce Additional Occupancy Fee (February Initial Notification—postpone 28-days for Member review and comment to comply with Civil Code §4360)

14. Committee Reports

- **a**. Report of the Finance Committee / Financial Report Director Rane-Szostak. The committee met on February 1, 2022; next meeting March 1, 2022, at 1:30 p.m. as a virtual meeting.
 - (1) Treasurer's Report
 - (2) Third Finance Committee Report
 - (3) Resales/Leasing Reports
- **b**. Report of the Architectural Controls and Standards Committee Director Mutchnick. The committee met on January 24, 2022; next meeting February 28, 2022 at 9:30 a.m. as a virtual meeting.
- c. Report of the Communications Committee Director McCary. The committee met on January 12, 2022. The next meeting is April 13, 2022, at 1:30 p.m. in the Willow Room and as a virtual meeting.
- d. Report of the Maintenance and Construction Committee Director Engdahl. The committee met on January 3, 2022; next meeting March 7, 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 Laws. The subcommittee met on January 19, 2022; next meeting March 23, 2022 at 1:30 p.m. as a hybrid in person/virtual meeting.
 - (2) Garden Villa Rec. Room Subcommittee Director Jarrett. The subcommittee met on November 10, 2021; next meeting February 23, 2022, at 1:30 p.m. as a virtual/in-person meeting.
- **e**. Report of the Landscape Committee Director Jarrett. The committee met on February 3, 2022; next meeting March 3, 2022 at 9:30 a.m. as a virtual meeting.
- f. Report of the Water Committee Director Rane-Szostak. The committee met on November 9, 2021; next meeting February 24, 2022, at 2:00 p.m. as a virtual meeting.
- **g**. Report of the Resident Policy and Compliance Committee Director Mutchnick. The committee met on January 26, 2022; next meeting March 2, 2022, at 1:30 p.m. as a virtual meeting.

15. GRF Committee Highlights

- a. Community Activities Committee Director McCary. The committee met on January 13, 2022; next meeting March 10, 2022, at 1:30 p.m. as a virtual meeting.
 - (1) Equestrian Center Ad Hoc Committee Director McCary. The committee met on January 26, 2022; next meeting March 30, 2022, at 1:00 p.m. as a virtual meeting.
- **b**. GRF Finance Committee Director Rane-Szostak. The committee met on January 28, 2022; next meeting February 16, 2022, 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 March 9, 2022, at 1:30 p.m. as a virtual meeting.
- **d**. GRF Maintenance & Construction Committee Director Engdahl The committee met on February 9 2022; next meeting April 13, 2022, at 9:30 a.m. as a virtual meeting.
 - (1) Clubhouse Facilities Renovation Ad Hoc Committee Director Engdahl. The committee met on January 28, 2022; next meeting, TBA.
- e. Media and Communications Committee Director McCary. The committee met on January 17, 2022; next meeting February 22, 2022, at 9:30 a.m. as a virtual meeting.
- **f**. Mobility and Vehicles Committee Director Cook The committee met on February 2, 2022; next meeting April 6, 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 January 25, 2022; next meeting March 29, 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 January 19, 2022; next meeting February 16, 2022 at 9:00 a.m. as a virtual meeting.
- i. GRF Strategic Planning Ad Hoc Committee Director Mutchnick. The committee met on January 10, 2022; next meeting March 9, 2022 at 1:30 p.m. in the Board Room and as a virtual meeting.

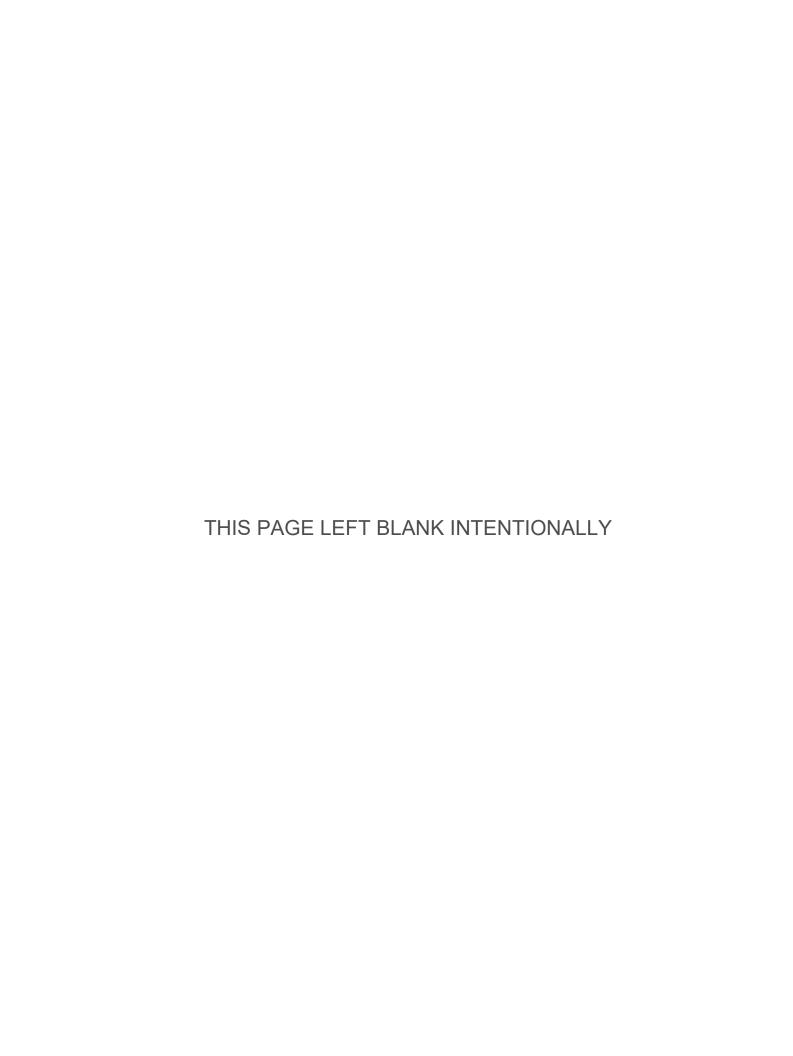
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- j. Revenue Resources Ad Hoc Committee The committee met for the first time on January 12, 2022; next meeting March 8, 2022 at 2:00 p.m. as a virtual meeting.
- k. Information Technology Advisory Committee Director Laws.
- **16. Future Agenda Items--** 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
- 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) January 18, 2022—Regular Closed Session
Discuss and Consider Member Matters
Discuss Personnel Matters
Discuss and Consider Contractual Matters
Discuss and Consider Litigation Matters

19. Adjourn





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, January 7, 2022 - 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: Annie McCary, John Frankel, Ralph Engdahl, Craig Wayne, Cush

Bhada, Donna Rane-Szostak, Jim Cook, Mark Laws, Nathaniel Ira

Lewis, Lynn Jarrett

Directors absent: Robert Mutchnick

Staff present: Jeff Parker, Siobhan Foster, Grant Schultz and Michelle Estrada

Others present: None

1. Call Meeting to Order / Establish Quorum

First Vice President McCary called the meeting to order at 9:29 a.m. and established that a guorum was present.

Approval of the Agenda

By consensus, the agenda was approved.

 Discuss and Consider Items to be placed on the Third Board Regular Meeting Agenda (open & closed session) on January 18, 2022

The board approved the agenda by consensus.

4. Director Comments - None

5. Adjournment

The meeting was adjourned at 10:12 a.m.

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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, January 18, 2022 - 9:30 a.m.
Laguna Woods Village Community Center
Virtual Meeting
24351 El Toro Road
Laguna Woods, California

Directors Present: Robert Mutchnick, Annie McCary, Ralph Engdahl, John

Frankel, Cush Bhada, Jim Cook, Mark Laws, Nathaniel Ira Lewis, Donna Rane-Szostak, Lynn Jarrett, Craig Wayne

Directors Absent: None

Staff Present: Jeff Parker-CEO, Siobhan Foster-COO, Connie Habal, Manuel

Gomez, Gavin Fogg, Richard de la Fuentes, Pamela Bashline,

Cindy Shoffeitt, Grant Schultz, Michelle Estrada

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 with removal of item 7. Presentation by Dennis Cafferty, General Manager of El Toro Water District. Mr. Cafferty would like to conduct his presentation in person rather than in a virtual meeting.

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

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Hearing no other changes, the motion passed without objection.

5. Approval of Minutes

- a. December 10, 2021 Agenda Prep Meeting
- b. December 10, 2021 Special Open Meeting
- c. December 21, 2021 Regular Board Meeting

President Mutchnick asked for a motion to approve the minutes.

Director Jarrett made a motion to approve the minutes of December 10, 2021 – Agenda Prep Meeting, December 10, 2021 – Special Open Meeting, December 21, 2021 – Regular Board Meeting, Director Engdahl seconded the motion.

Director Laws commented on the December 21, 2021 – Regular Board Meeting Minutes. He requested that the minutes be revised to reflect Consent Calendar item 11D was to be moved to New Business and reflect the vote that was taken.

Hearing no further objections, the minutes were approved as corrected.

6. Report of the Chair

President Mutchnick reported on:

- All town hall meetings will be suspended until the mask mandate is no longer in effect.
- Roll call votes will be taken during all virtual meetings and asked that all directors keep their cameras on.
- President Mutchnick recognized that this is Jeff Parker's final meeting with the Third Board and thanked Jeff for his service as CEO.

THIS ITEM WAS REMOVED DURING APPROVAL OF THE AGENDA

7. Presentation by Dennis Cafferty, General Manager of El Toro Water District
El Toro Water District General Manager, Dennis Cafferty, would like to conduct his presentation in person rather than in a virtual meeting.

8. Update from the VMS Board

VMS 1st Vice President Tao gave an update from the last VMS Board Meeting accompanied with a presentation:

- New Corporate Secretary, Michelle Estrada, began employment on January 3, 2022.
- New Assistant Corporate Secretary, Makayla Thomas, will begin employment on January 24, 2022.
- General Services Director, Robert Carroll, began employment on January 17, 2022.
- Media and Communications Department key 2022 initiatives.
- VMS goals and activities for 2022.
- **9. 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

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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 can 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 serving the Third Board to recall Directors Mutchnick and Jarrett. The member urged the membership to take the upcoming vote seriously.
- A member commented on working with Director Jarrett and commended her for her excellent service on the Board to the membership. The member stated that a recall and election would cost a substantial amount of money and urged the members to not pass the petition.
- A member commented on the recall of Directors Mutchnick and Jarrett. The member expressed that there is no need to burden the budget to remove members when there is an election in the near future.
- A member commented on the donations made by The Foundation to support the community members experiencing financial hardship during the pandemic.

10. Responses to Open Forum Speakers - None

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

CEO Jeff Parker reported on:

- COVID update: Cases continue to rise significantly.
- Presentation on the solid waste transition from Waste Management to CR&R. Organic recycling carts were delivered before January 5, 2022 and collection is underway. Waste Management bins are being swapped out to CR&R bins at approximately 100 bins per week. Bulky-item pick-up will increase from monthly to weekly. A "how-to" and list of items that are acceptable and unacceptable were Residents are to visit listed during the presentation. cityoflagunawoods.org/lwvorganics to view a map of organic cart locations. Resident Services will no longer be the point of contact for trash related concerns; residents are to contact CR&R directly at 949-625-6735 or lagunawoodsrecycles@crrmail.com.
- This is CEO Jeff Parker's final board meeting. He thanked the directors for their service and Siobhan Foster for her leadership.

COO Siobhan Foster reported on:

- The Transportation Informational meeting regarding the Age Well proposal will be held virtually this Friday, January 21, 2022 at 9:30 a.m. and will be televised.
- Clubhouses 3, 4, 5 will have mulch pick-up from January 21-24, 2022.

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12. 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.

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

Director McCary motioned the approval of the Consent Calendar. Director Cook seconded the motion.

Hearing no other changes, President Mutchnick called for the motion and it passed without objection.

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:

Recommend to Approve Tree Removal Request: 5473-C Paseo Del Lago E. –
One Red Iron Bark

RESOLUTION 03-22-01 Approve the Request For Removal of One Red Iron Bark Tree 5473-C Paseo Del Lago E.

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, are referred to the Committee..."

WHEREAS, on December 6, 2021, the Landscape Committee reviewed a request from the Member at 5473-C to remove one Red Iron Bark tree. The Member cited the reasons as *structural damage*;

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 Red Iron Bark tree located at 5473-C Paseo Del Lago E.

NOW THEREFORE BE IT RESOLVED, January 18, 2022, the Board of Directors approves the request for the removal of one Red Iron Bark tree located at 5473-C:

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

Recommend to Deny Tree Removal Request: 3047-P Via Serena C. – Rusty Leaf Fig

RESOLUTION 03-22-02 Deny the Request For Removal of One Rusty Leaf Fig Tree 3047-P Via Serena S.

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, are referred to the Committee…"

WHEREAS, on December 6, 2021, the Landscape Committee reviewed a request from the Member at 3047-P to remove one Rusty Leaf Fig tree. Due to the proximity to the residence, the Member cited the reason as continual dropping of seeds;

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 Rusty Leaf Fig tree located at 3047-P Via Serena S.

NOW THEREFORE BE IT RESOLVED, January 18, 2022, the Board of Directors denies the request for the removal of one Rusty Leaf Fig tree located at 3047-P;

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

 Recommendation to Approve Tree Removal Request: 3154-B Alta Vista – Brazilian Pepper

RESOLUTION 03-22-03 Approve the Request For Removal of Brazilian Pepper Tree 3154-B Alta 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, are referred to the Committee..."

WHEREAS, on December 6, 2021, the Landscape Committee reviewed a request from the Member at 3154-B to remove one Brazilian Pepper tree. The Member cited the reasons as previous structural damage and threat of failing limbs;

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 Brazilian Pepper located at 3154-B Alta Vista.

NOW THEREFORE BE IT RESOLVED, January 18, 2022, the Board of Directors approves the request for the removal of one Brazilian Pepper tree located at 3154-B;

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

 Recommendation to Deny Tree Removal Request: 3160-D Alta Vista – Three King Palms

RESOLUTION 03-22-04 Deny the Request For Removal of Three King Palm Trees 3160-D Alta 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, are referred to the Committee..."

WHEREAS, on December 6, 2021, the Landscape Committee reviewed a request from the Member at 3160-D to remove three King Palm trees. The Member cited the reasons as potential structural damage and litter/debris;

WHEREAS, the Committee determined that the trees do not meet the guidelines set forth in Resolution 03-21-10 and recommends denying the request for the removal of three King Palm trees located at 3160-D Alta Vista.

NOW THEREFORE BE IT RESOLVED, January 18, 2022, the Board of Directors denies the request for the removal of three King Palm trees located at 3160-D;

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

 Recommend to Deny Request for Off-Schedule Tree Trimming: 4007-1C Calle Sonora Oeste – Rusty Leaf Fig

RESOLUTION 03-22-05

Deny the Request For Off-Schedule Trimming of One Rusty Leaf Fig Tree 4007-1C Calle Sonora Oeste

WHEREAS, on December 6, 2021, the Landscape Committee reviewed a request from the Member at 4007-1C for the off-schedule trimming of one Rusty Leaf Fig tree. The Member cited the reasons as the tree is overgrown, badly damaged, and resident doesn't believe the tree has been properly maintained;

WHEREAS, the Committee determined that the tree does not have any damaged branches or deadwood that would require an off-schedule trimming and, therefore, recommends denying the request for the off-schedule trimming of one Rusty Leaf Fig tree located at 4007-1C Calle Sonora Oeste.

NOW THEREFORE BE IT RESOLVED, January 18, 2022, the Board of Directors denies the request for the off-schedule trimming of one Rusty Leaf Fig tree located at 4007-1C;

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

6. Recommend to Deny Landscape Revision Request: 5209 Avenida Despacio

RESOLUTION 03-22-06 Deny the Landscape Revisions Request 5209 Avenida Despacio

WHEREAS, on January 6, 2022, the Landscape Committee reviewed a request from the Member at 5209 for landscape revisions adjacent to their manor; to have permission to return painted stones which were removed at the request of the Compliance Department due to the fact that the stones' location violates Mutual policies. The Member cited the reason for returning the stones to their former location as resident preference;

WHEREAS, the Committee recommends denying the request for this landscape revision located at 5209 Avenida Despacio.

NOW THEREFORE BE IT RESOLVED, January 18, 2022 the Board of Directors denies the request for a landscape revision of permission to return painted stones to their previous location adjacent to the manor at 5209;

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

7. Recommend to Approve Landscape Revision Request: 5423 Calle Carmenita

RESOLUTION 03-22-07 Approve the Landscape Revisions Request 5423 Calle Carmenita

WHEREAS, on January 6, 2022, the Landscape Committee reviewed a request from the Member at 5423 for landscape revisions to their manor, at their 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 5423 Calle Carmenita, with the following conditions:

- All costs for design, construction, and maintenance of the improvement are the responsibility of the Property's Member Owner at 5423.
- 2. All materials and installation shall be approved by the Landscape Department prior to start of work.
- The requesting Member understands that only the approved plant material may be planted and, per Mutual Policy, no vegetables or fruits may be planted.
- The requesting Member understands that the area will remain Common Area subject to the use and passage of all members of Third Mutual.

NOW THEREFORE BE IT RESOLVED, January 18, 2022, the Board of Directors approves the request for landscape revisions, at the Member's expense, at 5423;

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

c. Recommendation from the Architecture Controls and Standards Committee

Variance Request – 5063 Avenida Del Sol (Villa Terraza, Plan C10RC_1)
 Master Bathroom Extension and New Laundry Room in the Garage –
 APPROVED

RESOLUTION 03-22-08 Variance Request 5063 Avenida Del Sol

WHEREAS, Mr. Steve Grogan of 5063 Avenida Del Sol, a Villa Terraza style unit, is requesting Board approval of a variance to install a laundry room in the garage and master bathroom extension; and,

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected units December 03, 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 December 27, 2021.

NOW THEREFORE BE IT RESOLVED, on January 18, 2022, the Board of Directors hereby approves the request to install a laundry room in the garage and master bathroom extension;

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 5063 Avenida Del Sol and all future Mutual members at 5063 Avenida Del Sol;

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.

Variance Request – 5071 Avenida Del Sol (Villa Terraza, Plan C10RC_1)
 Master Bedroom Extension and Foyer Addition – APPROVED

RESOLUTION 03-22-09 Variance Request 5071 Avenida Del Sol

WHEREAS, Mr. Carl Main and Ms. Teddy Main of 5071 Avenida Del Sol, a Villa Terraza style unit, are requesting Board approval of a variance to install a master bedroom extension and foyer addition; and,

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected units December 03, 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 December 27, 2021.

NOW THEREFORE BE IT RESOLVED, on January 18, 2022, the Board of Directors hereby approves the request to install a master bedroom extension and foyer addition.;

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 5071 Avenida Del Sol and all future Mutual members at 5071 Avenida Del Sol:

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.

Variance Request – 5206 Avenida Despacio (Villa Reposa, Plan C11B_1)
 Master Bedroom Extension, Bedroom Extension, Third Bathroom Addition –
 APPROVED

RESOLUTION 03-22-10 Variance Request 5206 Avenida Despacio

WHEREAS, Mr. Mark Miller of 5206 Avenida Despacio, a Villa Reposa style unit, is requesting Board approval of a variance to install a master bedroom extension, bedroom extension, third bathroom addition, kitchen relocation and office addition; and,

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected units December 03, 2021, notifying 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 December 27, 2021.

NOW THEREFORE BE IT RESOLVED, on January 18, 2022, the Board of Directors hereby approves the request to install a master bedroom extension and foyer addition;

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 5206 Avenida Despacio and all future Mutual members at 5206 Avenida Despacio;

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.

 Variance Request – 5555-A Rayo Del Sol (Casa Palma, 10R-13) Bedroom Addition on Existing Rear Private Garden: Appeal – APPROVED

RESOLUTION 03-22-11 Variance Request 5555-A Rayo Del Sol

WHEREAS, Mr. Hariri of 5555-A Rayo Del Sol, a Casa Palma style manor, requests Board approval of a variance to add a room addition in the rear private garden; and,

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected units December 1, 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 December 27, 2021.

NOW THEREFORE BE IT RESOLVED, on January 18, 2022, the Board of Directors hereby approves the request to add a room addition in the rear private garden;

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 5555-A Rayo Del Sol and all future Mutual members at 5555-A Rayo Del Sol;

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.

d. Approve a Resolution to Update Officers Appointments

RESOLUTION 03-22-12 APPOINTMENT OF OFFICERS

RESOLVED, on January 18, 2022, 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 1st Vice President

Ralph Engdahl 2nd Vice President

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Lynn Jarrett Secretary

Donna Rane-Szostak Treasurer

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

Siobhan Foster Vice President ex Officio

XXXX XXXX Assistant Secretary ex Officio

Steve Hormuth Assistant Treasurer ex Officio

RESOLVED FURTHER, that Resolution 03-21-77, adopted October 19, 2021, 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.

13. Unfinished Business

13a. Entertain a Motion to Introduce a Revised Resolution for a Stepping Stones Policy and Guidelines (OCTOBER Initial Notification—NOVEMBER sent back to Committee—DECEMBER reintroduced—28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied)

Director Jarrett read the following resolution:

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, 2022, the Board of Directors approves the change from variance request to landscape

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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 its 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 resolution. Director Bhada seconded the motion.

Director Lewis commented on the diagram and directions on pages 8 – 12.

Discussion ensued among the directors.

Director Laws made a motion to approve the resolution with the condition that pages 8 – 12 will have an updated diagram and directions upon review at the next Board meeting on February 15, 2022. Director Lewis seconded the motion.

Hearing no objection, the motion was approved as amended by unanimous consent upon board approval on February 15, 2022.

14. New Business

14a. Entertain a Motion to Approve a Partial Reimbursement to Lois Wilson for Repairs & Restoration at 3067-B.

Director Jarrett read the following staff report:

RECOMMENDATION

The Third M&C Committee recommends that the Board approve a partial reimbursement to Ms. Lois Wilson, the non-occupant owner of 3067-B, for plumbing repair and dry down expenses she incurred related to an in-wall plumbing leak at her manor, in the amount of \$1,604.12.

BACKGROUND

On November 22, 2021, Ms. Lois Wilson, the non-occupant owner of Manor 3067-B, reported that the hallway carpet in her unit was wet from an unknown source. An emergency service order was entered in the database at 9:13am and the Mutual's in-house Plumbing Foreman printed the service order at 9:20am and assigned it to a plumbing technician.

There were 56 reported plumbing emergencies received that day, and a plumbing technician was unable to respond until 3:25pm. The handwritten note on the service order states that an outside plumber was already performing a repair to the Mutual's water pipe and a dry down company was setting up equipment when the in-house plumber arrived. Staff was informed that a pin hole leak was found in the hot water line between the hallway closet and an adjacent bathroom (Attachment 1).

On November 23, 2021, a Damage Restoration Coordinator made a same day appointment to inspect the unit for damage. The coordinator was informed by the occupant that the non-occupant owner contacted her insurance company and hired their own plumber and restoration company. An air scrubber and a dehumidifier were setup inside the hallway closet. During the inspection, secondary damage (mold) was found on the hall closet walls near the plumbing manifold, where the copper line was repaired (Attachment 2). This indicates the leak had gone unnoticed for some time.

On January 3, 2022, the M&C Committee reviewed the staff report with supporting documents and asked questions of staff and Ms. Wilson. The Committee discussed the costs the Mutual would have incurred if staff would have performed the plumbing repair and utilized the Mutual's restoration contractor. It was determined that the environmental testing that was paid for by Ms. Wilson would not have been necessary if staff had been given enough time to respond to the emergency plumbing request. By a unanimous vote, the Committee recommended that Ms. Wilson receive reimbursement for all the costs she incurred except for the \$587 that was paid to Patriot Environmental Lab Services, for a total reimbursement of \$1,604.12.

Director Cook made a motion to approve the partial reimbursement totaling \$1,604.12. Director Engdahl seconded the motion.

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

14b. Entertain a Motion to lower the lease cap to 25 Percent (January Initial Notification—postpone 28-days for Member review and comment to comply with Civil Code §4360)

Director McCary made a motion to approve lowering the lease cap to 25 percent. Director Engdahl seconded the motion.

Director Jarrett read the following resolution:

RESOLUTION 03-22-XX Leasing Cap and Lease Waiting List Policy Third Board Regular Meeting Minutes January 18, 2022 Page **16** of **22**

WHEREAS, Third Laguna Hills Mutual (Third) is authorized to manage, operate and maintain housing at Laguna Woods Village; and

WHEREAS, Third operates as a Common Interest Development in accordance with the Davis-Stirling Common Interest Development Act; and

WHEREAS, AB 3182 regarding rental restrictions was enacted into law and became effective January 1, 2021; and

WHEREAS, Third established a thirty percent (30%) lease cap in 2008, and now desires to align its restriction with the new law prohibiting rental restrictions to less than 25% of separate interests in the community;

NOW THEREFORE BE IT RESOLVED, the Board of Directors approves an adjustment of the rental cap from thirty percent (30%) to twenty-five percent (25%), canceling and superseding Resolution 03-20-26;

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

Discussion ensued among the directors.

Director Laws made a motion to send this item back to Committee for reconsideration. Discussion ensued among directors. Director Laws withdrew his motion.

Pamela Bashline provided information and answered questions from the directors.

Director Wayne entered the meeting at 11:27 a.m.

Director Lewis made a motion to send this item back to Committee with the condition that three items are reviewed: Whether the 2008 lease cap was done legally in the proper process, whether this proposed resolution is done properly, revision of family members leasing to family members. Director Laws seconded the motion.

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

14c. Entertain a Motion to Introduce Lease Authorization Renewal (January Initial Notification—postpone 28-days for Member review and comment to comply with Civil Code §4360)

Director Jarrett read the following endorsement:

ENDORSEMENT (to Board)
Lease Authorization Renewal

The full lease authorization application requires landlords and tenants to complete the lease authorization application, provide a copy of the lease agreement, acknowledge the Assignments of Rent provision, provide the Declaration of Criminal Record for each lessee and provide the Declaration of Understanding signed by each lessor and lessee. The full lease authorization application re-acquaints everyone with the complete policy and any amendments thereto. The fee for a new lease authorization application is currently \$170. No change to the fee is recommended at this time. Utilizing abbreviated forms will simplify the process for customers and staff alike. It is common for some individuals' contact information to change frequently, and so the annual verification of mailing address, email address and telephone numbers is quite justifiable and particularly important for off-site owner communication.

Director Jarrett read the following resolution:

RESOLUTION 03-22-XX Lease Authorization Renewal

WHEREAS, Third Laguna Hills Mutual (Third) is authorized to manage, operate and maintain housing at Laguna Woods Village; and

WHEREAS, Third amended its Lease Authorization Policy by way of Resolution 03-21-04 in order to comport with AB 3182, which became effective January 1, 2021; and

WHEREAS, the Board of Directors is aware of member requests to ease the annual paperwork requirements for landlords and tenants who are in good standing, without rule violations, late payments or delinquencies;

NOW THEREFORE BE IT RESOLVED, the Board of Directors approves an abbreviated lease authorization renewal application process for up to five (5) years for landlords and tenants who remain in good standing during the lease authorization period. No change in the fee for lease authorization renewals will result;

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

Discussion ensued among the directors

Pamela Bashline answered questions raised by Director Lewis.

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14d. Entertain a Motion to Introduce a Revision to the Water Heater Enclosure Disposition (January Initial Notification—postpone 28-days for Member review and comment to comply with Civil Code §4360)

Director Jarrett read the following resolution:

RESOLUTION 03-22-XX Prohibition of Exterior Water Heater Relocations

WHEREAS, Standard 32 Water Heater Relocations were allowed by the board adoption of the original resolution dated August 1992, and lastly by revised March 2019, Resolution 03-19-34; and

WHEREAS, the board agrees that the use of common area for the relocation of manor water heater tanks and their respective enclosures does not enhance the building or mutual aesthetics of the community; and

WHEREAS, the board agrees to cancel or revoke both the original resolution dated August 1992, and the revised March 2019, Resolution 03-19-34; and

WHEREAS, the board agrees to prohibit all new exterior water heater (W.H.) approvals and further prohibits the approval of water heater relocations by variance; and

WHEREAS, the existing and prior MA approved exterior W.H. cabinets would be allowed to remain and continued to exist or "grandfathered". The existing cabinets and W.H. maintenance will continue as an obligation of the member as an Alteration limited by the following criteria:

- In the event the W.H. cabinet and its landscaping are not properly maintained the member may lose all rights to its presence in common area as may be enacted by the board.
- 2. If the existing cabinet needs to be re-constructed due to rot or removal for mutual maintenance activities, the cabinet shall be built back to the new Standard 32 revised containing pressure treated wood, stucco veneer, new roofing material. This new drawing has not yet been revised as the approval of a new resolution and design cost would be a prerequisite to the standard revision.
- All landscaping shall be installed per the original Standard 32. The member shall contact Landscaping Services to arrange for the installation of adequate landscaping material and any alteration of irrigation work.

4. MA shall prohibit the issuance of all future MC requests regarding W.H. relocations to the common area.

WHEREAS, the board agrees that the prohibition of future water heater enclosures will contribute to a more positive architectural image of the community; and

NOW THEREFORE, BE IT RESOLVED, on January 18, 2022, the Third Laguna Hills Board hereby approve the Prohibition of Exterior Water Heater Relocations Resolution as attached; 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.

Discussion ensued among the members.

Gavin Fogg answered questions from the board.

A member commented on the unsightly view of the water heaters.

15. Committee Reports

- 15a. Report of the Finance Committee / Financial Report Director Rane-Szostak gave the Treasurer's Report along with a presentation on external factors affecting Third Mutual Costs. The committee met on January 4, 2022; next meeting February 1, 2022, at 1:30 p.m. as a virtual meeting.
 - (1) Treasurer's Report
 - (2) Third Finance Committee Report
 - (3) Resale/Leasing Reports
- 15b. Report of the Architectural Controls and Standards Committee Director Mutchnick gave an update from the last committee meeting. The committee met on December 27, 2021; next meeting January 24, 2022, at 9:30 a.m. as a virtual meeting.
- **15c**. Report of the Communications Committee Director McCary gave an update from the committee. The committee met on January 17, 2022; next meeting is scheduled for April 13, 2022 at 1:30 p.m. in the Willow Room as a virtual meeting.
- **15d**. Report of the Maintenance and Construction Committee Director Engdahl gave an update from the M&C Committee. The committee met on January 3, 2022; next meeting March 7, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.

- 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 January 19, 2022 at 1:30 p.m. as a virtual meeting.
- 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 1:30 a.m. as a virtual meeting.
- **15e**. Report of the Landscape Committee Director Jarrett gave an update from the Landscape Committee. The committee met on January 6, 2022; next meeting February 3, 2022, at 9:30 a.m. as a virtual meeting.
- 15f. Report of the Water Committee Director Rane-Szostak gave an update on Water Conservation. The committee met with the El Toro Water District on December, 2021; next meeting TBA.
- **15g**. Report of the Resident Policy and Compliance Committee Director Mutchnick. The committee met on December 28, 2021; next meeting January 26, 2022, at 9:30 a.m. as a virtual meeting.

16. GRF Committee Highlights

- 16a. Community Activities Committee Director McCary shared highlights from the last Community Activities Committee. The committee met on January 13, 2022; next meeting February 10, 2022, at 1:30 p.m. as a virtual meeting.
 - 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. as a virtual meeting.
- **16b.** GRF Finance Committee Director Rane-Szostak shared highlights from the last committee meeting. The committee met on December 15, 2021; next meeting February 16, 2022, at 1:30 p.m. in the Board Room and as a virtual meeting.
- **15c.** GRF Landscape Committee Director Lewis. The committee met on December 8, 2021; next meeting February 9, 2022 at 1:30 p.m. as a virtual meeting.
- 15d. GRF Maintenance & Construction Committee Director Engdahl shared highlights from the last committee meeting. The committee met December 8, 2021; next meeting February 9, 2022, at 9:30 a.m. as a virtual meeting.
 - (1) Clubhouse Facilities Renovation Ad Hoc Committee Director Engdahl shared highlights from the last committee meeting. The committee met on December 29, 2021; next meeting January 28, 2022, at 1:00 p.m. as a virtual meeting.

- **15e.** Media and Communications Committee Director McCary shared highlights from the last committee meeting. The committee met on January 17, 2022; next meeting February 21, 2022, at 1:30 p.m. as a virtual meeting.
- **15f.** Mobility and Vehicles Committee Director Bhada. The committee met on December 1, 2021; next meeting February 2, 2022, at 1:30 p.m. 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 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 updated the board on the last task force meeting. The task force met on November 30, 2021; next meeting January 25, 2022, 9:30 a.m. as a virtual meeting.
- **15h**. Report of the Laguna Woods Village Traffic Hearings Director Frankel reported on the last traffic hearings held on December 15, 2021; next meeting January 19, 2022 at 9 a.m. as a virtual meeting.
- **15i**. Report of the GRF Strategic Planning Ad Hoc Committee Director Lewis shared highlights from the last committee meeting. The committee met on January 10, 2022; next meeting March 9, 2022 at 1:30 p.m. as a virtual meeting.
- 15j. Report of the Trash Task Force Director Mutchnick commented that trash-related issues will be handled directly with CR&R as CEO, Jeff Parker, stated during his report earlier.
- 16k. Report of the Revenue Resources Ad Hoc Committee Director Bhada shared highlights from the last committee meeting. The Committee met for the first time on January 12, 2022; next meeting TBA.
- 17. 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. ETWD President Dennis Cafferty Presentation

18. Director's Comments

- Several of the directors thanked Jeff Parker for his service as CEO and wished him well in his future endeavors.
- Director Bhada announced that he will be absent over the next two months.
- Director Engdahl commented that he appreciates the feedback and participation from the membership.

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 Director Mutchnick thanked Jeff Parker, Siobhan Foster, and the membership for their participation.

19. 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.

The meeting was recessed into closed session at 12:53 p.m.

Closed Session Agenda

Approval of Agenda
Approval of the Minutes
(a) December 21, 2021—Regular Closed Session
Discuss and Consider Member Matters
Discuss Personnel Matters
Discuss and Consider Contractual Matters
Discuss and Consider Litigation Matters

20. Adjournment

The meeting was adjourned at 3:36 p.m.

Lynn Jarrett, Secretary of the Board Third Mutual Laguna Hills



RESOLUTION 03-22-XX

Deny the Request For Removal of One Sugar Gum Eucalyptus Tree 5473-A Paseo Del Lago E.

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 February 3, 2022, the Landscape Committee reviewed a request from the Member at 5473-A to remove one Sugar Gum Eucalyptus tree. The Member cited the reasons as structural damage, overgrown, poor condition, and the tree is leaning;

WHEREAS, the Committee determined that the tree is not causing any damage nor is lean of concern, therefore this request does not meet the guidelines set forth in Resolution 03-21-10 and recommends denying the request for the removal of one Sugar Gum Eucalyptus tree located at 5473-A Paseo Del Lago E.

NOW THEREFORE BE IT RESOLVED, February 15, 2022, the Board of Directors denies the request for the removal of one Sugar Gum Eucalyptus tree located at 5473-A;

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

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RESOLUTION 03-22-XX

Recording of a Lien

WHEREAS, Member ID 937-990-21; 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, February 15, 2022, that the Board of Directors hereby approves the recording of a Lien for Member ID 937-990-21and;

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 03-22-XX

Recording of a Lien

WHEREAS, Member ID 933-800-28; 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, February 15, 2022, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-800-28 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 03-22-XX

Initiate Foreclosure (Notice of Sale)

RESOLVED, February 15, 2022 that the Board of Directors of this Corporation hereby authorizes initiation of foreclosure of a lien for delinquent assessments that has been validly recorded for parcel number 932-791-75; 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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STAFF REPORT

DATE: February 15, 2022 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 Proposed Stepping Stone Resolution and Guidelines Sample Landscape Request Form (Blank and Completed) Attachment 2:

Attachment 3:

ATTACHMENT 1

Stepping Stone Resolution History in Third Mutual

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

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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.

JANUARY conditionally accepted pending board approval at FEBRUARY meeting- 28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied.

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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.)

ATTACHMENT 3



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 | |
| 1 Condonico Transc | Totophone Hambot | |
| Non-Routine R | equest | |
| Please checkmark the item that best describes your re "Other" and explain. | quest. If none apply, please checkmark | |
| ☐ Tree Removal ☐ New Landscape | ☐ Off-Schedule Trimming | |
| ☐ Other (explain): | | |
| | | |
| Reason for Re | anuest | |
| Please checkmark the item(s) that best explain the re- | | |
| , , , | , | |
| ☐ Structural Damage ☐ Sewer Damage ☐ Overgr | own \square Poor Condition | |
| ☐ Litter/Debris ☐ Personal Preference | | |
| ☐ Other (explain): | | |

GUIDELINES:

- <u>Structural/Sewer Damage</u>: 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.
- <u>Damaged/Declining Health</u>: Trees or plants that are declining in health will be evaluated for corrective action before removal/replacement is considered.
- <u>Litter and Debris</u>: 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.
- <u>Personal Preference</u>: 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.

| | tion & Location of F | | | |
|---|----------------------------|---------------------------------------|------------------|--------------|
| Please <u>briefly</u> describe the situation | | _ | = | |
| "roots of pine tree in front of manor." | X YZ are iiπing the sidewa | aik). Atta | cn pictures as r | ecessary. |
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| O' f All | NI - : - I- I Aff 4 I | D. This | D | |
| Signatures of All Because your request may affect or | Neighbors Affected | | | rou obtain |
| heir signatures, manor numbers, ar | | | - | |
| Signature | Manor # | For | Undecided | Against |
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| (Please attach a separate sheet if r | nore signatures are nece | essary.) | | |
| Ack | nowledgement - Ov | vner | | |
| By signing, you are acknowledgi | | VIICI | | |
| | | | | |
| Owner's Signature | Owner | s Name | | |
| • | | | | |
| | OFFICE USE ON | | | |
| MOVE-IN DATE: | | | INITIAI | |
| 30 540 | 570 | LAST | PRUNED: | |
| RELANDSCAPED: | _ | NEXT | TIME: | |
| | TREE SPECIES: | | | |
| | | | | |
| COMMENTS: | | | | |
| | | | | |
| | | | | |

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.

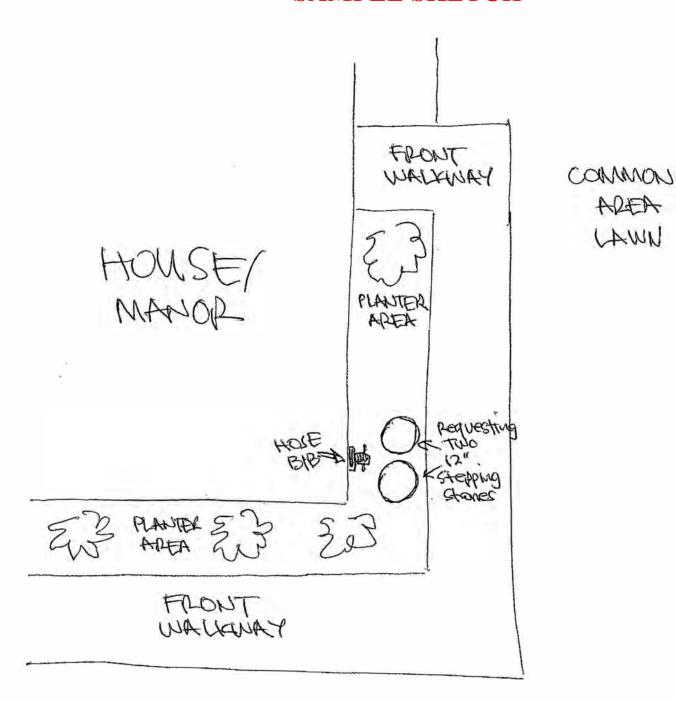
| PLEASE RETURN COMPLETED REQUEST FO | DRM TO RESIDENT SERVICES. |
|---|--|
| Resident/Owner Info | ormation |
| You must be an owner to request non-routine Landscap | pe requests. |
| 5599 Ronda Granada | 11-15-2021 |
| Address | Today's Date |
| Elizabeth Smith | |
| Resident's Name | Telephone Number |
| Non-Routine Re | quest |
| Please checkmark the item that best describes your requirement of the control of | uest. If none apply, please checkmark |
| ☐ Tree Removal ☐ New Landscape | ☐ Off-Schedule Trimming |
| Other (explain): Would like to place sto | epping stones to access |
| my hose bib (Add detailed explana | ation of where the proposed stepping stones will go) |
| Reason for Req | uest |
| Please checkmark the item(s) that best explain the reas | son for your request. |
| ☐ Structural Damage ☐ Sewer Damage ☐ Overgrow | wn 🗆 Poor Condition |
| ☐ Litter/Debris ☐ Personal Preference | |
| ☑ Other (explain): Additional information that ma | ay help the Board understand the request) |
| GUIDELINES: Structural/Sewer Damage: Damage to buildings, side may justify removal if corrective measures are not performed. Overgrown/Crowded: Trees or plants that have outgoing removal. Damaged/Declining Health: Trees or plants that are corrective action before removal/replacement is considered. Litter and Debris: Because all trees shed litter seasor reason to justify removal. However, if granted, remover the personal Preference: Because one does not like the | practical. grown the available space may justify declining in health will be evaluated for asidered. ponally, generally this is not an adequate oval/replacement may be at the resident's |
| the tree or plant generally does not justify its remova | |

removal/replacement is usually at the resident's expense.

Provide sketch of where the stepping stones will be placed in relation to residence

| Description 8 | & Location of F | Request | | |
|--|----------------------|-------------|-------------------|---|
| Please briefly describe the situation and the | ne exact location of | f the subje | ect of the reques | 1 1 1 2 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |
| "roots of pine tree in front of manor XYZ ar | | | | |
| I would like to place | - 12 inch | , rou | nd, conc | rete |
| I would like to place stepping stones from | my front | walk | Lway to | the |
| hose bib located at | the side | of r | ny manor | 4 |
| (Include size, number and | | | | |
| Signatures of All Neigh | nbors Affected | By This | Request | 0 |
| Because your request may affect one or matheir signatures, manor numbers, and whe | | | | |
| Signature | Manor # | For | Undecided | Against |
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| elle | 5598 | V | | |
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| December 15 August 15 Augu | | | | |
| (Please attach a separate sheet if more si | gnatures are nece | ssary.) | | |
| Acknowle | edgement - Ow | vner | | |
| By signing, you are acknowledging this | | | | |
| (1, d 6 - | | Plia | hebs so | ni la |
| Owner's Signature | Owner's | s Name | CUEIVI SI | MITOC |
| - Cwiler & Cignature | - Cwilci | o rvanie | | |
| OF | FICE USE ON | ILY | | |
| MOVE-IN DATE: | DATE: | | INITIAL | _S: |
| 530 540 | 570 | LAST | PRUNED: | |
| RELANDSCAPED: | | NEXT | TIME: | |
| | TREE SPECIES: | | | |
| COMMENTS: | | | | |
| | | | | |
| IN DATE OF THE PARTY OF THE PAR | N. L.J. C. S | | | |
| TREE VALUE: | TREE REMOV | AL COST: _ | | |

SAMPLE SKETCH



COMMON AREA CANN Third Laguna Hills Mutual Resident Policy and Compliance Committee December 28, 2021

ENDORSEMENT (to Board)

Lease Authorization Renewal

The full lease authorization application requires landlords and tenants to complete the lease authorization application, provide a copy of the lease agreement, acknowledge the Assignments of Rent provision, provide the Declaration of Criminal Record for each lessee and provide the Declaration of Understanding signed by each lessor and lessee. The full lease authorization application re-acquaints everyone with the complete policy and any amendments thereto. The fee for a new lease authorization application is currently \$170; no change to the fee is recommended at this time.

Utilizing abbreviated forms will simplify the process for customers and staff alike. It is common for some individuals' contact information to change frequently, and so the annual verification of mailing address, email address and telephone numbers is quite justifiable and particularly important for off-site owner communication.

On December 28, 2021, the Resident Policy and Compliance Committee reviewed Lease Authorization Renewal.

Ms. Bashline, presented Lease Authorization Renewal. The Committee commented and asked questions.

Director Bhada made a motion to approve Lease Authorization Renewal. Director Laws seconded the motion.

By a vote of 3-1-0 (Director Laws opposed), the motion carried.

Staff was directed to include the redline paperwork and 60 day letter for lease renewal for board review.

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STAFF REPORT

DATE: February 15, 2022

FOR: Resident Policy and Compliance Committee

SUBJECT: Lease Authorization Renewal

RECOMMENDATION

Staff recommends amending the process and documents pertinent to the annual renewal of lease authorization applications.

BACKGROUND

Third Laguna Hills Mutual (Third) last amended its Lease Authorization Policy by way of Resolution 03-21-04 on January 19, 2021. While Third is not a party to landlord-tenant lease agreements, it does have the authority to regulate access to the community as well as regulate who may reside in dwelling units. A 60-day notification is generated to landlords and tenants prior to the expiration of the lease authorization (ATT 0). Parties to lease agreements who are in good standing (no rules violations, no late payments, no delinquencies) have sought relief from what they perceive as a cumbersome lease authorization renewal process. To that end, several modifications are being suggested for consideration by the Committee and Board of Directors.

Landlords and tenants who remain in good standing, without infractions as noted above, may take advantage of abbreviated lease authorization renewal forms (ATT 1, ATT 2 and ATT 3). The abbreviated forms, while still required annually, ensure that Third's corporate records remain current and that staff review of database records verifies all parties remain in good standing. No change to the fee structure for lease authorization renewals (\$110) for up to five years is recommended at this time. After five years, parties to the lease and lease authorization process would be expected to complete the full lease authorization application.

DISCUSSION

The full lease authorization application (ATT 4) requires landlords and tenants to complete the lease authorization application, provide a copy of the lease agreement, acknowledge the Assignments of Rent provision, provide the Declaration of Criminal Record for each lessee and provide the Declaration of Understanding signed by each lessor and lessee. The full lease authorization application re-acquaints everyone with the complete policy and any amendments thereto. The fee for a new lease authorization application is currently \$170; no change to the fee is recommended at this time.

Utilizing abbreviated forms will simplify the process for customers and staff alike. It is common for some individuals' contact information to change frequently, and so the annual verification of

Third Laguna Hills Mutual Lease Authorization Process 2/15/2022 Page 2

mailing address, email address and telephone numbers is quite justifiable and particularly important for off-site owner communication.

FINANCIAL ANALYSIS

None.

Prepared By: Pamela Bashline, Community Services Manager

Reviewed By: Siobhan Foster, COO

ATTACHMENT(S)

ATT 0 – Sixty-day Notification of Lease Authorization Expiration

ATT 1 – Renewal of Lease Authorization Application

ATT 2 – Lease Authorization Contact Information (Landlord and Tenant)

ATT 3 – Lease Authorization Acknowledgements

ATT 4 – Complete Lease Authorization Policy and Application

ATT 5 – Resolution 03-22-XX

Laguna Woods Village

Lease Authorization Expiration @@manor@@

This is a Laguna Woods Village notification to inform you that your current lease authorization will be expiring on @@expire_date@@. Please contact your landlord to renew the lease authorization before it expires.

To renew, please complete the appropriate lease authorization application below, include the supporting documentation and return it to the Leasing office.

Third Laguna Hills Mutual: Click Here United Laguna Woods Mutual: Click Here

Leasing can be reached by email at leasing@vmsinc.org or by phone at 949-597-4323.

Thank you.

Stay Up To Date! Visit LagunaWoodsVillage.com

Contact Us

Laguna Woods Village

Lease Authorization Expiration @@manor@@

This is a Laguna Woods Village notification to inform you that your current tenant's lease authorization will be expiring on @@expire_date@@. Please contact your tenant to renew the lease authorization before it expires.

To renew, please complete the appropriate lease authorization application below, include the supporting documentation and return it to the Leasing office.

Third Laguna Hills Mutual: Click Here United Laguna Woods Mutual: Click Here

Leasing can be reached by email at leasing@vmsinc.org or by phone at 949-597-4323.

Thank you.

Stay Up To Date! Visit LagunaWoodsVillage.com

Contact Us

Renewal of Lease Authorization Application

| Renewal of Lease Authorization | n Application made by and between: | |
|--|--|--|
| | | , Landlord, and |
| | | , Tenant, |
| Relative to a certain lease agre | eement for premises known as: | |
| Address | City | State Zip Code |
| | gree to extend the term of said Lo | • |
| It is further provided, however renewal term as if set forth her | r, that all other terms of the Lease Aurein. | thorization shall continue during this |
| This agreement shall be binding assigns and personal represent | ng upon and shall inure to the benefit of tatives. | of the parties, their successors, |
| Signed this Date: | | |
| Landlord / Lessor | Landlord / L | essor |
| Tenant / Lessee | | essee |

Renewal of Lease Authorization

| Unit | No: | |
|------|-----|--|
| | | |

Return completed application to the Leasing office located in Community Center at 24351 El Toro Road, Laguna Woods, CA 92637; phone 949-597-4600; email leasing@vmsinc.org

| Manor Information | | | |
|---|----------------------------------|--|--|
| Manor Address: | | | |
| Carport #: | Space #: | | |
| Lease Term Date From: | То: | | |
| Landlord / Lessor #1 Information | | | |
| First Name: | Last Name: | | |
| Telephone: | Cell Phone: | | |
| Email: | | | |
| Mailing Address: | | | |
| Landlord / Lessor #2 Information | | | |
| First Name: | Last Name: | | |
| Telephone: | Cell Phone: | | |
| Mailing Address: | | | |
| Information for Tenant / Lessee #1 | | | |
| Tenant / Lessee #1 ID No. | | | |
| First Name: | Last Name: | | |
| Telephone: | Email: | | |
| Has proposed Lessee #1 been convicted of a felony | in the last 20 years? □ Yes □ No | | |
| Has proposed Lessee #1 been convicted of a misden moral turpitude in the last five years? | neanor involving 🗆 Yes 🗆 No | | |
| Information for Tenant / Lessee #2 | | | |
| Tenant / Lessee #2 ID No. | | | |
| First Name: | Last Name: | | |
| Telephone: | Email: | | |
| Has proposed Lessee #1 been convicted of a felony | in the last 20 years? □ Yes □ No | | |
| Has proposed Lessee #1 been convicted of a misdemeanor involving □ Yes □ No moral turpitude in the last five years? | | | |

Renewal of Lease Authorization Agreement - Acknowledgments The undersigned acknowledges receipt of the Lease Policy and acknowledges that it does not represent any direct or indirect liability on behalf of Third Laguna Hills Mutual (Third), the Golden Rain Foundation of Laguna Woods (GRF) and Village Management Services Inc. (VMS), and each of their respective directors, officers, employees and agents. Initial(s) Acknowledgment Member Lessee Member Lessee #1 #2 #1 #2 I have read and received a copy of the Lease Policy and agree to comply. I agree to comply with the rules established by this Community. Third, GRF and VMS are not parties to the terms of the lease between the Member and Lessee. I agree that Third has the right to collect and retain the rent payable and to apply it to any delinquent assessments and charges. I understand that falsification of any information related to this application renders this application null and void. Does Lessee(s) have authorization to request repairs on behalf of the Member or work for which there is a charge? □ Yes □ No Landlord / Lessor #1 Name (Print): Member Signature: Date: Landlord / Lessor #2 Name (Print): Member Signature: Date: Tenant / Lessee #1 Name (Print): Lessee Signature: Date: Tenant / Lessee #2 Name (Print): Lessee Signature: Date: **ACTION BY MUTUAL BOARD OF DIRECTORS** APPLICATION DENIED APPLICATION APPROVED The Board of Directors of this Mutual Corporation has The Board of Directors of this Mutual Corporation has reviewed this application. Based on the information provided, the reviewed this application. Based on the information provided, application is **denied**. the application is approved. **SIGNATURE SIGNATURE** SIGNATURE SIGNATURE

| Date | Ву |
|----------|------------------|
| <u> </u> | Authorized Agent |

SIGNATURE

DATE:

SIGNATURE

DATE:



Application for Lease Permit Checklist

- Please provide a copy of the executed lease agreement <u>between the Member</u> and <u>Lessee</u> for the current year. (Separate from this application, it is the Member's responsibility to execute a lease agreement, not included within this package, and not provided by Laguna Woods Village Leasing office.)
- The information provided must be legible for digital imaging.
- Please submit a <u>complete package with all documents</u> otherwise the package cannot be processed—<u>see page 19.</u>
- Complete Package can be submitted:

BY MAIL

Laguna Woods Village Attention Leasing P.O. Box 2220 Laguna Hills, CA 92654-2220

DROP OFF (Black drop box in front of Community Center entrance)

Laguna Woods Village Attention Leasing 24351 El Toro Road Laguna Woods, CA 92638 THIS PAGE INTENTIONALLY LEFT BLANK



Lease Authorization Policy Contents

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| Ο. | Declaration of Understanding | |
| _ | C DED | 22 |

To view this lease authorization policy and application package online, visit

<u>lagunawoodsvillage.com</u> and click on Neighborhoods→Sales & Leasing→Third Laguna Hills→Third Lease Authorization Policy

Third Lease Authorization Policy and Application Res 03-21-04 Adopted 01-19-21 – Updated 5-10-21 Page **4** of **33**

Lease Authorization Policy Resolution 03-21-04

Adopted January 19, 2021

I. Purpose

Third Laguna Hills Mutual (Third) authorizes Members, as defined in the CC&Rs, to lease their Manors. Any lease by a Member automatically transfers the right to use the Community Facilities from the Member to the Lessee (Bylaws Article 3, Section 3.2 and 3.3).

The purpose of this document is to set forth the Lease Policy; this Lease Policy shall be a governing document of Third and shall be enforceable against all Members.

II. Definitions

- A. Agent Individual employed by Village Management Services Inc. (VMS) authorized to act on behalf of Third.
- B. Application The Lease Authorization form prescribed by Third to apply for approval to lease a Manor (Exhibit C).
- C. Approval Written authorization to lease a Manor in the Community granted by the Third Board or authorized VMS staff member(s).
- D. Assessment The monthly charge that Third levies against all Members and their Manors and collects monthly pursuant to its Governing Documents.
- E. Charge Fee, fine and/or monetary penalty that Third and/or GRF may levy upon a Member pursuant to their Governing Documents.
- F. Community Laguna Woods Village.
- G. Community Rules The Articles of Incorporation and Bylaws of Third, the recorded Covenants, Conditions, and Restrictions (CC&Rs) applicable to any Manor; and any rules and regulations adopted by Third and/or GRF. Any reference to the "Governing Documents" shall, for purposes of this Lease Policy, be deemed a reference to the Community Rules set forth in this definition.
- H. Co-occupant Any person who seeks to reside with a Qualifying Resident who is approved, in advance, in writing, by the Board of Directors for occupancy and who shall be at least 45 years of age unless such person is the spouse or cohabitant.
- I. Golden Rain Foundation (GRF) The nonprofit mutual benefit corporation organized to manage and maintain the Community Facilities and services for the Community.

- J. Identification (ID) Card Photo ID card issued by GRF to Members, Co-occupants, Lessees and private live in Caregivers of the Community authorizing use and access to the Community Facilities.
- K. Lease Authorization Office Located in the Resident Services Department in the Community Center, which ensures that a Lease Application comports with the Governing Documents.
- L. Lease Authorization Extension Parties to the lease may request an extension of time at the end of the lease authorization period if the original period is shorter than 12 months, subject to the Board of Director's prior written approval.
- M. Lease Authorization Renewal Parties to the lease authorization may request a renewal no more than 60 days prior to the end of the 12 month period.
- N. Lessee Individual who leases a Manor from a Member.
- O. Manor A residential condominium unit in Third.
- P. Member A person who has been approved by Third as being entitled to membership in Third and has an appurtenant right of membership in GRF.
- Q. Non-Resident Member A Member who does not personally reside in the Member's Manor.
- R. Non-Resident Member Pass Gate entry pass authorizing a non-resident Member access to the Community for the purpose of inspecting his/her property on an as needed basis. This pass does not authorize use of or access to the Community Facilities during any lease period.
- S. Owner Person or persons, partnership or corporation, and the successors and assigns of each of the foregoing, in whom title to a Manor is vested, as shown by the official records of the office of the County Recorder of Orange County, California.
- T. Qualifying Resident Person who resides in the Manor, is at least 55 years of age and has been approved by the Board of Directors for occupancy in accordance with the provisions of the CC&Rs.

- U. Resident Person who has been approved by the Board of Directors for occupancy.
- V. Rush Application submitted fewer than 10 business days before the lease effective start date.
- W. Village Management Services Inc. (VMS) Managing agent for Third and GRF.

III. Fees

Following are the fees associated with this Lease Policy that may be required by Third (the following fees may be changed at any time by Third and such change(s) shall not constitute a rule change to this Lease Policy, which requires notice to the Third Members):

| THIRD Fees | |
|---|-------|
| Authorization Processing | \$170 |
| Authorization Rush Fee | \$100 |
| Authorization Renewal (see Section II, M) | \$110 |
| Authorization Extension (see Section II. L) | \$70 |

| GRF Fees | |
|--|------------------------|
| * Additional Occupant Fee (for each person in excess of two [monthly]. Must be paid in advance for the term of the lease.) | \$100 |
| Non-return of: | |
| ID Card(s)Decals(s)Pass(es) | \$125 \$125 \$25 |

^{*} General charge due from all residents, whether or not a lease is in place.

Third Lease Authorization Policy and Application Res 03-21-04 Adopted 01-19-21 — Updated 5-10-21 Page **7** of **33**

IV. Terms and Conditions

A. General Information

- 1. Authorization to Lease (Authorization) shall be effective only when approved in advance, in writing by Third and issued in writing by an authorized VMS staff member(s) of Third; the approval of any Lease shall be limited to the term specified herein. The term of a lease may not be less than 30 days, nor may the term of a lease exceed 12 months, subject to Article II, Section M herein above. The copy of a pending and fully executed Lease must be provided to Third prior to the Lessee's move-in to the Member's Manor.
- 2. Renewal of the Authorization to Lease shall require the prior written approval of Third provided that Third shall not be obligated or have any duty to approve such extension or renewal regardless of a Member or Lessee's circumstances unless required by law.
- 3. Third shall, to the extent required by law, provide notice of potential asbestos-containing materials used during construction (Exhibit A). Any changes in the notice in Exhibit A as may be required by law or otherwise shall not be deemed a change to this Lease Policy which requires notice to the Members of Third.
- 4. Laguna Woods Village is an independent-lifestyle and age-restricted senior citizen housing development (as defined by California Civil Code §51.3). No form of health care or assisted living is provided by Third. Each Resident is responsible for his/her own health, safety, care and welfare, subject to the conditions and restrictions regarding care providers from Third Governing Documents and Third's "Care Provider Policy."
- 5. Appearance of the Community is important, and Residents are required to keep their balconies, patios, walkways and carports free from clutter, trash and debris per the approved Community Rules and Regulations.
- 6. Third, GRF and VMS are not parties to the terms of a lease between the Member and Lessee, and will not be involved in resolving any disputes between the Member and Lessee; provided, however that if a Member is in violation of the Community Rules or this Lease Policy, or if a Lessee is violating the Community Rules or this Lease Policy, Third shall have all rights and remedies available to it under the Community Rules and this Lease Policy.
- 7. The Lease Authorization Office will notify the Member of the Approval/Denial status of the application within 10 business days of its written submittal. A rush fee of \$100 will be imposed by Third on any Member requests for expedited services prior to the routine 10 business days of processing. No representation or warranty is made that Third will be able to complete a Rush Authorization approval request in the Members' requested timeframe.

Third Lease Authorization Policy and Application Res 03-21-04 Adopted 01-19-21 – Updated 5-10-21 Page **8** of **33**

- 8. Third has adopted a Non-Smoking Policy and is authorized to take disciplinary action against a Member who is in violation of said Policy including but not limited to a Member's Lessee.
- 9. The Member is at all times responsible for the acts or omissions of, without limitation, the Member's Lessee, guest, care provider, vendor, invitee or contractor as well as the guests, care providers, invitees or contractors of the Member's Lessee.

B. Charges

- 1. Member and Lessee acknowledge that the Member is obligated to pay Charges and Assessments imposed by GRF and/or Third pursuant to this Lease Policy and the Governing Documents. See Section III of this Lease Policy.
- 2. The Member may incur additional Charges and fees in connection with facilities and services provided by GRF. Some examples are: golf course fee, room reservation fees and cable services upgrade charges. ALL CHARGES, FEES, FINES, AND ASSESSMENTS ARE SUBJECT TO CHANGE AND ANY SUCH CHANGES SHALL NOT BE DEEMED TO BE A CHANGE IN THIS LEASE POLICY WHICH REQUIRES NOTICE TO THE MEMBERS OF THIRD.
- 3. Payment for chargeable repair services is the responsibility of the Member who must indicate on the Authorization to Lease application whether Lessee may request such services. In any event, the Member shall be responsible for the chargeable repair services.
- 4. There is a fee collected by the Lease office to review and process any new/extension/renewal applications, which include, but are not limited to analysis of payment and disciplinary history.
- An authorized and/or designated VMS staff member(s) for the Third Board of Directors assumes responsibility for obtaining approval and issuing Lessee ID Cards.

C. Assignment of Rents

- 1. If a Member is delinquent in his or her payment of any GRF and/or Third Charges and/or Assessments, as required under the Governing Documents, Member and Lessee each acknowledge and agree that the Member hereby assigns to and confers upon Third, the right to collect and retain the rent payable by the Lessee and to apply the same to any delinquent Charges and Assessments, as well as any late fees, attorneys' fees, or other costs and expenses permissible by law or the Governing Documents that may be incurred or assessed by Third in connection with the delinquent Assessment and/or GRF and/or Third Charges.
- 2. Member and Lessee acknowledge and agree that, concurrent with notice in writing to the Member, Third shall be entitled to directly receive the rent by delivering to the Lessee at the Manor a Notice of Assignment of Rents (Exhibit B). Upon receipt of such Notice, the Lessee shall directly forward all payments of rent

Third Lease Authorization Policy and Application Res 03-21-04 Adopted 01-19-21 – Updated 5-10-21 Page **9** of **33**

required under the Lease to Third at the address set forth in the Notice until the Lessee shall receive a second notice to the effect that the Lessee may again resume making rental payments directly to the Member. Any changes in the Notice of Assignment of Rents form in Exhibit B shall not be deemed a change to this Lease Policy which requires notice to the Members of Third.

- 3. To the fullest extent permitted by law, such payments of rent paid directly to Third shall continue until the delinquent Assessments or Charges and any late fees, attorneys' fees, or other collection costs and expenses incurred by the Member are paid in full. In the event that the payment of rent received by Third is in excess of the amounts owed by the Member, then Third shall refund the difference, less any processing fee(s), to the Member within 30 business days of receipt of such rental payment.
- 4. Member acknowledges and agrees that the Lessee shall not be in breach of the Lease solely as a result of making rental payments directly to Third, and further that the Member shall not take any other action or avail itself of any other remedies against the Lessee under the Lease or otherwise based on the Lessee's direct payment of rent to Third following receipt of a Notice of Assignment of Rents.
- 5. Member and Lessee acknowledge and agree that Third shall not have any obligation either to the Member or the Lessee to fulfill the duties of the Member or the Lessee under their Lease, nor shall Third have any obligations to any other third party based on its direct receipt of the rent to cover delinquent Assessments or Charges and associated costs and expenses as set forth above. It is specifically agreed that Third is not and will not be assuming any of the responsibility of the Member or the Lessee to fulfill any of the terms, conditions and covenants between the Member and the Lessee pursuant to the Lease between the Member and the Lessee, and shall not be deemed to be a landlord or party to a landlord-tenant relationship with Member or Lessee for any reason or at any time.

D. ID Cards and Privileges

- 1. Lessee ID Cards shall be issued for a period not longer than the duration of the Lease Authorization.
- 2. Lessee ID cards are not issued until all paperwork required pursuant to this Lease Policy is received and the Application has been approved in advance in writing by Third.
- 3. Lessee ID cards will be available no sooner than seven days prior to the lease start date unless Third approves a Lease under the Rush standards referenced herein under Article IV, Section A(7).
- 4. Member acknowledges and agrees that the privileges of membership in GRF are granted and assigned to Lessee for the duration of the Authorization to Lease and

Third Lease Authorization Policy and Application Res 03-21-04 Adopted 01-19-21 – Updated 5-10-21 Page **10** of **33**

the Lease itself; and Member hereby surrenders all Resident ID Card(s) and Resident Decal(s) and the right to such privileges while the Authorization and/or Lease is in effect in accordance with the Governing Documents.

- Lessee may use the facilities and receive the services made available by GRF to all Members. The facilities and services may be modified or discontinued by GRF at any time.
- 6. At the end of the Lease Authorization period, the Member is required to return all gate entry passes including ID cards, automobile decals, guest passes, business passes and care provider passes in order to avoid a GRF non-return fee. (See Section III, Fees).

E. Occupancy

- It is highly recommended that Members obtain/perform both background and credit checks on new Lessees as well as check references provided by the Lessee to protect such Member's interests, given that the Member will be held responsible for the acts and/or omissions of their Lessees that violate Third's Governing Documents.
- 2. No person, including but not limited to a Lessee, may reside in a Manor without the prior written approval of the Third Board of Directors or VMS authorized staff member(s). Contact Resident Services Department at 949-597-4600 for any change in residency status.
- 3. An application to reside in a Manor shall be made on the form prescribed by the Third Board pursuant to Article II, Section 1 of the CC&Rs. The current form is attached hereto as Exhibit C. Any changes in such form shall not be deemed a change in this Lease Policy which requires notice to the Members of Third.
- 4. Manor leases must be for a period not less than 30 days.
- 5. Any leases longer than 12 months will require a Lease Authorization to be renewed annually and is subject to the terms and conditions set forthherein.
- 6. The Manor, together with the parking space assigned to such Manor, must be made available to the Lessee during the entire term of the Lease Authorization.
- 7. Relatives and other guests may stay overnight for a total of 60 days in any 12-month period. Relatives and guests may not stay in a Manor during the absence of the Qualifying Resident or Co-Occupant.
- 8. Unless otherwise required by law, the maximum number of persons allowed to occupy a Manor is equal to the number of original construction bedrooms plus one; no more than two persons in a one-bedroom Manor; no more than three persons in a two-bedroom Manor, no more than four persons in a three-bedroom

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Manor. There is an additional monthly GRF fee for each person in excess of two.

- 9. The Manor shall be used and occupied solely as a private residential dwelling and for no other purpose.
- 10. No person shall reside in a Manor, other than those listed on the approved Authorization to Lease.
- 11. No business or commercial venture may be conducted in the Manor.
- 12. The Member and/or Lessee shall not assign any interest therein and shall not sublet the Manor or any part thereof or any right or privilege appurtenant thereto, pursuant to a formal agreement or otherwise, or permit any other person to occupy or use the premises or any portion thereof. To assure compliance with these provisions and the other Third governing documents, leases shall not be amended to add additional lessees to an approved lease during the approved lease period.
- 13. Unless required by law, no room rental arrangements or subleases shall be permitted and no Member or lessee may advertise for any room rental or rentsharing agreement (for example only, listed on Airbnb, VRBO, Craigslist, Next door or any similar website), nor shall any Member or Lessee be permitted to obtain a Lease Authorization Amendment to amend a lease for the purpose of adding a roommate and/or other Lessees during the term of an Authorization to Lease. Third will not approve any Lease Authorization Amendment submitted for the purpose of adding additional persons to a Lease during the term of a Lease Authorization.
- 14. No Manor or any portion thereof may be used for vacation rentals or advertised for such use for a period of less than 30 days (for example only, listed on Airbnb, VRBO or any similar website), nor may any Manor be leased to a corporate housing company, including any nonprofit housing organization.
- F. Move In/Move Out and Bulky Items Delivery/Pickup
 - 1. When moving into the Community, Lessee(s) must break down and stack moving boxes next to trash dumpsters or at curbside for routine pickup.
 - 2. The use of an elevator, when moving into or out of a multi-story building, requires the placement of elevator protection pads, which can be requested by calling the Security Department 949-580-1400. Similarly, individuals are required to order elevator protection pads when arranging for delivery or removal of bulky items, such as furniture.
 - 3. Each Member is responsible for any damage caused by his or her movers or deliveries to the elevator, lobby furniture, common area and/or other Third property.

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4. No oversized furniture, appliances, non-broken down boxes or other similar items may be discarded outside of the Manor at any time, except to the extent permitted by the Community Rules.

G. Alteration, Repairs and Maintenance

1. Member(s) are required to obtain prior written approval in advance of construction from Third for any structural alterations to the building or landscape changes. Applications may be obtained from the Resident Services Department. Resident Services is located at the Community Center and may be reached at 949-597-4600.

The Member and Lessee(s) understand that the Manor shall not be altered, repaired or changed without prior written authorization of Member and Third. Unless otherwise provided by written agreement, all alterations, improvements and changes that may be required shall be performed either by or under the direction of Third; shall be the property of Member; and shall remain upon and be surrendered with the Manor.

2. Lessee shall authorize Third, Member and/or their respective authorized VMS staff member(s) to enter into and upon the Manor at all reasonable times for the purposes of (a) inspection, (b) responding to emergencies, (c) maintaining the building in which the Manor is situated and (d) making repairs, alterations or additions to any portion of the common areas or said building, including but not limited to the erection of scaffolding, props or other mechanical devices.

Lessee shall not be entitled to any abatement of rent payable by Lessee hereunder or to any rebate of rent to Lessee or damages for any loss of occupation or quiet enjoyment of the premises on account of any such entry by Third. No landlord-tenant relationship is created by way of Third's need to enter a Manor or perform work to any common areas accessible only through a Lessee's Manor.

H. Insurance

- 1. Lessee's personal property is not insured by Third.
- 2. Renters' insurance is strongly recommended. (See Section I, Rights and Remedies, Item 1, 2 and 3).

I. Rights and Remedies

- As a material part of the consideration to be rendered to Member under an Authorization to Lease, Lessee hereby waives, to the maximum extent authorized by law, all claims against Member and Third for damages to personal property in, upon or about said Manor and for injuries to persons in, upon or about said premises from any cause arising at any time.
- 2. Lessee shall, to the fullest extent permissible by law, hold Member, Third, GRF and VMS harmless from any liability on account of any damage or injury to person

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or personal property arising from the use of the Manor by Lessee arising from the failure of Lessee to keep the Manor in good condition as provided herein or failure to perform or observe any of Lessee's obligations under this Authorization. Third, GRF and VMS shall not be liable to Lessee for any damage caused by any act or negligence of any other occupant of the same building or by any Member or occupant of adjoining or contiguous property. Without limiting the foregoing, the Member shall at all times be responsible for the acts or omissions of his or her Lessee and shall be liable for any damages or financial expenses incurred by Third as a result of the Lessee's use of the Manor or any other portions of the building in which the Manor is located and/or common areas.

- 3. The Member and Lessee shall be liable for all damages to the Manor, to the building in which the Manor is located and to the Common Areas of the Community, as well as all damage to other occupants thereof caused by the Member's and/or Lessee's misuse or neglect of the premises, equipment, apparatus or appurtenances. The Member and Lessee also shall be liable for all damage or injury done to the Manor, to the building in which the Manor is located or to the Common Areas by any person who may be in or upon the building, the Manor or the Common Areas with the authorization of the Member and/or Lessee. Without limiting the foregoing, the Member shall be primarily liable for all damages, as described in this paragraph, stemming from the acts or omissions of the Lessee.
- 4. In the event of any total or partial destruction of the Manor during the term of this Authorization from any cause, the Member is solely responsible, to the fullest extent permitted by law, for terminating this Authorization.
- 5. In the event that the real property upon which the Manor is located or any part thereof shall be acquired by any public body, agency or other entity having the power of eminent domain, whether by voluntary sale, threat of condemnation or by judgment of a court in condemnation proceedings, the Member is solely responsible, to the extent permitted by law, for terminating this Authorization.
- 6. In the event of any breach of this Authorization by the Member and/or Lessee, Third shall have the same rights and remedies to enforce this Authorization as are available to Member hereunder, which may be exercised by Third without regard to any exercise thereof by Member. Additionally, Third shall have the same rights to dispossess the Lessee or otherwise act for the Member as may be necessary or appropriate in the event of any breach of the Authorization or the Lessee's failure to vacate following expiration of the Authorization term. Third shall also have the right to bring an unlawful detainer action against the Member and/or Lessee after proper notice has been given as provided in California Civil Code Section 1946 or any successor statute thereto. Nothing contained in this paragraph or otherwise in this Lease Policy shall be deemed to create a landlord-tenant relationship between Third and the Member or Lessee.

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- 7. Any notice to Member, Lessee or Third shall be given by personal service, electronic document notice, or by registered or certified mail addressed to Member: at the address indicated on the Application; to Lessee: at the Manor; and to Third: P.O. Box 2220, Laguna Hills, CA 92654-2220. There is no mail delivery to the street address.
- 8. The terms and provisions contained herein shall apply to and bind the heirs, successors, personal representatives and assigns of all of the parties hereto.
- 9. If any legal action or proceeding is commenced by either party or Third to enforce any part of this policy, the prevailing party shall be entitled to recover, in addition to all other relief, reasonable attorney's fees and costs.

J. Enforcement

Third is authorized to take disciplinary action against a Member whose property may be found in violation of the Lease Policy or the Governing Documents. When a complaint is lodged regarding the occurrence of a violation, the Board of Directors has a fiduciary duty to investigate and impose, if appropriate, Member discipline as set forth in the Governing Documents. The Board has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action. The Member and Lessee are entirely responsible for ensuring that the Community Rules and policies are complied with by anyone they allow into the Community. This includes, without limitation, any co-occupant, lessee, guest, care provider, vendor, invitee or contractor. Disciplinary action suspending or revoking a Member's privileges shall apply to the Member's Lessee, his or her Co-Occupants as applicable, and their guest and invitees.

- 1. The Member and Lessee must read and agree to comply with and be bound by all the Governing Documents and the Community Rules.
- 2. Nothing contained herein shall relieve Member of the performance of any obligation owed to Third and/or GRF under the Governing Documents.
- 3. The Member and/or Lessee is/are responsible for any visitor or guest who violates any Community Rules, and for any Charges or Assessments incurred.
- 4. Lessee shall be responsible to the Member to promptly pay when due, all charges and fees incurred by Lessee, guest or invitee for use of facilities or for services rendered by the Third and/or GRF. Notwithstanding the foregoing, whether or not Lessee complies with the foregoing, a Member shall be solely responsible to Third for any and all costs incurred by Third resulting from a Member's Lease including but not limited to costs incurred solely due to the acts or omissions of a Lessee, their Co-Occupants as applicable, their guests and invitees.

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Exhibit A Disclosure Notice

TO: Managing Agent Employees, Contractors Employed by the Laguna Woods Village

Associations, Members and Prospective Purchasers of Dwelling Units at Laguna

Woods Village, Laguna Woods

FROM: Village Management Services Inc.

Disclosure Notice: Laguna Woods Village Buildings Constructed With

SUBJECT: Asbestos-Containing Construction Materials

Health & Safety Codes 25915.2 and 25915.5 require the Mutual to provide annual notice about the existence of asbestos-containing materials ("ACM") in non-residential "public" buildings in the Mutual to all employees and contractors performing work within said buildings and to all Members of the Mutual.

In addition, the Mutual is required to disclose to new owners, within 15 days of acquiring title to a Manor, the existence of asbestos-containing material in non-residential "public" buildings within the Mutual.

The Managing Agent for the Associations, which own or manage the buildings at Laguna Woods Village, Laguna Woods for their Members, hereby notifies all its Employees, Contractors and all Mutual Members and Transferees, that some buildings within Laguna Woods Village have been surveyed and found to contain asbestos. The analytical method used to determine asbestos content was polarized light microscopy/dispersion staining. Since the community has an active Asbestos Operations and Maintenance program, testing is ongoing. Because of the high cost to conduct a complete asbestos survey and analysis of all buildings, surveys are conducted only upon repair, remodel, addition to or removal of a building or part of a building suspected to contain asbestos materials, as required by Labor Codes. The Certificates of Analysis for any testing received to date are available to Employees, Contractors, Owners and Tenants and Transferees for review and photocopying from the Laguna Woods Village Human Resources/Safety Office, 24351 El Toro Road, Laguna Woods, CA, between 9 a.m. and 5 p.m., Monday through Friday.

The following buildings in Laguna Woods Village, Laguna Woods were constructed prior to 1979 and thus <u>may</u> contain asbestos in one or more construction materials: All community facilities buildings (with the exception of Clubhouse 7, the Mini Gym at Clubhouse 1, the Broadband Services building, the Laguna Woods Community Center building, the Vehicle Maintenance building and a portion of the Warehouse, all constructed after 1979), including clubhouses and outbuildings, Library, Maintenance Warehouse building, Equestrian Center, gatehouses, Garden Center buildings, all detached laundry buildings and residential buildings Nos. 1 through 5543 inclusive.

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At the time most of the buildings in Laguna Woods Village were constructed, asbestos-containing materials met local codes as well as state and federal regulations and were extensively used in *many* building products including but not limited to: ceiling tile, floor tile/linoleum and mastic, textured wall surfaces, sprayed acoustical ceilings, fire doors, structural fireproofing, pipe/boiler insulation, attic insulation, and heating duct material/insulation.

According to the National Cancer Institute and the Environmental Protection Agency, any asbestos in these materials does not present a threat to health so long as the asbestos is not disturbed and does not become airborne.

However, because breathing asbestos has been known in some instances to cause cancer and other forms of lung disease, sanding, scraping, drilling, sawing, crushing, tearing/breaking up, or otherwise disturbing asbestos-containing materials presents a potential health risk. Therefore, you are directed not to perform such tasks in areas with ACM present or suspected unless the area/materials have been tested and found not to contain asbestos or if specifically assigned or contracted to do such work and it is in accordance with all federal, state, and local laws as well as internal guidelines called for in the Asbestos Operations and Maintenance plan and other company safety and environmental policies and procedures.

Managing Agent employees whose work orders require them to construct, repair, maintain or otherwise disturb construction materials that may contain asbestos are hereby directed to follow the current regulations and policies noted above and to wear the required protective equipment, prior to performing such work. Questions concerning instructions and equipment should be directed to the HR/Safety Supervisor at 949-597-4321.

It is illegal to place asbestos materials or debris in Laguna Woods Village trash dumpsters. Such materials must be disposed of separately in accordance with State and County regulations to avoid fines. Contact the HR/Safety Supervisor at 949-597-4321 for details.

If you become aware of any asbestos-containing material becoming damaged or otherwise disturbed, please contact Laguna Woods Village Resident Services at 949-597-4600 or the HR/Safety Supervisor at 949-597-4321.

January 1, 2016

Village Management Services Inc.

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Exhibit B Notice of Assignment of Rents



| M U T U A L |
|---|
| RE: NOTICE TO LESSEE - ASSIGNMENT OF RENTS |
| Dear: |
| Pursuant to Section IV (c) of the Lease Policy which you executed on as the Lessee(s), with as the |
| Lessor, for the premises located in Third Laguna Hills Mutual (TLHM), Dwelling Manor Number, you are hereby notified that your monthly rental |
| payment should be made directly to Third Laguna Hills Mutual, a California nonprofit mutual benefit corporation, to cover the delinquent assessment payment which your Lessor owes to the Corporation. |
| PAYMENT TO TLHM DOES NOT CONSTITUTE A BREACH OF YOUR LEASE |
| AGREEMENT. Failure to remit the rental fee directly to TLHM may result in TLHM's member disciplinary process and/or loss of privileges. |
| Until you are notified that you may resume making your monthly payments of rent to the Lessor, you must make your monthly rent payments to TLHM, |
| commencing with the payment due on to the following |
| address: Third Laguna Hills Mutual |
| Attn: Manor Payment Representative |
| PO Box 2220 |
| Laguna Hills, CA 92654-2220 |
| Please make your checks payable to Third Laguna Hills Mutual. |
| If you have any questions in connection with this Notice, or the method of making your monthly rental payments to the Corporation, please contact the Manor Payments Representative at (949) 597-4221. A pre-addressed envelope is enclosed for your convenience. |
| Sincerely, |
| Bryan English |
| Accounting Supervisor Financial Services Division |
| cc: Lessor Leasing Department |

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Exhibit C Lease Authorization Procedure and Application

Members applying for approval to lease their unit and each of their prospective Lessees must fill out the application on the following pages in order to obtain the necessary approval from Third for such lease. The steps and required information/documentation that must be provided along with the application are described below.

- A. The member must complete and submit the written Application for Authorization to the Leasing office for board review. The application is available for download at lagunawoodsvillage.com or upon request from the Leasing office.
- B. The application and additional documentation must be submitted to the Leasing office for new leases, renewals and extensions.
 Required documentation:

| 1. | Lease Authorization Application |
|--------|---|
| 2. | Check for processing fee made payable to GRF |
| 3. | Member's resident ID card (only for initial lease) |
| 4. | Copy of proof of age/identity (driver's license, birth certificate or passport) for each Lessee |
| 5. | Copy of the executed lease agreement between the Member and Lessee for the current year |
| 6. | Declaration Regarding Criminal Record for each Lessee |
| 7. | Declaration of Understanding signed by Member(s) and Lessee(s) |
| | |

- C. The Board or authorized VMS staff member(s) will review the Application for Lease Authorization and approve or deny the request in writing.
- D. Upon receipt of an Application for Lease Authorization for a new, renewal or extension, the Leasing office will research and take into consideration whether the Member and/or Lessee has received notices of rule violations or any outstanding charges and assessments before approval of the application can occur. Extensive history of such events may result in application denial.
- E. The Leasing office will notify the Member of the results within 10 business days subject to the terms and conditions that exist. Rush applications may be delayed if the Leasing office notifies the Member that it requires additional time to review and/or requests additional information from the Member while conducting its review.
- F. The Lease office hours of operation are Monday through Friday, federal holidays excepted, 8 a.m. to 5 p.m., phone number 949-597-4323 and email leasing@vmsinc.org Mailing address is P.O. Box 2220, Laguna Hills, CA 92654-2220 / Physical address is 24351 El Toro Road, Laguna Woods, CA 92637.

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Exhibit C Lease Authorization Application

| Unit No | • <u> </u> |
|----------------|------------|
| | |

Return completed application to the Leasing office located in Community Center at 24351 El Toro Road, Laguna Woods, CA 92637; phone 949-597-4600; email leasing@vmsinc.org

| Manor Information | |
|-----------------------|-------------|
| Manor Address: | |
| Carport #: | Space #: |
| Lease Term Date From: | То: |
| Member #1 Information | |
| First Name: | Last Name: |
| Telephone: | Cell Phone: |
| Email: | |
| Mailing Address: | |
| Member #2 Information | |
| First Name: | Last Name: |
| Telephone: | Cell Phone: |
| Email: | |
| Mailing Address: | |
| Agent or Agency | |
| First Name: | Last Name: |
| Telephone: | Cell Phone: |
| Email: | |
| Mailing Address: | |
| Reason for Leasing | |
| | |
| | |
| | |

| Information for Lessee #1 Lessee #1 | ID No | | |
|--|--------------------------|------------|------|
| First Name: | Last Name: | | |
| Telephone: | Cell Phone: | | |
| Date of Birth: | SS#: | | |
| Email: | | | |
| Occupation: | | | |
| Current Monthly Income: | Source of Income: | | |
| Move-in Date: | | | |
| Prior Addresses (include information for the past five yea | rs/use additional paper | if require | d) |
| Present Home Address: | | | |
| Length of Time/From: | To: | | |
| Reason for Leaving: | | | |
| Previous Home Address: | | | |
| Length of Time/From: | To: | | |
| Reason for Leaving: | | | |
| Next Previous Home Address: | | | |
| Length of Time/From: | То: | | |
| Reason for Leaving: | | | |
| Has proposed Lessee #1 been convicted of a felony in the | last 20 years? | □ Yes | □ No |
| Has proposed Lessee #1 been convicted of a misdemeand | or involving | | |
| moral turpitude in the last five years? | | □ Yes | □ No |
| Information for Lessee #2 Lessee #2 | ID No | | |
| First Name: | Last Name: | | |
| Telephone: | Cell Phone: | | |
| Date of Birth: | SS#: | | |
| Email: | | | |
| Occupation: | | | |
| Current Monthly Income: | Source of Income: | | |
| Move-in Date: | | | |
| Prior Addresses (Include information for the past 5 years/ | 'Use additional paper if | required) | |
| Present Home Address: | | | |
| Length of Time/From: | To: | | |
| Reason for Leaving: | | | |
| Previous Home Address: | | | |
| Length of Time/From: | То: | | |
| Reason for Leaving: | | | |
| Next Previous Home Address: | | | |
| Length of Time/From: | То: | | |
| Reason for Leaving: | | | |
| Has proposed Lessee #2 been convicted of a felony in the | | | |
| | last 20 years? | □ Yes | □ No |
| Has proposed Lessee #2 been convicted of a misdemeand | <u> </u> | □ Yes | □ No |

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| Lease Authorization Agreement | Lease | Auth | norizat | tion A | ١g | ree | mei | nt |
|-------------------------------|-------|------|---------|--------|----|-----|-----|----|
|-------------------------------|-------|------|---------|--------|----|-----|-----|----|

The undersigned acknowledges receipt of the Lease Policy and acknowledges that it does not represent any direct or indirect liability on behalf of Third Laguna Hills Mutual (Third), the Golden Rain Foundation of Laguna Woods (GRF) and Village Management Services Inc. (VMS), and each of their respective directors, officers, employees and agents.

| directors officers employees | • | 203 1110. (\$1\$10), 0 | a cacı | . 01 (1 | ien respect | . • • | | | |
|--|-----------------------|--|------------|-----------------|---------------|--------------|--|--|--|
| directors, officers, employees a | inu agents. | | Initial(s) | | | | | | |
| Acknowledgment | | Member #1 | Memb | per | Lessee #1 | Lessee #2 | | | |
| I have read and received a copy of agree to comply. | the Lease Policy and | | | | | | | | |
| I agree to comply with the rules es Community. | stablished by this | | | | | | | | |
| Third, GRF and VMS are not partie lease between the Member and Lo | | | | | | | | | |
| I agree that Third has the right to rent payable and to apply it to any assessments and charges. | | | | | | | | | |
| I understand that falsification of a related to this application renders and void. | - | | | | | | | | |
| Does Lessee(s) have authorization or work for which there is a charge | | alf of the Membe | er Yes | ŝ | □ No | | | | |
| Member #1 Name (Print): | Member Signature: | | | Date | : | | | | |
| | | | | | | | | | |
| Member #2 Name (Print): | Member Signature: | | | Date | :: | | | | |
| | | | | | | | | | |
| Lessee #1 Name (Print): | Lessee Signature: | | | Date | : | | | | |
| Lessee #2 Name (Print): | Lessee Signature: | | | Date |): | | | | |
| , , | | | | | | | | | |
| | | | | | | | | | |
| | ACTION BY MUTUAL BOAR | 1 | | | | | | | |
| APPLICATION DENIED The Board of Directors of this Mutual Corporation has reviewed this application. Based on the information provided, the application is denied . | | The Board of Dir reviewed this ap the application is | plication. | this M Based | utual Corpora | | | | |
| SIGNATURE | | SIGNATURE | | | | | | | |
| SIGNATURE | | SIGNATURE | | | | | | | |
| SIGNATURE | | SIGNATURE | | | | | | | |
| DATE: | | DATE: | | | | | | | |
| Date | | Ву | | | | | | | |

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Authorized Agent

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DECLARATION REGARDING CRIMINAL RECORD

| Each non-member occupant is required to sign a separate "Declaration Regarding Criminal Reco | |
|--|--------|
| | rd". |
| The following representations are made pursuant to Article II, Section 2 (c) of the Cove Conditions and Restrictions (CC&Rs) of Third Laguna Hills Mutual. | nants, |
| TO: Third Laguna Hills Mutual | |
| The undersigned hereby states: | |
| 1. I have not been convicted of a felony within the last twenty years, and/or | |
| I have not been convicted of a misdemeanor involving moral turpitude within the last five years. | |
| Executed onat | |
| Date City/State | |
| I understand that falsification or misrepresentation of any information contained herein automatically render the Lease Authorization Application null and void. | shall |
| Lessee Signature | |
| Lessee Name Printed | |

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DECLARATION REGARDING CRIMINAL RECORD

| <u>Each</u> non-member occupant is i | required to sign a separate "Declaration Regard | ding Criminal Record". |
|---|--|------------------------|
| . | s are made pursuant to Article II, Section 2 C&Rs) of Third Laguna Hills Mutual. | (c) of the Covenants |
| TO: Third Laguna Hills Mutual | | |
| The undersigned hereby states | :: | |
| 1. I have not been convict | ted of a felony within the last twenty years, an | d/or |
| 2. I have not been convict last five years. | ted of a misdemeanor involving moral turpitud | le within the |
| Executed on | at | |
| Date | City/State | |
| | n or misrepresentation of any information e Authorization Application null and void. | contained herein shal |
| | Lessee Signature | |
| | | |

Lessee Name Printed

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DECLARATION OF UNDERSTANDING

| I have read and understand the Third Laguna Hills Mutual Lease Authorization | |
|--|-------------------------------|
| with its Terms and Conditions. The information provided on the Lease Au | thorization Application dated |
| is true and correct. | |
| | |
| | |
| | |
| | |
| Member #1 Print Name | Date |
| Weinsel #11 me Name | Date |
| | |
| Member #1 Signature | |
| Welliber #1 Signature | |
| | |
| Member #2 Print Name | Date |
| Welliger #2 Fillt Name | Date |
| | |
| Member #2 Signature | |
| Welliber #2 Signature | |
| | |
| Lessee #1 Print Name | Date |
| Lessee #1 Fillit Name | Date |
| | |
| Lessee #1 Signature | |
| Lessee #1 Signature | |
| | |
| Lessee #2 Print Name | Date |
| 255555 112 1 1116 113 116 | |
| | |
| Lessee #2 Signature | |

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When you get approved, please set this up.

When seconds count, you can count on...



CodeRED is the community notification system used to call, text and/or email Laguna Woods Village Residents with time-sensitive and/or emergency information. This system is separate from the regular email information you may be receiving from the Communications Department, and requires a specific, unique enrollment.

Laguna Woods Village Security and Disaster Preparedness Task Force encourage you to take a few minutes to ensure we have accurate contact information for you so you are informed in the event of an emergency or threat to the Village. Safety is a two-way street. Be sure to register today to receive the information you need, when it matters, regarding events such as:

- Critical Power Outages
- Earthquake Emergency Procedures
- Evacuation
- Gate or Road Closures
- Safety Threats
- Fire

Please complete the form online through the Laguna Woods Village website. Go to www.lagunawoodsvillage.com, and look for the CodeRED icon at the top left of the home page.

You can be assured that all information provided for your CodeRED notification is confidential and will only be used to contact you in the case of an emergency.

Note: California Civil Code Section 4041 requires owners to provide annual written notice to the association of the following. This includes contact information of the legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of an emergency or extended absence from the manor. Emergency contact information may be given to hospital personnel upon request.



RESOLUTION 03-22-XX Lease Authorization Renewal

WHEREAS, Third Laguna Hills Mutual (Third) is authorized to manage, operate and maintain housing at Laguna Woods Village; and

WHEREAS, Third amended its Lease Authorization Policy by way of Resolution 03-21-04 in order to comport with AB 3182, which became effective January 1, 2021; and

WHEREAS, the Board of Directors is aware of member requests to ease the annual paperwork requirements for landlords and tenants who are in good standing, without rule violations, late payments or delinquencies;

NOW THEREFORE BE IT RESOLVED, February 15, 2022, the Board of Directors approves an abbreviated lease authorization renewal application process for up to five (5) years for landlords and tenants who remain in good standing during the lease authorization period; no change in the fee for lease authorization renewals will result;

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

JANUARY Initial Notification—28-day notification for member review and comments to comply with Civil Code §4360 has been satisfied.



STAFF REPORT

DATE: February 15, 2022

FOR: Third Laguna Hills Mutual Board SUBJECT: Revised Alteration Fee Schedule

RECOMMENDATION

The Third Architectural Control & Standards Committee recommends the approval of the revision of fees as proposed within Resolution 03-22-XX for the new Revised Alteration Fee Schedule dated November 23, 2021.

BACKGROUND

A prior Staff Report with Fee Schedule was approved by the ACSC on October 25, 2021.

The Third Mutual (Board), via the November 16, 2021 Board Meeting, had requested that the Agenda Item 13 (a) Alteration Fee Schedule Revision, be revised. Currently, variances containing multiple variance requests are allowed to be processed within a single variance request for the same fee. Also, variances with simple or less complex reviews are typically less labor intensive to review; but, the cost is the same fee. The request from the Board was to modify the fee associated with a variance (1) to allow: (1) the variance fee amount of \$662 to be bifurcated into two fee categories: A) Basic Variance Request; and B) Complex Variance Request.

Attachment 2 – Revised Fee Schedule, is therefore provided to the ACSC for consideration.

DISCUSSION

Prior to the commencement of most manor alterations, mutual members, or their authorized representative(s), are required to obtain a Mutual Consent (MC) from Manor Alterations (MA). This permit fee is charged to partially offset administrative costs associated with the processing, review, and final inspection of staff work associated with the MC. Depending on the type of alteration to be performed, the fees are currently calculated using either a flat fee or the value of the proposed alteration. The current Alteration Fee Schedule is provided on Attachment 2 – Current and Revised Alteration Fee Schedule with markups. Staff reviews the application and ensures that the proposed alteration conforms to mutual Standards or the variance process.

Since alterations are optional and chosen by the Member, it is reasonable that the cost for processing the applications, and inspecting the work be borne by those electing to alter their manor. Over the past year, several new processes and services, along with improvements to customer service, have been implemented in the Manor Alterations Division.

The Third Mutual ARCHITECTURAL REVIEW PROCEDURES Summary of Civil Code § 4765 provide for a description of the Variance process. Article, Guidelines for Submittals for Variance Request, Item 1 states in part, "Variance requests are submitted to obtain approval for a variance to construct a nonstandard alteration, that which is different from the mutual's alteration standards and/or standard plans. Variance requests are submitted to the Alterations Division for consideration by the mutual's ACSC and the board."

Contractor parking passes, demolition mutual consents, asbestos management, and conformance deposits have all brought significant improvements to the services offered, and have increased procedures within the mutual. Given the processes and administrative requirements currently involved, it is suggested that the ACSC and Board now consider updating the current Alteration Fee Schedule to reflect the increased administrative and processing cost attributable to MC work.

The current Fee Schedule was adopted in 2017. The actual cost expended by Manor Alterations at its now current rate exceed the permit fees of the 2017 Alteration Fee Schedule. The Revised Alteration Fee Schedule allows for a more appropriate fee structure to the actual cost of staff labor expended on MC Alterations.

Attachment 1 – Financial Analysis, addresses the cost to process Mutual Consents, Variances, and other submissions. Variance requests are now separated into two categories of Minimal and Standard.

The Attachment 2 – Current and Revised Alteration Fee Schedule reflects the fee increases to the following: 1. The Alteration Fee Schedule of \$50 is revised to \$70; and 2. The new Basic Variance fee will be \$380; and 3. The new Complex Variance Fee will be \$662; and 4. The Unauthorized Alteration Fee of \$300 will be increased to \$350; and 5. The Permit Fee Valuation shall be increased by 40% for each value of escalation.

Basic Variance Request

This Basic Variance Request is defined as a non-standard alteration in which only one component of the work requested is to be a variance to the Standard mutual consent process. All now current Standards are represented on Attachment 4 – List of Alterations Not Requiring a Mutual Consent is a list of non-mutual consent items allowed without the need for a MC permit or variance permit. This Basic Variance Request and its accompanying Staff Report will be more condensed in nature; thus, requiring less staff time to assemble and a reduced fee is realized with this type of request - See Attachment 1 – Financial Analysis for the fee allocation. Items that would qualify for (but not limited to) a Basic Variance request fee would be as follows:

- Interior Doorway Expansion (not visible to the Common Area)
- Interior Modification to a Floor Plan (Single Room combination or revision)
- Minor Common Area Modification (Gate, Exclusive Common Area Veneer)

Complex Variance Request

The Complex Variance request is defined as a non-standard alteration in which more than one component of the work requested is to be a variance to the standard mutual consent process. The report will be more detailed in nature requiring additional effort to explain the contents and intent of the multiple requests - See Attachment 1 – Financial Analysis for the fee of a Complex Variance. Items that would qualify for (but not limited to) a Complex Variance request fee would be as follows:

- Doorway Expansion (visible to the Common Area)
- Any Improvement visible to or within Common Area
- Any Improvement made to the building exterior
- Common Area Improvements (Canopies, Solar Panels, Enclosures, Room Additions)

Note: All applicable staff reporting and variance procedures are to be followed regardless of which type of variance request is utilized.

Attachment 4 – List of Alterations Not Requiring a Mutual Consent is a list of non-mutual consent items allowed without the need for a MC permit or a variance permit.

Attachment 3 - List of Standard Alterations is a summary of all current approved Standard Alterations within Third Mutual. This list serves as a reference to understand what qualifies as a Standard, and how a Variance by its own nature does not follow these Standards, thus requiring approval by the ACSC and Board.

Resolution 03-22-XX enacted by the board would serve to update the existing fee schedule.

FINANCIAL ANALYSIS

The Attachment 1 - Financial Analysis indicates the changes to certain current fees and charges of the Alteration Fee Schedule with an estimated total increase of \$82,908 in additional revenue.

This total is due to increases in the following categories:

- 1. Alteration Fee Schedule fee will be increased to \$70;
- 2. The new Basic Variance fee will be increased to \$380;
- 3. The new Complex Variance Fee will be increased to \$662;
- 4. The Unauthorized Alteration Fee be increased to \$350;
- 5. The Permit Fee Valuation shall be increased by 40% for each value of escalation.
- 6. Resale Inspection Fees increased by \$100.

Prepared By: Robbi Doncost, Manor Alterations Manager

Reviewed By: Bart Mejia, Maintenance and Construction Deputy Director

Gavin Fogg, Manor Alterations Supervisor Lauryn Varnum, Manor Alterations Coordinator

ATTACHMENT(S)

Attachment 1 – Financial Analysis Inclusive of Basic and Complex Variance

Attachment 2 – Current and Revised Alteration Fee Schedule

Attachment 3 – List of Standard Alterations

Attachment 4 – List of Alterations Not Requiring a Mutual Consent

Attachment 5 - Resolution 03-22-xx

Attachment 1 – Financial Analysis Inclusive of Basic and Complex Variance

| ALTERATION PROCESSING FEE INCREASE | | | | | | |
|---|-----|----------|-------------|------|-------------|-----------|
| Fees Increase from \$50 to \$70 for a | 28. | 6% adjı | ustment * | | | |
| Average MC's / year | | | 380 | | | |
| Average \$ of MC | | | \$ 300 | | | |
| AV Re | ver | nue of N | MC's / year | \$ | 114,000 | |
| *Ajust | ed | to 28.69 | % increase | \$ | 146,604 | |
| Added Revenue for | Alt | eration | n Processin | g Fe | e Increase | \$ 32,604 |
| | | | | | | |
| VARIANCE FEE INCREASE | | | | | | |
| COMPLEX VARIANCE PROCESSING FEE ALLOCA | ΑTI | ON | | | | |
| Per 2021 | Bil | Rates | Schedule | | | |
| | \$ | 38.94 | Hrs. | | Total | |
| Rev of Variance Initial Req. & Policy Review | \$ | 38.94 | 0.5 | \$ | 19.47 | |
| Initial Stellar & Policy Review | \$ | 38.94 | 1 | \$ | 38.94 | |
| Site Visit & Doc Assembly | \$ | 38.94 | 4 | \$ | 155.76 | |
| Report Assembly | \$ | 38.94 | 7 | \$ | 272.58 | |
| Added Plan Coordination/MC | \$ | 38.94 | 2 | \$ | 77.88 | |
| Supervisor Review & Comments | \$ | 38.94 | 1.5 | \$ | 58.41 | |
| Manager Review & Edits | \$ | 38.94 | 1 | \$ | 38.94 | |
| | | | 17 | \$ | 662.0 | |
| | | | Hrs | Per | Standard | |
| | | | | Var | iance Actua | al |
| | | | | Cos | st | |
| BASIC VARIANCE PROCESSING FEE ALLOCATION | NC | | | | | |
| Per 2021 | Bil | l Rates | Schedule | | | |
| | \$ | 38.94 | Hrs. | | Total | |
| Rev of Variance Initial Req. & Discssions of Po | \$ | 38.94 | 0 | \$ | - | |
| Initial Stellar & Policy Review | \$ | 38.94 | 1 | \$ | 38.94 | |
| Site Visit & Doc Assembly | \$ | 38.94 | 1.5 | \$ | 58.41 | |
| Report Assembly | \$ | 38.94 | 4.5 | \$ | 175.23 | |
| Added Plan Coordination/MC | \$ | 38.94 | 1 | \$ | 38.94 | |
| Supervisor Review & Comments | \$ | 38.94 | 1 | \$ | 38.94 | |
| Manager Review & Edits | \$ | 38.94 | 0.75 | \$ | 29.21 | |
| | | | 9.75 | \$ | 379.7 | |
| | | | Hrs | Per | Minimal | |
| | | | | Var | iance Actua | al |
| BLEND RATE OF VARIANCE | | | | | | |
| Calculate AV # of Variances / Yr. | | | | | | |
| 24 Variances per year at | | | | | | |
| Added | Re | venue 1 | for Varianc | e Fe | e Increase | \$ 12,504 |

Attachment 1 (continued) - Financial Analysis Inclusive of Basic and Complex Variance

| Third Report Cost Current \$115 Increased | to \$220 | 378 resale | | spections | | |
|--|-----------------|----------------------------|-------|------------|-----------|--|
| Total AV Resale Inspections | | 378 | | | | |
| 1st Inspection cost \$65 + added | increase of \$ | 550 | \$ | 115 | | |
| Final Inspection cost \$55 + adde | ed increase o | f \$50 | \$ | 105 | | |
| Total New F | Resale Inspec | tion Report | \$ | 220 | | |
| | | | | | | |
| Increase of \$100 / Inspection Re | eport yields a | in increase | | | | |
| | | | | | | |
| Adde | d Resale Insp | ection Repo | rt Fe | e Increase | \$ 37,800 | |
| | | | | | | |
| RESALES ESTIMATED ACTUAL FEE (not app | lied to \$100 i | d to \$100 increase above) | | | | |
| only for illustration purposes Per 2 | 2021 Bill Rate | s Schedule | | | | |
| | \$ 38.94 | ļ. | | | | |
| | | Hrs. | | Total | | |
| Inspection Site Visit & Gen. Data | \$ 38.94 | 1.5 | \$ | 58.41 | | |
| Manor Research Tickets/MC's/Violations | \$ 38.94 | 2.5 | \$ | 97.35 | | |
| Operations Specialist Report | \$ 38.94 | 1.5 | \$ | 58.41 | | |
| Operations Specialist Filing & Transmittal | \$ 38.94 | 1.5 | \$ | 58.41 | | |
| Misc. Reissue & Resale Coord. O.S. | \$ 38.94 | 1.5 | \$ | 58.41 | | |
| | | | | | | |
| | | 8.50 | \$ | 330.99 | | |
| | | Hrs | peri | report | | |
| | | | | ial Cost | | |
| | | | | | | |

Attachment 2 - Current and Revised Alteration Fee Schedule



Current Alteration Fee Schedule - Items in RED reflect proposed updates

Alteration Fee Schedule

For items not listed, please contact Manor Alterations at (949) 597-4616 or alterations@vmsinc.org

Visit www.lagunawoodsvillage.com for Mutual Standards and Standard Plans
All items require HOA Mutual Consent from Manor Alterations and a City Permit as indicated below.

*Unauthorized Alteration Fee - \$350

| Unauthorized Alteration Fee | \$300 |
|-----------------------------|-------|
|-----------------------------|-------|

*Alteration Processing Fee - \$70

| \$50 Alteration Processing Fee | | | |
|---|------------------------|--|--|
| Alteration Type | City Permi Required | | |
| Acoustic Ceiling Removal | Yes | | |
| Awnings (Standard, Less than 54") | Yes | | |
| Awnings (Powered) | Yes | | |
| HVAC (No Increase in Amperage) | No | | |
| Tub Replacement | Yes | | |
| Block Walls (Less than 48" H) | No | | |
| Block Walls (More than 48" H) | Yes | | |
| Planter Wali | No | | |
| Dishwasher (New Installation) | Yes | | |
| Door Revision (Exterior) | No | | |
| Electrical | Yes | | |
| Exhaust Fan | Yes | | |
| Fences (Less than 84") and Gates | No | | |
| Floor Coverings (Exterior) | No | | |
| Flooring (Vinyl) | No | | |
| Gutters and Downspouts | No | | |
| Metal Drop Shades | No | | |
| Modesty Panels (Balcony) | No | | |
| Patio Slab Revision | No | | |
| Patio Wall Revision | No | | |
| Plumbing | Yes | | |
| Soft Water System (Independent) | No | | |
| Soft Water System (Connected to Water Heater) | No | | |
| Storage Cabinets (Carport) | No | | |
| Shades (Roll-up) | No | | |

*Some Alterations may require a Demolition Permit, which carries a \$50 fee. To confirm if your Alteration will require a Demolition Permit, please contact the Manor Alterations Department.

*Bifurcated Variance Fees-Standard - \$662, Minimal - \$380

| Variance Processing Fee | \$150 | | |
|---|------------------------|--|--|
| Permit Alteration Fees Based on Valuat | tion | | |
| Alteration Type | City Permi Required | | |
| Air Conditioner (Through the Wall) | Yes | | |
| Bathroom Addition (Split) | Yes | | |
| Central HVAC (New Installation) | Yes | | |
| Atrium, Balcony, Patio Covers (Replacement or New Installation | Yes | | |
| Doors (New Construction) | Yes | | |
| Atrium, Balcony, Patio Enclosures | Yes | | |
| French Doors (New Installation) | Yes | | |
| Garden Room, Solarium | Yes | | |
| Heat Pumps (New Installation through Wall) | Yes | | |
| Man Doors (New Installation) | Yes | | |
| Plumbing (New Installation or Relocation) | Yes | | |
| Room Addition | Yes | | |
| Shower to Shower Replacement | Yes | | |
| Skylights | Yes | | |
| Sliding Glass Doors (New Installation) | Yes | | |
| Sliding Glass Doors (Retrofit) | Yes | | |
| Solar Tubes | Yes | | |
| Tub to Shower Installation | Yes | | |
| Tub to Tub Replacement | Yes | | |
| Wall Revisions | Yes | | |
| Washer and Dryer (New Installation) | Yes | | |
| Water Heater (Relocation) | Yes | | |
| Windows (New Construction) | Yes | | |
| Windows (Retrofit) | Yes | | |

40% Increase

| *Perm | Permit Fee Legend | | | | |
|-------------------------|--|---|--|--|--|
| Fee \$70 | Fee | Valuation | | | |
| | \$50 \$77 \$168 \$280 \$392 \$504 | Less than \$750 \$751 to \$2,000 \$2,001 to \$4,000 \$4,001 to \$6,000 | | | |
| \$108 | | | | | |
| \$235 | | | | | |
| \$392 \$549 \$706 | | | | | |
| | | \$6,001 to \$8,000 | | | |
| | | \$8,001 to \$10,000 | | | |
| \$980 | \$700 | Above \$10,000 | | | |

^{*}Alteration Fees are paid via credit card upon approval of a completed permit. Manor Alterations will contact applicants directly upon approval to collect payment.

Attachment 2 (continued) - Current and Revised Alteration Fee Schedule

Laguna Woods Village

Third Mutual Alteration Fee Schedule

Visit www.lagunawoodsvillage.com for Mutual Standards and Standard Plans
All items require HOA Mutual Consent from Manor Alterations and a City Permit as indicated below.

For items not listed, please contact Manor Alterations at (949) 597-4616 or alterations@vmsinc.org

Visit www.lagunawoodsvillage.com for Mutual Standards and Standard Plans

| Alteration Type | City Perm Required | | |
|---|-----------------------|--|--|
| Acoustic Ceiling Removal | Yes | | |
| Awnings (Standard, Less than 54") | Yes | | |
| Awnings (Powered) | Yes | | |
| HVAC (No Increase in Amperage) | No | | |
| Tub Replacement | Yes | | |
| Block Walls (Less than 48" H) | No | | |
| Block Walls (More than 48" H) | Yes | | |
| Planter Wall | No | | |
| Dishwasher (New Installation) | Yes | | |
| Door Revision (Exterior) | No | | |
| Electrical | Yes | | |
| Exhaust Fan | Yes | | |
| Fences (Less than 84") and Gates | No | | |
| Floor Coverings (Exterior) | No | | |
| Flooring (Vinyl) | No | | |
| Gutters and Downspouts | No | | |
| Metal Drop Shades | No | | |
| Modesty Panels (Balcony) | No | | |
| Patio Slab Revision | No | | |
| Patio Wall Revision | No | | |
| Plumbing | Yes | | |
| Soft Water System (Independent) | No | | |
| Soft Water System (Connected to Water Heater) | No | | |
| Storage Cabinets (Carport) | No | | |
| Shades (Roll-up) | No | | |

| Valuation | Fee | |
|---------------------|-------|--|
| Less than \$750 | \$70 | |
| \$751 to \$2,000 | \$108 | |
| \$2,001 to \$4,000 | \$235 | |
| \$4,001 to \$6,000 | \$392 | |
| \$6,001 to \$8,000 | \$549 | |
| \$8,001 to \$10,000 | \$706 | |
| Above \$10,000 | \$980 | |
| | | |

| Alteration Type | City Permit Required | | |
|---|-------------------------|--|--|
| Air Conditioner (Through the Wall) | Yes | | |
| Bathroom Addition (Split) | Yes | | |
| Central HVAC (New Installation) | Yes | | |
| Atrium, Balcony, Patio Covers (Replacement or New Installation | Yes | | |
| Doors (New Construction) | Yes | | |
| Atrium, Balcony, Patio Enclosures | Yes | | |
| French Doors (New Installation) | Yes | | |
| Garden Room, Solarium | Yes | | |
| Heat Pumps (New Installation through Wall) | Yes | | |
| Man Doors (New Installation) | Yes | | |
| Plumbing (New Installation or Relocation) | Yes | | |
| Room Addition | Yes | | |
| Shower to Shower Replacement | Yes | | |
| Skylights | Yes | | |
| Sliding Glass Doors (New Installation) | Yes | | |
| Sliding Glass Doors (Retrofit) | Yes | | |
| Solar Tubes | Yes | | |
| Tub to Shower Installation | Yes | | |
| Tub to Tub Replacement | Yes | | |
| Wall Revisions | Yes | | |
| Washer and Dryer (New Installation) | Yes | | |
| Water Heater (Relocation) | Yes | | |
| Windows (New Construction) | Yes | | |
| Windows (Retrofit) | Yes | | |

| Variance Fee Legend (Additional to Permit Processing Fee) | | |
|---|-------|--|
| Variance Type | Fee | |
| Basic Variance Processing Fee | \$380 | |
| Complex Variance Processing Fee | \$662 | |

| Unauthorized Alteration Fee | \$350 |
|--|------------------|
| *Fee applies to members who attempt alteration | ns without prior |
| approval of Manor Alterations | |

^{*}Some Alterations may require a Demolition Permit, which carries a \$70 fee. To confirm if your Alteration will require a Demolition

Permit, please contact the Manor Alterations Department.

^{*}Alteration Fees are paid via credit card upon approval of a completed permit. Manor Alterations will contact applicants directly upon approval to collect payment.

^{*}In the event a member requires an "after the fact" ("ATF") Mutual Consent for work completed without prior appropriate authorization, the following will apply as appropriate to the nature of the improvement work: Unauthorized Alteration Fee + Variance Fee and/or Mutual Consent Fee and/or Demolition Fee

^{*}Variance Processing Fees are in addition to any fees incurred via permit processing

Attachment 3 – List of Standard Alterations

Attachment 3 - List of Standard Alterations

Tuesday, January 12, 2021

These Standards are approved as work that can be permitted by Manor Alterations staff, and issued as a mutual consent. All other permit requests for Work would require approval by variance from the ACSC and Board. All standard alterations carry a processing fee as outlined on the Alteration Fee Schedule.

| · | | | | |
|-----------------------------------|-----|--------|--------------|---|
| STANDARD TITLE | # | DATE | RESOLUTION # | DESCRIPTION |
| General Requirements | 1 | Jan-18 | 3.18.12 | General requirements for all alterations |
| Air Conditioning units/Heat Pumps | 4 | Jul-19 | 3.19.71 | Thru-wall AC-HP units, central and ductless |
| Satellite Dishes – 1 Story | 5A | Jun-18 | 3.18.86 | Prep guidelines and installation guidelines |
| Satellite Dishes – 2 Story | 5B | Jun-18 | 3.18.87 | Prep guidelines and installation guidelines |
| Satellite Dishes – 3 Story | 5C | Nov-13 | 3.13.121 | Prep guidelines and installation guidelines |
| | | | | Guidelines for reconstructed walls, planter walls, |
| Block Walls | 6 | Jan-18 | 3.18.14 | sprinkler revisions |
| Porch Lift Elevator | 8 | Jan-18 | 3.18.12 | Guidelines and bound agreement for standards |
| Exhaust Fan Installations | 9 | Jan-18 | 3.18.12 | Guidelines for unit sizes and types |
| Doors, Exterior | 10 | Mar-18 | 3.18.40 | Guidelines for types, applications, styles |
| Exterior Floor Coverings | 11 | Mar-18 | 3.18.41 | Guidelines for application, maintenance |
| | | | | Application, FIIC & CC&R standards, owner |
| Interior Hard-Surface Flooring | 11A | Dec-10 | 3.10.188 | responsibilities, complaint rules |
| | | | | Application, tile & veneer, trellis & wrought iron |
| Exterior Wall Attachments | 12 | Jun-18 | 3.18.88 | designs, mural & wall hangings |
| Fences, Wrought Iron | 13 | Mar-18 | 3.18.42 | Application and sprinkler revisions |
| Fireplace Installations | 14 | Jun-18 | 3.18.89 | Application, spark arrestors |
| Garage Doors, Sectional or One | | | | |
| Piece | 16 | Jun-18 | 3.18.90 | Application and aesthetics |
| Gates | 17 | Mar-18 | 3.18.43 | Application: patio walls, patio railings in 3 story |
| Gutter & Downspouts | 18 | Jun-18 | 3.18.91 | Application and penetration, aesthetics |
| Balcony Modesty Paneling | 19 | May-18 | 3.18.56 | Application and aesthetics, paneling height |
| | | | | |
| Patio Slabs | 21 | Mar-18 | 3.18.44 | Preparation, application, and sprinkler revisions |
| Patio, Balcony & Eyebrow Covers, | | | | Definition of patio/balcony, applications, patio |
| Aluminum | 22 | Nov-19 | 3.19.114 | over balcony |
| Skylight Installations | 26 | Jun-18 | 3.18.92 | Application, aesthetics, trusses requirements |
| | | | | Definition, application, notification process, |
| | | | | installation process, asbestos, roofing material |
| Tubular Skylight Installations | 27 | Jun-18 | 3.18.93 | distinctions |
| Soft Water Units | 28 | Nov-19 | 3.19.132 | Installation, isolation valves |
| | | | | Specifications, surface preparation, frame/track, |
| Solariums | 29 | May-11 | 3.11.49 | glass type, |

Attachment 3 (continued) – List of Standard Alterations

| 30A | Feb-19 | 3.19.19 | Prepatation, application, sizing requirements |
|--------|--|--|--|
| | | | Cabinet design approval, wall penetrations, 3 |
| 31 | Dec-18 | 3.18.156 | story building prohibition |
| | | | Application, plumbing, electrical, strapping, |
| 32 | Mar-19 | 3.19.34 | elevation to match |
| | | | Application, installation, glass type, attachment |
| | | | methodology, stained glass, wrought iron grilles |
| 34 | Jan-19 | 3.19.09 | garden windows, sliding glass doors |
| 37 | Feb-19 | 3.19.18 | Application, fixed v retractable, maintenance |
| | | | Applications, specifications, surface preparation |
| 38 | Aug-19 | 3.19.82 | frame/track, glass type |
| | | | Applications, specifications, surface preparation |
| 39 | Apr-11 | 3.11.49 | frame/track, glass type |
| | | | |
| 40 | Jun-19 | 3.19.XX | Applications, aesthetics, maintenance |
| 41 | Aug-19 | 3.19.95 | Applications, obligations, CAUA |
| | | | Definitions, specifications, exterior landings, |
| | | | maneuvering clearances, handrails, curbs/wheel |
| 42 | Nov-19 | 3.19.133 | guides, hazards |
| 43 | Aug-13 | 3.13.84 | Definitions, obligations, applications, sizing |
| | | | Electrical power source, location, conduit |
| 44 | May-15 | 3.15.45 | routing, insurance |
| | | | Preparation, application, sprinkler revisions, |
| 45 | Jan-19 | 3.19.10 | sizing |
| | | | Building type, footprint & location, rooflines, |
| | | | windows, architectural accents, exterior finishes |
| 46 | Jan-16 | 3.16.16 | plans, landscaping |
| | | | Applications, installation requirements, |
| 47 | Jan-18 | 3.18.22 | obligations |
| | | | |
| | | | |
| ution. | | | |
| | | | |
| | 32 34 37 38 39 40 41 42 43 44 45 46 47 | 31 Dec-18 32 Mar-19 34 Jan-19 37 Feb-19 38 Aug-19 39 Apr-11 40 Jun-19 41 Aug-19 42 Nov-19 43 Aug-13 44 May-15 45 Jan-19 46 Jan-16 47 Jan-18 ution. | 31 Dec-18 3.18.156 32 Mar-19 3.19.34 34 Jan-19 3.19.09 37 Feb-19 3.19.18 38 Aug-19 3.19.82 39 Apr-11 3.11.49 40 Jun-19 3.19.XX 41 Aug-19 3.19.95 42 Nov-19 3.19.133 43 Aug-13 3.13.84 44 May-15 3.15.45 45 Jan-19 3.19.10 46 Jan-16 3.16.16 47 Jan-18 3.18.22 |

Attachment 4 – List of Alterations Not Requiring a Mutual Consent



Third Mutual – Alterations without MC

- Floor replacement (so long as ACM is not disturbed) e.g. carpet like for like.
- Painting Interior walls
- Installing bookshelves
- Installing Mailbox
- Hanging picture frames/decorations interior
- Sink/ toilet replacements
- Doorbell replacement/installs
- Appliances change outs (e.g. Refrigerator, microwave, stove/oven, dishwasher)
- Change out faucets.
- · Garbage disposals
- Cabinet/Vanity/Counter top replacements that do not disturb ACM or require City Compliance upgrades on electrical.
- Peepholes
- Interior Doors

Attachment 5 - Resolution

RESOLUTION 03-22-XX

Alteration/Variance Processing Fee Policy

WHEREAS, alteration and variance requests require significant staff time for proper processing, including research, report preparation, and then presentation to the appropriate committee and then the Board; and

WHEREAS, in order to offset a portion of the administrative costs associated with processing variance requests, which is often followed by multiple resubmittals, and can be followed by an appeal to the Board as mandated in accordance with Resolution 03-13-105; and

WHEREAS, the following revisions are approved: 1. The Alteration Fee Schedule is revised to \$70; and 2. The new Basic Variance fee will be \$380; and 3. The new Complex Variance Fee will be \$662; and 4. The Unauthorized Alteration Fee will be increased to \$350; and 5. The Permit Fee Valuation shall be increased by 40%; and 6. The Resale fees will increase to the total amount of \$215 for the first and second inspection fees.

WHEREAS, the new Alteration Fee Schedule better aligns the fees with the administrative time it takes to process each task; and

NOW THEREFORE BE IT RESOLVED, February 15, 2022 to partially offset administrative costs associated with processing alteration and variance requests, the Board of Directors of this Corporation hereby revise the alteration and inspection fees as attached to the official minutes of this meeting the new Alteration Fee Schedule will be adopted; and

RESOLVED FURTHER, in the event that a member requires an "After the Fact" (ATF) Mutual Consent for work completed without prior appropriate authorization the following would apply as appropriate to the nature of the improvement work, defined as a member being responsible for: a Variance Fee if the work required variance approval; an ATF Mutual Consent Fee due to the work not having been applied for and permitted by Manor Alterations in advance of completion; a Mutual Consent Fee totaling the cost of an appropriate Mutual Consent Fee if the work had been properly approved; a Demolition Fee totaling the cost of the appropriate Demolition Fee if the work had been properly approved; and

RESOLVED FURTHER, that Resolution 03-17-120 adopted October 20, 2017 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 the resolution.

FEBRUARY Initial Notification

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

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STAFF REPORT

DATE: February 15, 2022

FOR: Third Laguna Hills 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), 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 yet 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 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 occur.

DISCUSSION

MA is seeking to enact the Contractor Violation Policy as a method of leverage for enforcement of Third's current Rules and Obligations. This policy would benefit Third Mutual members, as it would provide clarity on potential contractor conduct and expectations. It would also provide clarity on current mutual rules and regulations, including work hours and observed holidays (Attachment 5). This policy would be incorporated within the revised verbiage of the Mutual

Consent for Alterations (Attachment 3) and Mutual Consent for Demolition (Attachment 4) as a method of acknowledgment for both contractors and applicants.

FINANCIAL ANALYSIS

It is anticipated that the implementation of the proposed Policy, if approved, can be absorbed our current staff and budget.

Prepared By: Robbi Doncost - MA Manager

Reviewed By: Gavin Fogg - MA Supervisor

Reviewed By: Baltazar Mejia P.E.- Maintenance & Construction Assistant Director Energy,

Engineering, & Facilities

ATTACHMENT(S)

Attachment 1 – Contractor Violation Policy 03-22-XX

Attachment 2 – Exhibit A – Construction Rules & Obligations

Attachment 3 – Mutual Consent for Alterations Application Revised Verbiage

Attachment 4 – Mutual Consent for Demolition Application Revised Verbiage

Attachment 5 – VMS Inc. Observed Holidays List

Attachment 6 - Resolution 03-22-xx

Attachment 1 - Contractor Violation Policy 03-22-XX

CONTRACTOR VIOLATION POLICY

It is crucial that contactors 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 an 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' performance 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 contactor on the mutual standard certificate of liability insurance (COLI).

Attachment 1 continued - Contractor Violation Policy 03-22-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 failure to complete the approved MC scope of work within the MC specified time to complete, 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 MA extension of time 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,
- 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:

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 the contractor may 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 Third Violation is to be issued, the Contractor shall be subject to a review by the ACSC. While waiting on the ACSC hearing the Contractor will no longer be allowed to do work within Third and a review by the ACSC will be scheduled. 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 cancelled or rejected. 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.

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

3. Third offense – Notice of violation and potential ban of contractor from all work within the mutual. A hearing shall be convened at an ACSC meeting for review of the circumstances. This shall be done at an ACSC hearing. Only board reinstatement can result in the contractor continuing to work in the mutual.

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 issued 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 7- a.m. to 5 p.m. on weekdays (only quiet work permitted from 7 to 8 A.M); Saturdays from 9 A.M. to 3 P.M.; and no work is permitted on VMS Inc. observed holidays, and Sunday.
 - a The list of VMS Inc. observed holidays is as follows: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day
 - b The holiday schedule will be updated annually and will be attached to the application package of the respective Mutual Consent(s).
- 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.

Attachment 2 continued – Exhibit A – Construction Rules & Obligations

- 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.
- 14. Call Security at 949-580-1400 for portable bathroom placement approval.
- 15. 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 outside of the allowable hours, will result in disciplinary action, which could result in a stop-work notice, loss of privileges and/or severe violations to the Contractor as presented in the Contractor Violation Policy.
- 16. 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.

17. Mutual Consent Time of Completion

- a. Establishment of a reasonable time frame for the Mutual Consent (MC):The MC initial time of completion shall be a reasonably established time duration of 180 days or less appropriate to the work listed on the Mutual Consent as agreed upon by MA and the contractor at the time of MC issuance and written on the MC designated line.
- b. The Contractor may request, no fee extensions of time with MA at any time during the course of the work. Only an explanation of delay is needed for the issuance of extension(s) within the 180-day period of time. If the Contractor determines that additional time is needed beyond the maximum allowable 180 calendar days, the contractor and owner may request of Manor Alterations an extension of time as a result of Force Majeure events prior to expiration of the then valid Mutual Consent. The board would have to approve all extensions of time exceeding the reasonable time allowed by Manor Alterations.
- c. The contractor shall not perform any work beyond the time approved by MA in this Article 14.

Attachment 3 - Mutual Consent for Manor Alterations Revised Verbiage

| THIRD: MUTUAL O | CONSENT FOR MANO | OR ALTERATIONS | Manor:Street: |
|--|--|---|---|
| o as the "Corporation"), hereby requote the Manor. Said alteration (hereafterms and conditions printed on the which terms and conditions set out the hird Laguna Hills Mutual hereby des | Laguna Hills Mutual, a California nonprinests permission of the Corporation to iter sometimes referred to as the "Work reverse side hereof, and the latest versite responsibilities of the member and the lignates that the member of Mutual list of obtaining a City of Laguna Woods buil below both member and contractor ack dhere to the terms and conditions. | make the alteration described below ") shall be performed subject to the ion of the Contractor Violation Policy, ne below named contractor. ed below is a representative of the ding permit for the alteration | 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: Duration of Extension Granted:_ Revised Expiration Date of Mutual Consent: |
| MANOR MODEL NAME: | | PLAN #: | |
| | PROPERTY OWNER | / APPLICANT INFORMATION | |
| Name: | | Phone: | |
| Street Address: | | | |
| City: | State: | Zip Code: | |
| Email: | | | |
| | CONTRAC | CTOR INFORMATION | TO THE RESERVE TO THE PARTY OF |
| Company Name: | | Phone: | |
| Street Address: | | | |
| City: | State: | Zip Code: | |
| Email: | License: | Class: | Expires: |
| PROJECT DESCRIPTION: | | | VALUATION: \$ |
| | | | |
| | | | |
| | | | |
| ALTERATIONS TO BE COMPLETED P | PER MUTUAL RULES & STANDARD SECTI | ION(S): | |
| PER MUTUAL APPROVED STANDAR | D PLAN(S) # | | |
| PER MUTUAL APPROVED VARIANCE | E RESOLUTION # | | |

Signature of Contractor:

Attachment 3 (continued) - Mutual Consent for Manor Alterations 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 nonconformance 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.
- 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.
- 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 such reasonable time as established by MA and

Contractor, 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 INSPECTOR. I also understand that Mutual Consent will EXPIRE within such reasonable time as established by MA and Contractor, unless and until 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.

IMPORTANT NOTICE: ASBESTOS CONTAINING MATERIALS THAT ARE BASICALLY INERT AND HARMLESS IF NOT DISTURBED MAY BE PRESENT IN CEILINGS, FLOORS

| VMS, Inc. | Permit Fee | Penalty Fee (If Applicable) | Paid By | Date |
|-----------------|----------------------------|---|--------------------------------|-------------------|
| | | | | |
| | | | | |
| | | | | |
| Alteration Code | (s): | | | |
| | This application is app | proved and said member is hereby granted permissi | ion to make the above describe | ed alteration(s). |
| | | FOR OFFICE USE ONLY | | |
| MATERIALS; AN | ID UPON REQUEST, COPIES OF | DISPOSAL MANIFESTS WILL BE PROVIDED TO THE CO | DRPORATION. | |
| | | CES, CODES AND REGULATIONS RELATING TO DISTU | | |
| | | ND PROPERTY BEFORE DISTURBING SUCH MATERIA | | |

PROVIDED TO THE CORPORATION

Attachment 4 - Mutual Consent for Demolition Revised Verbiage

THIRD: MUTUAL CONSENT FOR DEMOLITION

The undersigned, a member of Third Laguna Hills Mutual, a California nonprofit corporation (hereafter Manor referred to as the "Corporation"), requests permission of the Corporation to perform the demolition Street: required to make the alteration described below to the dwelling. Said alteration Demo Consent # (hereafter sometimes referred to as the "work") shall be performed subject to the terms and City Demo Permit # conditions printed on the reverse side hereof, which terms and conditions set out the responsibilities Final Date City Permit # of the member and the below named contractor, if a, contractor is to perform said alteration; and Final Date: which is incorporated herein and made a part hereof, and the latest revision Contractor Violation NAF: Policy, which terms and conditions set out the responsibilities of the member and the below named Expiration Date of Mutual Consent: contractor. Third Laguna Hills Mutual hereby designates that the member of Mutual listed below is a Duration of Extension Granted: representative of the Mutual exclusively for the purpose of obtaining a City of Laguna Woods building Revised Expiration Date of Mutual Consent: 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. □ WASTE LINE ☐ LANDSCAPE MANOR MODEL NAME: APPLICANT INFORMATION Phone: Name: Street Address: City: State: Zip Code: Email: PROPERTY OWNER INFORMATION Phone: Name: Street Address: Zip Code: City: State: Email: CONTRACTOR INFORMATION Phone: Company Name: Street Address: City: State: Zip Code: Email: Expires: License#: Class: 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 A LS O 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

ALL DEMOLITION IS TO BE PERFORMED PER STATE, FEDERAL, CITY, AND MUTUAL REGULATIONS

LICENCES DURING DISTURBANCE, REMOVAL AND/OR DISPOSAL OF ALL REGULATED MATERIALS, DISPOSAL MANIFESTS AND POST REMOVAL CLEARANCES MUST BE

Attachment 4 (continued) - Mutual Consent for Demolition 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
- 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.
- 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 belo | w, both Member and Contractor agree to adhere to the four directives listed abov | /e. |
|--|---|---|---|
| • | - | sented on the City of Laguna Woods building and demolition permit, and no worl sent will EXPIRE within such reasonable time as established by MA and Contracto | |
| Signature of Mer | mber: | Date: | |
| of California and agree to WITHOUT INSPECTION A | o perform the work subject to the ter AND APPROVAL by the CITY OF LAGU | CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY m to all current Mutual Standards regarding this alteration(s). In addition, I am a ms and conditions printed on the reverse side of this application. I will ensure tha NA WOODS INSPECTOR. I also understand that Mutual Consent will EXPIRE within quest for extension. For all work performed in the Mutual, the contractor acknow will adhere to its terms and conditions. | at items requiring Inspections will not be covered such reasonable time as established by MA and |
| Signature of Con | tractor: | Date: | |
| | | FOR OFFICE USE ONLY | |
| Alteration Code(s): | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Date: | VMS, INC: | Permit Fee: \$ | Penalty Fee: \$ |
| | | | |

Page 1 of 2

Attachment 5 - VMS Inc. Observed Holidays List

Village Management Services, Inc.

To: VMS Employees

From: Carrie Weldon, Human Resource Director

Subject: 2022 Holiday Schedule

| Holiday | Date Observed | Day of the Week |
|------------------------|-------------------|-----------------|
| New Year's Day* | December 31, 2021 | Friday |
| President's Day | February 21, 2022 | Monday |
| Memorial Day | May 30, 2022 | Monday |
| Independence Day | July 4, 2022 | Monday |
| Labor Day | September 5, 2022 | Monday |
| Veterans Day | November 11, 2022 | Friday |
| Thanksgiving Day | November 24, 2022 | Thursday |
| Day after Thanksgiving | November 25, 2022 | Friday |
| Christmas Eve** | December 23, 2022 | Friday |
| Christmas Day*** | December 26, 2022 | Monday |

^{*}New Year's Day (January 1) falls on a Saturday and VMS will observe the holiday on the previous Friday (December 31).

^{**}Christmas Eve (December 24) falls on a Saturday and VMS will observe the holiday on the previous Friday (December 23).

^{***}Christmas Day (December 25) falls on a Sunday and VMS will observe the holiday on the following Monday (December 26).

Attachment 6 - Resolution

RESOLUTION 03-22-XX Contractor Violation Policy

WHEREAS, the purpose of the Contractor Violation Policy is to enact a unilateral and unambiguous matrix of violations, and potential ban, 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 with the allowance for approved timeline extensions; and

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

NOW THEREFORE, BE IT RESOLVED, on [DATE], 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.

FEBRUARY Initial Notification

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

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STAFF REPORT

DATE: February 15, 2022

FOR: Third Laguna Hills Mutual Board

SUBJECT: Common Area Water Heater Enclosure Revision

RECOMMENDATION

The Third ACSC recommends the Third Board approve the following:

- 1. Approve Resolution 03-22-XX suspending further use of the existing Standard 32, Water Heater Relocation until a new standard is adopted, and
- 2. Approve Manor Alterations (MA) to contract with Cardoso and Associates in the amount of \$6,170 to revise the standard drawings for a new rot resistant water heater enclosure, and

BACKGROUND

Standard 32 – Water Heater Relocation exists as a standard for mutual consent permit issuance that allows water heaters to be relocated into common areas as an over the counter Mutual Consent ("MC") by MA per original resolution dated August 1992, and lastly by revised March 2019, Resolution 03-19-34.

Water Heater cabinets are currently constructed of non-pressure treated wood framing and $\frac{1}{2}$ " thick T-111 plywood veneers per the existing Standard 32. These materials are susceptible to rot, which require continued maintenance by the members, as these cabinets are considered Alterations. MA and the Compliance divisions are tasked with the initial notice and follow up in the obligation of water heater enclosure maintenance compliance.

During the October 25, 2021 ACSC meeting, Manor Alterations (MA) was asked to investigate the cost to revise the current Resolution Standard 32 (Attachment 1), with an alternative material. Specifically, a more rot resistant material was requested.

During the November 22, 2021 ACSC meeting, 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 to be recommended to the Board. 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.

During the December 27, 2021 ACSC meeting, a motion was passed to recommend Option 1 of the completed Staff Report to the Third Mutual Board with the following conditions attached;

- 1. All current water heater enclosures must meet the current standards for landscaping
- 2. If a current water heater enclosure is deteriorating, they must be updated
- 3. If a water heater enclosure is deteriorating, it must be updated within the course of sale of a manor

Third Laguna Hills Mutual Board Water Heater Enclosure Cost Comparison February 15, 2022

During the January 18, 2022 Board meeting, the previously recommended Staff Report was read and discussed. Due to a Civil Code 4360, a 28-day postponement was enacted in advance of the Board enacting the resolution. The conditions of approval were reviewed, and the Board requested a change to a specific line item. Previously, one condition of approval stated:

- In the event the W.H. cabinet and its landscaping are not properly maintained the member shall lose all rights to its presence in common area.

This condition was noted to be changed to state:

"In the event the W.H. cabinet is not properly maintained; the member may lose all rights to its
presence in common area. Unmaintained landscape shall be reviewed for member versus mutual
responsibility during the compliance process."

As a side note: Manor Alterations shall identify landscaping deficiencies and notify member of need for correction. All cost to properly maintain required landscaping shall be at the member's expense.

During the January 24, 2022 ACSC meeting, the committee discussed how members will complete their assumed upgrade to the newly approved standard, including the cost comparison between an outside vendor completing the work v VMS, and the inclusion of language concerning the timeline for completion. Due to the volume of proposed amendments to the previously recommended proposed WH Enclosure policy, Mr. Doncost suggesting removing the report from the upcoming Third Board agenda in order for further review. The committee approved to withdraw the report by consensus.

DISCUSSION

Prohibition of Water Heaters in Common Area and New Water Heater Standard Maintenance Upgrade

Manor Alterations discusses the use of Standard 32 and the desire of the mutual to suspend the use of Common Area for the purpose of water heater relocations. In order to suspend further encroachment into Common Area, a Resolution would need to be approved suspending the further approval of water heater cabinets in common area.

Some members have noted in correspondence to MA, concerns about the enclosures, stating that the exterior cabinets take up common area, and they compromise the aesthetics of the Village. They further asked that the external cabinets be re-considered by the ACSC and potentially not allowed in the mutual. It has been suggested that alternative tankless heaters be used inside the manors in lieu of these exterior cabinets. Interior tankless heaters are not feasible without electrical upgrades to the electrical panels.

It should be noted that many of the manors' electrical systems are at maximum capacity with no ability to accommodate an increase in electrical load without significant cost to the member via an electrical panel upgrade. Tankless electric is not desirable due to the added electrical requirements. Each one needs (3) 30-amp breakers dedicated, this is not possible with the current electrical service panels and would require significant upgrades to the electrical panels in the manors. This limitation restricts tankless systems. Gas supply is limited to only a few buildings in the 5,000-range area, which prohibits a gas heating option. Therefore, the majority of the water heaters are electric water tank heated.

Interior relocations of water heaters would not be affected by the suspension of Standard 32. Interior relocations fall under separate alterations, which do not carry the same restrictions as alterations on common area.

Third Laguna Hills Mutual Board Water Heater Enclosure Cost Comparison February 15, 2022

The election to suspend the installation of future water heaters and enclosures in common areas would be enacted with the approval of Resolution 03-22-XX and includes the following conditions:

- 1. All existing and prior MA approved exterior W.H. enclosures would be allowed to remain and continue to exist or "grandfathered" until the manor is re-sold at which time the new Standard will apply. The existing enclosure and W.H. maintenance will continue as an obligation of the member as an Alteration.
- 2. If the manor is to be sold (resale) the original wood constructed W.H. enclosure shall be upgraded to the new Standard as generally represented by Attachment One Standard 32 Water Heater Relocation with Redlined Comments prior to the real estate closing escrow.
 - a. In an effort to not delay a sale or closing, the obligation to construct the new water heater enclosure maybe transferred to the new buyer by allowing the use of a Buyer & Seller Agreement. The terms of this Agreement shall include provisions as follows:
 - i. The new enclosure to be constructed at the Buyer's cost within 180 days from close of escrow unless otherwise extended for reasonable cause.
 - Buyer shall obtain a mutual consent and city approval in accordance with the new water heater standard with Manor Alterations.
 - iii. The mutual shall be allowed to withhold funds in the amount of \$4,000 to assure the timely completion of the new water heater enclosure. Any amount in excess of the actual cost to build the W.H. enclosure shall be refunded to the party named in the holdback agreement.
 - iv. In the event the Buyer does not complete the water heater work, the mutual's agent shall have the right to either contract with a 3rd party contractor, or use its labor to complete the water heater work. Any un-used withheld balance shall be returned to the party offering the holdback.
- 3. In the event the W.H. enclosure is not properly maintained; the member may lose all rights to its presence in common area. Any unmaintained landscape shall be reviewed for member versus mutual responsibility during the compliance process.

If the existing enclosure needs to be re-constructed for any reason the enclosure must be constructed according to the new Standard 32.

- 4. Due to rot or removal for mutual maintenance activities, the cabinet shall be built back to the new Standard 32.
- 5. All landscaping shall be installed per the new Standard 32. The member shall contact Landscaping Services to arrange for the installation of adequate landscaping material and any irrigation work which shall be at the member's sole cost and expense.

As requested by the Committee, staff solicited proposals (Attachment 2) from qualified consultants to completely revise Standard 32, including new details and specifications. Only one consultant submitted proposals, Cardoso & Associates. The proposal and its fee have been evaluated and have found them to be responsive and within industry standards. Staff recommends approval of the contract with Cardoso and Associates as they have an continue to provide services to the mutual.

Upon approval of the proposed resolution and subsequent execution of a contract, staff would then present the new Standard for Water Heater Enclosures to the ACSC and Board for review and final adoption, inclusive of these edited drawings.

Tank water heater enclosure replacement comparisons (Attachment 3) indicate that the new rot resistant design would cost approximately \$786 more to build than the existing enclosures.

Third Laguna Hills Mutual Board Water Heater Enclosure Cost Comparison February 15, 2022

FINANCIAL ANALYSIS

Funding for the redesign and plan check fee for a new W.H. standard drawing is proposed to come from the 2022 Budget of Outside Services,53704000 – Outside Services of \$10,000.

Click here to enter analysis

Prepared By: Robbi Doncost - MA Manager

Reviewed By: Gavin Fogg - MA Supervisor

Baltazar Mejia – Deputy Director of Maintenance & Construction Assistant Director

Energy, Engineerying and Facilities

Committee Routing: Third ACSC Committee

ATTACHMENT(S)

Attachment 1 - Standard 32 Water Heater Relocation with Redlined Comments

Attachment 2 - Request for Design Consulting Services Standard 32 Revision and Fee Proposal

Attachment 3 – Request for Construction Estimate of Standard 32 Revision and Preliminary Construction Costs

Attachment 4 - Financial Analysis

Attachment 5 - Resolution 03-22-xx

Attachment One - Standard 32 Water Heater Relocation with Redlined Comments



PROPOSED REVISIONS IN RED

STANDARD 32: WATER HEATER RELOCATION

AUGUST 1992
REVISED MAY 2003, RESOLUTION 03-03-45
GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49
REVISED MARCH 2019, RESOLUTION 03-19-34
POTENTIAL NEW STANDARD FOR WATER HEATERS

1.0 GENERAL REQUIREMENTS

See Standard Section 1: General Requirements

2.0 APPLICATIONS

- 2.1 Water heaters located outside of the manor must be enclosed in an exterior storage cabinet. <u>Cabinets must match the exterior finish</u> (i.e.stucco) in material and color of the building. Future costs for the maintenance of the cabinet will be at Mutual member's expense.
- 2.2 The cabinet shall be designed to conceal a single water heater. Any deviation from this Standard, such as to allow for a water softener, must have approval from the Alterations Division and meet all other existing Mutual Standards.
- 2.3 Water heaters located outside of the manor must respect the view of an adjacent manor. The Alterations Division must approve of the proposed location of the water heater for aesthetic and/or maintenance purposes prior to a Mutual Consent being issued.
- 2.4 All exterior water heaters will be placed on a concrete pad, or approved equal.
- 2.5 All exterior water heaters shall be concealed, where possible, by landscape. All such landscape installations or modifications in Common Area will be performed by the VMS Landscape Division and paid for by the Mutual member.
- 2.6 No units will be located on the exterior of the dwelling unit except as outlined in this section.
- 2.7 Pressure and temperature relief valves and related drainage lines for the water heaters, must be installed to all applicable Building Codes.

Attachment One (continued) - Standard 32 Water Heater Relocation with Redlined Comments



- 2.8 Water heaters which are being relocated on the interior of a manor are required to install a leak detection device and drain pan per Code.
- 2.9 All water heaters which are found to be in service for a duration of 10 years, of an indeterminable age or in disrepair will require replacement.

3.0 PLUMBING

- 3.1 All plumbing supply and distribution lines will be of Type L copper or PEX per applicable code. No galvanized or PVC fittings will be allowed.
- 3.2 Pressure and temperature relief valve drainage lines will be of type L copper or CPVC pipe per code and all new installations on the exterior must drain to the exterior.
- 3.3 No exposed plumbing will be permitted for relocated units. All plumbing and required insulation will be enclosed with an approved Thermo Cell cover and painted to match the surface it is on.
- 3.4 All penetrations through exterior walls shall be completely sealed and water-tight.
- 3.5 Any change in the water heater tank, or new tank installed at time of relocation of the water heater will be 100% at the Mutual member's expense.

4.0 ELECTRICAL

- 4.1 All exterior conduit placement must first be approved by the Alterations Divison.
- 4.2 Exposed rigid conduit shall be painted to match the surface it is on.
- 4.3 All electrical conductors shall be installed in rigid or flexible conduit.

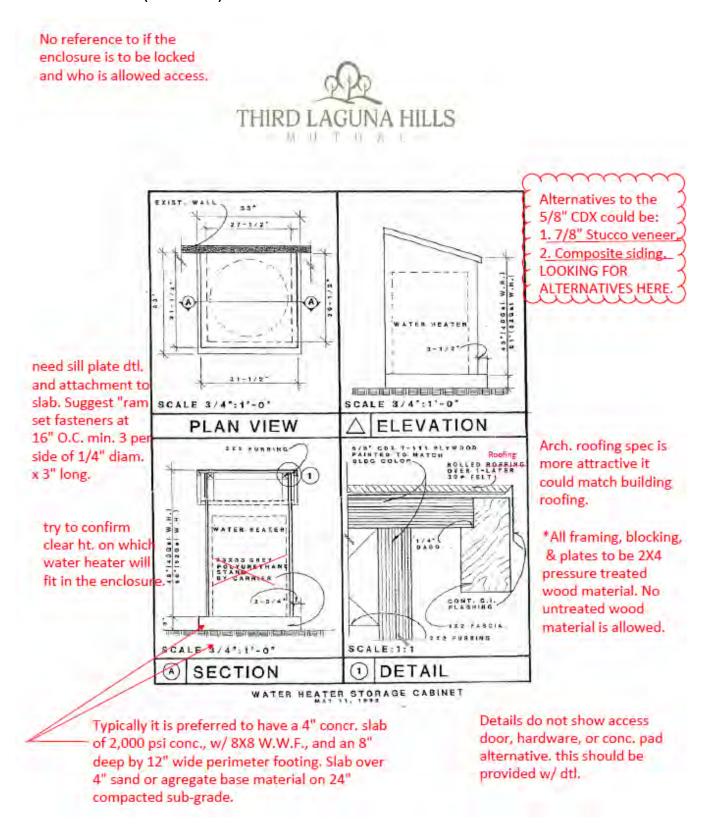
5.0 STRAPPING

5.1 All new or relocated water heaters will be anchored or strapped to resist horizontal displacement due to earthquake motion to meet all applicable Building Codes.

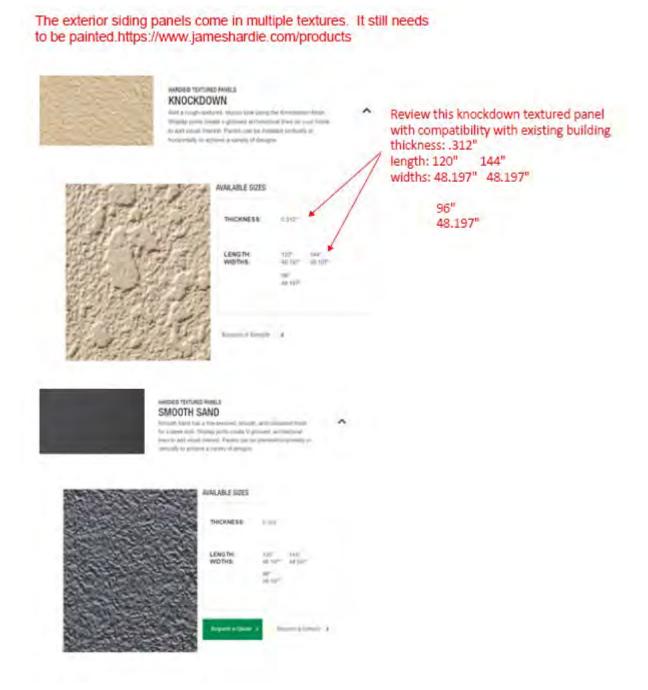
6.0 LANDSCAPING

6.1 The member shall make arrangements with VMS Landscaping to confirm and/or re-route all sprinkler irrigation heads so that irrigation water does not contact the new water heater enclosure. The member shall bear all cost associated with any revision to the Common Area sprinkler system. Verification of the sprinkler system conformity to this paragraph shall be made in writing to Manor Alterations.

Attachment One (continued) - Standard 32 Water Heater Relocation with Redlined Comments



Attachment One (continued) - Standard 32 Water Heater Relocation with Redlined Comments



Consultant Scope of Work 10/27/2021

General Information: The purpose of this memorandum is to provide sufficient information to the consultant in the preparation of a cost estimate for the drafting, architectural services, and Alternative to include Plan Check services described herein.

Manor Alterations Standard 32: This Standard for Water Heater Relocation describes in text and drawing the requirements of a water heater relocation the residents may be allowed to construct at issuance of a mutual consent. The focus of this request is the re-drawing of the four (4) page 4 drawings of Plan View, elevation, section, and Detail with specifications of construction incorporating the redlined notes into a final digital product for MA issuance with Mutual Consents.

As noted by the redlines, MA is attempting to eliminate wood rot and use more durable material for longevity. The addition of the Hardi Panels and their specification is a vital component of this revision.

Additional Provisions

- VMS as agent for the Mutual, shall be allowed to retain rights and license to the use and
 distribution of this detail, for its intended purpose, issued to residents and contractors for their
 use in constructing the water heater enclosures throughout the Laguna Woods Village at both
 United and Third Mutuals, at its sole and absolute discretion.
- VMS as agent for the Mutual, shall be allowed to retain the AutoCad (or electronic equivalent) file for future revisions to this heater cabinet detail. VMS shall indemnify Consultant for any changes made to the original work product provided by the Consultant.

The architectural drafting and design bid should include the following attached Bid Form.

| DF | ORM | Oct. 27, 2021 | | | | | | | |
|----|---|------------------------------|---------------|-----------|-----------|----------|--------|----|---|
| | Drafting | | | | | | | | |
| 1 | Drafting of mi | in. (4) new Dtls. | | \$ | - 2 | | | | |
| 2 | Provide Mtl. F | lashing and Caulking Spec at | t Ex. Wall | \$ | 0 | | | | |
| 3 | Provide New | Door Dtls. And Hardware Sp | ec | \$ | | | | | |
| 4 | Notes on Dwg | gs. Reflecting Redlines | | \$ | 1+ | | | | |
| 5 | New Slab Des | ign, Paint Colors | | \$ | - 0 | | | | |
| 6 | Provide Hardi | -Panel Notes & Dtls. | | \$ | 7. | | | | |
| | | | Subt | otal Dr | afting | \$ | 74 | | |
| | 1st Review & | Revisions | | | | | | | |
| 7 | Transmit Doc | s to MA for Review and Com | nment | \$ | - G | | | | |
| 8 | Pick Up MA Comments for Final Product | | | \$ | | | | | |
| | | | Subtota | al 1st R | eview | \$ | | | |
| TE | RNATIVE COST | T FOR CITY PLAN CHECK | | | | | | | |
| 9 | Plan Check w | / City L.W. | | \$ | - | | | | |
| LO | Pick Up of all | City Comments Ready for is | suance | \$ | _ &_ | | | | |
| | | Subtota | al Alternat | e Plan | Check | \$ | 14 | | |
| | | | GRAN | D TOT | AL BID | CO | ST* ** | \$ | 2 |
| | | | CITAIN | 101 | AL DID | | | 7 | |
| | * All plan check fees to be reimbursed by VMS as an additional expense. | | | | | | | | |
| | ** Include all | reimbursable expenses inclu | iding travel, | and plan | n printin | ig in th | he | | |
| | | ed above. The Lump Sum Fe | | | | | | | |
| | Bid items note | ed above. The Lump Sum Fe | e is to be in | clusive o | f all cos | t. | | | |

EXHIBIT "A" - STANDARD 32: WATER HEATER RELOCATION Robbi's Comments 10/1

OBJECTIVE-

The mutuals have asked MA to review the current Standard and provide an alternative to WOOD construction
 THIRD LAGUNA HILLS

PROPOSED REVISIONS IN RED

MUTU

STANDARD 32: WATER HEATER RELOCATION

AUGUST 1992
REVISED MAY 2003, RESOLUTION 03-03-45
GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49
REVISED MARCH 2019, RESOLUTION 03-19-34
POTENTIAL NEW STANDARD FOR WATER HEATERS

1.0 GENERAL REQUIREMENTS

See Standard Section 1: General Requirements

2.0 APPLICATIONS

- 2.1 Water heaters located outside of the manor must be enclosed in an exterior storage cabinet. Cabinets must match the exterior finish (i.e.stucco) in material and color of the building. Future costs for the maintenance of the cabinet will be at Mutual member's expense.
- 2.2 The cabinet shall be designed to conceal a single water heater. Any deviation from this Standard, such as to allow for a water softener, must have approval from the Alterations Division and meet all other existing Mutual Standards.
- 2.3 Water heaters located outside of the manor must respect the view of an adjacent manor. The Alterations Division must approve of the proposed location of the water heater for aesthetic and/or maintenance purposes prior to a Mutual Consent being issued.
- 2.4 All exterior water heaters will be placed on a concrete pad, or approved equal.
- 2.5 All exterior water heaters shall be concealed, where possible, by landscape. All such landscape installations or modifications in Common Area will be performed by the VMS Landscape Division and paid for by the Mutual member.
- 2.6 No units will be located on the exterior of the dwelling unit except as outlined in this section.
- 2.7 Pressure and temperature relief valves and related drainage lines for the water heaters, must be installed to all applicable Building Codes.



- 2.8 Water heaters which are being relocated on the interior of a manor are required to install a leak detection device and drain pan per Code.
- 2.9 All water heaters which are found to be in service for a duration of 10 years, of an indeterminable age or in disrepair will require replacement.

3.0 PLUMBING

- 3.1 All plumbing supply and distribution lines will be of Type L copper or PEX per applicable code. No galvanized or PVC fittings will be allowed.
- 3.2 Pressure and temperature relief valve drainage lines will be of type L copper or CPVC pipe per code and all new installations on the exterior must drain to the exterior.
- 3.3 No exposed plumbing will be permitted for relocated units. All plumbing and required insulation will be enclosed with an approved Thermo Cell cover and painted to match the surface it is on.
- 3.4 All penetrations through exterior walls shall be completely sealed and water-tight.
- 3.5 Any change in the water heater tank, or new tank installed at time of relocation of the water heater will be 100% at the Mutual member's expense.

4.0 ELECTRICAL

- 4.1 All exterior conduit placement must first be approved by the Alterations Divison.
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5.0 STRAPPING

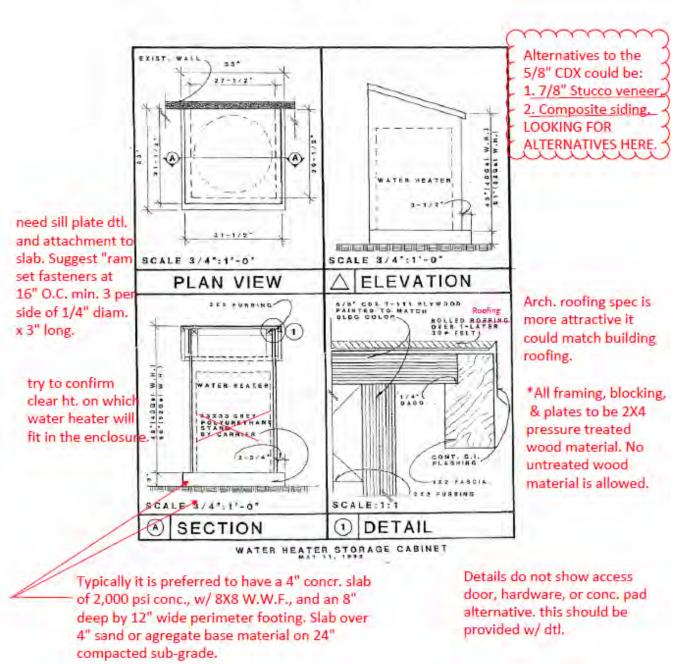
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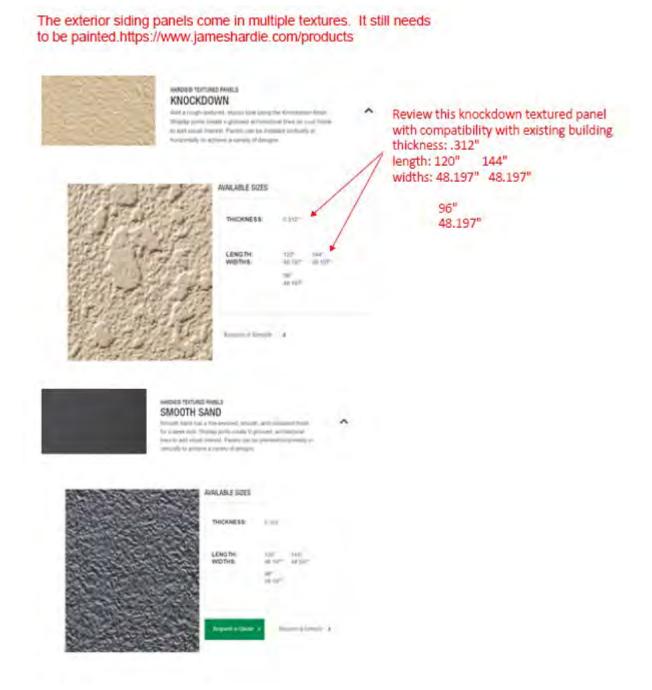
6.0 LANDSCAPING

6.1 The member shall make arrangements with VMS Landscaping to confirm and/or re-route all sprinkler irrigation heads so that irrigation water does not contact the new water heater enclosure. The member shall bear all cost associated with any revision to the Common Area sprinkler system. Verification of the sprinkler system conformity to this paragraph shall be made in writing to Manor Alterations.

No reference to if the enclosure is to be locked and who is allowed access.







Schedule of Performance: The successful bidder shall provide the work product in the following time allowances:

MA Receipt of 1st Draft Drawings
 Weeks of Contract Signing

MA Comments (not a part of schedule)1 Weeks of Receipt

3. MA Receipt of Final Drawings with Specs 1 Weeks of Receipt of MA Comments

Payment: Final Payment shall be made to the Consultant within 45 calendar days after the satisfaction of the following pre-requisites for payment;

- Consultant satisfaction of the Schedule of Performance,
- 2. VMS receipt of the Final Drawings with Specifications,
- Completion of the Work, Mechanic's Lien Release, and VMS receipt of a final invoice.

Consultant shall execute VMS standard vendor contract for the Work described herein. Other provisions shall apply and are not indicated within this Request for Consultant Services.

It is the intent of VMS to award the contract to the lowest and most qualified bidder. The Due Date of the Bid Form is November 5, 2021 by end of day. Bid may be emailed to Robbi.Doncost@vmsinc.org. If you have any questions or clarifications you may ask them up to and including November 3, 2021.

I look forward to receiving you Bid on November 5, 2021. Thank you in advance for the effort.

Attachment Three – Request for Construction Estimate of Standard 32 Revision Request for Construction Estimate of Standard 32 Revision 10/27/2021

General Information: The purpose of this memorandum is to request a preliminary construction estimate to compare the cost of the standard Current water heater enclosure to the cost to construct the new Proposed Standard 32 Revision (attached for your use).

Manor Alterations Standard 32: This Standard for Water Heater Relocation describes in text and drawings the requirements of a water heater relocation the residents may be allowed to construct at issuance of a mutual consent. The future work, as noted by redlines, would be revised by a design consultant for a new standard. The changes include the redlined comments which would be the redrawing of the four (4) page 4 drawings of Plan View, elevation, section, and Detail with specifications of construction incorporating the redlined notes into a final digital product for MA issuance with Mutual Consents.

The construction estimate is indicated on the Estimated Construction Cost Form:

| 1 2 | A STREET AS A ST. AMOUNT OF THE PERSON OF THE PARTY OF TH | ter Heater (w/o redline work | d | | 1000 | | |
|-----|--|------------------------------|--------|-------|------|---|--|
| _ | Des Stant & Cambridge 22. 2 | | 7 | | | | |
| 7 | Pre-Manuf. Carrier 33x3 | 3 stand | \$ | - | | | |
| 4 | Wood Fram'g Walls & Re | oof | \$ | - | | | |
| 3 | Rolled Roofing | | \$ | - | | | |
| 4 | Painting of T-111 | | \$ | - | | | |
| 5 | Door and Hdw'r | | \$ | - | | | |
| 6 | Mtl. Flashing & Caulking | | | | | | |
| 7 | Misc. Work (grade prep. | , L&I) | \$ | 1 | | | |
| (| Construction Estima | te of Current Standard | 30 D | esign | \$ | | |
| | New Proposed Design 3: | 2 Water Heater (with redline | work) | | | | |
| 1 | 4" Conc. Slab w/ Reinf. | | \$ | - | | | |
| 2 | P.T. Wood Frm'g and Ro | of | \$ | - | | | |
| 3 | Roofing Match Bldg. | | \$ | - | | | |
| 4 | Hardi-Panels & Trim | | \$ | - | | | |
| 5 | Door and Hdw'r | | | | | | |
| 6 | Mtl. Flashing & Caulking | | \$ | | | | |
| 7 | Misc. Work (grade prep. | , L&I) | \$ | - 61 | | | |
| Cor | struction Estimate | of New Proposed Red | line D | esign | \$ | - | |
| | | | | - | | | |
| | | | | | | | |
| | | | | | | | |
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- Consultant satisfaction of the Schedule of Performance,
- 2. VMS receipt of the Final Drawings with Specifications,
- 3. Completion of the Work and VMS receipt of a final invoice.

VMS acknowledges the effort requested by this request. You have been considered for this task in consideration of the great past working relationship, and future work that will be accomplished as we both proceed to the work of maintenance and growth of the Village assets. Thank you for your contributions.

I respectfully request that the information be provided no later than November 8, 2021. This would then allow me time to assemble the Report for the governing committees and boards for presentation. Let me know if you have any questions or need further clarifications. Thank you in advance for the effort. If you feel you do not or cannot provide this information please let me know as soon as convenient.

EXHIBIT "A" - STANDARD 32: WATER HEATER RELOCATION Robbi's Comments 10/1

OBJECTIVE-

The mutuals have asked MA to review the current Standard and provide an alternative to WOOD construction
 THIRD LAGUNA HILLS

PROPOSED REVISIONS IN RED

MUTU

STANDARD 32: WATER HEATER RELOCATION

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- 3.3 No exposed plumbing will be permitted for relocated units. All plumbing and required insulation will be enclosed with an approved Thermo Cell cover and painted to match the surface it is on.
- 3.4 All penetrations through exterior walls shall be completely sealed and water-tight.
- 3.5 Any change in the water heater tank, or new tank installed at time of relocation of the water heater will be 100% at the Mutual member's expense.

4.0 ELECTRICAL

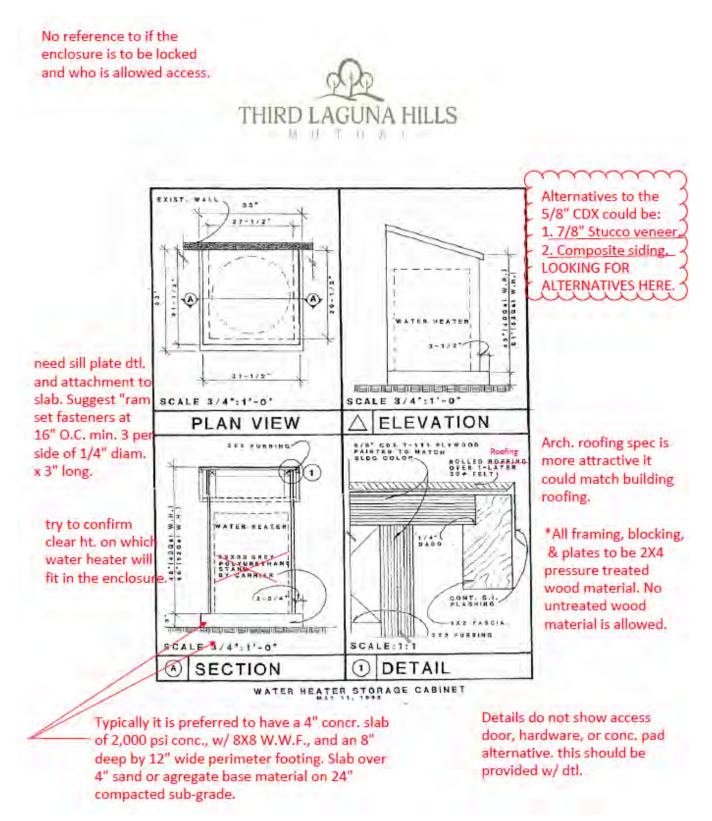
- 4.1 All exterior conduit placement must first be approved by the Alterations Divison.
- 4.2 Exposed rigid conduit shall be painted to match the surface it is on.
- 4.3 All electrical conductors shall be installed in rigid or flexible conduit.

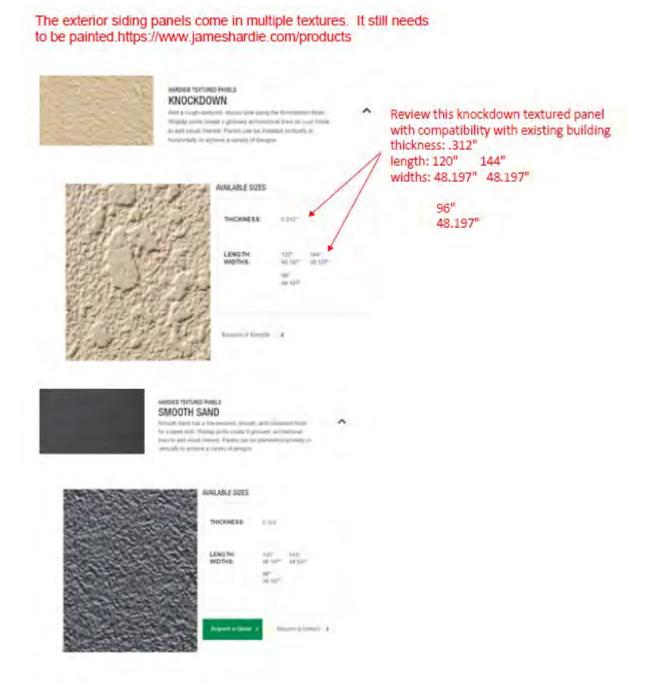
5.0 STRAPPING

5.1 All new or relocated water heaters will be anchored or strapped to resist horizontal displacement due to earthquake motion to meet all applicable Building Codes.

6.0 LANDSCAPING

6.1 The member shall make arrangements with VMS Landscaping to confirm and/or re-route all sprinkler irrigation heads so that irrigation water does not contact the new water heater enclosure. The member shall bear all cost associated with any revision to the Common Area sprinkler system. Verification of the sprinkler system conformity to this paragraph shall be made in writing to Manor Alterations.





Attachment Four – Financial Analysis

Water Heater Construction Cost Comparison

11/11/21

786 Added to New Design of rot resistant

materials

Rev 11/29/21

A comparison of the Standard 32 to a new design is provided. BFC is Brian Foster Construction. SCC is South Coast Construction. The member shall be responsible for the re-construction cost.

| Current Standard W.H. | BFC | | SCC | | |
|---|---------|---------|----------------------------------|---------------|---------------------|
| Pre-Manf. Carrier 33x33 Stand | \$ | 175 | \$ | 105 | |
| Wood Frm'g Walls & Roof | \$ | 500 | \$ | 944 | |
| Rolled Roofing | \$ | 150 | \$ | 125 | |
| Painting of T-111 Plywd. | \$ | 200 | \$ | 136 | |
| Door and Hdw'r | \$ | 2 | \$ | 95 | |
| Mtl. Flashing & Caulking | \$ | 75 | \$ | 75 | |
| Misc. Work (grade prep., L&I) | \$ | 180 | \$ | 68 | |
| Construction Estimate of Current Stand | ard 30 | Design | \$ 1,280 | | \$ 1,548 |
| | | | BFC | | SCC |
| | | | Averag | ge Cost (| Comparison \$ 1,414 |
| New Proposed Design 30 Water Heater (w/ | Redline | e Cmm't | s) | | |
| 4" Conc. Slab w/Reinf. | \$ | 415 | ş | 295 | |
| P.T. Wood Frm'g Walls & Roof | \$ | 500 | \$ | 990 | |
| Roofing Match Bldg. | \$ | 350 | \$ | 225 | |
| | | | | | |
| Stucco | \$ | 600 | \$ | 600 | SCC comparable |
| Stucco Door and Hdw'r | Ş | 600 | \$ | 600 95 | SCC comparable |
| | \$ | | \$ \$ \$ | | SCC comparable |
| Door and Hdw'r | \$ | 100 | \$ \$ \$ | 95 | SCC comparable |
| Door and Hdw'r Mtl. Flashing & Caulking | \$ | 75 | \$ \$ \$ \$ \$ \$ | 95 | \$ 2,280 |
| Door and Hdw'r Mtl. Flashing & Caulking | \$ | 75 | \$ | 95 | |
| Door and Hdw'r Mtl. Flashing & Caulking | \$ | 75 | \$ \$ 2,120 BFC | 95 75 - | \$ 2,280 |
| Door and Hdw'r Mtl. Flashing & Caulking | \$ | 75 | \$ \$ 2,120 BFC | 95 75 - | \$ 2,280 SCC |
| Door and Hdw'r Mtl. Flashing & Caulking Misc. Work (grade prep., L&I) | \$ | 75 | \$ \$ 2,120 BFC | 95 75 - | \$ 2,280 SCC |

General Summary Notes:

Difference in Cost Comparison

These estimates show that the original design is less expensive to build.

The Current Standard 32 does not look as appealing as the new revised design.

Actual Bids are included for evidence of bid numbers used herein.

A SOW is include for reference of a uniform SOW comparision.

Attachment Four (continued) - Financial Analysis

Water Heater Design Revision Cost Comparison

Two RFP's issued and one estimate received.

| | Card | loso | |
|---------------------------------|------|-------|-------------|
| Part One Drafting, Specs, Rev. | & A | SSOC. | |
| Drafting Details | \$ | 840 | |
| Flashing Specs | \$ | 265 | |
| Door Hardware | \$ | 265 | |
| Notes- Review | \$ | 1,590 | |
| Paint Colors | \$ | 140 | |
| Hardi-Panel Notes | \$ | 530 | |
| | | | \$ 3,630 |
| Part Two 1st Review & Revisions | | | |
| MA Review | Ş | 1,060 | |
| MA Pick Ups | \$ | 420 | |

Total Fee for Design & Deliverables \$ 5,110

Part Three Plan Check Submittal

Submittal \$ 530 Corrections \$ 530

Total Fee for Plan Check \$ 1,060

Cost for Design and Plan Check \$ 6,170

1,480

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Attachment 5 - Resolution

RESOLUTION 03-22-XX Suspension of Exterior Water Heater Relocations

WHEREAS, Standard 32 Water Heater Relocations were allowed by the board adoption of the original resolution dated August 1992, and lastly by revised March 2019, Resolution 03-19-34; and

WHEREAS, the board agrees that the use of common area for the relocation of manor water heater tanks and their respective enclosures does not enhance the building or mutual aesthetics of the community; and

WHEREAS, the board agrees to cancel or revoke both the original resolution dated August 1992, and the revised March 2019, Resolution 03-19-34; and

WHEREAS, the board agrees to suspend all new exterior water heater (W.H.) approvals and further suspends the approval of water heater relocations by variance; and

WHEREAS, the existing and prior MA approved exterior W.H. enclosures would be allowed to remain and continued to exist or "grandfathered". The existing enclosures and W.H. maintenance will continue as an obligation of the member as an Alteration limited by the following criteria:

- 1. In the event the W.H. enclosure and its landscaping are not properly maintained the member may lose all rights to its presence in common area.
- 2. If the existing enclosure needs to be re-constructed for any reason the enclosure must be constructed according to the new Standard 32.
- 3. All landscaping shall be installed per the proposed new Standard 32. The member shall contact Landscaping Services to arrange for the installation of adequate landscaping material and any alteration of irrigation work.
- 4. If the manor is sold (resale) the original wood constructed W.H. enclosure shall be upgraded to the new Standard 32 as generally represented by the Staff Report Attachment One Standard 32 Water Heater Relocation with Redlined Comments prior to the real estate closing escrow or as maybe allowed by a Buyer and Seller Agreement approved by the Mutual at the sole discretion of the Mutual.

WHEREAS, the board agrees that the suspension of future water heater enclosures will contribute to a more positive architectural image of the community; and

NOW THEREFORE, BE IT RESOLVED, on [DATE], the Third Laguna Hills Board hereby approve the Suspension of Exterior Water Heater Relocations Resolution as attached; 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.

FEBRUARY Initial Notification

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

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Third Laguna Hills Mutual Resident Policy and Compliance Committee January 26, 2022

ENDORSEMENT (to Board)

Additional Occupancy Fee

At present, both GRF and United Laguna Woods Mutual (United) charge nominal fees for additional occupants. The pro forma operating budget considers that only two persons occupy a unit. Both GRF and United have historically sought fees to compensate the corporations when more than two persons occupy a unit. GRF charges \$100 per month for the third and/or fourth occupant; United charges \$50 per month for the third occupant. The number of occupants in both corporations is restricted to the number of original construction bedrooms plus one.

Approximately 73 Third units reflect more than two non-lessee occupants as of this writing. Third Mutual records reflect there are also 67 live-in care providers registered in Third Mutual. Of these, 26 live in care providers are third or fourth persons in residence. Care providers are not entitled to use GRF facilities except as incidental to the care of their patient and, therefore, they have not historically incurred a third person fee in any of the corporations. The additional income generated by the number of current live-in care providers who exceed two persons in a household (23 care providers @ \$50/month X 12 months) is \$15,600.

On January 26, 2022, the Resident Policy and Compliance Committee reviewed Additional Occupancy Fee.

Pamela Bashline, Community Service Manager, presented Additional Occupancy Fee. The Committee commented and asked questions.

Director Laws made a motion to charge an additional Occupancy Fee for units containing more than two occupants. Advisor Seto seconded the motion.

By a 4-0-1 vote (Director Bhada abstained), the motion carried.

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STAFF REPORT

DATE: February 15, 2022

FOR: Resident Policy and Compliance Committee

SUBJECT: Additional Occupancy Fee

RECOMMENDATION

Staff recommends that the Board consider creating a \$50 monthly fee for additional occupants over two per household in order to mitigate expenses incurred by Third Laguna Hills Mutual (Third) for wear and tear of the common areas as well as increased utility expenses.

BACKGROUND

At present, both GRF and United Laguna Woods Mutual (United) charge nominal fees for additional occupants. The pro forma operating budget considers that only two persons occupy a unit. Both GRF and United have historically sought fees to compensate the corporations when more than two persons occupy a unit. GRF charges \$100 per month for the third and/or fourth occupant; United charges \$50 per month for the third occupant. The number of occupants in both corporations is restricted to the number of original construction bedrooms plus one.

DISCUSSION

Operating costs necessary to maintain the common areas and to pay for utilities, most particularly water, are increasing year over year. When a third person is a lessee, the fee for each month is collected in advance of the lease authorization term. When the third person is not a lessee, the additional occupant fee is billed on a monthly basis. Higher density living often involves competition for limited common area facilities such as parking and laundry.

Approximately 73 Third units reflect more than two non-lessee occupants as of this writing. As the cost of housing and rental rates continue to increase, the number of households doubling up is also likely to increase. Accordingly, it may be prudent for Third to now consider offsetting the Mutual expenses when more than two individuals reside in a dwelling unit. Third Mutual records reflect there are also 67 live-in care providers registered in Third Mutual. Of these, 26 live in care providers are third or fourth persons in residence. Care providers are not entitled to use GRF facilities except as incidental to the care of their patient and, therefore, they have not historically incurred a third person fee in any of the corporations. The additional income generated by the number of current live-in care providers who exceed two persons in a household (23 care providers @ \$50/month X 12 months) is \$15,600.

FINANCIAL ANALYSIS

There are approximately 73 units in Third Mutual paying the GRF additional occupancy fee. Estimated revenue potential to Third would be based on the number of units with additional occupants exceeding two per household multiplied by the amount of the proposed additional occupancy fee. Assuming a third-party fee of \$50/month is established by Third Mutual, additional annual income totaling \$43,800 would be generated at today's third party (non-

Third Laguna Hills Mutual Additional Occupancy Fee February 15, 2022 Page 2

leasing) occupancy records. If a third-party fee for third person co-occupants including live-in care providers at today's level, additional annual revenue of \$15,600 would be generated for a grand total of \$59,400 annually (\$43,800 + \$15,600 = \$59,400. Staff does not estimate any additional cost would be necessary to administer charges for the 23 caregivers exceeding two persons per household.

Prepared By: Pamela Bashline, Community Services

Reviewed By: Siobhan Foster, CEO

ATTACHMENT:

Attachment 1 – Resolution 03-22-XX



RESOLUTION 03-22-XX Additional Occupancy Fee

WHEREAS, Third Laguna Hills Mutual (Third) is authorized to manage, operate and maintain housing at Laguna Woods Village; and

WHEREAS, Third acknowledges its pro forma budget is based upon two occupants per household; and

WHEREAS, Third recognizes a select number of households are comprised of more than two occupants per household;

NOW THEREFORE BE IT RESOLVED, [DATE] the Board of Directors establishes a third person fee for non-lessee occupants of \$XX/month effective [MONTH, YEAR]; and

RESOLVED FURTHER, Third establishes a third person fee to include live-in caregivers of \$XX/month effective [MONTH, YEAR]; and

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

FEBRUARY Initial Notification

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

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Financial Report

As of December 31, 2021

INCOME STATEMENT (in Thousands)

ACTUAL

Assessment Revenue

\$34,600

\$1,645

Non-assessment Revenue

\$36,245

Total Revenue

\$37,445

Total Expense

Net Revenue/(Expense)

(\$1,200)

Financial Report

As of December 31, 2021

| PERATING INCOME STATEMENT | (in Thousands) |
|---------------------------|----------------|

Ö

ACTUAL

\$20,968

Assessment Revenue

\$1,550

Non-assessment Revenue

\$22,518

Total Revenue

\$23,639

Total Expense¹

(\$1,121)

Operating Deficit

1) excludes depreciation

Financial Report As of December 31, 2021

| INCOME STATEMENT (in Thousands) | ACTUAL | BUDGET | VARIANCE B/(W) |
|---------------------------------|-----------|-----------|-------------------|
| Assessment Revenue | \$34,600 | \$34,600 | \$0 |
| Non-assessment Revenue | \$1,645 | \$2,170 | (\$525) |
| Total Revenue | \$36,245 | \$36,770 | (\$525) |
| Total Expense | \$37,445 | \$38,480 | \$1,035 |
| Net Revenue/(Expense) | (\$1,200) | (\$1,710) | \$510 |

Financial Report As of December 31, 2021

Outside Services

Employee Compensation & Related

Legal Fees

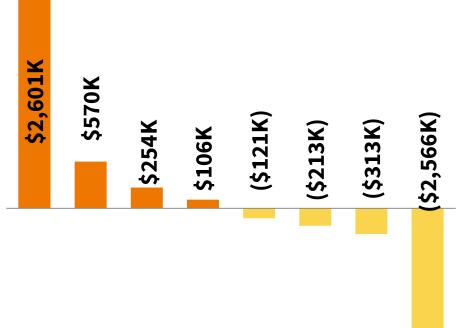
Materials and Supplies

Utilities & Telephone

Unrealized Gain/(Loss) On AFS

Investment Income

Insurance

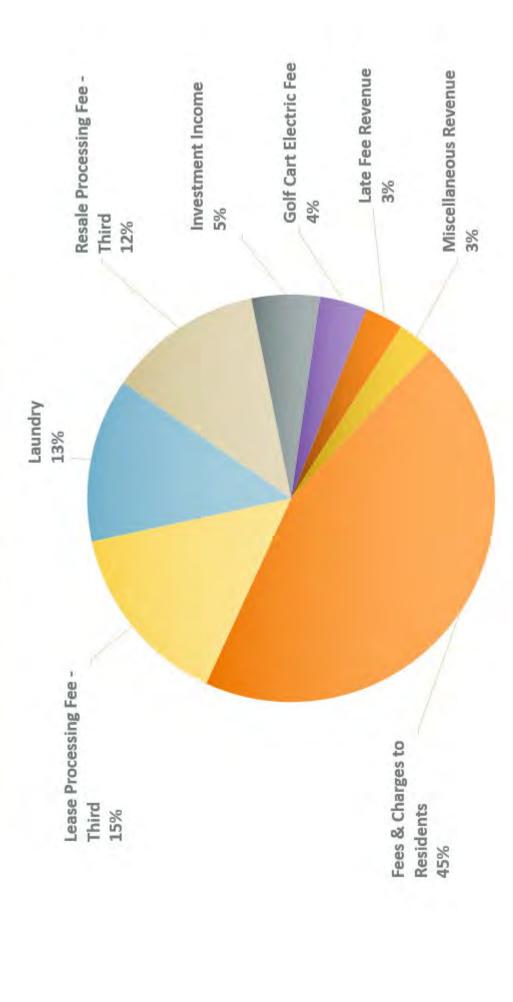


Favorable Unfavorable

Financial Report

As of December 31, 2021

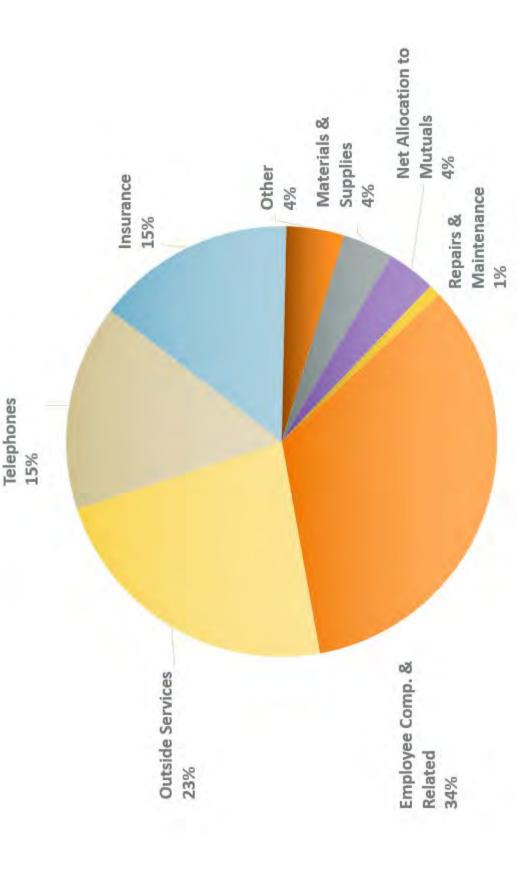
Total Non Assessment Revenues \$1,645,696



Financial Report

Total Expenses \$37,444,928 As of December 31, 2021

Utilities and



Financial Report As of December 31, 2021

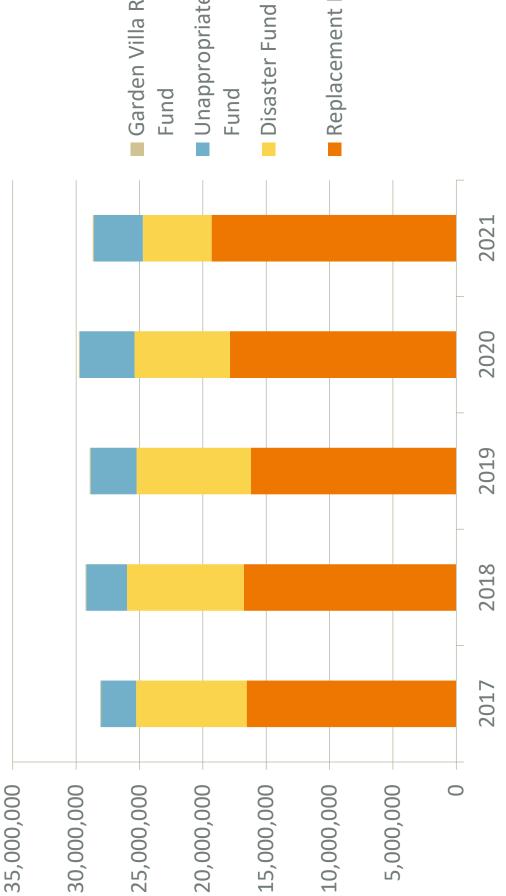
| NON OPERATING FUND BALANCES (in Thousands) | Replacement Funds* | Disaster Fund | Unappropriated Expenditures Fund | Garden Villa Fund | TOTAL |
|--|-----------------------|------------------|--|----------------------|----------|
| Beginning Balances: 1/1/21 | \$17,437 | \$6,843 | \$4,271 | \$89 | \$28,640 |
| Contributions & Interest | 11,187 | 1,859 | 597 | 85 | 13,728 |
| Expenditures | 9,321 | 3,260 | 1,021 | 70 | 13,672 |
| Current Balances: 12/31/21 | \$19,303 | \$5,442 | \$3,847 | \$104 | \$28,696 |

* Includes Elevator and Laundry Funds

Financial Report

As of December 31, 2021

FUND BALANCES – Third Mutual



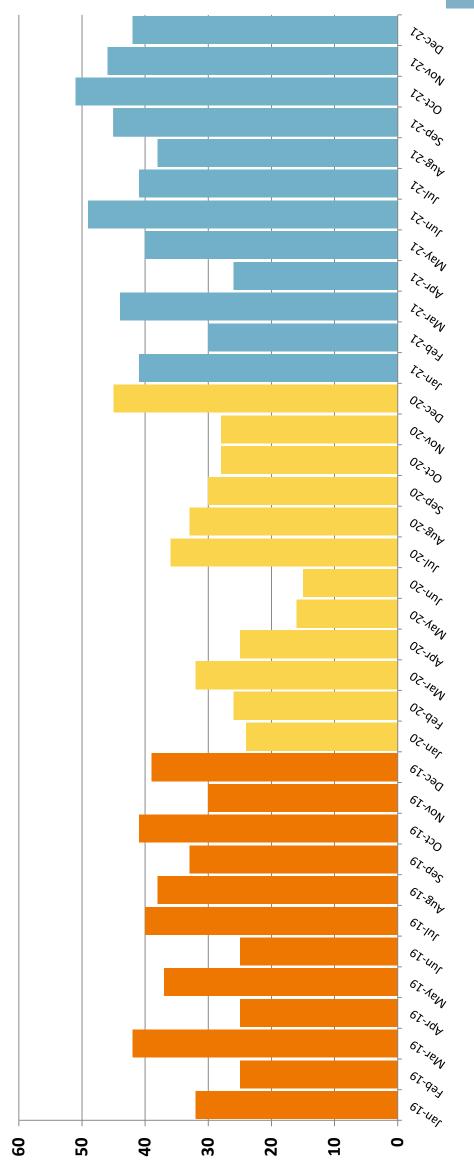
- Unappropriated Expenditures
- Replacement Funds

Financial Report

As of December 31, 2021

RESALE HISTORY – Third Mutual

| ۳_ | | 6 | 10 | |
|----------------------|-----------|-----------|-----------|--|
| AVG. RESALE PRICE | \$417,900 | \$418,349 | \$463,905 | |
| NO. OF RESALES | 407 | 339 | 493 | |
| | YTD 2019 | YTD 2020 | YTD 2021 | |



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Chair's Report for February 15, 2022 Board Meeting

SLIDE 1 – Through the reporting period of **December 31, 2021**, total revenue for Third was \$36,245K compared to expenses of \$37,445K, resulting in a net expense of (\$1,200K).

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 (\$1,121K) through the reporting period. This chart shows how much of our revenue went into operations, with \$20,968K coming in from assessments and \$1,550K coming from non-assessment revenue. This is compared to operating expenditures of \$23,639K (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 \$510K when combining both operating and reserve savings.

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

- Outside Services \$2,601K; Favorable variance due to the late start of a number of programs. The COVID-19 pandemic policies limited access in and around buildings. The COVID-19 pandemic also affected the workforce strength for multiple outside services.
- Employee Compensation & Related \$570K; Favorable variance resulted primarily from 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 \$254K**; Favorable variance resulted due to lower expenditures than anticipated. Legal fees fluctuate from year to year, depending on need.
- Materials and Supplies \$106K; Favorable variance occurred due to national supply chain challenges.
- **Utilities & Telephone (\$121K)**; Unfavorable variance due to less seasonal rainfall. Budget was based on a five-year average of water consumption, however, seasonal rainfall at the beginning of the year was lower than the 5-year average during the same period.
- Unrealized Gain/(Loss) on AFS (\$213K); This account showed a total transaction of \$0. The unfavorable variance was due to a budgeted unrealized gain. In April 2021, the current investment portfolio was sold and funds were placed in FDIC insured



Chair's Report for February 15, 2022 Board Meeting

interest bearing accounts. All gains and loss are recorded immediately in Investment Income and therefore no unrealized gains or loss needed.

- Investment Income (\$313K); Unfavorable variance due to less revenue being generated from current portfolio of Discretionary investments as opposed to budgeted investment bonds.
- Insurance (\$2,566K); 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 \$1,646K 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 \$37,445K, showing that our largest categories of expense are for Employee Compensation and Outside Services, followed by Utilities and Telephone, Insurance, Other, Materials & Supplies, Net Allocations to Mutuals and so forth.

SLIDE 7 – The non-operating fund balance on December 31, 2021 was \$28,696K. YTD contributions and interest were \$13,728K while YTD expenditures were \$13,672K.

SLIDE 8 – We compare the non-operating fund balances to historical fund balances for the past five years on this chart, which has averaged \$29 Million. Third Laguna Hills 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 December 31, 2021, Third sales totaled 493, which is 154 higher than prior year for the same time period. The average YTD resale price for a Third Mutual was \$464K, which is \$46K higher than prior year for the same time period.



FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, February 1, 2022 – 1:30 p.m. Virtual Meeting

DIRECTORS PRESENT: Donna Rane-Szostak – Chair, Robert Mutchnick – President, Ralph

Engdahl, Jim Cook, John Frankel, Annie McCary, Cush Bhada,

Lynn Jarrett, Mark Laws, Craig Wayne

DIRECTORS ABSENT: Ira Lewis (excused)

ADVISORS PRESENT: Wei-Ming Tao

STAFF PRESENT: 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 January 4, 2022

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

Chair Remarks

Director Rane-Szostak shared a brief background on the Davis-Stirling Act guidelines for guarantee corporation set-forth in Assembly Bill 1101. In summary, the reserve funds must be deposited in a trust fund account in a Bank Savings Association or Credit Union in a federally insured institution.

Member Comments (Items Not on the Agenda)

None.

Department Head Update

Steve Hormuth, Director of Financial Services, provided information on the Financial Statement and Budget Training scheduled to occur in the subsequent Third Finance Committee meeting. He also discussed the timeline for the Select Audit Task Force in regard to the annual financial statement audit and the upcoming Insurance Crime Policy renewal happening on March 25.

Preliminary Financial Statements dated December 31, 2021

Steve Hormuth presented the Preliminary Financial Statements dated December 31, 2021 and questions were addressed from the committee.

Report of Third Finance Committee Open Meeting February 1, 2022 Page 2 of 2

Highlights

Director Rane-Szostak reminded community members of the cost savings to the Mutual by using EZ Pay to pay for assessments.

Future Agenda Items

Credit Analysis Chargeable Services
Resident Portal Payment From Bank Account

Committee Member Comments

Director Craig Wayne commented on keeping up with market interest rate changes and that Third negotiates with banks to match those rates.

Date of Next Meeting

Tuesday, March 1, 2022 at 1:30 p.m.

Recess to Closed Session

The meeting recessed at 2:40 p.m.

Donna Rane-Szostak (Feb 7, 2022 09:48 PST)

Donna Rane-Szostak, Chair

Monthly Resale Report

TOTAL SALES VOLUME IN \$\$

PREPARED BY MUTUAL REPORT PERIOD

Community Services Department All Mutuals January, 2022

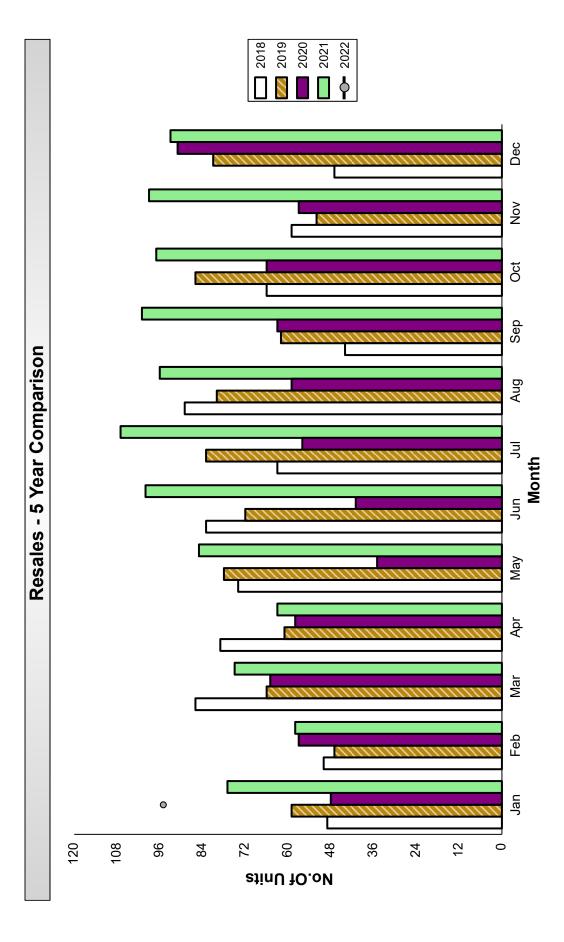
| MONTH | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
|-----------|-----------|-----------|--------------|----------------|-----------|-------------|
| January | 96 | 77 | \$34,772,394 | \$25,440,878 | \$366,025 | \$330,401 |
| February | | * 58 | | * \$18,806,125 | | * \$324,244 |
| March | | * 75 | | * \$28,284,525 | | * \$377,127 |
| April | | * 63 | | * \$22,499,399 | | * \$357,133 |
| May | | * 85 | | * \$29,079,200 | | * \$342,108 |
| June | | * 100 | | * \$40,080,488 | | * \$400,805 |
| July | | * 107 | | * \$35,145,888 | | * \$328,466 |
| August | | * 96 | | * \$33,947,600 | | * \$353,621 |
| September | | * 102 | | * \$36,154,540 | | * \$354,456 |
| October | | * 97 | | * \$35,344,800 | | * \$364,379 |
| November | | * 100 | | * \$38,193,500 | | * \$381,935 |
| December | | * 93 | | * \$34,632,450 | | * \$372,392 |
| | | | | | | |
| TOTAL | 96.00 | 77.00 | \$34,772,394 | \$25,440,878 | | |
| ALL TOTAL | 96.00 | 1053.00 | \$34,772,394 | \$377,609,393 | | |
| MON AVG | 96.00 | 77.00 | \$34,772,394 | \$25,440,878 | \$366,025 | \$330,401 |

NO. OF RESALES

AVG RESALE PRICE

^{*} Amount is excluded from percent calculation

ALL MUTUALS



Monthly Resale Report

PREPARED BY MUTUAL REPORT PERIOD

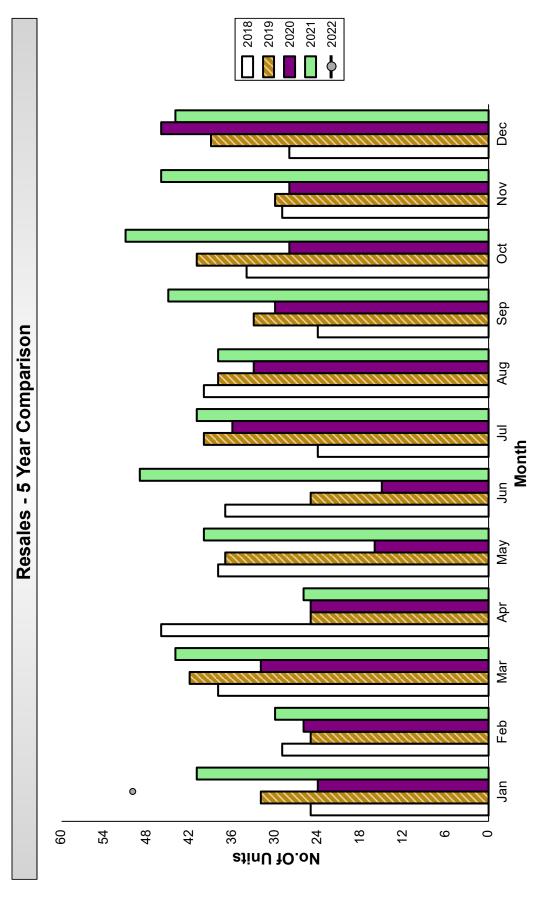
Community Services Department Third January, 2022

| | NO. OF F | RESALES | TOTAL SALES | VOLUME IN \$\$ | AVG RESA | LE PRICE |
|-------------------|-----------|-----------|--------------|----------------|-----------|-------------|
| MONTH | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR | THIS YEAR | LAST YEAR |
| January | 50 | 41 | \$22,511,400 | \$16,433,725 | \$450,228 | \$400,823 |
| February | | * 30 | | * \$11,904,525 | | * \$396,818 |
| March | | * 44 | | * \$20,903,100 | | * \$475,070 |
| April | | * 26 | | * \$12,851,400 | | * \$494,285 |
| May | | * 40 | | * \$18,741,800 | | * \$468,545 |
| June | | * 49 | | * \$25,804,388 | | * \$526,620 |
| July | | * 41 | | * \$17,901,388 | | * \$436,619 |
| August | | * 38 | | * \$18,292,000 | | * \$481,368 |
| September | | * 45 | | * \$20,638,940 | | * \$458,643 |
| October | | * 51 | | * \$22,829,400 | | * \$447,635 |
| November | | * 46 | | * \$23,744,300 | | * \$516,180 |
| December | | * 44 | | * \$20,172,500 | | * \$458,466 |
| | • | <u> </u> | | <u>'</u> | | |
| TOTAL | 50.00 | 41.00 | \$22,511,400 | \$16,433,725 | | |
| ALL TOTAL | 50.00 | 495.00 | \$22,511,400 | \$230,217,466 | | |
| MON AVG | 50.00 | 41.00 | \$22,511,400 | \$16,433,725 | \$450,228 | \$400,823 |
| % CHANGE - YTD | 22.0% | | 37.0% | | 12.3% | |

[%] Change calculated (ThisYear - LastYear)/LastYear

^{*} Amount is excluded from percent calculation

THIRD MUTUAL



PREPARED BY

Community Services Department

| | _ | JUMBER O | NUMBER OF RESALES | | | TOTAL SALES V | SALES VOLUME IN \$\$ | | | AVG RESALE PRICE | E PRICE | |
|--------------|-------|----------|-------------------|--------|--------------|----------------------|----------------------|---------------|-----------|------------------|-----------|-----------|
| Month | 2022 | 2021 | 2020 | 2019 | 2022 | 2021 | 2020 | 2019 | 2021 | 2021 | 2020 | 2019 |
| January | 20 | 41 | 24 | 32 | \$22,511,400 | \$16,433,725 | \$10,015,000 | \$12,482,100 | \$450,228 | \$400,823 | \$417,292 | \$390,066 |
| February | | 30 | 26 | 25 | | \$11,904,525 | \$12,158,700 | \$10,208,000 | | \$396,818 | \$467,642 | \$408,320 |
| March | | 44 | 32 | 42 | | \$20,903,100 | \$13,946,416 | \$16,639,712 | | \$475,070 | \$435,826 | \$396,184 |
| April | | 26 | 25 | 25 | | \$12,851,400 | \$10,830,833 | \$10,435,500 | | \$494,285 | \$433,233 | \$417,420 |
| May | | 40 | 16 | 37 | | \$18,741,800 | \$5,604,000 | \$16,273,033 | | \$468,545 | \$350,250 | \$439,812 |
| June | | 49 | 15 | 25 | | \$25,804,388 | \$5,881,500 | \$10,290,000 | | \$526,620 | \$392,100 | \$411,600 |
| July | | 41 | 36 | 40 | | \$17,901,388 | \$15,240,248 | \$17,327,373 | | \$436,619 | \$423,340 | \$433,184 |
| August | | 38 | 33 | 38 | | \$18,292,000 | \$14,612,928 | \$15,994,900 | | \$481,368 | \$442,816 | \$420,918 |
| September | | 45 | 30 | 33 | | \$20,638,940 | \$14,314,100 | \$12,643,180 | | \$458,643 | \$477,137 | \$383,127 |
| October | | 51 | 28 | 41 | | \$22,829,400 | \$10,707,400 | \$16,142,900 | | \$447,635 | \$382,407 | \$393,729 |
| November | | 46 | 28 | 30 | | \$23,744,300 | \$11,057,300 | \$13,520,950 | | \$516,180 | \$394,904 | \$450,698 |
| December | | 44 | 46 | 39 | | \$20,172,500 | \$18,548,901 | \$18,319,800 | | \$458,466 | \$403,237 | \$469,738 |
| TOTAL | 20 | 41 | 24 | 32 | \$22,511,400 | \$16,433,725 | \$10,015,000 | \$12,482,100 | | | | |
| ALL TOTAL | 20 | 495 | 339 | 407 | \$22,511,400 | \$230,217,466 | \$142,917,326 | \$170,277,448 | | | | |
| MON AVG | 50.0 | 41.0 | 24.0 | 32.0 | \$22,511,400 | \$16,433,725 | \$10,015,000 | \$12,482,100 | \$450,228 | \$400,823 | \$417,292 | \$390,066 |
| % CHANGE-YTD | 22.0% | 70.8% | -25.0% | -15.8% | 37.0% | 64.1% | -19.8% | -14.0% | 12.3% | -3.9% | 7.0% | 2.1% |

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

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Resales Report Third Laguna Hills Mutual January, 2022

| Escrow | Central Escrow | Blue Pacific Escrow | Blue Pacific Escrow | Corner Escrow Inc. | Granite Escrow | Generations Escrow | Granite Escrow | Blue Pacific Escrow | Generations Escrow | Granite Escrow | Escrow Options Group | Escrow Options Group | Generations Escrow | Generations Escrow | Corner Escrow Inc. | Corner Escrow Inc. | Granite Escrow | Blue Pacific Escrow | Pinnacle Escrow | Blue Pacific Escrow | Blue Pacific Escrow | Blue Pacific Escrow | Blue Pacific Escrow |
|-----------------|------------------|----------------------------|---------------------|-------------------------------|--------------------------|---------------------|----------------------------|----------------------------|--------------------|------------------------|----------------------|----------------------|------------------------|-----------------------------|---------------------------|--------------------|------------------------------|------------------------------|--------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| Buyer Realtor | Realty Benefit | HomeSmart Evergreen | FSBO | Keller Williams Realty Irvine | Berkshire Hathaway | Century 21 Rainbow | Laguna Premier Realty, Inc | Laguna Premier Realty, Inc | Century 21 Rainbow | Compass | Uniti Realty | HomeSmart Evergreen | Berkshire Hathaway | Prea Realty | Legacy 15 Real Estate | Century 21 Rainbow | Sea Vu Real Estate & Finance | New Star Realty & Investment | | Laguna Premier Realty, Inc | HomeSmart Evergreen | HomeSmart Evergreen | Golden Orange Realty |
| Listing Realtor | Signal Realty | Laguna Premier Realty, Inc | FSBO | Laguna Premier Realty, Inc | eXp Realty of California | Village Real Estate | Compass | Laguna Premier Realty, Inc | Century 21 Rainbow | First Team Real Estate | Realty Quest | Realty Quest | Residential Agent Inc. | Coldwell Banker Residential | Keller Williams South Bay | Century 21 Rainbow | Residential Agent Inc. | Regency Real Estate | eXp Realty of California | Laguna Premier Realty, Inc | Laguna Premier Realty, Inc | Laguna Premier Realty, Inc | Wise Choices Realty |
| Model/Style | Casa Contenta | Coronado | Castilla | Monterey | Coronado | Monterey | Casa Contenta | Cordoba | Castilla | Contenta Royale | Casa Linda | Casa Linda | Cordoba | Garden Villa | La Jolla | Garden Villa | Garden Villa | Garden Villa | Villa Capri | Villa Capri | Villa Nova | Casa Del Mar | \$350,000 Casa Del Mar Wise |
| Price | \$260,000 | \$305,000 | \$248,000 | \$399,000 | \$265,000 | \$305,000 | \$300,000 | \$405,000 | \$200,000 | \$275,000 | \$367,500 | \$385,000 | \$370,000 | \$388,000 | \$380,000 | \$375,000 | \$455,000 | \$450,000 | \$390,000 | \$352,000 | \$405,000 | \$490,000 | \$350,000 |
| Mutual | က | က | က | က | က | က | က | က | က | က | က | က | က | က | က | က | 3 | 3 | က | က | က | က | က |
| Manor | 2118-C | 2126-B | 2135-B | 2173-Q | 2179-B | 2179-A | 2199-P | 2204-A | 2241-C | 2295-A | 2319-A | 2330-P | 2360-B | 2370-1B | 2380-D | 2384-1B | 2389-2G | 2392-1E | 2399-2C | 2403-2D | 3017-D | 3039-0 | 3039-Q |
| Close | 01/12/2022 | 01/21/2022 | 01/21/2022 | 01/24/2022 | 01/28/2022 | 01/06/2022 | 01/27/2022 | 01/28/2022 | 01/14/2022 | 01/13/2022 | 01/04/2022 | 01/28/2022 | 01/25/2022 | 01/28/2022 | 01/31/2022 | 01/05/2022 | 01/31/2022 | 01/26/2022 | 01/18/2022 | 01/12/2022 | 01/18/2022 | 01/18/2022 | 01/07/2022 |

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Resales Report Third Laguna Hills Mutual January, 2022

| Close | Manor | Mutual | Price | Model/Style | Listing Realtor | Buyer Realtor | Escrow |
|--------------------|---------|--------|-----------|---------------|---------------------------------|-------------------------------|----------------------|
| 01/25/2022 | 3059-D | 3 | \$293,000 | Casa Bonita | Laguna Premier Realty, Inc | Century 21 Rainbow | Blue Pacific Escrow |
| 01/13/2022 | 3061-D | က | \$598,000 | Villa Nova | Laguna Premier Realty, Inc | Laguna Premier Realty, Inc | Blue Pacific Escrow |
| 01/13/2022 | 3120-B | က | \$410,000 | Hermosa | Presidential Real Estate | Presidential Real Estate | Blue Pacific Escrow |
| 01/11/2022 | 3133-D | က | \$340,000 | Encanto | Olympia Capital Corporation | eXp Realty of California | Corner Escrow Inc. |
| 01/06/2022 | 3167-P | က | \$334,900 | Casa Vista | Coldwell Banker | Compass | Granite Escrow |
| 01/07/2022 | 3179-B | က | \$635,000 | El Doble | Regency Real Estate | Laguna Premier Realty, Inc | Generations Escrow |
| 01/25/2022 | 3222-A | က | \$610,000 | La Reina | HomeSmart Evergreen | HomeSmart Evergreen | Escrow Options Group |
| 01/10/2022 | 3279-P | က | \$275,000 | Casa Vista | FSBO | FSBO | Generations Escrow |
| 01/05/2022 | 3327-B | ဇ | \$450,000 | Catalina | Uniti Realty | New Star Realty & Investment | Generations Escrow |
| 01/11/2022 | 3336-3G | က | \$405,000 | Sierra | Century 21 Rainbow | Berkshire Hathaway | Granite Escrow |
| 01/28/2022 | 3412-A | က | \$705,000 | Malaga | Marshall Yagan Broker | HomeSmart Evergreen | Granite Escrow |
| 01/04/2022 | 3457-A | က | \$918,000 | Andaluz | Laguna Premier Realty, Inc | Century 21 Rainbow | Blue Pacific Escrow |
| 01/12/2022 | 3500-1A | က | \$520,000 | Villa Nueva | Century 21 Rainbow | First Team Real Estate | Granite Escrow |
| 01/05/2022 | 4006-2G | က | \$300,000 | El Mirador | Coldwell Banker | Grand Avenue Realty & Lending | Granite Escrow |
| 01/25/2022 | 4009-1D | က | \$385,000 | El Mirador | Village Real Estate | TBD | Granite Escrow |
| 01/21/2022 | 4012-3D | က | \$365,000 | Villa Nueva | Laguna Premier Realty, Inc | Realty Benefit | Blue Pacific Escrow |
| 01/25/2022 | 4012-2A | က | \$490,000 | Villa Nueva | Pacific Sotheby's International | Re/Max Champions | Corner Escrow Inc. |
| 01/21/2022 | 4013-3C | က | \$350,000 | Villa Nueva | FSBO | FSBO | Corner Escrow Inc. |
| 01/18/2022 | 4021-N | က | \$530,000 | Casa Milano | Century 21 Rainbow | Laguna Woods Village Realty | Generations Escrow |
| 01/03/2022 | 5043 | က | \$800,000 | Villa Terraza | Laguna Premier Realty, Inc | Residential Agent Inc. | Blue Pacific Escrow |
| 01/14/2022 | 5052 | က | \$850,000 | Villa Reposa | Realty Masters | Laguna Premier Realty, Inc | Blue Pacific Escrow |
| 01/24/2022 | 5140 | က | \$925,000 | Villa Serena | Residential Agent Inc. | Laguna Premier Realty, Inc | Granite Escrow |
| 01/06/2022 | 5224 | က | \$900,000 | Villa Paraisa | HomeSmart Evergreen | Century 21 Rainbow | Granite Escrow |
| 01/12/2022 | 5370-3D | က | \$553,000 | Villa Puerta | Laguna Premier Realty, Inc | Laguna Premier Realty, Inc | Granite Escrow |
| 01/04/2022 5510-1C | 5510-1C | က | \$400,000 | El Mirador | Coldwell Banker Best Realty | New Star Realty & Investment | Corner Escrow Inc. |
| | | | | | | | |

Resales Report Third Laguna Hills Mutual January, 2022

| Close | Close Manor Mutual | Mutual | | Price Model/Style | Listing Realtor | Buyer Realtor | Escrow |
|-----------------------|--------------------|-----------|--------------|----------------------|----------------------------|----------------------------|---------------------|
| 01/11/2022 5518-2D 3 | : 5518-2E | 3 | \$515,000 | \$515,000 El Mirador | First Team Estates | Laguna Premier Realty, Inc | Corner Escrow Inc. |
| 01/03/2022 5519-2D 3 | 5519-2E | 3 | \$535,000 | \$535,000 El Mirador | Laguna Premier Realty, Inc | Keller Williams Realty | Blue Pacific Escrow |
| Number of Resales: | Resales | | | 20 | | | |
| Total Resale Price: | ale Price: | | \$22,511,400 | 001 | | | |
| Average Resale Price: | esale Pri | ce: | \$450,228 | 228 | | | |
| Median Resale Price: | sale Pric | | \$394,500 | 009 | | | |

OPEN MEETING

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

Monday, January 24 2022: 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, Craig Wayne

DIRECTORS PRESENT:

COMMITTEE MEMBERS ABSENT:

ADVISORS PRESENT: Michael Plean, Michael Butler

STAFF PRESENT: Robbi Doncost, Lauryn Varnum, Gavin Fogg, Richard DeLaFuente, Bart Mejia, Manuel Gomez

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 December 27, 2021

Director Plean made a motion to approve, Director Frankel seconded. Director Cook brought up a detail from the previously approved Water Heater Enclosure Staff Report, requesting that changes be considered regarding the updating of enclosures during a sale. Discussion ensued regarding the timelines of revisions during the occurs of a sale, the responsibility of repairs before escrow closes, and the likelihood of sellers transitioning the responsibility to buyers. Director Cook made a motion to add this discussion to the agenda, Director Plean seconded. The motion passed to add as Item #13.

5. Chair's Remarks

Chair Mutchnick stated he needed to leave at 11:00am due to a prior commitment, but would transfer to the Chair responsibilities to Director Engdahl upon his departure.

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

None.

7. Manor Alterations Division Update

Mr. Doncost summarized the division's above average quantity of call-outs due to illness. However, the division is fully staffed, and the in-take staff is able to address inquiries within the course of the same day.

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 addressed the two reports included, the second being a sample of the formatting previous to the malware attack. Director Plean inquired to the data showing how long the average permit takes to close, and how many permits are delayed due to staff v members. Mr. Doncost stated that this level of analysis was unable to be performed given the current software available. Chair Mutchnick commented on the number of closures shown on the prior report, inquiring why members claim they cannot receive approval on their permits.

Mr. Doncost explained that when members contact Manor Alterations, a ticket is generated. This does not mean that a complete permit has been generated, but it can lead to a perception of extended timelines. Mr. Doncost reminded the committee that only a fully completed permit can initiate work to begin. Currently, Manor Alterations does not have additional staff to follow up on open tickets. Director Plean requested if a sample of permits could be reviewed in order to better understand the reasons for delays.

Items for Discussion:

9. Staff Report – Contractor Violation Policy

Mr. Doncost summarized how the CVP had transitioned between the Third ACSC and Third Board multiple times, and this was an opportunity to include any last edits. Director Cook inquired if the work hours are correct, and Mr. Doncost confirmed these were the standard hours due to staffing available for oversight. Discussion ensued and the motion was passed by consensus with the following edits required:

- a. Provide a list of VMS recognized holidays
- b. Include a clear indicator that this permit was designated to Third Mutual only
- c. Provide a clear indicator of an extension granted on the permit
- d. Staff would submit a dedicated email to a member when an extension was granted

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. Mr. Doncost volunteered to set a meeting in order to facilitate contact.

11. Staff Report - Alteration Fee Schedule

Mr. Doncost summarized the edits made to the Staff Report as per the direction of the committee, including the renaming of the variances to "Basic" and "Complex". Chair Mutchnick inquired if the Standard Alterations listed required a processing fee, which Mr. Doncost confirmed. Director Cook asked which variances could be streamlined into standards based on repetition. Mr. Doncost confirmed that this process would take multiple months to achieve, and would also incur additional costs to the mutual should it be approved. Mr. Doncost recommended not delaying the approval of the CVP due to this additional request.

A motion was passed to approve the CVP with the following conditions:

- a. Reorder the attachments
- b. Place a note on the List of Standard Alterations that a permit fee is required for processing
- c. Place a note that variance fees are in addition to the processing fees incurred4

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

Acting Chair Engdahl inquired if the committee had any further questions regarding the Staff Report. Director Cook commented that many properties are leased to parents or other family members, should there be an extension of the timeline in which removal occurs? Advisor Butler inquired if Third's legal counsel had reviewed the report, noting that this report had potential to substantially impact the community.

Mr. Doncost confirmed that legal counsel still needs to review the document. Director Plean expressed concerns about the community becoming full of handrails rather swiftly, and questioned if United was also considering this policy change. Mr. Doncost confirmed this was only being presented to Third as they had expressed interest in creating a policy after a variance including a handrail had been presented in the past. Discussion ensued, and ultimately the committee elected to table the report until legal counsel could provide an in-depth review.

13. Staff Report – Water Heater Enclosure Disposition

The committee discussed how members will complete their assumed upgrade to the newly approved standard, including the cost comparison between an outside vendor completing the work v VMS, and the inclusion of language concerning the timeline for completion. Due to the volume of proposed amendments to the previously recommended proposed WH Enclosure policy, Mr. Doncost suggesting removing the report from the upcoming Third Board agenda in order for further review. The committee approved to withdraw the report by consensus.

Items for Future Agendas:

• Staff Report Revisions - Water Heater Enclosure

Concluding Business:

14. Committee Member Comments:

Director Cook wanted to praise Bart Mejia for his assistance and common sense handling of a previous item.

- 15. Date of Next Meeting February 28, 2022
- 16. Adjournment at 11:50 AM



Robert Mutchnick, Chair

Robbi Doncost, Staff Officer

Telephone: (949) 268-2281



OPEN MEETING

REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL LANDSCAPE COMMITTEE

Thursday, February 3, 2022 – 9:30 a.m.
VIRTUAL MEETING
Laguna Woods Village Community Center 24351 El Toro Road

REPORT

COMMITTEE MEMBERS PRESENT: Chair - Lynn Jarrett, Annie McCary, 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 Jarrett called the meeting to order at 9:30 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 January 6, 2022 Report

The report was approved by consensus.

5. Committee Chair Remarks

Chair Jarrett stated this will probably be a short meeting because we had many tree requests last month but not many this month.

With the windy weather, it makes the Village very messy. Mr. Wiemann reported that only two Bottle Brush trees were lost in the latest wind event. He said we have a storm response where most all Landscape staff spends the first day after a wind event cleaning up.

Some people plant gardens in common area and they should not do so. They can cause our water bills to go up when people water those gardens with hoses that are hooked up to hose bibs. All such hoses are hooked up to buildings and utilize potable water only. This is a very big expense.

The Aliso Creek is so beautiful and she urges Members to take a walk down there to see it if you haven't yet been there.

In the Gate 14 area, the grass in one large area was made into a drought-tolerant small park and she would like to see additional areas converted as well.

Discussion ensued regarding rebates that are available from El Toro Water District (ETWD) for putting in drought tolerant plants in common area or when residents would like to do it on their own. Rebates are not available in recycled water areas.

6. Department Head Update

6a. Project Log

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

6b. Tree Work Status Report

Mr. Wiemann reviewed this report with the committee.

6c. Key Performance Index Slides

Mr. Wiemann presented FY2021 Landscape Key Performance Index Report via a PowerPoint to the committee and answered some questions.

7. Member Comments (Items Not on the Agenda)

A Member stated that Landscaping should be doing more to hide water heaters with landscaping.

8. Response to Member Comments

Mr. Wiemann responded that the Water Heater Standard #32 was revised in 2019 to say that water heater enclosures must match the building. Director McCary and Director Lewis stated that it would be great if staff could work on landscaping around water heaters which are eyesores.

Consent:

None

<u>Unfinished Business</u>

9. Tree Removal Request: 5473-A Paseo Del Lago E. – One Sugar Gum Eucalyptus tree

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

Future Agenda Items

10. Tree Replacement Program

Mr. Wiemann stated that staff currently plants new trees when appropriate. They are never planted where a tree was removed because using the same soil there is not conducive for a new tree. Director Rane-Szostak suggested telling Members the reason why a new tree is not put into place right where a removed tree was growing. Mr. Wiemann stated that he doesn't get many requests for replacement of trees.

11. Members Converting Turf Campaign

This will be on the agenda for next month. Director Rane-Szostak Donna will try to get more information about ETWD rebates in time for that meeting. Also, Director McCary will speak to Eileen Paulin about best ways to get out information to Members.

Mr. Wiemann stated that Metropolitan Water funds the rebates; local water districts administer the programs. It is a complicated process to get a rebate but it is worth it. You must submit a detailed plan which must include a water retention feature of some kind (rock garden, etc.). The plan gets reviewed, commented on, and resubmitted. It then moves into a construction plan phase in which a third party reviews the work.

Concluding Business:

12. Committee Member Comments

Director Lewis is glad that Mr. Wiemann is moving forward with new goals and strategies.

Director McCary wanted to thank the Member for his comment and him caring about this community. It is important residents do get involved in governing this community. We can't always solve every issue but all suggestions are considered.

Mr. Wiemann said resident involvement is key. We are maintaining a large amount of acreage so it is good when we know if residents are seeing something that can be improved.

13. Date of Next Meeting – Thursday, March 3, 2022 at 9:30 a.m.

Third Landscape Committee February 3, 2022 Page 4

14. Adjournment at 10:33 a.m.

1) jarrett (F40 8, 2022 12:44 PST)

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

Signature:

Email: lijarrett@yahoo.com



OPEN MEETING

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

Wednesday, January 26, 2022 – 9:30 A.M.
VIRTUAL MEETING
Laguna Woods Village Community Center
24351 El Toro Road, Laguna Woods, CA 92637

MEMBERS PRESENT: Robert Mutchnick, Chair, Lynn Jarrett, Cush Bhada, and Mark

Laws

MEMBERS ABSENT: None

ADVISORS PRESENT: Mary Seto and Stuart Hack

ADVISORS ABSENT: None

STAFF PRESENT: Blessilda Wright, Paul Nguyen and Pamela Bashline

CALL TO ORDER

Robert Mutchnick, Chair, called the meeting to order at 9:32 a.m.

ACKNOWLEDGEMENT OF MEDIA

The Media was not present.

APPROVAL OF AGENDA

Director Jarrett made a motion to approve the agenda. Director Laws seconded the motion.

By consensus, the motion carried.

APPROVAL OF MEETING REPORTS

Director Laws made a motion to approve the, December 28, 2021 meeting report as presented. Director Bhada seconded the motion with correction to agenda item 4, page 3 of 3. The wording "to table to mater" to "table the matter to".

By unanimous vote, the motion carried.

CHAIRMAN'S REMARKS

Chair Mutchnick stated that he wanted Lease Cap to be put on as a Future Agenda item.

MEMBER COMMENTS ON NON-AGENDA ITEMS

None

REPORTS

None

ITEMS FOR DISCUSSION AND CONSIDERATION

Additional Occupancy Fee

Pamela Bashline, Community Service Manager, presented Additional Occupancy Fee. The Committee commented and asked questions.

Director Laws made a motion to charge an additional Occupancy Fee for units containing more than two occupants. Advisor Seto seconded the motion.

By a 4-0-1 vote (Director Bhada abstained), the motion carried.

Distribution of Materials

Blessilda Wright, Compliance Supervisor, presented Distribution of Materials. The Committee commented and asked questions.

Advisor Hack made a motion to table Distribution of Materials to the next meeting so that staff may update Resolution 03-07-59 and to update the verbiage.

Director Bhada seconded the motion.

By unanimous vote, the motion carried.

ITEMS FOR FUTURE AGENDAS

- Lease Cap
- Distribution of Materials

CONCLUDING BUSINESS

Committee Member Comments

None

Date of Next Meeting

Wednesday March 2, 2022 at 1:30 P.M.

Adjournment

With no further business before the Committee, the Chair adjourned the meeting at 10:39 a.m.

Report of the Resident Policy and Compliance Committee January 26, 2022 Page 3 of 3

Robert Mutchnick

Robert Mutchnick (Feb 8, 2022 08:24 PST)

Robert Mutchnick, Chair Third Laguna Hills Mutual THIS PAGE LEFT BLANK INTENTIONALLY