



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

Tuesday, July 17, 2018 - 9:30 a.m.

Laguna Woods Village Community Center Board Room 24351 El Toro Road

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, July 17, 2018, at 9:30 a.m., at 24351 El Toro Road, Laguna Woods, California

Directors Present: Rosemarie diLorenzo, Steve Parsons, James Tung, Burt Baum, Roy Bruninghaus, John Frankel, Jules Zalon, Cush Bhada and Bunny Carpenter (arrived late).

Directors Absent: Bill Walsh and Jack Connelly

Staff Present: Brad Hudson, Siobhan Foster, Chuck Holland, Eileen Paulin, Kurt Wiemann, and Whitney Thornton

Others Present: Marcy Sheinwold (VMS)

1. Call meeting to order / Establish Quorum

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

2. Pledge of Allegiance

Director Parsons led the Membership in the Pledge of Allegiance.

3. Acknowledge Media

The Globe and the Village Television Crew, by way of remote cameras, were acknowledged as present.

4. Approval of Agenda

Director Parsons made a motion to approve the agenda as presented. Director Zalon seconded the motion and it passed by unanimous consent.

Director Bruninghaus made a motion to make the following corrections to the agenda; move agenda item (13c) to closed session, make corrections to agenda item (11a3),

(11b1) should read pruning to be done within 60 days, move agenda item (11d) to new business, correct redundancy on agenda item (13f) and remove the word “none” from unfinished business. The motion was seconded by Director Frankel and passed by unanimous consent.

5. Approval of Minutes

- a. June 8, 2018 – Agenda Prep/Special Open Session
- b. June 19, 2018 – Regular Open Session
- c. June 25, 2018 – Special Open Meeting (VMS Director Election)

Director Parsons made a motion, seconded by Director Frankel to approve the minutes of June 8, 2018, and it passed by unanimous consent.

Director Parsons made a motion, seconded by Director Bruninghaus to approve the minutes of June 19, 2018, and it passed by unanimous consent

Directors Parsons made a motion, seconded by Director Bhada to approve the minutes of June 25, 2018, and it passed by unanimous consent.

6. Report of the Chair

President diLorenzo announced the progress with the Third Mutual budget. On August 10, 2018 at 9:30 the budget meeting will be televised.

7. Open Forum

One Member spoke about the LWV Foundation benefits.

8. Responses to Open Forum Speakers

There were no responses to Member comments.

9. Update from VMS – Director Sheinwold

Director Sheinwold reviewed the purpose of the VMS Board and gave an update on the VMS Board meetings. In June, Chuck Holland, Director of IT Technology and Carrie Weldon, Director of Human Resources gave updates to the VMS Board. The goals of the VMS Board are to: increase the use of Dwelling Live, increase the number of Gate Arms, improve the Village Welcome Center for new members, evaluate the Handyman Program, develop and implement staff training, provide continued customer service training, and increase the use of online credit card payment. The work plan priority is retention, recruitment and training of staff. Emilio Basrto will be receiving a Proclamation for his lifesaving actions.

10. CEO Report

Brad Hudson, CEO, reported on the following developments:

- Budget Business Plan is being finalized;
- Communication from Resident Services regarding scheduled work and Community Services regarding lease services;

- Broadband Improvement Program continues;
- Internet Service Upgrades;
- Annual Election Nomination period is open. Candidate Applications can be picked up in the Corporate Secretary office and are due back August 15, 2018 at 5:00 p.m.;
- Handyman Program and Services;
- Gate 11 gatehouse renovation is completed, Gatehouses 12 and 4 will be done next;
- Golf Cart Registration Deadline, residents should contact Resident Services to pick up new decals for their Golf Carts;
- Gates will be installed at the Service Center to avoid illegal activity;
- Slope work will be done soon;
- Ridge Route vegetation clearance;
- Dry Rot, Waste-line, Prior-to-Paint Programs are continuing as scheduled.

Brad Hudson, answered questions from the Board.

President diLorenzo encouraged residents to run for the Board. She thanked Siobhan Foster for her hard work. Director Parson thanked Brad Hudson and staff for their work on the Budget.

11. Consent Calendar

11a. Architectural and Control and Standards Committee Recommendations:

- (1) Receive and File Revisions to the Architectural Controls and Standards Committee Charter

THIRD LAGUNA HILLS MUTUAL ARCHITECTURAL CONTROL AND STANDARDS COMMITTEE CHARTER

RESOLUTION 03-16-128
REVISED JULY, 2017 RESOLUTION 03-17-77
REVISED JULY, 2018, RESOLUTION 03-18-99

RESOLVED, that pursuant to Article 7, of the Bylaws and Article X of the Amended and Restated Declaration of Covenants, Conditions and Restrictions, the Architectural Control and Standards Committee is hereby established as a standing committee of this Corporation; and

RESOLVED FURTHER, July 17, 2018, that the Board of Directors of this Corporation hereby amends the duties and responsibilities of the Architectural Control and Standards Committee of the Corporation as follows;

1. The Architectural Control and Standards Committee shall have the responsibility to recommend approval or denial of all requests for nonstandard alterations and modifications, or alterations that have generated neighbor objection. Final recommendations shall be noted on

the Mutual's monthly Board meeting Agenda Consent Calendar.

2. In their decision, the Committee shall consider the following criteria:

- a) The Mutual's governing documents, including the current Third Architectural Alteration Standards
- b) The Mutual's then current architectural and building guidelines
- c) Aesthetic effect
- d) Any other approved staff (as may be applicable), Committee and Board policies and procedures
- e) Cost impact on the Mutual
- f) Conformity with Local and State Building Codes
- g) Compliance with applicable Municipal, State and Federal law
- h) Value impact
- i) Mutual's *Conditions of Approval for the Alteration*

3. If a Member chooses to appeal the Committee's decision, prior to the review of the appeal, the Committee will document justification of their decision. If necessary, the Committee has the authority to consult with the Mutual Legal Counsel for advice.

4. The Committee shall have the authority to recommend new Architectural Standards or any revisions of all Mutual Architectural Standards. Final approval will rest with the Mutual Board.

5. The Committee shall require that Neighbor Awareness Notice of Hearing be mailed, by staff, to the owners of record of all potentially affected neighboring Manors, for all alteration requests, including requests that appear to conform to the Third Architectural Alteration Standards and policies..

6. The Committee shall review advancements in technology and methods that could result in increased efficiencies and/or cost savings to the Mutual.

7. The Committee may impose contingencies upon approvals to ensure the structural, architectural, or common area integrity of the Members' request.

8. The Committee shall insure that all structural alterations, including any internal and external physical changes, performed or caused to be performed by a Member, shall not be performed without prior written consent of the Mutual. Consent is given either by proper processing of approved alteration standard, or use of the variance request process. The Committee will recommend a Disciplinary Hearing for all alterations preceding approval or

deviation from approved changes.

9. The intended activities of the Committee may include but may not be limited to meeting when necessary, meeting on a monthly basis, reviewing staff recommendations regarding compliance with architectural standards or variance requests, conducting tours, and providing communications to the Community.

10. This committee shall exist and function in accordance with bylaws and CC&Rs.

11. This Committee shall be comprised of no more than five Directors.

12. This committee may appoint up to three voting advisors, subject to the approval of the Board.

(2) Recommendation to Approve 3142-A (Las Flores, PL203C, 42) – Back Patio Room

RESOLUTION 03-18-100
Variance Request

WHEREAS, Ms. Yu-Hsiung Chen of 3142-A Via Vista, a Las Flores style manor, is requesting Board approval of a variance to construct a room addition on the rear patio; and,

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected Units on June 15, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on June 25, 2018.

NOW THEREFORE BE IT RESOLVED, on July 17, 2018, the Board of Directors hereby approves the request to construct a room addition with the condition that the addition must only be constructed on the original footprint of the manor and that the proposed alteration is constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

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 3142-A and all future Mutual members at 3142-A;

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

(3) Recommendation to Approve 3235-C (La Reina, SB703R_B, 43R) – Replace Enclosed Patio with Room on original footprint.

RESOLUTION 03-18-101

Variance Request

WHEREAS, Mr. Michael Epstein of 3235-C San Amadeo, a La Reina style manor, is requesting Board approval of a variance to reconfigure an enclosed rear patio to an enclosed room on original footprint; and

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected Units on June 15, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on June 25, 2018.

NOW THEREFORE BE IT RESOLVED, on July 17, 2018, the Board of Directors hereby approves the request to construct an enclosed room on the same footprint as the existing enclosed front patio with the condition that the proposed alteration is constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

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 3235-C and all future Mutual members at 3235-C;

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

(4) Recommendation to Approve 3374-B (Navarro, P203RC, 46R) – Replace Wrought Iron Fence with Glass Windbreak

RESOLUTION 03-18-102

Variance Request

WHEREAS, Mr. Michael Cunningham of 3374-B Punta Alta, a Navarro style unit, is requesting Board approval of a variance to replace the wrought iron fence around the existing front patio with a glass windbreak; and

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected Units on June 15, 2018, notifying them that an application to make an alteration to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on June 25, 2018.

NOW THEREFORE BE IT RESOLVED, on July 17, 2018, the Board of Directors hereby approves the request to replace the wrought iron fence around the existing front patio with a glass windbreak with the condition that the proposed alteration is constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice;

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 3374-B and all future Mutual members at 3374-B;

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

(5) Recommendation to Approve 5405 (Trinidad, C11RC_2) – Add/Modify Windows and Doors, Split Room and Den Remodel

RESOLUTION 03-18-103
Variance Request

WHEREAS, Ms. Grace Chen of 5405 Via Carrizo, a Trinidad style manor, is requesting Board approval of a variance for the following six alterations; replace sliding glass doors in both bedrooms with windows, replace the living room sliding glass door with a French door, reapportion space in the second bedroom to create a third bedroom, replace the dining room sliding glass door with a French door, reduce the size of the dining nook window, and add a window in the garage; and

WHEREAS, a Neighborhood Awareness Notice was sent to Owners of affected Units on June 15, 2018, notifying them that an application to make alterations to a neighboring Unit had been made and that comments or objections could be made in writing to the Architectural Controls and Standards Committee or in person at the Architectural Controls and Standards Committee Meeting on June 25, 2018.

NOW THEREFORE BE IT RESOLVED, on July 17, 2018, the Board of Directors hereby approves the requests to replace sliding glass doors in both bedrooms with windows, replace the living room sliding glass door with a French door, replace the dining room sliding glass door with a French door, reduce the size of the dining nook window, and add a window in the garage, with the condition that the proposed alterations are constructed in accordance with the Conditions of Approval as included in the official Board Decision Notice. The Board approves the request to reapportion space in the second bedroom to create a third room on the condition that the room be classified as a den and no closet is to be constructed in this space;

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 5405 and all future Mutual members at 5405;

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.

11b. Landscape Committee Recommendations:

(1) Tree Removal Recommendations

- 2192-E (Lu): Approve to remove Coast Redwood
- 3217-B (Cohen): Deny request to remove olive tree; with approval for application of fruit suppressant one time annually at Member's expense
- 3436-P (Costeens): Deny request to remove Silk Oak tree; with direction for staff to complete off-schedule pruning within sixty days.
- 5450 (Kawamoto): Deny appeal request to remove Camphor tree

RESOLUTION 03-18-104
Tree Removal Request Determinations

WHEREAS, September 20, 2011, that the Board of Directors adopted Resolution 03-11-149 tree removal guidelines:

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

WHEREAS, on July 5, 2018, the Landscape Committee recommended to deny the request to remove the Camphor tree located at 5450 Calle Pico; deny the request to remove the Silk Oak at 3436-P Bahia Blanca West; and approve the request to remove a Coast Redwood at 2192-E Via Mariposa East; deny the request to remove the Olive Tree at 3217-B; and;

NOW THEREFORE BE IT RESOLVED, July 17, 2018, the Board of Directors denied the request to remove the Camphor tree located at 5450 Calle Pico; denied the request to remove the Silk Oak at 3436-P Bahia Blanca West; approved the request to remove a Coast Redwood at 2192-E Via Mariposa East; and denied the request to remove the Olive Tree at 3217-B; and;

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

11c. Finance Committee Recommendations:

- (1) Approve Resolution to Record Lien against Member's ID; 931-371-09

RESOLUTION 03-18-105
Recording of a Lien

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

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

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-371-09 and;

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

- (2) Approve Resolution to Record Lien against Member's ID; 931-591-35

RESOLUTION 03-18-106
Recording of a Lien

WHEREAS, Member ID 931-591-35; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board

(with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-591-35 and;

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

- (3) Approve Resolution to Record Lien against Member's ID; 931-580-84

RESOLUTION 03-18-107
Recording of a Lien

WHEREAS, Member ID 931-580-84; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-580-84 and;

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

- (4) Approve Resolution to Record Lien against Member's ID; 932-200-59

RESOLUTION 03-18-108
Recording of a Lien

WHEREAS, Member ID 932-200-59; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 932-200-59 and;

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

- (5) Approve Resolution to Record Lien against Member's ID; 933-210-81

RESOLUTION 03-18-109
Recording of a Lien

WHEREAS, Member ID 933-210-81; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-210-81 and;

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

- (6) Approve Resolution to Record Lien against Member's ID; 931-720-36

RESOLUTION 03-18-110
Recording of a Lien

WHEREAS, Member ID 931-720-36; is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-720-36 and;

Director Bruninghaus made a motion to approve the Consent Calendar as amended. The motion was seconded by Director Zalon. The motion passed by unanimous consent.

12. Unfinished Business

12a. Entertain a Motion to Adopt a Temporary Container Policy

Burt Baum, Secretary of the Board, presented a summary of the following resolution:

RESOLUTION 03-18-111 **Temporary Container Policy**

WHEREAS, the placement of temporary containers such as dumpsters, (see attached policy for size limitations); portable storage units (PODS), (see attached policy for size limitations), and contractor trailers has caused safety and mobility concerns throughout the Village; and,

WHEREAS, Staff has developed a policy that addresses these concerns.

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors hereby adopts the Proposed Temporary Container Policy as attached to the official meeting minutes;

RESOLVED FURTHER, after a 24 hour notice from the contractor or Member, the Security Division will provide members and contractors locations to place these items;

RESOLVED FURTHER, the safety, placement, and housekeeping of these items are the responsibility of the member;

RESOLVED FURTHER, the Mutual reserves the right to remove or relocate any item to remedy an unsafe condition; 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.

JUNE INITIAL NOTIFICATION

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

Director Baum made a motion to adopt a resolution to adopt a Temporary Container Policy. The motion was seconded by Director Parsons.

Discussion ensued among the Directors.

President diLorenzo called for the vote and the motion passed by unanimous consent.

12b. Entertain a Motion to Adopt a Resolution for the Resale Correction Policy

Burt Baum, Secretary of the Board, presented a summary of the following resolution:

RESOLUTION 03-18-112
Resale Correction Policy

WHEREAS, on May 20, 2014, the Board of Directors approved Resolution 03-14-53, establishing a security deposit for resale inspections;

WHEREAS, resale inspections and inspection reports are an integral part of the resale process and non-conforming conditions or alterations noted on the inspection reports are vital for the protection of Mutual property and assets; and,

WHEREAS, Staff has found the current security deposit section of the resale policy to be administratively burdensome and withholds funds from members for an unreasonable length of time.

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors hereby adopts the Proposed Revised Resale Policy as attached to the official meeting minutes;

RESOLVED FURTHER, effective September 1, 2018, corrections and deficiencies found in the resale inspection will be noted in the report and will be provided to the seller;

RESOLVED FURTHER, the Seller will be held responsible for the corrections and deficiencies;

RESOLVED FURTHER, corrections and repairs to Mutual property and assets shall be completed by the close of escrow;

RESOLVED FURTHER, the remainder of the existing policy will remain unchanged;

RESOLVED FURTHER, that Resolution 03-14-53, adopted May 20, 2014, is hereby superseded in its entirety and no longer in effect; and

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

JUNE INITIAL NOTIFICATION

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

Director Baum made a motion to adopt a resolution for the Resale Correction Policy. Director Bhada seconded the motion and it passed by unanimous consent.

12c. Entertain a Motion to Adopt a Resolution for the Unauthorized Alteration Fee

Burt Baum, Secretary of the Board, presented a summary of the following resolution:

RESOLUTION 03-18-113
Unauthorized Alteration Fee

WHEREAS, the Mutual has seen an increase in unauthorized alterations; and,

WHEREAS, significant administrative staff time is necessary to investigate, document and process unauthorized alteration incidents.

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors hereby adopts the Unauthorized Alteration Fee;

RESOLVED FURTHER, effective September 1, 2018, the administrative fee for processing Mutual Consents after-the-fact will be \$300;

RESOLVED FURTHER, when it has been determined that a member has started or completed alterations without proper prior Mutual Consent, a Stop Work notice will be issued and the member will be scheduled for a disciplinary hearing before the Board;

RESOLVED FURTHER, the member will be directed to apply for Mutual Consent and shall pay the Unauthorized Alteration Fee, which shall be in addition to the Board approved Mutual Consent processing fees;

RESOLVED FURTHER, payment of the Unauthorized Alteration Fee does not preclude the Member from disciplinary action by the Board;

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.

JUNE INITIAL NOTIFICATION

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

Director Baum made a motion to adopt a resolution for the Unauthorized Alteration Fee. Director Bhada seconded the motion.

Discussion ensued among the Directors.

President diLorenzo called for the vote and the motion passed by unanimous consent.

12d. Update Third Mutual Committee and GRF Committee Assignments
This agenda item was moved to Unfinished Business.

RESOLUTION 03-18-114
Third Mutual Committee Appointments

RESOLVED, July 17, 2018, that the following persons are hereby appointed to serve on the committees and services of this Corporation;

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

Architectural Standards and Control Committee

William Walsh, Chair
Steve Parsons, Co-Chair
Roy Bruninghaus
John Frankel
Rosemarie diLorenzo, Alternate
Voting Advisors: Mike Butler, Bob Hatch and Mike Plean

Communications Committee

Burt Baum, Chair
Roy Bruninghaus
Jack Connelly
Bunny Carpenter
Bill Walsh
Non-Voting Advisors: Carol St. Hillaire

Energy Task Force

Bill Walsh, Chair (Third)
John Frankel (Third)
Burt Baum, Alternate (Third)
Juanita Skillman (United)
Carl Randazzo (United)
Bert Moldow (GRF)
Jim Juhan (GRF)
Voting Advisors: Steven Leonard

Executive Hearing Committee

Steve Parsons, Chair
Rosemarie diLorenzo, Co-Chair
Bunny Carpenter
John Frankel
James Tung

Cush Bhada, Alternate
Jules Zalon, Alternate

Finance (Committee of the Whole)

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

Garden Villa Recreation Room Subcommittee

Rosemarie diLorenzo, Chair
Cush Bhada
Voting Advisors: Lynn Jarrett, Sharon Molineri, Stuart Hack

Laguna Woods Village Traffic Hearings

John Frankel
Jules Zalon

Landscape

James Tung, Chair
Jules Zalon, Co-Chair
John Frankel
Roy Bruninghaus
Jack Connelly
Non-Voting Advisors: Violet Lawrence

Maintenance and Construction (Committee of the Whole)

Bill Walsh, Chair
Bunny Carpenter, First Co-Chair
John Frankel, Second Co-Chair
Cush Bhada
Voting Advisors: Steve Leonard

New Resident Orientation

Per Rotation List

Water Conservation Committee

James Tung, Chair
Jules Zalon, Co-Chair
John Frankel

Third Mutual Parking & Golf Cart Task Force

John Frankel, Chair
Roy Bruninghaus
Bunny Carpenter
Rosemarie di Lorenzo
Bill Walsh

Third Mutual Resident Policy and Compliance Task Force

Burt Baum, Chair
Bunny Carpenter
Rosemarie diLorenzo
Roy Bruninghaus, Alternate
Steve Parsons, Alternate
Stuart Hack, Advisor

RESOLVED FURTHER, that Resolution 03-17-65, adopted May 15, 2018, is hereby superseded and canceled; and,

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

RESOLUTION 03-17-115
GRF Committee Appointments

RESOLVED, July 17, 2018, that in compliance with Article 7, Section 7.3 of the Golden Rain Foundation Bylaws, the following persons are hereby appointed to serve on the committees of the Golden Rain Foundation:

Business Planning Committee

Rosemarie diLorenzo
Steve Parsons

Community Activities Committee

Steve Parsons
Jules Zalon
Jack Connelly, Alternate

Finance Committee

Rosemarie di Lorenzo
Steve Parsons
Jack Connelly ~~Bill Walsh~~, Alternate

Landscape Committee

James Tung
Jules Zalon
John Frankel, Alternate

Maintenance and Construction Committee

John Frankel
Bunny Carpenter
Cush Bhada, Alternate

Media and Communication Committee

Burt Baum
Roy Bruninghaus
Jack Connelly, Alternate

Mobility and Vehicles Committee

Roy Bruninghaus
John Frankel

PAC Renovation Ad Hoc Committee

Beth Perak, Chair (GRF)
Joan Milliman, Vice Chair (GRF)
Richard Palmer, (GRF)
John Frankel, (Third)
Jules Zalon-Bill Walsh, (Third)
Juanita Skillman, (United)
Don Tibbitts, (United)
Irving Waaland, (Mutual 50)
Non-Voting Advisers: Sheila Bilaka, John Perak

Security and Community Access Committee & Disaster Preparedness

Roy Bruninghaus
John Frankel
~~James Tung~~
Cush Bhada, Alternate

RESOLVED FURTHER, that Resolution 03-18-66, adopted May 15, 2018, is hereby superseded and canceled; and

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

Director Parsons made a motion to approve the updated Third Mutual and GRF Committee Appointments. Director Bruninghaus seconded the motion.

Discussion ensued among the Directors.

Director Baum made a motion to approve the updated Third Mutual and GRF Committee Appointments as amended. Director Parsons seconded the motion and the motion passed by unanimous consent..

13. New Business

13a. Entertain a Motion to Introduce a Resolution for Revised Alteration Standard 31: Washer/Dryer Installations

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

RESOLUTION 03-18-XX

Revised Alteration Standard 31: Washer/Dryer Installations

WHEREAS, the Architectural Controls and Standards Committee recognizes the need to amend Alteration Standards and create new Alteration Standards as necessary; and,

WHEREAS, the Architectural Control and Standard Committee recognizes the need to revise Alteration Standard 31: Washer and Dry Installations.

NOW THEREFORE BE IT RESOLVED, July 17, 2018, that the Board of Directors of this Corporation hereby introduces Alteration Standard 31: Washer and Dry Installations as attached to the official meeting minutes;

RESOLVED FURTHER, that Resolution M3-98-65 adopted December, 1998, 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 as written.

JULY Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

Director Baum made a motion to introduce a resolution to revise Alteration Standard 31: Washer/Dryer Installations. Director Bruninghaus seconded the motion.

Discussion ensued among the Directors.

Director Carpenter and Parsons requested that Section 2.12 clearly state that current installations (grandfathered or otherwise) will not continue past current owner for the second reading.

By consensus, the Board introduced a resolution for 30-day review to revise Alteration Standard 31: Washer/Dryer Installations.

13b. Entertain a Motion to Introduce a Payment Plan Agreement Form

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

RESOLUTION 03-18-XX
Delinquent Assessment Payment Plan Agreement

WHEREAS, any Member who is unable to timely pay regular assessments is entitled to make a written request for a payment plan to the Board;

WHEREAS, each request for a payment plan is approved or denied on a case-by-case basis after review by the Finance Committee;

WHEREAS, a Delinquent Assessment – Payment Plan form, which includes several payment options and conditions, is used to create an agreement between the delinquent Member and the Mutual;

WHEREAS, the Third Finance Committee recommends a revised Payment Plan Agreement Form with changes submitted by legal counsel to help reinforce collection activity that will occur if a member breaches the agreed-to payment plan for delinquent assessments; and

WHEREAS, the Finance Committee recommends recovering costs associated with accepting payments over time including the initiation of interest charges and an administrative fee for every month the agreement is in effect;

NOW THEREFORE BE IT RESOLVED, on July 17, 2018, the Board of Directors of this Corporation hereby introduces revisions to the Delinquent Assessment - Payment Plan Agreement form, as attached to this Corporate record, initiating a monthly charge for interest at the rate of 10% per annum, and introducing a new payment plan administrative fee of \$25 per month; and

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

JULY Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available

Board Meeting no less than 30-days from the postponement to comply with Civil Code §4360.

Director Baum made a motion to introduce a resolution for a Payment Plan Agreement Form. Director Bruninghaus seconded the motion.

Discussion ensued among the Directors.

Director Bhada requested revisions to the Payment Plan form to include space to add name at the top and near the signature line at the bottom.

By consensus, the Board introduced a resolution for 30-day review to approve a Payment Plan Agreement Form.

13c. Entertain a Motion to Introduce the Revised Resale Correction Policy
This agenda item was moved to closed session.

13d. Entertain a Motion to Approve the Energy Task Force Charter

Director Baum, Secretary of the Board, presented a summary of the following Charter:

Energy Task Force Charter and Mission

In July 2018, the Board of Directors of the Third Laguna Hills Mutual, United Laguna Woods Mutual and the Golden Rain Foundation hereby assigns the duties and responsibilities of this Task Force, as follows:

The Village Energy Task Force will consist of two directors each from Third Mutual, United Mutual and the Golden Rain Foundation. Member Advisors as approved by the Task Force will be voting members.

The mission of the Village Energy Task Force is to identify and recommend to all Boards, Investments in energy technologies that will address the safety, economic, environmental and aesthetic issues of Third and United Mutual and GRF (the Corporations) with the common goal to enhance the wellbeing of our Laguna Woods Village residents.

1. Recommend to the respective Committees and Boards, for their approval, all action that will result in energy savings for residents and an improved environment for the Community.
2. Review energy statements and other reports affecting the Corporations' energy usage and recommend action.
3. Work closely with Staff and review all devices or systems that either generate, control or consume energy within the Corporations. Identify alternatives that would be beneficial, taking into consideration factors such as efficiency, reliability, sustainability, installation, cost, return on

investment, carbon foot print, human factors, and operability. Propose priorities or action.

4. Seek out energy incentive programs applicable to the Corporation.
5. Work with the respective Communications Committees to make residents aware of Task Force actions as well as actions they can take to reduce their own energy costs and improve the environment.
6. In conjunction with Staff, make progress reports to the respective corporate M&C Committees on investigation results, resident actions and comments, as well as M&C Committee-approved projects.
7. To improve familiarity with technology and products, the Task Force should arrange seminars and invite speakers from vendors, universities, trade groups or consultants.
8. Suggest actions the Boards can take with respect to the California Public Utility Commission or the California legislature regarding proposed tariff charges r energy related bills affecting the Corporations.
9. Meet and Confer with the City of Laguna Woods on energy savings initiatives offered to municipalities by the State of California through Investor Owned Utilities (IOU) such as Southern California Edison.
10. The Chair and Vice Chair of the Task Force will be elected by members of the Task Force.

Director Baum made a motion to approve the Energy Task Force Charter. Director Parsons seconded the motion.

Discussion ensued among the Directors.

Director diLorenzo requested that the Charter be amended to strike out the word "Village" from the Charter.

President diLorenzo called for the vote and the motion passed by unanimous consent.

- 13e. Entertain a Motion to Introduce a Resolution to Revise the Financial Guidelines/Guarantors for Manor Units

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

RESOLUTION 03-18-XX

Revise the Financial Guidelines/Guarantors for Manor Units

WHEREAS, Third Laguna Hills Mutual ("Mutual"), acting through its Board of Directors ("Board"), previously adopted operating rules

concerning financial qualifications pursuant to the following Board resolutions:

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

WHEREAS, the forgoing operating rules are collectively referred to herein as the "Financial Resolutions".

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

NOW, THEREFORE BE IT RESOLVED, on July 17, 2018, that the Board hereby introduces, and the Financial Resolutions are hereby superseded by, the Guidelines for Financial Qualifications set forth below.

GUIDELINES FOR FINANCIAL QUALIFICATIONS

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

I. General Application Requirements.

a. As a condition of approval, each Applicant must submit to the Mutual an Application with all of the following documentation provided in a form satisfactory to the Board:

1. A federal income tax return for the most recent year that is signed, dated, and includes Schedules A, B and E, as applicable, as well as any other financial verification documents requested by the Board. By way of example, but without

limitation, other verification documents may be required if any Applicant derives income from a business owned by the Applicant (personally or through a legal entity), in which case the applicable business tax schedule and profit and loss statement may also be required.

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

reasonable discretion, be calculated collectively.

II. Net Worth Requirements

a. As a condition of approval, each Applicant shall submit satisfactory verification of net worth that is greater than or equal to the *sum* of the purchase price of the unit *plus* one hundred twenty-five thousand dollars (\$125,000) in acceptable assets.

b. When computing net worth for the purposes of this Section, acceptable assets shall be limited to those assets that are considered, in the Board's sole discretion, to be liquid, marketable or income producing. Examples of acceptable assets include, without limitation, the following:

1. Equity in residential and income real estate.
2. Savings accounts in banks and credit unions.
3. Cash value life insurance.
4. Certificates of deposit and money market accounts.
4. IRA, SEP, 401(k), Profit Sharing and Keogh accounts.
5. Federal, state, or municipal government bonds.
6. U.S. traded investments (e.g., NYSE, Amex, OTC, Nasdaq, etc.) valued at current market prices.
7. Mortgages and promissory notes; provided that the interest in such mortgages or promissory notes is reported on the Applicant's tax return.

c. When computing net worth for the purposes of this Section, acceptable assets will not include, without limitation, the following:

1. Equity in mobile homes, recreational vehicles, boats, trailers, airplanes, automobiles, or other vehicles of any kind.
2. Vacant or undeveloped real estate.
3. Artwork, jewelry, or other collectibles (e.g., coins, dolls, stamps, etc.).
4. Term life insurance.
5. Annuity funds that cannot be withdrawn in lump sum.

6. Anticipated bequests, devises or inheritances.
7. Mortgages and promissory notes where the interest in such mortgages or promissory notes is not reported on the Applicant's tax return.

III. **Income Requirements.**

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

b. Traditional retirement account assets (e.g., 401K, ERISA, IRA, Profit Sharing, etc.) will be considered as a source of annual income in accordance with this subsection. For the purposes of the income verification requirement pursuant to subsection (a) above, the portion of an Applicant's traditional retirement account assets attributable to said Applicant's annual income shall be deemed to be the greater of the following:

1. The mandatory annual distributions for the Applicant's retirement accounts; or
2. The total amount of the Applicant's retirement accounts *multiplied* by eighty percent (80%), and then *dividing* this product by twenty-five (25) years, as follows:

$$\text{Attributable Income} = (\text{Total Retirement Account Assets} \times 80\%) \div 25$$

c. Examples of acceptable income verifications include, without limitation, the following:

1. Federal tax returns from the most recent year.
2. W-2 forms or paycheck stubs.
3. Bank, credit union, or investment account statements.
4. Letters from bankers with verifiable first-hand knowledge of the Applicant's finances.
5. Notices of annuities and social security payments.
6. Credit reports.

d. Examples of **unacceptable** income verifications include, without

limitation, the following:

1. Letters from employers, accountants, enrolled agents, investment counselors, or attorneys.
2. Any income not reported on federal income tax returns.

IV. Guarantors.

a. In the event any Applicant is unable to satisfy the financial requirements set forth in the Mutual's governing documents (including, without limitation, these Guidelines), the Board may permit said Applicant to have a financial guarantor in accordance with this Section IV ("Guarantor").

b. Each Applicant supported by a Guarantor shall submit proof that their primary residence is located in California, USA and satisfactory verification of a net worth of at least one hundred twenty-five thousand dollars (\$125,000) in acceptable assets, notwithstanding the requirements of Section II and Section III of these Guidelines.

c. Each Guarantor shall enter into an agreement with the Mutual to become financially responsible, jointly and severally, for all expenses associated with the Applicant's ownership, residency and/or membership at the Mutual ("Assessment/Charges Guarantor Obligation Form"). A Assessment/Charges Guarantor Obligation Form is attached hereto as Exhibit "A" and incorporated in its entirety herein by this reference as if fully set forth in these Guidelines.

d. Each Guarantor shall submit **all** of the following documentation in a form satisfactory to the Board:

1. A fully executed and completed Assessment/Charges Guarantor Obligation Form.
2. Proof that the Guarantor's primary residence is located in California, USA.
3. Verification of net worth equal to the *sum* of the purchase price of the unit *plus* two hundred thousand dollars (\$200,000) in acceptable assets.
4. Verification that the Guarantor's annual income is greater than or equal to the *sum* of the total of the unit's annual mortgage payment *plus* eighty-thousand dollars (\$80,000) per year.
5. A credit report.

e. The Board may withhold its approval of any Guarantor for, without limitation, any the following reasons:

1. A Guarantor or Applicant fails to provide **all** of the documentation as required by subsection (d), above, in a form consistent with these Guidelines and satisfactory to the Board.
2. A Guarantor is subject to a bankruptcy proceeding that is pending or has not been discharged.
3. Any foreclosure or short sale of any property owned by the Guarantor.
4. Any outstanding balances, collection accounts, or judgments owed by the Guarantor.
5. A Guarantor's credit score is lower than 680.
6. A Guarantor resides in a primary residence outside of the State of California.
7. A Guarantor's bank is located outside of the State of California.
8. A Guarantor already guarantees (1) one or more units within Laguna Woods Village.
9. A Guarantor provides any false or misleading information to the Board.
10. Any other reasonable grounds that call into question a Guarantor's financial ability or fitness to serve in this capacity on an Applicant's behalf.

f. Each Guarantor's assurances shall only apply to the Applicant(s) and unit expressly identified on the Assessment/Charges Guarantor Obligation Form. No Guarantor's assurances may be transferred to any other Applicant or unit.

V. Multiple Units.

As a condition of approval, any Applicant who desires to purchase more than one (1) unit or already owns at least one (1) unit at the Mutual shall submit satisfactory verification of annual income and net worth requirements pursuant to this Section V.

a. **Net Worth Requirements.** The Applicant shall submit satisfactory verification of net worth that is greater than or equal to the *sum* of the purchase price for each unit *plus* one hundred twenty-five thousand

dollars (\$125,000) in acceptable assets per unit, as follows:

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

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

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

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

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

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

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

JULY Initial Notification

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 30-days from the postponement to comply with Civil Code §4360.

Director Baum made a motion to introduce a resolution to revise the Financial Guidelines/Guarantors for Manor Units. Director Bhada seconded the motion.

Discussion ensued among the Directors.

By consensus, the Board introduced a resolution for 30-day review to revise the Financial Guidelines/Guarantors for Manor Units.

13f. Entertain a Motion to Approve the Proposed Amendment to the Trust Agreement to Extend its Term

Director Baum, Secretary of the Board, presented a summary of the following Trust Agreement Extension:

AMENDMENT TO TRUST AGREEMENT
EXTENSION OF TRUST

In consideration of the recitals set forth herein, Golden Rain Foundation of Laguna Woods, a California non-profit mutual benefit corporation, United Laguna Woods Mutual, a California non-profit mutual benefit corporation, Third Laguna Hills Mutual, a California nonprofit mutual benefit corporation, and Laguna Woods Mutual No. Fifty, a California non-profit mutual benefit corporation, agree to amend the Golden Rain Foundation Trust Agreement, dated March 2, 1964, and recorded in the Orange County Recorder's Office on March 6, 1964, as Document No. 6217 in Book 6953, Page 519, as amended (the "Trust Agreement").

RECITALS

A. Golden Rain Foundation of Laguna Woods is the Trustee of the Golden Rain Foundation of Laguna Hills Trust (the "Trust") created by the Trust Agreement.

B. United Laguna Woods Mutual, Third Laguna Hills Mutual, and Laguna Woods Mutual No. Fifty are the trustors and beneficiaries of the Trust, and the only current Cooperatives, as that term is defined by and provided in the Trust Agreement.

C. Section VI of the Trust Agreement provides that the Trust, if not earlier terminated, shall in all events terminate sixty (60) years from the date of the Agreement or twenty-one (21) years after the date of death of the last to die of: Mark L. Conroy, Jr., Westminster, California; Kevin Ross Letsan, Villa Park, California; Allan Oakley Hunter, Jr., Fresno, California; Matthew Van Zandt Mayer, Orange, California; Jeffrey P. Tuck, Pasadena, California; and Pamela Jane Swart, Arlington Heights, Illinois.

D. Golden Rain Foundation of Laguna Woods, United Laguna Woods Mutual, Third Laguna Hills Mutual, and Laguna Woods Mutual No. Fifty desire to amend the Trust Agreement to extend the termination date of the Trust.

E. Pursuant to Section VI of the Trust Agreement, which allows the Trust Agreement to be amended by written instrument executed by the Trustee (Golden Rain Foundation of Laguna Woods), and by all the Cooperatives which remain beneficiaries of the Trust (United Laguna Woods Mutual, Third Laguna Hills

Mutual, and Laguna Woods Mutual. No Fifty), by and through their Boards of Directors, the Trust Agreement shall be amended as set forth below.

F. The Trust Agreement has been and is, since the inception of the Davis-Stirling Common Interest Development Act ("Act"), subject to the Act, which governs amendments extending the terms of declarations, such as the Trust Agreement, under which pursuant to Sections of the Act the term of the Trust Agreement cannot be extended more than twenty (20) years from the date upon which it would terminate under its present wording.

G. Extending the term of the Trust Agreement for twenty (20) years from the March 2, 2024 current termination date would not violate the rule against perpetuities as presently in effect in California because it would not extend the termination date of the Trust Agreement more than ninety (90) years from the date of its creation.

H. In all other respects, the Trust Agreement and the Trust will be ratified, affirmed and approved. This Amendment to Trust Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

I. Each signatory to this Amendment to Trust Agreement represents and warrants to the others that he or she has full authority and is duly and fully authorized to execute this Amendment to Trust Agreement.

AMENDMENT

Section VI of the Trust Agreement is deleted in its entirety and replaced with the following:

"This Trust is and shall be irrevocable by and shall not be subject to alteration, modification or amendment by TRUSTEE, except as provided in paragraph C of Section VII hereof. The Trust may at any time or from time to time be altered, modified or amended by written instrument executed by TRUSTEE and by all the Cooperatives which have at such time become, and then remain Beneficiaries of the Trust. The Trust may at any time be terminated by the written election, delivered to TRUSTEE, of all the Cooperatives which have at such time become, and then remain, beneficiaries of the Trust. If any Beneficiary shall have assigned its beneficial interest hereunder, consent of the assignee shall also be required for any such alteration, modification, amendment or termination.

The Trust shall in all events terminate, if it has not earlier been terminated or further extended, by amendment, consistent with the Act and the rule against perpetuities, twenty (20) years from March 2, 2024.

Promptly following termination of this Trust, the TRUSTEE shall render an accounting to each of the Beneficiaries and shall distribute all of the Trust Estate,

subject to any debts of or charges against the Trust Estate (including but not limited to obligations, if any, of the Trust Estate to the TRUSTEE), to the Beneficiaries, in the form of undivided interests proportional to their respective Trusteed Sums.”

Director Baum made a motion to approve the proposed Amendment to the Trust Agreement to Extend its Term to be executed at a Special Corporate Members Meeting on August 13, 2018. Director Bruninghaus seconded the motion.

Discussion ensued among the Directors.

Director Carpenter would like clarification of Section B on the definition of facilities.

President diLorenzo called for the vote and the motion passed by a vote of 7-2-0 (Director diLorenzo and Carpenter opposed).

14. Committee Reports

- 14a. Report of the Finance Committee / Financial Report - Director Parsons reported on the Treasurer's Report, Resale and Lease Reports. Next Meeting August 7, 2018, at 1:30 p.m. in the Board Room
- 14b. Report of the Architectural Controls and Standards Committee - Director Parsons gave an update from the last committee meeting. Next Meeting Monday, July 23, 2018, at 9:30 a.m. in the Sycamore Room
- 14c. Report of the Maintenance and Construction Committee - Director Carpenter reported larger building signs, Dry Rot Project, Breezeway Project is almost complete, street lighting and Shepherds Crook along Ridge Route were discussed at the last committee meeting. Next Meeting August 6, 2018, at 1:00 p.m. in the Board Room
 - Report of the Parking and Golf Cart Task Force - Director Frankel
- 14d. Report of the Landscape Committee - Director Tung showed a presentation of landscape priorities and gave an update from the last committee meeting. Director Zalon commented on water resistant landscaping for the Community. Next Meeting August 2, 2018, at 9:00 a.m. in the Board Room
- 14e. Report of the Laguna Woods Village Traffic Hearings - Director Zalon gave an update from the last committee meeting. Next Hearing July 18, 2018, at 9:00 a.m. in the Board Room and 1:00 p.m. in the Pine Room
- 14f. Report of the Communications Committee - Director Baum gave an update from the last committee meeting. Next Meeting July 18, 2018, at 1:30 p.m. in the Board Room

- 14g. Report of the Energy and Technology Committee - Director diLorenzo announced that the new Charter was passed for the new Energy Task Force. Next Meeting August 1, 2018, at 9:30 a.m. in the Cypress Room
- 14h. Report of the Water Subcommittee - Director Tung gave a presentation on water usage in the Community. Next Meeting August 14, 2018 at 11:00 a.m. in the Sycamore Room
- 14i. Report of the Resident Policy and Compliance Task Force - Director Baum gave an update from the last committee meeting. Next Meeting TBD

15. GRF Committee Highlights

- 15a. Community Activities Committee – Director Parsons reported on past and upcoming recreation and special events. Next Meeting July 19, 2018, at 1:00 p.m. in the Board Room
- 15b. Finance Committee – Director diLorenzo reported on highlights from the last committee meeting. Presentation by Blackrock will happen at the next meeting. Next Meeting August 22, 2018, at 1:30 p.m. in the Board Room
- 15c. Maintenance & Construction Committee – Director Frankel reported on highlights from the last committee meeting. Next Meeting August 8, 2018 at 9:30 a.m. in the Board Room
 - PAC Ad Hoc Committee – Next Meeting TBA.
- 15d. Media and Communications Committee – Director Baum reported on highlights from the last committee meeting. Next Meeting August 20, 2018 at 1:30 p.m. in the Board Room
 - Thrive Project Task Force – Next Meeting July 18, 2018 at 9:30 a.m. in the Cypress Room
- 15e. Mobility and Vehicles Committee-Director Frankel reported on highlights from the last committee meeting. Next meeting August 1, 2018, at 1:30 p.m. in the Board Room
- 15f. Security and Community Access Committee – Director Bruninghaus reported on highlights from the last committee meeting. Next meeting August 27, 2018, at 1:30 p.m. in the Board Room
 - Disaster Preparedness Task Force—Next meeting July 31, 2018, 9:30 a.m. in the Cypress Room

- 16. Future Agenda Items--** *All matters listed under Future Agenda Items are Resolutions on 30-day public review or items for a future Board Meetings. No*

action will be taken by the Board on these agenda items at this meeting. The Board will take action on these items at a future Board Meeting.

- 16a. Revisions to the Non-Emergency Chargeable Maintenance Services
- 16b. Resolution to Update the Third Mutual Bylaw Section 6.4.5 Automatic Vacancy
- 16c. Resolution to Adopt Revised Alteration Standard 31: Washer/Dryer Installations
- 16d. Resolution to Adopt a Payment Plan Agreement Form
- 16e. Resolution to Adopt the Financial Guidelines/Guarantors for Manor Units
- 16g. Payment Plan Agreement/Fines and Fees Program

17. Director's Comments

- Director Carpenter commented about a purchasing class she is leading with Director Parsons for directors. Invitation will be extended to other Board Members and Board Candidates.
- Director Zalon commented in musical performances at Soka University.
- Director Bruninghaus and Bhada thanked Director Baum for his service on the Board.

18. Recess

The Board recessed at 12:37 p.m. and reconvened into Executive Session at 12:55 p.m.

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

During the June 19, 2018, Regular Executive Session, the Board:

Approval of Agenda

Approval of the Following Meeting Minutes;

(a) May 15, 2018 – Regular Executive Session

Write-off Assessment Balances

Discuss and Consider Member Matters

Discuss and Consider Legal and Litigation Matters

19. Adjourn

With no further business to come before the Board of Directors, the meeting was adjourned at July 17, 2018 at 6:26 p.m.



Burt Baum, Secretary of the Board
Third Laguna Hills Mutual



Temporary Container Policy

This policy is intended to regulate the location, identification and maintenance of temporary containers such as dumpsters, contractor trailers, and portable storage containers (PODs). All references to temporary container s shall include all of the aforementioned items.

No dumping of building materials, construction/remodeling debris, carpet, or large, bulky items is allowed in/around any trash receptacle provided by Laguna Woods Village. It is the resident's responsibility to ensure such materials are properly removed from the community by themselves or their contractor. This rule applies to residents performing their own work, contractors, vendors, service companies, and delivery personnel.

Temporary containers may be permitted with the following conditions:

- 24 hour notice is given by the contractor or Member to Security @ 949-580-1400; provide building, unit number, and the name of resident.
- Temporary container must be clearly marked at all times, by the contractor or Member, with the unit number from which the debris is sourced. The marking must be legible and able to withstand the elements (permanent marker on duct tape, waterproof label etc.)
- Location of temporary container must be authorized by the on-duty Watch Commander or designee.
- Temporary container must be covered at the end of each work day. The area around the temporary container shall be kept clean and free of debris and dirt. The area shall be cleaned promptly upon removal of the temporary container.
- Contractor and Owner shall be responsible for placing and maintaining adequate warning signs, lights, barricades and devices at all times in order to promote the safe movement of traffic.
- Contractor and Owner shall be responsible to ensure temporary containers are equipped with reflectors on all sides. Warning devices shall be placed in advance of each temporary container as directed by Watch Commander or designee. All warning signs, barriers, barricades, flags and other devices shall comply with or exceed the standards required in the Manual of Uniform Traffic Devices (MUTCD). All traffic devices shall be removed promptly upon removal of temporary container.
- Temporary containers may be in place for a maximum of seven days or until full, whichever occurs first.

- Dumpsters may be limited to 3 yard size (6'x4'x4'); roll off dumpsters may be permitted if space allows, with prior approval of staff.
- Temporary Storage Containers (PODs) may be limited to eight feet in length. Larger sizes may be permitted if space allows, with prior approval of staff.
- No hazardous materials can be disposed of in temporary containers.
- Temporary containers with wheels must have wheel chocks to prevent movement.

Inquiries will be referred to on-duty Watch Commander for direction as to where the container can be placed. Staff will be assigned to meet with the resident or their contractor to determine an appropriate location for the container.

Key considerations for temporary container placement:

- Traffic safety.
- Sufficient room to place / retrieve the container.
- Protection of hardscape and landscape assets; placement on landscaped areas, walkways or sidewalks is prohibited.
- Placement in any parking spaces, e.g. guest spaces and carports, is prohibited.
- Proximity to the unit and efficiency for the contractor.

Failure of the Member or their contractor to cooperate in placement of the container as directed by Staff may result in a disciplinary hearing before the Board. Members will be responsible for damages caused by temporary container placement. Removal of encroachments to protect public safety:

- Whenever the Watch Commander or designee determines that a temporary container or other encroachment located in the community causes a dangerous condition or obstruction, he or she may cause the immediate removal, relocation and/or remedy of that condition without prior notice to the responsible owner or permittee of that encroachment.
- The Watch Commander or designee may remove or cause to be removed any temporary container or other encroachment that is placed on the community that is in violation of these conditions, provided that a reasonable attempt has been made to contact the owner and to give twenty-four (24) hours' notice of the intent to remove the bin.
- The responsible property owner and/or operator shall pay all costs incurred by the Mutual for removal, storage or clean up resulting from the placement of a temporary container.

If a resident is concerned about the placement of safety of a temporary container, they should immediately contact Security @ 949-580-1400.

PROPOSED REVISED RESALE POLICY

It is the policy of the Third Laguna Hills Mutual housing corporation that transfers of property through the resale process shall be handled as expeditiously as possible, in accordance with Mutual review and approval processes.

Further, it is the policy of the Mutual that the Seller of a condominium property in Third Mutual, or authorized agent, should:

Within two business days after listing or making the property available for sale, the Seller or Seller's authorized agent should notify the Resale Inspection Office, in writing of the listing and submit to the Resale Department a "Request for 1st Inspection Report". The notification shall include the name of the listing real estate agent or personal agent of the Seller, Seller's address and telephone number, the listing contract date, and Seller's current address and telephone number if Seller is not residing in the manor being listed for sale; and at least one week prior to close of escrow, the Seller or the authorized agent will request that a Final Inspection be scheduled.

Seller's Authorization to Release Information

Seller, or authorized agent, shall execute and deliver the Seller's Authorization for Release of Information to the Managing Agent. No information will be released by the Mutual or the Managing Agent to any party until the Managing Agent receives the Release.

Mutual Board's Review of Buyer's Qualifications

Upon receipt of all requisite documents from the Escrow Office handling the resale transaction, and completion of the First Inspection, the Mutual will have fifteen (15) calendar days to review and approve or deny the Buyer's application for membership.

Occupancy by Buyer Prior to Close of Escrow

A Buyer is not be permitted to occupy a manor prior to Board approval of the Buyer's membership qualifications except by receiving Board approval of a Lease Permit through the GRF Lease Permit Office.

If a Seller agrees to permit the Buyer to occupy the manor after Board approval, and prior to close of escrow, both parties shall execute and present a Hold Harmless Agreement or similar Mutual Issued document through the Security Division. Early occupancy based on the Hold Harmless Agreement shall be limited to fifteen (15) calendar days. Buyers who intend to occupy the manor for more than fifteen (15) days prior to close of escrow shall obtain a Lease Permit approved by the Board through the GRF Lease Permit Office.

Carryover Occupancy by Seller

If Buyer and Seller agree that Seller may continue to occupy the manor after close of escrow, such occupancy shall be limited to fifteen (15) calendar days. Seller who intends to carry over occupancy for more than fifteen (15) days following close of escrow shall obtain a Lease Permit approved by the Board through the GRF Lease Permit Office.

Security Deposit

~~If the inspection reveals an architectural violation, failure to maintain an alteration, or other damage to common area caused by the member or member's occupants, or if at the time of the inspection the member owes the Mutual unpaid assessments, fines or other amounts, the amounts sufficient to rectify the member's indebtedness to the Mutual will be held at escrow in a holding account. Any surplus funds shall be returned to the appropriate party.~~

Resale Corrections

~~If the inspection reveals an architectural violation, failure to maintain an alteration, or other damage to common area caused by the Member or Member's occupants, the Member shall be responsible for such violations, alteration maintenance, and damage to common area. The Member must make all corrections before the close of escrow. The Mutual will make all corrections to landscaping; the cost of which shall be paid to the Mutual prior to close of escrow.~~

~~In the event that a Member is unable to ensure the repairs are completed by close of escrow, due to illness or circumstances beyond their control, the Member may be permitted to transfer the responsibility to the Buyer. The Buyer will be required to sign an acknowledgement accepting the responsibility for the repairs. The repairs will be required to be completed within six months after the close of escrow. Failure to complete the repairs will be subject to disciplinary action by the Board. The Member will be required to provide complete documentation of the illness or extenuating circumstances. The request for variance from this policy will require the approval of two Officers of the Board.~~

~~If at the time of the inspection the Member owes the Mutual unpaid assessments, fines or other amounts, the amounts sufficient to rectify the Member's indebtedness to the Mutual will be held at escrow in a holding account.~~