

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
March 15, 2016

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Tuesday, March 15, 2016 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Jim Matson, Bert Moldow, Rosemarie di Lorenzo Dickins, Ray Gros, Bunny Carpenter, Burt Baum, Bill Walsh, Wei-Ming Tao, James Tung, John Frankel

Directors Absent: David Finley

Staff Present: Open Session: Brad Hudson, Kim Taylor
Executive Session: Kim Taylor, Cris Robinson, Blessilda Fernandez, Zohra Cronin, Brad Hudson

Others Present: Denver Andrews, Jr. Esq. - Law Offices of Denver R. Andrews, Jr. (Executive Session)

CALL TO ORDER

Jim Matson, 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.

PLEDGE OF ALLEGIANCE

Director John Frankel led the Membership in the Pledge of Allegiance.

ACKNOWLEDGEMENT OF MEDIA

A representative of the Globe and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

APPROVAL OF AGENDA

Without objection the agenda was approved as written with a scrivener's error noted in the Consent Calendar changing "lager" to "larger": 3187-A - Approve request to retain rear patio installed *larger* than previously approved, with contingencies.

CHAIR'S REMARKS

President Matson spoke to Mr. Bradley Hudson's first two months with the company; the beginning of the budget process for 2017; solar energy for 1 and 2 story buildings; and the trapping of coyotes in the community and the surrounding area.

APPROVAL OF THE MINUTES

Without objection, the Board approved the regular Open Board meeting minutes of February 16, 2016 as written.

CONSENT CALENDAR

Without objection, the Board approved the Consent Calendar as written, and the Board took the following actions:

Maintenance and Construction Committee Recommendations:

- | | |
|--------|---|
| 3459-A | Approve request to retain blue entry door color, with contingencies |
| 3530-B | Approve the installation of a flagpole bracket and flag, with contingencies |

Maintenance and Construction Common Area - Variance Request Resolutions:

- | | |
|--------|---|
| 5462-A | Deny request to retain front and rear patio extensions, rear wood lattice fence and garden tool shed, with contingencies. |
|--------|---|

RESOLUTION 03-16-24

Common Area - Variance Request

WHEREAS, Frances Keyes Yeager of 3155-A Alta Vista, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

WHEREAS, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-14-24 as revised in accordance with California Civil Code § 4600 on March 18, 2014;

NOW THEREFORE BE IT RESOLVED, on March 15, 2016, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.
5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

RESOLVED FURTHER, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

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

RESOLUTION 03-16-25

Common Area - Variance Request

WHEREAS, Betty Anderson of 3187-A Via Buena Vista, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

WHEREAS, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-14-24 as revised in accordance with California Civil Code § 4600 on March 18, 2014;

NOW THEREFORE BE IT RESOLVED, on March 15, 2016, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.
5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

RESOLVED FURTHER, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

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

RESOLUTION 03-16-26

Common Area - Variance Request

WHEREAS, W. Allen Shirley of 5263 Villa Terraza, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on

Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

WHEREAS, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-14-24 as revised in accordance with California Civil Code § 4600 on March 18, 2014;

NOW THEREFORE BE IT RESOLVED, on March 15, 2016, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.
5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

RESOLVED FURTHER, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

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

RESOLUTION 03-16-27

Common Area - Variance Request

WHEREAS, Theodore Cornforth of 5314 Cantante, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Common Area as defined in the Declaration of Covenants, Conditions and Restrictions (CC&Rs); and

WHEREAS, Third Laguna Hills Mutual Board of Directors (the Board) has considered the request utilizing the Common Area Use Policy as approved by the Board via Resolution 03-14-24 as revised in accordance with California Civil Code § 4600 on March 18, 2014;

NOW THEREFORE BE IT RESOLVED, on March 15, 2016, the Board of Directors hereby approves the request for a variance to grant exclusive use of the subject common area to the requesting member due to the finding that the proposed alteration meets the following criteria:

1. Compliance with Community Standards.
2. Neighbor Awareness Forms were submitted from affected neighbors.
3. The area of the proposed alteration is located at least partially in Common Area.
4. The alteration would relieve the Mutual of the burden of management and maintenance of an area which is generally inaccessible and not of general use to the other members of Third.
5. The member is required to complete the Agreement Regarding Permitted Alteration of Common Area (the "Common Area Agreement").

RESOLVED FURTHER, the member is required to comply with all of the contingencies as presented in the report and approved by the Board; and

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

Landscape Committee Recommendations:

2401-2A Hold request for tree removal until April meeting

Finance Committee Recommendations:

RESOLUTION 03-16-28

Filing of Separate Small Claims Court Case

WHEREAS, the Finance Committee recommends filing separate Small Claims Court cases of \$2,500 (or less) in an attempt to collect delinquent assessments by way of a judgment or stipulation against members/owners in Third Laguna Hills Mutual; and

NOW THEREFORE BE IT RESOLVED, March 15, 2016, that the Board of Directors hereby approves the filing of a separate Small Claims Court case for: Member ID 931-530-35; 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.

RESOLUTION 03-16-29

Filing of Separate Small Claims Court Case

WHEREAS, the Finance Committee recommends filing separate Small Claims Court cases of \$2,500 (or less) in an attempt to collect delinquent assessments by way of a judgment or stipulation against members/owners in Third Laguna Hills Mutual; and

NOW THEREFORE BE IT RESOLVED, March 15, 2016, that the Board of Directors hereby approves the filing of a separate Small Claims Court case for: Member ID 931-900-51; and

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

RESOLUTION 03-16-30

Filing of Separate Small Claims Court Case

WHEREAS, the Finance Committee recommends filing separate Small Claims Court cases of \$2,500 (or less) in an attempt to collect delinquent assessments by way of a judgment or stipulation against members/owners in Third Laguna Hills Mutual; and

NOW THEREFORE BE IT RESOLVED, March 15, 2016, that the Board of Directors hereby approves the filing of a separate Small Claims Court case for: Member ID 933-050-54; 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.

RESOLUTION 03-16-31

Recording of a Lien

WHEREAS, Member ID 931-530-35 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, March 15, 2016, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-530-35; 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.

RESOLUTION 03-16-32

Recording of a Lien

WHEREAS, Member ID 931-900-51 is currently delinquent to Third Laguna Hills Mutual with regard to the monthly assessment; and

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

NOW THEREFORE BE IT RESOLVED, March 15, 2016, that the Board of Directors hereby approves the recording of a Lien for Member ID 931-900-51; and

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

RESOLUTION 03-16-33

Recording of a Lien

WHEREAS, Member ID 933-050-54 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, March 15, 2016, that the Board of Directors hereby approves the recording of a Lien for Member ID 933-050-54; 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.

REPORT OF THE CEO

Mr. Bradley Hudson thanked everyone who attended the Town Hall Meeting last week; announced the hiring of Ms. Lori Moss, Community Manager, and Mr. Chuck Holland, Information Technology Director, and provided a brief overview of what they will be doing for the Community. Mr. Hudson updated the Board on the new streamlined budget process; the painting and spring cleaning of the Community Center Building and Clubhouses; and ongoing General Maintenance programs.

Mr. Hudson introduced Mr. Chuck Holland, Information Technology Director. Mr. Holland addressed the Board and spoke to various items that he will be implementing; updating the website and the integration of technology for the Community. Mr. Holland answered questions from the Board of Directors.

MEMBER COMMENTS

Third Mutual Members were given the opportunity to speak to items that are not on the agenda.

- Mareka Raima-Montegnies (5519-3C) asked about ground testing, testing of water in the Community and the trim painting schedule.
- Ricardo Ciriani (3364-1F) asked if he can have a decal for his scooter and asked for clarification of the decal policy.
- Shari Horne (2354-3C) invited everyone to a City Town Hall meeting, the topic is mosquitos.
- Fred Sherman (3161-A) spoke to the coyote issue in the Community and asked the Community to not leave food out for the coyotes.

DIRECTORS' RESPONSES TO MEMBER COMMENTS

Directors Moldow, Walsh, di Lorenzo Dickins, Gros, Carpenter, Frankel, and Baum briefly responded to Member Comments.

UNFINISHED BUSINESS

The Board discussed prohibiting the rental of Rec Rooms in Three Story Buildings.

Director di Lorenzo Dickins moved to prohibit the commercial use and the rental of recreation rooms in three story buildings. Director Moldow seconded the motion. By a vote of 9-0-0 the motion carried.

Director Tung moved to appoint Mr. Bob Figeira as a Non-Voting Advisor to the Third Landscape Committee, replacing Reza Vazirian. Director di Lorenzo Dickins seconded the motion.

By a vote of 9-0-0 the motion carried.

NEW BUSINESS

Director Burt Baum, Secretary of the Corporation, read a proposed resolution approving Black Locust Split Rail as the replacement material for split rail fencing. Director Baum moved to approve the resolution. Director Moldow seconded the motion.

Director di Lorenzo Dickins moved to amend the motion to remove from the resolution “with expenses to be funded from Reserves – Fencing replacement”. Director Tao seconded the motion. By a vote of 9-0-0 the motion carried.

Member Isabel Muennichow (5285) commented on the resolution.

By a vote of 9-0-0 the motion carried and the Board approved the following resolution as amended:

RESOLUTION 03-16-34

WHEREAS, Third Laguna Hills Mutual currently uses Cedar Split Rail for fencing in the community; and

WHEREAS, Black Locust Split Rail has been found to be a more durable product;

NOW THEREFORE BE IT RESOLVED, March 15, 2016, the Board of Directors hereby adopts the use of Black Locust Split Rail as replacement material for split rail fencing ~~with expenses to be funded from Reserves – Fencing replacement; and~~

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

Director Baum, Secretary of the Corporation read the following resolution approving revisions to Alteration Standard Section 41 Solar Panels, 1 Story Buildings:

RESOLUTION 03-16-XX

Alteration Standard Section 41 Solar Panels, 1 Story Buildings

WHEREAS, the Board of Directors of this Corporation adopted Resolution M3-96-28 on May 21, 1996, which approved the Third Laguna Hills Mutual Standards; and

WHEREAS, the Maintenance & Construction Committee of this Corporation recognizes the need to amend a portion of the Mutual Alteration Standards with regard to Section 41 Solar Panels, 1 Story Buildings;

NOW THEREFORE BE IT RESOLVED, April 19, 2016, that Mutual Alteration Standard Section 41 Solar Panels, 1 Story Buildings is hereby amended as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution 03-16-08, adopted January 19, 2016 is hereby superseded and cancelled; and

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

Director Baum moved to approve resolution as written. Director Tung seconded the motion. Discussion ensued.

By a vote of 8-0-1 (Director Tung abstained) the motion carried and the resolution was postponed to the April meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.

Director Baum, Secretary of the Corporation read the following resolution approving revisions to Alteration Standard Section 45 Solar Panels, 2 Story Buildings:

RESOLUTION 03-16-XX

Alteration Standard Section 45 Solar Panels, 2 Story Buildings

WHEREAS, the Board of Directors of this Corporation adopted Resolution M3-96-28 on May 21, 1996, which approved the Third Laguna Hills Mutual Standards; and

WHEREAS, the Maintenance & Construction Committee of this Corporation recognizes the need to amend a portion of the Mutual Alteration Standards with regard to Section 45 Solar Panels, 2 Story Buildings;

NOW THEREFORE BE IT RESOLVED, April 19, 2016, that Mutual Alteration Standard Section 45 Solar Panels, 2 Story Buildings is hereby amended as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution 03-16-09, adopted January 19, 2016 is hereby superseded and cancelled; and

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

Director Baum moved to approve resolution as written. Director Walsh seconded the motion. Discussion ensued.

By a vote of 9-0-0 the motion carried and the resolution was postponed to the April meeting to satisfy the 30-day notification requirement, to comply with Civil Code §4360.

COMMITTEE REPORTS

Director Wei-Ming Tao reported from the Finance Committee, gave the Third Mutual Treasurer's Report, and commented on the Resale Activities Report.

Director James Tung reported from the Landscape Committee.

Director Bert Moldow reported from the Maintenance and Construction Committee.

Director James Tung reported from the Water Committee.

Director Moldow reported from the Energy Committee.

Director Burt Baum, Secretary of the Corporation, read a proposed resolution approving initiating the loan application process to determine leading options for the JCI Project. Director Baum moved to approve the resolution. Director Walsh seconded the motion.

Member Fred Sherman (3161-A), Donna Dwaileebe (3301-A), and Isabel Muennichow (5285) commented on the resolution.

By a vote of 9-0-0 the motion carried and the Board approved the following resolution:

RESOLUTION 03-16-35

Johnson Controls, Inc. (JCI)

WHEREAS, Third Laguna Hills Mutual works diligently to identify savings throughout the Mutual for its residents; and

WHEREAS, the Board of Directors approved Resolution 03-15-102 for Johnson Controls, Inc. (JCI) to perform a study to identify potential energy savings within Third Mutual and to approve Step 1 of the Project Development Agreement; and

WHEREAS, JCI has completed Step 1 which identifies potential energy saving projects within Third Mutual; and

WHEREAS, the Board of Directors approved Resolution 03-15-176 to authorize a supplemental appropriation not to exceed \$150,000, funded from the Replacement Fund, for JCI to plan and design potential energy saving measures within Third Mutual and proceeded to Step 2 of the Project Development Agreement; which the Mutual will not incur costs for Step 2 if the energy savings project is implemented or if the project does not remain viable after guaranteed maximum price and savings are determined;

NOW THEREFORE BE IT RESOLVED, March 15, 2016, the Board of Directors of this Corporation hereby will initiate the loan application process to determine lending options with Saulsbury Hill Financial and Bank of America; and

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

Director Gros reported from Resident Problem Resolution Services.

Director Gros reported from the Laguna Woods Village Traffic Hearings.

Director di Lorenzo Dickins reported from the Communications Committee.

Director Gros reported on the Laguna Canyon Foundation.

Without objection the Board agreed to add to the agenda 'Update from VMS Director Donna Dwaileebe' as agenda item 22.

Ms. Donna Dwaileebe, Director Village Management Services Inc. (VMS) provided an update on the current VMS Board projects: employee compensation for the 2017 budget; Corporate Counsel legal for VMS; and the company reorganization plan.

Third Mutual Directors suggested that VMS provide an information box for employees, a protocol to pass on resident comments about employees, and suggested creating an employee newsletter.

GRF COMMITTEE HIGHLIGHTS

The Directors provided brief overviews of GRF Committee highlights.

DIRECTORS' COMMENTS

The Directors made their final comments.

ADDITIONAL MEMBER COMMENTS

There were no further Member's Comments.

The Board recessed at 12:20 PM and reconvened into Executive Session at 1:00 PM.

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

During the February 16, 2016 Regular Executive Session Board Meeting, the Board approved the October 30, 2015 – Special Executive Session; January 4, 2016 – Special Executive Session; January 15, 2016 – Special Executive Session; January 19, 2016 – Regular Executive Session; January 26, 2016 – Special Executive Hearing Committee Session; February 2, 2016 – Special Executive Session as written. The Board heard four (4) disciplinary hearings and imposed \$500.00 fines for violations of the Mutual's rules and regulations; approved three (3) hearing requests; discussed other member disciplinary matters; discussed communication issue regarding personnel; discussed and considered contractual matters; discussed member matters; and discussed Litigation matters.

During the February 9, 2016 Special Executive Session Board meetings the Board discussed and considered Personnel Matters.

During the February 23, 2016 Special Executive Hearing Committee Board meeting the Board held seven (7) Member Disciplinary Hearings, held five (5) Common Area Damage Reimbursement Hearings and approved three (3) Disciplinary Hearing requests.

During the February 23, 2016 (Morning Session), the March 2, 2016, and the March 11, 2016 Special Executive Session Board meetings, the Board discussed and considered Contractual Matters.

With no further business before the Board of Directors, the meeting was adjourned at 5:25 PM.

Burt Baum, Secretary
Third Laguna Hills Mutual

PROPOSED FINAL VERSION

Third Laguna Hills Mutual

Section 41 - Solar Panels, 1 Story Buildings

**ADOPTED JANUARY 2008, RESOLUTION 03-08-09
GENERAL REQUIREMENTS REVISED APRIL 2011, RESOLUTION 03-11-49
REVISED OCTOBER 2014, RESOLUTION 03-14-107
REVISED JANUARY 2016, RESOLUTION 03-16-08
REVISED APRIL 2016, RESOLUTION 03-16-XXX**

1.0 GENERAL REQUIREMENTS

- 1.1 PERMITS AND FEES:** A Mutual Consent for Manor Alteration(s) is required for all alterations to the building. A City of Laguna Woods permit may be required. All fees for both Mutual Consents and City permits shall be paid for by the Member and/or his or her contractor. Member and/or his or her contractor must provide the Manor Alterations Department with City permit number(s) prior to beginning work.
- 1.2 MEMBERS' RESPONSIBILITY:** The Member is solely responsible for the maintenance, repair, and/or removal of all alterations to the building.
- 1.3 CODES AND REGULATIONS:** All work shall comply with all applicable local, state, and federal requirements including, but not limited to, the current edition of the National Electric Code (NEC) and all state, county and local building and safety regulations, statutes and ordinances.
- 1.4 WORK HOURS:** No work shall commence prior to 7:00a.m. and no work shall be permitted after 6:00p.m. Monday through Friday. Work on Saturday shall be permitted from 9:00a.m – 2:00p.m. for work which results in construction-related noise (e.g. cutting tile, hammering, use of power tools). For work that does not result in excessive noise, such as painting and carpet installation, permitted hours are 7:00a.m. – 6:00p.m. No work whatsoever shall be permitted on Sunday.
- 1.5 PLANS:** The Member applying for a Consent shall provide to the Manor Alterations Department a detailed plan(s) for approval indicating all work to be done, i.e., size, location, description and specifications.
- 1.6 DUMPSITES:** The premises shall be kept free of accumulation of waste materials and/or rubbish caused by construction work. The Member and/or his or her contractor is responsible for removal of debris and excess material and must leave work areas "**BROOM CLEAN**" daily. **USE OF COMMUNITY**

DUMPSITES FOR CONSTRUCTION RELATED DUMPING IS NOT PERMITTED. Contractor's or Member's dumpsters, if required, must have location approved by the Manor Alterations Department.

- 1.7 **CONTRACTOR:** Installation must be performed by a contractor properly licensed in California for the work being performed.
- 1.8 **CONTRACTOR'S CONDUCT:** Member's contractor's, their personnel, and sub-contractors shall refrain at all times from using profanity, abusive or loud language, and must wear shirts at all times. Radio, MP3, CD or cassette players are not permitted on the project site. Contractor personnel will, at all times, extend and exhibit a courteous demeanor to residents.

2.0 **APPLICATIONS**

- 2.1. In this section, "Solar Panel" refers to roof mounted panels that use solar energy to either heat water directly (Solar Water Heating System), or to generate electricity using photo-voltaic cells (Solar Electric System).
- 2.2. This section refers only to single story dwellings and the roof section of the building that covers the footprint of the Manor for which the request is being submitted.
- 2.3. All costs and maintenance of the alteration, present and future, are the responsibility of the Mutual Member.
- 2.4. All costs associated with roof replacement above and beyond the typical cost for roof replacement that are due to the solar panel installation shall be borne by the Member(s).
- 2.5. Detailed, site-specific plans for all water and electrical lines for the solar panel installation, including penetrations, shall be submitted to the Permits and Inspections office for approval.
- 2.6. Should the proposed location of solar panels be in an area that is technically Common Area, e.g., the roof, then the applicant is required to execute and submit to Third Laguna Hills Mutual, prior to installation of a solar panels, the "Agreement Regarding Solar Panel Installation on Common Area Property" or similarly titled document.

- 2.7. Structural calculations for the existing roof structure, signed and wet-stamped by a California-licensed structural engineer are required to ensure the solar panel system does not compromise the existing roof structure and that the roof is adequate to accept attachments and to support all applied loadings, per the California Building Code and any other applicable laws or ordinances.
- 2.8. The mounting system must have a current Engineering Certification that certifies the system will be structurally adequate and satisfy building codes when installed per the instructions.
- 2.9. Flat roof mounting shall be set with the highest point flush with the top of the parapet wall so as to be hidden from the ground or surrounding properties.
- 2.10. Flat roof mounting must leave a minimum of two feet between the panels and the parapet to permit access.
- 2.11. Water and electric lines must be set on blocking above the surface to facilitate re-roofing.
- 2.12. Detailed plans of the installation of roof jacks should be submitted to the Permits and Inspections office for approval.
- 2.13. Lag screws must have adequate pullout strength and shear capacities.
- 2.14. All roof tie-ins must be performed by a C-39 Licensed Contractor. The Member may hire a C-39 Licensed Contractor of their own choice to perform roof tie-ins for the installation of solar panels on all roof types except PVC Cool Roofs. For PVC Cool Roofs, Regardless of the roof type, all tie-ins must be performed by the Mutual's roofing contractor at the Member's expense.
- 2.15. Connections to the manor's electrical system must be coordinated with the local electric utility.
- 2.16. Solar Electric Panels, and their associated electrical components, must be UL approved, or comply with equivalent international standards.

- 2.17.** A solar panel system may only serve a single manor.
- 2.18.** Leasing of Solar Panels is permitted only under the following conditions:
- a. Only pre-paid leases are permitted, and Member must provide the Mutual a copy of the pre-paid lease contract together with proof of payment before any work on the construction or installation of the solar panel system begins; and
 - b. The pre-paid lease contract must be assignable by the Member.

3.0 **OBLIGATIONS**

- 3.1** The Mutual Member must sign and submit to Third Laguna Hills Mutual, c/o VMS, Inc, Community Services, the "Recordable Common Area Agreement" for the subject solar panel installation utilizing Common Area.
- 3.2** Member accepts responsibility and agrees to pay for repairs to common areas, including but not limited to roofing, framing, wiring and drywall caused, in whole or in part, by Member's solar panels or their installation, operation, maintenance or removal, and Member accepts all responsibility for damage to Member's Manor or other Manors or to personal property caused or contributed to by the installation, operation, maintenance or removal of the solar panels.
- 3.3** The Member is responsible for, and will bear all costs associated with removing, altering, covering or reinstalling the alteration as may be necessary or appropriate to allow the Mutual to conduct maintenance or repairs of common area. If the Mutual gives a minimum of thirty (30) days advance written notice of the need to remove, alter, cover or replace the solar panel and the Member does not accomplish this within five calendar days before the removal, alteration, or covering is necessary, then the Mutual will accomplish the removal, alteration or covering at the Member's cost, which will be billed as a Chargeable Service to the Member.
- 3.4** The Member is responsible for, and will bear all costs associated with, clean-up or repair of Mutual owned or controlled property made necessary by or resulting from the alteration.
- 3.5** All costs associated with roof replacement above and beyond the typical cost for roof replacement due to the solar panel installation shall be borne by the Member(s).

- 3.6** The roof area for possible solar panel installation is allocated only to the roof space directly above the subject Manor. It is Member's responsibility to ascertain and adapt to any roof interference by vents or other roof installations already in place.
- 3.7** Upon sale of Member's Manor, all obligations herein shall apply to all subsequent owners of the Manor.
- 3.8** If Member discontinues use of the solar panels, Member will remove the panels, all associated parts, connections and wiring associated with the solar panels after giving notice to the Mutual through the Manor Alterations Department.
- 3.9** Regardless of the roof type, the restoration of the roof must be performed by the Mutual's roofing contractor at the Member's expense.
- 3.10.** Member must present to the Mutual a vendor/installer agreement that requires vendor to hold harmless and indemnify the Mutual for any and all claims, damages, costs and expenses, including attorney fees related to or arising from the installation, use, maintenance, repair or removal of the solar panel system.

Third Laguna Hills Mutual

Section 45 - Solar Panels, 2 Story Buildings with Flat Roofs

ADOPTED OCTOBER 2014, RESOLUTION 03-14-108

REVISED JANUARY 2016, RESOLUTION 03-16-09

REVISED APRIL 2016, RESOLUTION 03-16-XXX

1.0 GENERAL REQUIREMENTS

- 1.1 **PERMITS AND FEES:** A Mutual Consent for Manor Alteration(s) is required for all alterations to the building. A City of Laguna Woods permit may be required. All fees for both Mutual Consents and City permits shall be paid for by the Member and/or his or her contractor. Member and/or his or her contractor must provide the Manor Alterations Department with City permit number(s) prior to beginning work.
- 1.2 **MEMBERS' RESPONSIBILITY:** The Member is solely responsible for the maintenance, repair, and/or removal of all alterations to the building.
- 1.3 **CODES AND REGULATIONS:** All work shall comply with all applicable local, state, and federal requirements including, but not limited to, the current edition of the National Electric Code (NEC), and all state, county and local building and safety regulations, statutes and ordinances.
- 1.4 **WORK HOURS:** No work shall commence prior to 7:00a.m. and no work shall be permitted after 6:00p.m. Monday through Friday. Work on Saturday shall be permitted from 9:00a.m – 2:00p.m. for work which results in construction-related noise (e.g. cutting tile, hammering, and use of power tools). For work that does not result in excessive noise, such as painting and carpet installation, permitted hours are 7:00a.m. – 6:00p.m. No work whatsoever shall be permitted on Sunday.
- 1.5 **PLANS:** The Member applying for a Consent shall provide to the Manor Alterations Department a detailed plan(s) for approval indicating all work to be done, i.e., size, location, description and specifications.
- 1.6 **DUMPSITES:** The premises shall be kept free of accumulation of waste materials and/or rubbish caused by construction work. The Member and/or his or her contractor are responsible for removal of debris and excess material and must leave work areas "**BROOM CLEAN**" daily. **USE OF COMMUNITY DUMPSITES FOR CONSTRUCTION RELATED DUMPING IS**

NOT PERMITTED. Contractor's or Member's dumpsters, if required, must have location approved by the Manor Alterations Department.

- 1.7 **CONTRACTOR:** Installation must be performed by a contractor properly licensed in California for the work being performed.
- 1.8 **CONTRACTOR'S CONDUCT:** Member's contractor's, their personnel, and sub-contractors shall refrain at all times from using profanity, abusive or loud language, and must wear shirts at all times. Radio, MP3, CD or cassette players are not permitted on the project site. Contractor personnel will, at all times, extend and exhibit a courteous demeanor to residents.

2.0 **APPLICATIONS**

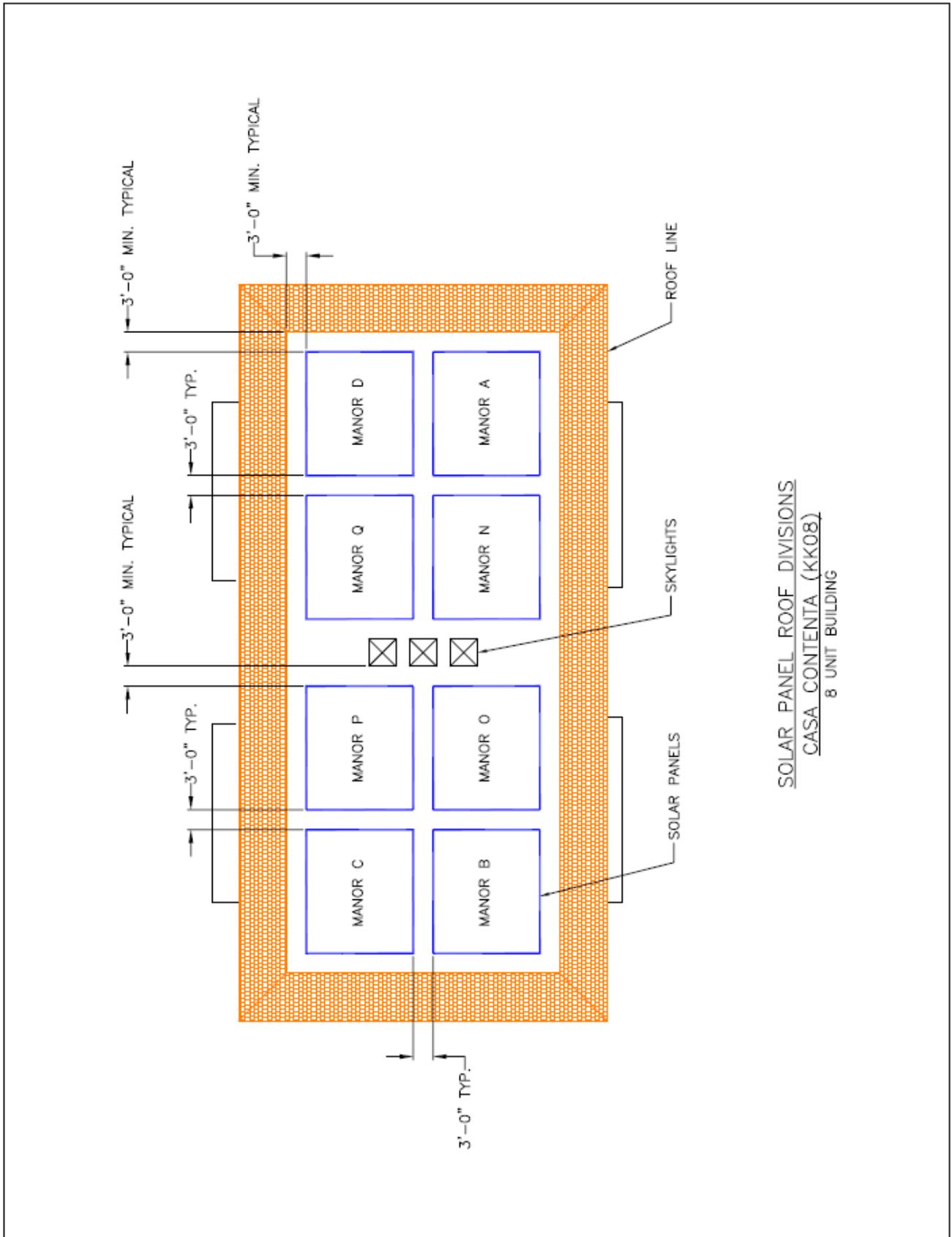
- 2.1 In this section, "Solar Panel" refers to roof mounted panels that use solar energy to generate electricity using photo-voltaic cells (Solar Electric System).
- 2.2 This section refers to two story dwellings with shared flat roof space. The system shall be designed so the panel array does not encroach outside of the area allocated on the roof for each owner of a manor. Refer to Pages 6, 7, 8, 9 and 10 for roof allocation on the flat roofs of 6-, 8-, and 12-unit buildings.
- 2.4 Detailed, site-specific plans, including for all electrical lines for the solar panel installation, including penetrations, shall be submitted to the Manor Alterations Department for approval.
- 2.5 Detailed plans of the installation of roof jacks should be submitted to the Manor Alterations Department for approval, and installation of roof jacks, including hot mopping and flashing, is required to be completed during the original installation.
- 2.6 All roof tie-ins must be performed by a C-39 Licensed Contractor. The Member may hire a C-39 Licensed Contractor of their own choice to perform roof tie-ins for the installation of solar panels on all roof types except PVC Cool Roofs. For PVC Cool Roofs, For all installations, all tie-ins must be performed by the Mutual's roofing contractor at the Member's expense.
- 2.7 Electric lines must be set on blocking above the surface to facilitate re-roofing.
- 2.8 Structural calculations for the existing roof structure, signed and wet-stamped by a California-licensed structural engineer are required to ensure the solar panel system does not compromise the existing roof structure and that the roof is adequate to accept attachments and to support all applied loadings, per the California Building Code and any other applicable laws or ordinances.

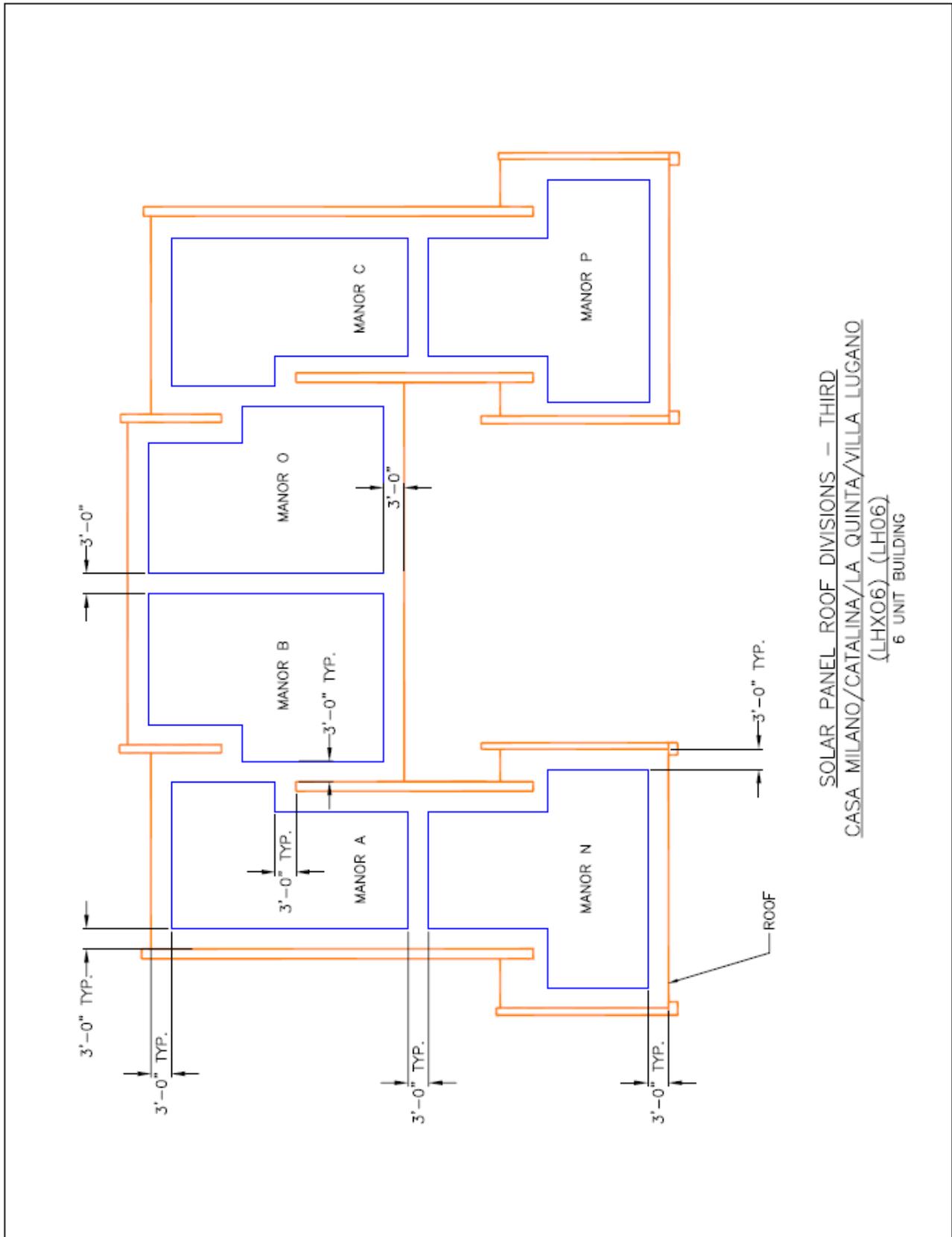
- 2.9** The mounting system must have a current Engineering Certification that certifies the system will be structurally adequate and satisfy building codes when installed per the instructions.
- 2.10** The solar panel array must be located a minimum of 3 feet from the edge of the roof; and a minimum of 3 feet shall be maintained between rows of solar panels, and between any architectural features such as, but not limited to skylights, mechanical equipment, and vent pipes in order to enable proper access for maintenance.
- 2.11** The solar panel array cannot be installed over any existing Mutual component or Member alteration.
- 2.12** Flat roof mounting shall be set with the highest point flush with the top of the parapet wall so as to be hidden from the ground or surrounding properties.
- 2.13** Lag screws must have adequate pullout strength and shear capacities.
- 2.14** The waterproof integrity of the roof, including the selection and use of appropriate flashing and sealers, must be maintained.
- 2.15** Solar Electric Panels, and their associated electrical components, must be UL listed, or comply with equivalent international standards.
- 2.16** The use of solar micro-inverter or power optimizer technology is required due to the potential number of separate systems that could be installed on one building.
- 2.17** A solar panel system may only serve a single Manor.
- 2.18** Leasing of Solar Panels is permitted only under the following conditions:
 - a. Only pre-paid leases are permitted, and Member must provide the Mutual a copy of the pre-paid lease contract together with proof of payment before any work on the construction or installation of the solar panel system begins; and
 - b. The pre-paid lease contract must be assignable by the Member.
- 2.19** Panels for water solar heating systems are not permitted.

3.0 OBLIGATIONS

- 3.1** The Mutual Member must sign and submit to Third Laguna Hills Mutual, c/o VMS, Inc, Community Services, the "Recordable Common Area Agreement" for the subject solar panel installation utilizing Common Area.

- 3.2** Member accepts responsibility and agrees to pay for repairs to common areas, including but not limited to roofing, framing, wiring and drywall caused, in whole or in part, by Member's solar panels or their installation, operation, maintenance or removal, and Member accepts all responsibility for damage to Member's Manor or other Manors or to personal property caused or contributed to by the installation, operation, maintenance or removal of the solar panels.
- 3.3** The Member is responsible for, and will bear all costs associated with removing, altering, covering or reinstalling the alteration as may be necessary or appropriate to allow the Mutual to conduct maintenance or repairs of common area. If the Mutual gives a minimum of thirty (30) days advance written notice of the need to remove, alter, cover or replace the solar panel and the Member does not accomplish this within five calendar days before the removal, alteration, or covering is necessary, then the Mutual will accomplish the removal, alteration or covering at the Member's cost, which will be billed as a Chargeable Service to the Member.
- 3.4** The Member is responsible for, and will bear all costs associated with, clean-up or repair of Mutual owned or controlled property made necessary by or resulting from the alteration.
- 3.5** All costs associated with roof replacement above and beyond the typical cost for roof replacement due to the solar panel installation shall be borne by the Member(s).
- 3.6** The roof area for possible solar panel installation is allocated to Manors within a given building as in the attached diagrams. It is Member's responsibility to ascertain and adapt to any roof interference by vents or other roof installations already in place.
- 3.7** Upon sale of Member's Manor, all obligations herein shall apply to all subsequent owners of the Manor.
- 3.8** If Member discontinues use of the solar panels, Member will remove panels, all associated parts, connections and wiring associated with the solar panels after giving notice to the Mutual through the Manor Alterations Department.
- 3.9** Regardless of the roof type, the roof tie-ins must be performed by the Mutual's roofing contractor at the Member's expense.
- 3.10** Member must present to the Mutual a vendor/installer agreement that requires vendor to hold harmless and indemnify the Mutual for any and all claims, damages, costs and expenses, including attorney fees related to or arising from the installation, use, maintenance, repair or removal of the solar panel system.





SOLAR PANEL ROOF DIVISIONS - THIRD
CASA MILANO/CATALINA/LA QUINTA/VILLA LUGANO
(LHX06) (LH06)
6 UNIT BUILDING

