

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

November 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, November 15, 2016, at 9:30 AM, at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Rosemarie diLorenzo Dickins, Burt Baum, Bill Walsh, Steve Parsons, James Tung, John Frankel, Bert Moldow, Bunny Carpenter and Annette Sabol-Soule (open session only)

Directors Absent: Joe Camera and David Finley

Staff Present: Open Session: Brad Hudson, Lori Moss, Kim Taylor, and Mark Stal
Executive Session: Brad Hudson, Lori Moss, Kim Taylor, Larry Woodhams, Laurie Chavarria, Tim Moy, Jacob Huanosto and Pamela Bashline

Others Present: VMS Directors Dennis O'Connor and Marcy Sheinwold and Denver Andrews Jr. Esq., Law Offices of Denver R. Andrews, Jr.

CALL TO ORDER

Rosemarie diLorenzo Dickins, 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 Steve Parsons led the Membership in the Pledge of Allegiance.

ACKNOWLEDGEMENT OF MEDIA

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.

Director Burt Baum spoke to the passing of former Third Mutual Director Isabel Muennichow and provided a background of her accomplishments.

CHAIR'S REMARKS

President diLorenzo Dickins spoke to the Board's priorities and emphasized improving maintenance and improving communications in Third Mutual. President diLorenzo Dickins commented on the progress of the Board's new Committees: Residency and Compliance Committee and the Third Mutual Governance Committee. The President stated that the Board has met with Brad Hudson to discuss personnel matters and she wished the Residents and Board Directors a very happy Thanksgiving.

APPROVAL OF THE MINUTES

Director Parsons moved to approve the October 18, 2016, Regular Open Board meeting minutes as written. Director Tung seconded the motion. By a vote of 7-0-0 the motion carried.

APPOINTMENT TO UNITED BOARD TO FILL VACANCY (TERM ENDING 2018)

The following applicants provided a brief summary of their qualifications: Gayan Inayat-Khan and Annette Sabol-Soule.

Director Baum moved to commence balloting, without objection the motion carried and ballots were distributed to the Directors.

Director Baum moved to cease balloting, without objection the motion carried and the ballots were counted.

By way of a secret vote Annette Sabol-Soule was appointed to fill the vacancy, term ending 2017.

Director Annette Sabol-Soule was seated with the rest of the Board.

CONSENT CALENDAR

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

Maintenance and Construction Common Area - Variance Request Resolutions:

RESOLUTION 03-16-113

Common Area - Variance Request

WHEREAS, Leslie Trammell of Manor 3332-B Bahia Blanca East, 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 03-15-155 as revised in accordance with California Civil Code § 4600 on October 20, 2015;

NOW THEREFORE BE IT RESOLVED, on November 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.

UPDATE FROM VMS – DIRECTOR DENNIS O’CONNOR

President diLorenzo Dickins introduced Director Dennis O’Connor of Village Management Services, Inc. (VMS). Director O’Connor provided an update on the progress of the Board Director O’Connor focused on the Board reviewing health insurance for VMS employees, stating that the Board reviewed Kaiser as one option for the employees, after reviewing many options the VMS Board decided that the best program for the VMS employee is to remain with Aetna. Director O’Connor announced that by the use of a new Insurance Broker, VMS was able to save \$150,000. Director O’Connor provided an update on the progress of the Strategic Plan and he announced that the results of the salary and benefits survey from PayScale will be received by the Board at the end of November. Director O’Connor answered questions from the Board.

REPORT OF THE CEO – BRAD HUDSON

Mr. Brad Hudson, CEO/General Manager, welcomed the new Third Mutual Board Director Annette Sabol-Soule. Mr. Hudson commented on the new Transit schedule, calling it the Easy Rider System, which will be rolled out next week. Transportation Day was a great success, and the Clubhouse 2 Grand Opening was a great event with an extraordinary resident turnout. Mr. Hudson announced that Gate 5 will be re-opening by Thanksgiving, Dwelling Live is the technology platform for gate access, and one third of the calls for gate access were diverted to the Resident Services Department and because most calls are received between 7am and 7pm, staff will now have extended hours to accommodate the residents. Mr. Hudson asked the Community to help with the process by accessing gate access by going online and registering their guest. Mr. Hudson announced that the Clubhouse 5 mini gym will be completed by mid-December. Mr. Hudson commented on the merging of Compliance with the Security Department and asked the Community to share any compliance issues that are occurring in their area. Mr. Hudson answered questions from the Board.

MEMBER COMMENTS

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

- Marvin Rawitch (5510-3B) commented on leaf blowers in the mutual and asked about replacing them with vacuums.
- Mareka Raima-Montegnies (5519-3C) commented on the lake at the Golf Course and excess watering on the Golf Course.
- Katherine Baum (3276-A) complemented the Board on their dialog and spoke to Clubhouse 5 mini gym.

DIRECTORS' RESPONSES TO MEMBER COMMENTS

The Directors briefly responded to Member Comments.

UNFINISHED BUSINESS

Ratify Appointment of Director to the VMS Board Open Position, Term Ending 2018

President diLorenzo Dickins introduced the newly appointed Director to the VMS Board representing Third Laguna Hills Mutual, Marcy Sheinwold. Director Sheinwold has taken the open position vacated by Steve Parsons who was elected to the Third Mutual Board.

NEW BUSINESS

Entertain Motion to Approve Revisions to the Conduct Guidelines for Directors

Director Burt Baum, Secretary of the Corporation, read a proposed resolution approving revisions to the Conduct Guidelines for Directors. Director Parsons moved to approve the resolution. Director Tung seconded the motion. Discussion ensued.

By a vote of 8-0-0 the motion carried and the Board approved the following resolution:

RESOLUTION 03-16-114

CONDUCT GUIDELINES FOR DIRECTORS

RESOLVED, November 15, 2016, that the Board of Directors hereby adopts the following Director Conduct Guidelines, ***which shall apply also to members of any Committee created by the Board:***

- I. The Board will use its best efforts to make decisions consistent with protecting the property and property values within Third Laguna Hills Mutual.
- II. Directors shall not participate in self-dealing activities such as:

- a) Solicit or receive any compensation from the association for serving on the board or any committee.
 - b) Make ~~promises~~ **binding agreements** to vendors unless with prior approval from the board.
 - c) Solicit or receive any gift, gratuity, favor, entertainment, loan, or any other item of value for themselves or their relatives from a person or company who is seeking or doing business with the association.
 - d) Seek preferential treatment for themselves, friends or relatives.
 - e) Use association property, services, equipment or business for the gain or benefit of themselves, except as is provided for all members of the association.
- III. Directors and committee members may not knowingly misrepresent facts.
 - IV. Directors and committee members must immediately disclose the existence of any conflict of interest, whether their own or others. Directors and committee members must withdraw from participation in decisions in which they have a material interest.
 - V. ***Unless authorization to do so is specifically delegated by the Board at a duly held meeting*** Directors may not negotiate with any contractor, subcontractor, or supplier on behalf of the Corporation.
 - VI. Directors during and after board service, shall maintain the confidentiality of those matters relating to attorney/client privilege, and matters discussed in Executive Session; a Director will communicate these matters only with other fiduciaries of the Board.
 - VII. Directors shall maintain the distinct roles between Owner and Agent **VMS**; a Director shall not interfere with, nor direct the work performed by ~~the VMS's Agent's~~ **VMS's** or contractor's personnel. Communications regarding contractors and/or staff shall be directed to the ~~Managing Agent's~~ **VMS** responsible representative.
 - VIII. The dialog used by Directors in the course of the Corporation's business shall be professional; differences of opinion shall be expressed in a civil and business-like manner.

- IX. Directors will conduct their affairs consistent with public policy and will not engage in any behavior that is unlawful including harassment, discrimination of any protected classes, gross negligence, and wanton and willful misconduct.
- X. Directors and committee members who violate the association's Director Conduct policy are deemed to be acting outside the course and scope of their authority. Any Director in violation of this policy may be subject to immediate disciplinary action, including, but not limited to:
- a) censure,
 - b) removal from committees,
 - c) removal as an officer of the board,
 - d) request for resignation from the board, and
 - e) ~~impose fines.~~

Prior to taking any of the actions described above, the Board shall review the evidence of violation, endeavor to meet with the director/committee member believed to be in violation, and confer with the association's legal counsel. The Board shall endeavor to meet with the director/committee member in executive session prior to imposing disciplinary action against that person; and

RESOLVED FURTHER, that Resolution 03-05-16, adopted March 6, 2013 is hereby superseded and cancelled; and

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

Entertain Motion to Approve Revisions to the Third Mutual Committee Appointments
Director Burt Baum, Secretary of the Corporation, read a proposed resolution approving revisions to the Mutual Committee Appointments. Director Moldow moved to approve the resolution. Director Parsons seconded the motion. Discussion ensued.

By a vote of 8-0-0 the motion carried and the Board approved the following resolution:

RESOLUTION 03-16-115

Mutual Committee Appointments

RESOLVED, November 15, 2016, that the following persons are hereby appointed to serve on the committees and services of this Corporation; and

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

Bert Moldow, Chair
Joe Camera
John Frankel
Bill Walsh
Rosemarie diLorenzo Dickins, Alternate

Governance Committee

Rosemarie diLorenzo Dickins, Chair
James Tung
Burt Baum
Bert Moldow
Non-Voting Advisor: Kathleen Baum

Communications Committee

Burt Baum, Chair
Bert Moldow
Bill Walsh
Bunny Carpenter
Non-Voting Advisors: Carol St. Hilaire

Energy and Technology Committee

Bill Walsh, Chair
Bert Moldow, Co-Chair
Joe Camera
Burt Baum
John Frankel
Non-Voting Advisors: Steven Leonard, Leon St. Hilaire

Executive Hearing Committee

Rosemarie diLorenzo Dickins, Chair
James Tung, Co-Chair
David Finley
Bunny Carpenter
John Frankel
Steve Parsons, Alternate

Finance (Committee of the Whole)

Steve Parsons, Chair

Rosemarie diLorenzo Dickins, Vice Chair
Non-Voting Advisors: Colin Johnston, John Hess, Wei-Ming Tao

Garden Villa Recreation Room Subcommittee

Joe Camera, **Chair**

Bert Moldow, ~~Chair~~

Joe Camera

Voting Advisors: Lenta Jarrett, Sharon Molineri, Stewart Hack

Laguna Woods Village Traffic Hearings

John Frankel

Landscape

James Tung, Chair

Bunny Carpenter – Vice Chair

John Frankel

Annette Sabol-Soule

Bill Walsh, Alternate

~~Joe Camera~~

Non-Voting Advisors: John Dudley, Bob Figeira

Maintenance and Construction (Committee of the Whole)

Bert Moldow, Chair

Joe Camera, Vice Chair

David Finley

John Frankel, 2nd Vice Chair

Non-Voting Advisors: Robert Sherinian

Meet and Confer

Rosemarie diLorenzo Dickins

James Tung

Burt Baum

New Resident Orientation

Per Rotation List

~~Resident Problem Resolution Services~~

~~Burt Baum, Chair~~

~~Joe Camera~~

Water Conservation Committee

James Tung, Chair

Joe Camera

Annette Sabol-Soule

RESOLVED FURTHER, that Resolution 03-16-111, adopted October 18, 2016, is hereby superseded and canceled; and

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

Entertain Motion to Approve Revisions to the GRF Committee Appointments

Director Burt Baum, Secretary of the Corporation, read a proposed resolution approving revisions to the GRF Committee Appointments. Director Tung moved to approve the resolution. Director Carpenter seconded the motion. Discussion ensued.

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

RESOLUTION 03-16-116

GRF Committee Appointments

RESOLVED, November 15, 2016, 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 Dickins
Steve Parsons

Energy Committee

Bert Moldow
Bill Walsh

Community Activities Committee

Burt Baum
Joe Camera

Finance Committee

Steve Parsons
Rosemarie di Lorenzo Dickins

Landscape Committee

James Tung
Bunny Carpenter
John Frankel, Alternate

Maintenance and Construction Committee

John Frankel
Bert Moldow

David Finley, Alternate
Joe Camera, ***Alternate***

Media and Communication Committee

Bunny Carpenter
Burt Baum
Bill Walsh, Alternate

Mobility and Vehicles Committee

Steve Parsons
John Frankel

Security and Community Access Committee

Steve Parsons
James Tung

RESOLVED FURTHER, that Resolution 03-16-112, adopted October 18, 2016, is hereby superseded and canceled.

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.

COMMITTEE REPORTS

Director Steve Parsons reported from the Finance Committee, he gave the Third Mutual Financial Report, and commented on the Resale Activities Report.

Director James Tung reported from the Landscape Committee.

Director James Tung reported from the Water Committee.

Director Bert Moldow reported from the Maintenance and Construction Committee.

Entertain Motion to Approve Revisions to Mutual Alteration Standard Section 41 Solar Panels, 1 Story Buildings

Director Burt Baum, Secretary of the Corporation, read a proposed resolution approving revisions to the Mutual 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, December 20, 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 03-16-42, adopted April 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 postponement of the resolution for no less than 30 days to comply with Civil Code §4360. Director Walsh seconded the motion. Discussion ensued.

By a vote of 8-0-0 (Director Carpenter was absent for the vote) the motion carried and the Board postponed the revisions to the December meeting to comply with Civil Code §4360.

Entertain Motion to Approve the Architectural Control and Standards Committee Charter

Director Burt Baum, Secretary of the Corporation, read a proposed resolution approving the Architectural Control and Standards Committee Charter. Discussion ensued.

Director Walsh moved to send the following Charter back to Committee for amendments. Director Parsons seconded the motion. By a vote of 9-0-0 the motion carried.

RESOLUTION 03-16-xx

Third Mutual Architectural Control and Standards Committee Charter

RESOLVED, that pursuant to Article VII, Section 1 of the Bylaws, the Architectural Standards and Control Committee is hereby established as a standing committee of this Corporation; and

RESOLVED FURTHER, November 15, 2016, that the Board of Directors of this Corporation hereby assigns the duties and responsibilities of the Architectural Control and Standards Committee of this 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:
 - Compliance with existing standards
 - Aesthetic effect
 - Cost impact on the Mutual
 - Conformity with Local and State Building Codes
 - Compliance with the Davis-Stirling Act
 - Value impact
3. The Mutual Board may choose to become involved in a Member's appeal of the Committee's decision. Should the Board become involved, subsequent 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 Neighbor Awareness and Approval forms for all alteration requests including requests that appear to conform to standards.
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 or architectural 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 bases, reviewing staff recommendations regarding compliance or variance requests, conducting tours, and providing communications to the Community.
10. This committee shall be comprised of no more than five Directors.

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

Director Bill Walsh reported from the Energy Committee.

Discuss and Consider Funding LED Lighting in LH21/GV Buildings and Standalone Laundry Rooms

Without objection, the Board moved the agenda item to the closed session portion of the meeting for further discussion.

Mark Stal, Maintenance Services Manager, provided an update on Solar in the Mutual. Mr. Stal answered questions from the Board.

Director Burt Baum reported from Resident Problem Resolution Services.

Director John Frankel reported from the Laguna Woods Village Traffic Hearings.

Director Burt Baum reported from the Communications Committee.

Director Burt Baum reported from the Residency Policy and Compliance Committee.

Director Bunny Carpenter reported from the Purchasing Task Force.

GRF COMMITTEE HIGHLIGHTS

The Directors provided brief overviews of GRF Committee highlights.

DIRECTORS' COMMENTS

The Directors made their final comments.

ADDITIONAL MEMBER COMMENTS

No additional Member Comments were made.

The Board recessed at 12:20 PM and reconvened into Executive Session at 1:15 PM.

ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 4:45 PM.

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

During the October 18, 2016, - Regular Executive Session Board Meeting, the Board approved the minutes of the September 19, 2016 – Special Executive Session, September 20, 2016 – Regular Executive Session, September 27, 2016 – Special Executive Hearing Committee Session, and the October 5, 2016 – Special Executive Session; heard three (3) Disciplinary Hearings and imposed no Fines for Violations of the Mutual's Rules and Regulations; discussed Recording of a Notice of Sale; discussed other Member Disciplinary

matters; discussed Occupancy matters; discussed Member Delinquency matters; discussed Personnel matters; discussed the discussed the Probate Petition matter; discussed and considered Contractual matters; and discussed Litigation matters.

During the October 21, 2016, Special Executive Session meeting the Board discussed and considered Personnel matters.

During the October 25, 2016, Special Executive Hearing Committee Board meeting the Board held seven (7) member Disciplinary Hearings; and held seven (7) Common Area Damage Reimbursement Hearings.

Burt Baum, Secretary
Third Laguna Hills Mutual

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

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 permit 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 Manor Alterations Department 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.** Mounting systems must be installed with ten inch risers to allow the Mutual's Contractor to properly install the new PVC roof.
- 2.10.** Light-weight tile roofing will be removed and replaced with a landmark 40 Comp. Shingle. Tile roofing is to be put back to aesthetically trim out the area around the Solar Panels.
- 2.11.** Flat roof mounting shall not exceed more than a Thirty Degrees angle.
- 2.12.** Flat roof mounting must leave a minimum of two feet between the panels and the parapet to permit access.
- 2.13.** Water and electric lines must be set on blocking above the surface to facilitate re-roofing.
- 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.** Detailed plans of the installation of roof jacks should be submitted to the Permits and Inspections office for approval.
- 2.16.** Lag screws must have adequate pullout strength and shear capacities.
- 2.17.** Connections to the manor's electrical system must be coordinated with the local electric utility.
- 2.18.** Solar Electric Panels, and their associated electrical components, must be UL approved, or comply with equivalent international standards.
- 2.19.** A solar panel system may only serve a single manor.
- 2.20.** 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 Permit and

- 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.