



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

October 20, 2017

The Regular Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Friday, October 20, 2017, at 9:30 AM, at 24351 El Toro Road, Laguna Woods, California

Directors Present: Rosemarie diLorenzo, Bill Walsh, Burt Baum, Steve Parsons, Bunny Carpenter, John Frankel, Annette Soule (entered the meeting at 9:42 AM), Jules Zalon (entered the meeting at 9:42 AM), Bert Moldow and Susan Caine (left the meeting at 10:18 AM)

Directors Absent: James Tung

Staff Present: Open Session: Brad Hudson, Leslie Cameron, Lori Moss and Pamela Bashline

Executive Session: Brad Hudson and Leslie Cameron

1. CALL TO ORDER

Bill Walsh, 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. APPROVAL OF AGENDA

Director Baum added under Unfinished Business 8e) Leasing Policy; and Director Moldow added under Unfinished Business 8f) Solar. Director Parsons moved to approve the agenda as amended, Seconded by Director Frankel, the motion passed unanimously.

3. ACKNOWLEDGEMENT OF MEDIA

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

4. REPORT OF THE CHAIR

None.

5. OPEN FORUM

Martin Rhodes (5369-2A) commented on the GRF Trust, Member's First Policy, and Lessees.

6. RESPONSES TO OPEN FORUM SPEAKERS

Director Moldow responded to Mr. Rhodes.

7. CONSENT CALENDAR

7a. Architectural Control and Standards Committee Recommendations:

Director diLorenzo moved to approve the consent calendar as presented. Seconded by Director Parsons, the motion passed unanimously.

RESOLUTION 03-17-116 **Variance Request**

WHEREAS, Edward Dahlen Jr. of 5478-A Villa Fuente requested to replace existing patio enclosure with room extension, Third Laguna Hills Mutual, submitted a request for a variance to construct an alteration on Exclusive 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 Exclusive 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; and

NOW THEREFORE BE IT RESOLVED, on October 20, 2017, 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. A revised set of site plans (in accordance with the requirements set forth by condition 12) must be submitted that show materials for proposed roof will match existing roof of main structure and the slope of the roof shall be a minimum of 1:12.
2. No improvement shall be installed, constructed, modified or altered at Manor 5478-A, ("Property") within the Third Laguna Hills Mutual ("Mutual") unless and until a Mutual Consent for Manor Alterations application for the improvement has been made to, and approved, in writing, by, the Village Management Services, Inc. ("VMS, Inc."), Manor Alterations Division ("Division"), or, in the event of a Variance from the Mutual's Alteration Standards, the Architectural Control and Standards Committee ("ACSC"). In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the Property, the Member Owner or Owners ("Member Owner") agrees to comply with the Mutual's Governing Documents and any specific terms or conditions imposed, and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the approval.
3. A Mutual Consent for Manor Alterations has been granted at 5478-A for Replace Windscreen with Room Extension for Master Bedroom, subject to the attached plans stamped approved and is subject to the final inspection by the Division. Any variations to

the approved attached plans are not allowed and could result in a stop work notice and/or severe fines to the Member.

4. Member Owner hereby consents to and grants to the Mutual and the Division, and their representatives, a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and for the Mutual and the Division, and their representatives and contractors to remedy any violation upon the Property, including, but not limited to, removing trash, removing any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.

5. 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 5478-A and all future Mutual members at 5478-A.

6. Member Owner shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others who perform work on the Property, including any violation of the Mutual's Governing Documents, including, but not limited to, traffic and parking violations, maintenance of a clean job site at all times, and use of Mutual property for storage of equipment or materials without prior approval. Member Owner acknowledges and agrees that all such persons are his/her invitees. Member Owner shall be responsible for informing all his/her invitees of the Mutual's Rules and Regulations. Member Owner shall be liable for any violation of the Mutual's Governing Documents by any invitee, including any fine, assessment or other charge levied in connection therewith.

7. Member is responsible for following the gate clearance process (<http://www.lagunawoodsvillage.com>) in place to admit contractors and other invites.

8. Member Owner's contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use Mutual recreational facilities or other amenities while they are in the Village for performance of work in connection with the Property.

9. Parking of contractors or other invitees' vehicles is prohibited in covered resident parking, open resident spaces, handicapped spaces or fire lanes. Contractors or other invitees must park on the street. To the extent possible contractors' or other invitees' vehicles should be limited in number.

10. Member Owner(s) of the Property must sign and submit to the Mutual, c/o VMS, Inc., at the Division office located in the Laguna Woods Village Community Center, an executed and notarized "Recordable Common Area Agreement" for a proposed improvement that would utilize any portion of the Mutual's Common Area. Prior to the issuance of a Mutual Consent for Manor Alterations, that "Recordable Common Area Agreement" must be filed with the Orange County Clerk/Recorder.

11. A City of Laguna Woods permit is required, which may include the requirement to obtain clearance from the South Coast Air Quality Management District (Asbestos Hot Line at (909) 396-2336). Prior to the issuance of a Mutual Consent for Manor Alterations, the appropriate City of Laguna Woods permit number(s) must be submitted to the Division office located in the Laguna Woods Village Community Center. The City permit must be finalized within the prescribed timeframe, and a copy of the final permit must be submitted to the Division within two weeks.

12. Prior to the issuance of a Mutual Consent for Manor Alterations, a complete set of unit specific plans prepared by a licensed architect or structural engineer depicting the proposed improvement must be submitted to the Division office located in the Laguna Woods Village Community Center. The plans must depict any required structural modifications ensuring the structural integrity of the building is maintained upon completion of the proposed improvement.

13. Prior to the issuance of a Mutual Consent for Manor Alterations, if required, a Mutual Roof Alteration Notification ("Tie-In Form") must be submitted to the Division. All roof tie-ins must be performed by a C-39 Licensed Contractor. The Member Owner may hire a C-39 Licensed Contractor of his/her own choice to perform roof tie-ins for the installation of solar panels on all roof types except PVC Cool Roofs. For PVC Cool Roofs, regardless of the roof type, all tie-ins must be performed by the Mutual's roofing contractor at the Member Owner's expense. All tie-ins may only be made to sound structural elements. Existing structural elements proposed to be tied to, which exhibit signs of dry rot or other structural defects, must first be replaced or repaired at the Member Owner's expense during construction of the improvement.

14. Prior to the issuance of a Mutual Consent for Manor Alterations, the Member Owner shall request a Landscape Department inspection in order to assure all landscape, irrigation, and drainage modifications associated with the improvements are identified and completed by the Landscape Department at the expense of the Member Owner. All gutter drainage shall be directed away from structures, free standing walls, foundations, and pedestrian walkways.

15. Prior to the issuance of a Mutual Consent for Manor Alterations, any altered exterior surface should match the Building color; vinyl fence/gate will be either white or taupe, tubular steel or wrought iron fence/gate will be black or white; the approved colors and materials are identified at Resident Services located at the Community Center first floor.

16. All improvements must be installed in accordance with the California State Building Code, and the published Mutual Architectural Alterations Standards. See <http://www.lagunawoodsvillage.com>.

17. During construction, work hours established by the Mutual and the Noise Ordinance set forth in the City of Laguna Woods Municipal Code must be adhered to at all times.

18. During construction, both the Mutual Consent for Manor Alterations and the City Building Permit must be on display for public view at all times in a location approved by the Division.

19. It is mandatory that no waste or materials associated with the construction be dumped in the Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.

20. The Mutual Consent for Manor Alterations expires six months after the date of approval, unless an application is submitted with fees and approved by the Division for an extension. Only one extension for a maximum of an additional six months may be granted.

21. Violations of the forgoing conditions or the Mutual's Governing Documents (See <http://www.lagunawoodsvillage.com>), including, but not limited to, work outside the approved plans, excessive noise, illegal dumping, or working after hours, will result in disciplinary action, which could result in a stop work notice, loss of privileges and/or severe fines to the Owner Member. Such fines left unpaid will result in forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.

22. Mutual member shall indemnify, defend and hold harmless Third and its officers, directors, committee members and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from Mutual member's improvements and installation, construction, design and maintenance of same.

23. The Mutual Consent Applicant or agent must contact the Manor Alterations Division as soon as the project is complete and has received a Final City of Laguna Woods permit approval in order to arrange a final inspection for Mutual Consent.

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

8. Unfinished Business

8a. Entertain a Motion to Approve Amendments to the 2018 Collection and Lien Enforcement Policy 2018 Collection and Lien Policy.

Secretary Baum, read portions of the following 2018 Collection & Lien Enforcement Policy Resolution:

RESOLUTION 03-17-117
2018 Collection & Lien Enforcement Policy

WHEREAS, in accordance with California Civil Code, Third Laguna Hills

Mutual maintains a collection and lien enforcement policy that outlines the procedures, policies and practices employed by the Mutual in enforcing lien rights or other legal remedies for default in payment of assessments; and

WHEREAS, legal counsel has reviewed the existing Collection and Lien Enforcement Policy and recommends some clarifying language and the late charge is proposed to increase from a flat fee of \$20 to \$60 per month per delinquency, pursuant to Civil Code Section 5650(b)(2) which allows the association to recover a late charge not exceeding 10 percent of the delinquent assessment;

NOW THEREFORE BE IT RESOLVED, October 17, 2017, that the Board of Directors hereby adopts the 2018 Third Laguna Hills Mutual Collection and Lien Enforcement Policy as attached to the official minutes of this meeting; and

RESOLVED FURTHER, the policy statement is provided pursuant to the requirements of California Civil Code section 5310(a)(7) and will be distributed to members in November 2017 as part of the Annual Policy Statement.

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

September initial Notification

30-Days notification to comply with Civil Code 4360 has been satisfied

Director Parsons moved to approve the 2018 Collection & Lien Enforcement Policy resolution. Seconded by Director Soule, the motion passed unanimously.

8b. Entertain a Motion to Approve Manor Alteration Conditions

Secretary Baum, read portions of the following Standard Manor Alteration Conditions Resolution:

Resolution 03-17-118

Standard Manor Alteration Conditions

WHEREAS, staff has experienced several issues with manor alterations including illegal dumping in Village dumpsters, excessive noise and smoking by contractors, parking in resident spaces by contractors, damage to mutual property during construction, and working after hours; and

WHEREAS, the standard Manor Alteration Conditions impose requirements, in order to protect the Mutual and neighbors, on members who wish to

conduct alterations; and

NOW THEREFORE BE IT RESOLVED, October 17 2017, as part of the Conditions of Approval a Conformance Deposit (Good Faith Deposit) is being required; and

RESOLVED FURTHER, a Conformance Deposit will be held to assure no damages to Mutual property occurs during construction, including, but not limited to, internet/TV, landscaping, or exterior walls/roof; and

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

September initial notification

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

Director diLorenzo moved to approve the Standard Manor Alteration Conditions. Seconded by Director Moldow, the motion passed unanimously.

8c. Entertain a Motion to Approve Manor Alteration Conformance Deposit Fee – Resolution

Secretary Baum, read portions of the following Conformance Deposit Fee Resolution:

RESOLUTION 03-17-119

Proposed Conformance Deposit

WHEREAS, in order to partially offset Mutual costs associated with Contractors and residents performing alterations that damage Mutual Property or violate Mutual Policies such as disposing of construction debris in Mutual dumpsters; and

WHEREAS, the Mutual currently does not require any conformance deposit fee capture; and

NOW THEREFORE BE IT RESOLVED, the fee will be required for all Construction with a value of \$500 or greater and will be refundable given that the contractor or resident performing the alterations conform to all Mutual rules and Standards;

NOW THEREFORE BE IT RESOLVED, October 20, 2017, that in order to partially further offset Mutual costs associated with Contractors and residents performing alterations to their manor, the Board of Directors of this Corporation hereby sets the Conformance Deposit fee at \$250; and

RESOLVED FURTHER, that the officers and agents of this Corporation are

hereby authorized on behalf of the Corporation to carry out the resolution.

September initial

30-Day notice to comply with Civil Code §4360 has been satisfied.

Director Parsons moved to approve the Conformance Deposit Resolution. Seconded by Director diLorenzo.

Director diLorenzo asked that a procedure be created for the conformance deposit fee and compliance.

By a vote of 9-0-1 (Director Zalon abstained) the motion passed.

8d. Entertain a Motion to Approve an Increase in Manor Alteration Processing Fees – Resolution

Secretary Baum, read portions of the following Variance Process Fee Policy Resolution:

RESOLUTION 03-17-120
Variance Process Fee Policy

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

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

WHEREAS, the Mutual currently charges a \$10 fee for a Mutual Consent and a \$100 fee for a Variance, to offset administrative costs associated with processing these requests; and

WHEREAS, the Board realizes that the current fee does not appropriately cover staff time;

NOW THEREFORE BE IT RESOLVED, that in order to come closer to partially offsetting administrative costs associated with processing variance requests, which is often followed by multiple resubmittals, and can be followed by an appeal to the Board as mandated in accordance with Resolution 03-13-105, the Board of Directors of this Corporation hereby sets the Mutual Consent request processing fee at \$35 and the variance request processing fee at \$150; and

RESOLVED FURTHER, October 20, 2017, that Resolution 03-15-44 adopted April 21, 2015 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 resolution.

September initial notification

30-Day notification to comply with Civil Code §4360 has been met.

Director Baum moved to approve the Variance Process Fee Policy. Seconded by Director Moldow, the motion passed unanimously.

8e. Leasing Policy

Director Baum moved that staff prepare a revised Leasing Policy in which the requirements for a financial credit check and criminal background check are eliminated and make any other changes that make the application and operation process more efficient. Seconded by Director diLorenzo the motion unanimously passed.

Director diLorenzo asked to have an affidavit similar to the one that is signed by new Member Owners added to the motion. Director Baum responded that it can be added when staff comes back with the revised Leasing Policy.

Director Baum stated that format changes and simplification of the policy would help the application flow, and the residents understanding. A 60 day abeyance for credit and criminal background check is currently being observed. The policy is to be brought back to the next Board Meeting and a special meeting will be held after 30 days in order for the policy to receive a final vote by the end of the year.

8f. Solar

Director Moldow shared that on September 22, U.S. Trade Officials empowered President Trump to impose a tariff tax on solar energy. Gate 14 has not yet been started and the gate would need about 280,000 – kilowatt hours capacity and a potential expenditure of \$460,000. If Gate 14 isn't completed before the tariff tax goes into effect in 2019, the Mutual could incur an additional cost of \$100,000.

17. DIRECTORS' COMMENTS

None.

18. RECESS

The Board recessed at 10:35 AM. and reconvened into Executive Session at 10:52 AM.

10. ADJOURNMENT

With no further business before the Board of Directors, the meeting was adjourned at 12:10 PM.

Burt Baum, Secretary
Third Laguna Hills