

ATTACHMENT 1

WHEREAS, one of the Mutual's Governing Documents is the Condominium Plan, which shows a detailed, three-dimensional diagram of each of the Manors in the Mutual, including the Manor's Separate Interest and any appurtenant Exclusive/Limited Use Common Area, as well as the Manor building's detailed footprint on the ground, which also shows the surrounding land that is designated as Common Area. The Board has been advised by legal counsel that California state law prohibits the Board from amending that Condominium Plan without first obtaining the prior written approval of one hundred percent (100%) of all the Manor Owners and mortgage holders in that Manor's original project's mutual homeowner association; and

WHEREAS, prior Mutual boards, as well as the current Board, have noted that over the years some Mutual Manor Owners have, both with and without Board authorization, made alterations to their Manors or to the immediately contiguous areas, which have affected relatively small sections of the Mutual's Common Area. Typically those alterations have involved enclosing patios that are Exclusive Use Common Area and sometimes have also involved extending that enclosure onto general Common Area, or the alterations have affected the landscape and hardscape contiguous to a Manor; and

WHEREAS, in some cases these alterations may not have met the Mutual's then current Architectural Alteration Standards, notwithstanding the fact that the alteration may have enhanced the value of the Manor and possibly the community as well; and

WHEREAS, the Board recognizes that for it, or the Committee, or staff to identify each prior alteration and determine whether or not it is non-conforming and/or unauthorized would be expensive and time consuming, and would be disruptive to the community and its residents. Further, to correct this situation could, and perhaps would, require expensive and time-consuming litigation, the results of which would be uncertain, since in many cases the alterations have been in place for many years without knowledge of the Board and therefore no objection being made by the Mutual, and many of the Manors have changed owners since the alteration. This Board has concluded that such a general undertaking would not be in the best interests of the owners of undivided interests in the Mutual's general Common Area; and

WHEREAS, the Committee and the Board have reviewed and reconsidered the Mutual's current policies and procedures regarding Manor Alteration Applications to ensure proper procedures are in place at the Mutual on a going-forward basis with regard to alterations by Members; and

NOW THEREFORE BE IT RESOLVED, July 20, 2017, that the Board has a "Decision Tree", "Neighbor Awareness Notice of Hearing", and "Common Area Agreement Form", and the Board hereby adopts the policy outlined in this Resolution to govern staff's, the Committee's and the Board's decision process when Manor Owners apply to the Mutual for authorization to make or construct an Alteration to or within the Manor's Separate Interest; to, upon or within the Exclusive Use Common Area; or upon or over some portion of the Mutual's Common Area (all as defined in the CC&Rs and the Condominium Plan); and

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BE IT RESOLVED FURTHER, that, in limited circumstances, defined from time-to-time by the Committee and approved by the Board, staff may, but is not obligated to; approve Manor Alteration Applications that meet pre-established *Third Architectural Alteration Standards* and other Board and Committee approved policies and procedures, and that do not raise an objection by the owner of a neighboring Manor “those within 150 feet”. Any Manor Alteration Application that cannot or will not be approved by staff for any reason will be treated as a unique Variance Request to be investigated by staff and considered by the Committee for approval or denial, with potential appeal of the Committee’s decision to the Board, all in accordance with the Mutual’s Governing Documents; and

BE IT RESOLVED FURTHER, that the staff, the Committee, or the Board, as may be applicable, shall consider the following factors when evaluating whether to approve a Manor Alteration Application:

(1) The Alteration must be consistent with:

- (a) the Mutual’s governing documents, including the then current *Third Architectural Alteration Standards*; and
- (b) the Mutual’s then current architectural and building guidelines; and
- (c) any other approved staff (as may be applicable), Committee and Board policies and procedures; and
- (d) the applicable provisions of local building codes; and
- (e) California state law and regulations; and
- (f) federal law and regulations; and
- (g) the Mutual’s *Conditions of Approval for the Improvement Project*.

(2) If the proposed Alteration would potentially affect the residents of a neighboring manor, then staff will mail to the owner of the affected neighboring manor, a Neighbor Awareness Notice of Hearing; and

BE IT RESOLVED FURTHER, that, if the proposed Alteration is to be located entirely within or upon an Exclusive Use Common Area already associated with the Manor, staff, as authorized, the Committee or the Board may, but is not obligated to, approve the Manor Alteration Application, provided the Alteration is in compliance with the Mutual’s then current *Third Architectural Alteration Standards* and any other approved Committee and Board policies, and is also permissible under the Mutual’s Governing Documents. Compliance with the Mutual’s *Third Architectural Alteration Standards* and building guidelines shall be a threshold required for approval of any Manor Alteration Application, subject to the discretion granted to staff, the Committee, or the Board, as may be applicable, whether the Alteration would be located within a Manor’s Separate Interest, to, within or upon Exclusive Use Common Area, or upon or over Common Area; and

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BE IT RESOLVED FURTHER, that, if the proposed Alteration is to be located upon or over a portion of the Common Area, staff, as authorized, the Committee or the Board may, but is not obligated to, approve the Manor Alteration Application only in: the very limited circumstances to be described in the Decision Tree, the current *Third Architectural Alteration Standards*, and any other approved Committee and Board policies; and only if the Alteration would also be permissible under the Mutual's Governing Documents or applicable law; and

BE IT RESOLVED FURTHER, that, if the staff, as authorized, the Committee or the Board decides to approve a Manor Owner's Application to make or construct an Alteration to, within or upon an Exclusive Use Common Area associated with that Manor, or upon or over a portion of the Common Area, that Manor Owner must, as a condition to receiving final approval for the Manor Alteration Application, execute a recordable Covenant/Common Area Agreement. Such Covenant/Common Area Agreement shall provide, among other things, that the Manor Owner agrees that the area in question shall remain Exclusive Use Common Area or general Common Area, as applicable, licensed for the exclusive use of the Manor Owner, but shall not also become a part of the Manor's Separate Interest or, in the case of Common Area, Exclusive Use Common Area. The Covenant/Common Area Agreement will also require that the Manor Owner shall assume the responsibility for insuring, maintaining, repairing, replacing and restoring the area containing the Alteration, and shall agree to indemnify and hold harmless the Mutual for any and all claims pertaining to the Alteration; and

BE IT RESOLVED FURTHER, that the Board, within the limits of its current authority, hereby "grandfathers" any existing Alteration to any of the Manors located within the original condominium projects, or the area immediately adjacent to that Manor, which have been previously approved by this Board or a prior board of directors of the Mutual and constructed prior to the effective date of this Resolution, July 20, 2017, even though that Alteration may encroach upon some portion of the general Common Area, provided that:

- (1) there is no threat to the safety of persons or property;
- (2) the Alteration met the Mutual's construction and architectural standards in effect at the time of the Alteration; and
- (3) there is no direction or order of a court requiring the Board to take contrary action; and

BE IT RESOLVED FURTHER, that "grandfathering" any such encroachment did not, does not, and will not constitute a transfer of general Common Area into any Manor's Exclusive Use Common Area or Separate Interest, or the conversion of Exclusive Use Common Area into a Manor's Separate Interest. Such "grandfathering" does not remove the obligation of a Member/Owner of a non-compliant Alteration to a Manor to correct such non-compliance in the event of a sale or transfer of their Manor, but merely means that such non-conformance will not be actively pursued by the Mutual; and

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RESOLVED FURTHER, that the Board may, subject to the limitations provided in this Resolution, the Governing Documents, and applicable law, demand that any Alteration, not consistent with the Mutual's *Third Architectural Alteration Standards* and other Mutual and VMSI policies and procedures published at the time of construction of said Alteration, be removed, at the Manor Owner's expense, if the Alteration is not either altered or reconstructed to be in conformity with such *Third Architectural Alteration Standards*, state and local building codes, and other Mutual and VMSI policies and procedures; and

BE IT RESOLVED FURTHER, that the Board may demand the removal of any Alteration that is constructed after the effective date of this Resolution, July 20, 2017, without the prior written approval of staff, the Committee or the Board; and

BE IT RESOLVED FURTHER, that, in accordance with the Mutual's CC&Rs, the existence in the Mutual of a prior Alteration comparable to an Alteration being sought by a Manor Owner shall have no precedential value and shall not obligate in any way staff, the Committee or the Board to approve any subsequent Manor Alteration Application; and

BE IT RESOLVED FURTHER, that Mutual Board Resolution 03-16-128 is hereby amended as follows:

Paragraph 2, Section 3:

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

Paragraph 2, Section 5:

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

BE IT RESOLVED FURTHER, that the following Mutual Board Resolutions are hereby superseded and cancelled; and

Resolution M3-02-14, dated March 19, 2002; and

Resolution 03-15-155, dated October 20, 2015; and

BE IT RESOLVED FURTHER, that staff charged with the responsibility of receiving, evaluating, approving or making recommendations for approval of Manor Alteration Applications; and overseeing construction of additions, modification, improvements, and such other Alterations to the Manors within the Mutual are hereby authorized to take all appropriate actions consistent with this Resolution and to carry out the purpose and intent of this Resolution and assure compliance with its terms.

ATTACHMENT 2

RESOLUTION 03-18-XX

Common Area Use Policy

WHEREAS, the Third Laguna Hills Mutual, (“Mutual”) is a corporate homeowners association that was formed in 1970; by 1984 had acquired the assets and liabilities by vote of each of the fifty-nine (59) individual Mutuels within the larger Leisure World (now Laguna Woods Village) common interest development, with full authority to manage, operate, and maintain them. By 1988, each of the fifty-nine (59) Mutuels had agreed by vote of each Mutual’s membership to adopt identical amended CC&Rs.

WHEREAS, the decisions of the Mutual’s Board of Directors (“Board”), and any committees, task forces, etc., appointed by the Board, are governed or regulated by the Mutual’s Governing Documents, the City of Laguna Woods and Orange County codes, and California and federal Laws and Regulations;

WHEREAS, the Mutual’s Board recognizes that both new and existing Manor Owners may desire to upgrade or alter their Manors or elements thereof in style, structure or function. The current Mutual Board, prior Mutual Boards, and the Boards of the predecessor original condominium project mutual homeowner associations, have from time-to-time adopted policies and procedures to approve such Manor Alteration Applications in limited circumstances;

WHEREAS, the Mutual’s current Governing Documents require that all such Manor Alteration Applications be approved either by the Architectural Control Committee, which may either be the Board itself or a separate committee of Members appointed by the Board, or by the Mutual’s Manager, Village Management Services, Inc. (“Staff”), where VMSI is so authorized;

WHEREAS, pursuant to Article X of the Mutual’s *Declaration of Revised and Amended Covenants, Conditions and Restrictions* (“CC&Rs”) and Article 7 of the Mutual’s Bylaws, the Board, by Resolution 03-16-128, dated December 20, 2016, has formed an Architectural Control and Standards Committee (“Committee”) to perform the functions described therein;

WHEREAS, pursuant to Article IV, Section 2, Clause (c); Article IV, Section 5; and Article X, Section 1, Clause (c), of the CC&Rs, the Board has delegated, with continuing oversight by the Committee, authority to its Manager and Staff to receive, evaluate, and make recommendations to the Committee and the Board to approve or deny Manor Alteration Applications;

WHEREAS, the current Board, as well as prior Mutual boards, have noted that over the years that some manor Owners have made alterations to their Manors or to the immediately contiguous areas, both with and without Board authorization, which have affected relatively small sections of the Mutual’s Common Area. Typically those alterations have involved enclosing patios that are Exclusive Use Common Area and occasionally have also involved extending that enclosure onto general Common Area, or the alterations have affected the landscape and hardscape contiguous to a Manor;

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WHEREAS, in some cases these alterations may not have met the Mutual's then current Architectural Alteration Standards, notwithstanding the fact that the alteration may have enhanced the value of the Manor and possibly the community as well;

WHEREAS, the Board recognizes that to identify each prior alteration and determine whether or not it is non-conforming and/or unauthorized would be expensive, time consuming and disruptive to the community and its residents. This Board has concluded that such an undertaking would not be in the best interests of the owners of undivided interests in the Mutual's general Common Area;

WHEREAS, the Committee and the Board have reviewed and reconsidered the Mutual's current policies and procedures regarding Manor Alteration Applications to ensure proper procedures are in place in the Mutual on a going-forward basis with regard to alterations by Members;

WHEREAS, among other things, the Common Area Use Policy sets forth very limited circumstances where the Mutual's Board, Committee or Staff, would approve a proposed alteration of, addition to, or improvement of any Manor ("Alteration") that would be located upon or over a portion of the common area; and,

WHEREAS, due to the administrative, financial, and legal burdens involved, the Board and the Committee have determined that it is not in the Association's best interests to approve any Manor Alteration Applications that do not satisfy the very limited circumstances defined from time to time by the Committee and approved by the Board.

NOW THEREFORE BE IT RESOLVED, September 7, 2018, that the Board has prepared a "Decision Tree", "Neighbor Awareness Notice of Hearing" form, and "Covenant To Run With The Land" form, and the Board hereby introduces the policy outlined in this Resolution to govern the Board's, the Committee's and Staff's decision process when Manor Owners apply to the Mutual for authorization to make or construct an Alteration to or within the Manor's Separate Interest; to, upon or within the Exclusive Use Common Area ("Policy");

BE IT RESOLVED FURTHER, no proposed Alteration located upon or over a portion of the common area will be approved by the Board, the Committee or Staff for any reason, except as set forth pursuant to the Policy or as otherwise required by law;

BE IT RESOLVED FURTHER, that, in limited circumstances, as set forth in the Policy, Staff may, but is not obligated to; approve Manor Alteration Applications that meet pre-established *Third Architectural Alteration Standards* and other Board and Committee approved policies and procedures, and that do not raise an objection by the owner of a neighboring Manor which is defined as manors "within 150 feet" of the proposed manor Alteration Application. Any Manor Alteration Application that cannot or will not be approved by Staff for any reason will be treated as a unique Variance Request to be investigated by Staff and considered by the Committee for approval or denial, with potential appeal of the Committee's decision to the Board, all in accordance with the Mutual's Governing Documents;

BE IT RESOLVED FURTHER, that, if the proposed Alteration is to be located entirely within or upon an Exclusive Use Common Area already associated with the Manor,

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Staff, as authorized, the Committee or the Board may, but is not obligated to, approve the Manor Alteration Application, provided the Alteration is in compliance with the Mutual's Architectural Review Procedures, subject to the discretion granted to Staff, the Committee, or the Board, as may be applicable, whether the Alteration would be located within a Manor's Separate Interest, to, within or upon Exclusive Use Common Area;

BE IT RESOLVED FURTHER, that, if the Staff, as authorized, the Committee or the Board decides to approve a Manor Owner's Application to make or construct an Alteration to, within or upon an Exclusive Use Common Area associated with that Manor, that Manor Owner must, as a condition to receiving final approval for the Manor Alteration Application, execute a recordable Covenant to Run with the Land. Such Covenant shall provide, among other things that the Manor Owner agrees that the area altered in any dimension or manner, shall remain Exclusive Use Common Area, licensed for the exclusive use of the Manor Owner, but shall not also become a part of the Manor's Separate Interest. The Covenant will also require that the Manor Owner shall assume the responsibility for insuring, maintaining, repairing, replacing and restoring the area containing the Alteration, and shall agree to indemnify and hold harmless the Mutual for any and all claims pertaining to the Alteration;

BE IT RESOLVED FURTHER, that the Board, within the limits of its current authority, hereby "grandfathers" any existing Alteration to any of the Manors located within the original condominium projects, or to the area immediately adjacent to that Manor, which have been previously approved by this Board, a prior board of directors of the Mutual, a board of directors or the architectural committee of a predecessor original condominium project mutual homeowner association, or the staff of a prior management agent, if that staff were so authorized, prior to July 20, 2017, even though that Alteration may encroach upon some portion of the general Common Area, provided that:

- (1) there is no threat to the safety of persons or property;
- (2) the Alteration met the Mutual's construction and architectural standards in effect at the time of the Alteration; and
- (3) there is no direction or order of a court requiring the Board to take contrary action; and

BE IT RESOLVED FURTHER, that "grandfathering" any such encroachment did not, does not, and will not constitute a transfer of general Common Area into any Manor's Exclusive Use Common Area or Separate Interest, or the conversion of Exclusive Use Common Area into a Manor's Separate Interest. Such "grandfathering" does not remove the obligation of a Member/Owner of a non-compliant Alteration to a Manor to correct such non-compliance in the event of a sale or transfer of their Manor, but merely means that such non-conformance will not be actively pursued by the Mutual;

BE IT RESOLVED FURTHER, that no further alteration may be approved or constructed on any previously approved or "grandfathered" alteration that encroaches upon common area, other than like for like, that augments, enlarges, or changes the construction, purpose, or use of the previously approved or grandfathered alteration;

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BE IT RESOLVED FURTHER, that the determination of whether a proposed Alteration is “like-for-like” shall be made by the Committee, in consultation with Staff, and subject to appeal to the Board, whose decision shall be final and made in the Board’s sole and absolute discretion;

BE IT RESOLVED FURTHER, that the Board may, subject to the limitations provided in this Resolution, the Governing Documents, and applicable law, demand that any Alteration, not consistent with the Mutual’s *Third Architectural Alteration Standards* and other Mutual and VMSI policies and procedures published at the time of construction of said Alteration, be removed, at the Manor Owner’s expense, if the Alteration is not either altered or reconstructed to be in conformity with such *Third Architectural Alteration Standards*, state and local building codes, and other Mutual and VMSI policies and procedures;

BE IT RESOLVED FURTHER, that the Board may demand the removal of any Alteration that was constructed without the prior written approval of Staff, the Committee or the Board;

BE IT RESOLVED FURTHER, that, in accordance with the Mutual’s CC&Rs, the existence in the Mutual of a prior Alteration comparable to an Alteration being sought by a Manor Owner shall have no precedential value and shall not obligate in any way Staff, the Committee or the Board to approve any subsequent Manor Alteration Application;

BE IT RESOLVED FURTHER, that Mutual Board Resolution 03-17-77 is hereby superseded and cancelled; and

BE IT RESOLVED FURTHER, that Staff is charged with the responsibility of receiving, evaluating, approving or making recommendations for approval of Manor Alteration Applications; and overseeing construction of additions, modification, improvements, and such other Alterations to the Manors within the Mutual are hereby authorized to take all appropriate actions consistent with this Resolution and to carry out the purpose and intent of this Resolution and assure compliance with its terms.

SEPTEMBER Initial Notification

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

ATTACHMENT 3

REDLINES

RESOLUTION 03-18-XX

Common Area Use Policy

WHEREAS, the Third Laguna Hills Mutual, ("Mutual") is a corporate homeowners association that was formed in 1970; by 1984 had acquired the assets and liabilities by vote of each of the fifty-nine (59) individual Mutuels within the larger Leisure World (now Laguna Woods Village) common interest development, with full authority to manage, operate, and maintain them. By 1988, each of the fifty-nine (59) Mutuels had agreed by vote of each Mutual's membership to adopt identical amended CC&Rs.

~~WHEREAS, the Third Laguna Hills Mutual ("Mutual") is the corporate homeowner association that was formed in 1988 by the merger of the fifty-nine (59) separate corporate homeowner associations, which initially managed the fifty-nine (59) original condominium projects within the larger Leisure World (now Laguna Woods Village) common interest development, into the one consolidated condominium homeowner association. The~~ decisions of the Mutual's Board of Directors ("Board"), and any committees, task forces, etc., appointed by the Board, are governed or regulated by the Mutual's Governing Documents, the City of Laguna Woods and Orange County codes, and California and federal Laws and Regulations;

WHEREAS, the Mutual's Board recognizes that both new and existing Manor Owners may desire to upgrade or modify alter their Manors or elements thereof in style, structure or function. ~~The~~ current Mutual Board, prior Mutual Boards, and the Boards of the predecessor original condominium project mutual homeowner associations, have from time-to-time adopted policies and procedures to approve such Manor Alteration Applications in limited circumstances;

WHEREAS, the Mutual's current Governing Documents require that all such Manor Alteration Applications be approved either by the Architectural Control Committee, which may either be the Board itself or a separate committee of Members appointed by the Board, or by the Mutual's Manager, Village Management Services, Inc. ("staffStaff"), where VMSI is so authorized;

WHEREAS, pursuant to Article X of the Mutual's *Declaration of Revised and Amended Covenants, Conditions and Restrictions* ("CC&Rs") and Article 7 of the Mutual's Bylaws, the Board, by Resolution 03-16-128, dated December 20, 2016, has formed an Architectural Control and Standards Committee ("Committee") to perform the functions described therein;

WHEREAS, pursuant to Article IV, Section 2, Clause (c); Article IV, Section 5; and Article X, Section 1, Clause (c), of the CC&Rs, the Board has delegated, with continuing oversight by the Committee, authority to its Manager and staffStaff to receive, evaluate, and make recommendations to the Committee and the Board to approve or deny Manor Alteration Applications;

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WHEREAS, ~~the current Board, as well as~~ prior Mutual boards, ~~as well as the current Board,~~ have noted that over the years ~~that some Mutual Manor Owners have, both with and without Board authorization,~~ have made alterations to their Manors or to the immediately contiguous areas, both with and without Board authorization, which have affected relatively small sections of the Mutual's Common Area. ~~Typically those alterations have involved enclosing patios that are Exclusive Use Common Area and sometimes occasionally have also involved extending that enclosure onto general Common Area, or the alterations have affected the landscape and hardscape contiguous to a Manor;~~ ~~and~~

WHEREAS, in some cases these alterations may not have met the Mutual's then current Architectural Alteration Standards, notwithstanding the fact that the alteration may have enhanced the value of the Manor and possibly the community as well;

WHEREAS, the Board recognizes that ~~for it, or the Committee, or staff~~ to identify each prior alteration and determine whether or not it is non-conforming and/or unauthorized would be expensive, ~~and~~ time consuming, and ~~would be~~ disruptive to the community and its residents. This Board has concluded that such ~~an general~~ undertaking would not be in the best interests of the owners of undivided interests in the Mutual's general Common Area;

WHEREAS, the Committee and the Board have reviewed and reconsidered the Mutual's current policies and procedures regarding Manor Alteration Applications to ensure proper procedures are in place ~~at in~~ the Mutual on a going-forward basis with regard to alterations by Members; ~~and~~

WHEREAS, among other things, the Common Area Use Policy sets forth very limited circumstances where the Mutual's Board, Committee or ~~staff~~Staff, would approve a proposed alteration of, addition to, or improvement of any Manor ("Alteration") that would be located upon or over a portion of the common area; ~~and~~.

WHEREAS, due to the administrative, financial, and legal burdens involved, the Board and the Committee have determined that it is not in the Association's best interests to approve any Manor Alteration Applications that do not satisfy the very limited circumstances ~~set forth in the Policy~~defined from time to time by the Committee and approved by the Board.

NOW THEREFORE BE IT RESOLVED, August 21, 2018, that the Board has prepared a "Decision Tree", "Neighbor Awareness Notice of Hearing" form, and "Covenant To Run With The Land" form, and the Board hereby adopts the policy outlined in this Resolution ~~to govern~~ the Board's~~staff's~~, the Committee's and Staff's ~~the Board's~~ decision process when Manor Owners apply to the Mutual for authorization to make or construct an Alteration to or within the Manor's Separate Interest; to, upon or within the Exclusive Use Common Area ("Policy");

BE IT RESOLVED FURTHER, no proposed Alteration located upon or over a portion of the common area will be approved by the Board, the Committee or ~~staff~~Staff for any reason, except as set forth pursuant to the Policy or as otherwise required by law;

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BE IT RESOLVED FURTHER, that, in limited circumstances, ~~defined from time to time by the Committee and approved by the Board as set forth in the Policy,~~ staffStaff may, but is not obligated to; approve Manor Alteration Applications that meet pre-established *Third Architectural Alteration Standards* and other Board and Committee approved policies and procedures, and that do not raise an objection by the owner of a neighboring Manor which is defined as manors “within 150 feet” of the proposed manor Alteration Application. Any Manor Alteration Application that cannot or will not be approved by staffStaff for any reason will be treated as a unique Variance Request to be investigated by staffStaff and considered by the Committee for approval or denial, with potential appeal of the Committee’s decision to the Board, all in accordance with the Mutual’s Governing Documents;

BE IT RESOLVED FURTHER, that, if the proposed Alteration is to be located entirely within or upon an Exclusive Use Common Area already associated with the Manor, staffStaff, as authorized, the Committee or the Board may, but is not obligated to, approve the Manor Alteration Application, provided the Alteration is in compliance with the Mutual’s Architectural Review Procedures, subject to the discretion granted to staffStaff, the Committee, or the Board, as may be applicable, whether the Alteration would be located within a Manor’s Separate Interest, to, within or upon Exclusive Use Common Area;

BE IT RESOLVED FURTHER, that, if the staffStaff, as authorized, the Committee or the Board decides to approve a Manor Owner’s Application to make or construct an Alteration to, within or upon an Exclusive Use Common Area associated with that Manor, that Manor Owner must, as a condition to receiving final approval for the Manor Alteration Application, execute a recordable Covenant to Run with the Land. Such Covenant shall provide, among other things that the Manor Owner agrees that the area ~~in question altered in any dimension or manner,~~ shall remain Exclusive Use Common Area, licensed for the exclusive use of the Manor Owner, but shall not also become a part of the Manor’s Separate Interest. The Covenant will also require that the Manor Owner shall assume the responsibility for insuring, maintaining, repairing, replacing and restoring the area containing the Alteration, and shall agree to indemnify and hold harmless the Mutual for any and all claims pertaining to the Alteration;

BE IT RESOLVED FURTHER, that the Board, within the limits of its current authority, hereby “grandfathers” any existing Alteration to any of the Manors located within the original condominium projects, or to the area immediately adjacent to that Manor, which have been previously ~~approved by this Board,~~ or a prior board of directors of the Mutual, a board of directors or the architectural committee of a predecessor original condominium project mutual homeowner association, or the staff of a prior management agent, if that staff were so authorized, ~~and constructed~~ prior to July 20, 2017, even though that Alteration may encroach upon some portion of the general Common Area, provided that:

- (1) there is no threat to the safety of persons or property;

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- (2) the Alteration met the Mutual's construction and architectural standards in effect at the time of the Alteration; and
- (3) there is no direction or order of a court requiring the Board to take contrary action; and

BE IT RESOLVED FURTHER, that "grandfathering" any such encroachment did not, does not, and will not constitute a transfer of general Common Area into any Manor's Exclusive Use Common Area or Separate Interest, or the conversion of Exclusive Use Common Area into a Manor's Separate Interest. Such "grandfathering" does not remove the obligation of a Member/Owner of a non-compliant Alteration to a Manor to correct such non-compliance in the event of a sale or transfer of their Manor, but merely means that such non-conformance will not be actively pursued by the Mutual;

~~**BE IT RESOLVED FURTHER**, that no further alteration may be approved or constructed on any previously approved or "grandfathered" alteration that encroaches upon common area, other than like for like, that augments, enlarges, or changes the construction, purpose, or use of the previously approved or grandfathered alteration;~~

~~**BE IT RESOLVED FURTHER**, that the determination of whether a proposed Alteration is "like-for-like" shall be made by the Committee, in consultation with Staff, and subject to appeal to the Board, whose decision shall be final and made in the Board's sole and absolute discretion;~~

BE IT RESOLVED FURTHER, that the Board may, subject to the limitations provided in this Resolution, the Governing Documents, and applicable law, demand that any Alteration, not consistent with the Mutual's *Third Architectural Alteration Standards* and other Mutual and VMSI policies and procedures published at the time of construction of said Alteration, be removed, at the Manor Owner's expense, if the Alteration is not either altered or reconstructed to be in conformity with such *Third Architectural Alteration Standards*, state and local building codes, and other Mutual and VMSI policies and procedures;

BE IT RESOLVED FURTHER, that the Board may demand the removal of any Alteration that ~~is was~~ constructed ~~after July 20, 2017,~~ without the prior written approval of ~~staff~~Staff, the Committee or the Board;

BE IT RESOLVED FURTHER, that, in accordance with the Mutual's CC&Rs, the existence in the Mutual of a prior Alteration comparable to an Alteration being sought by a Manor Owner shall have no precedential value and shall not obligate in any way ~~staff~~Staff, the Committee or the Board to approve any subsequent Manor Alteration Application;

BE IT RESOLVED FURTHER, that Mutual Board Resolution 03-17-77 is hereby superseded and cancelled; and

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BE IT RESOLVED FURTHER, that ~~staff~~Staff is charged with the responsibility of receiving, evaluating, approving or making recommendations for approval of Manor Alteration Applications; and overseeing construction of additions, modification, improvements, and such other Alterations to the Manors within the Mutual are hereby authorized to take all appropriate actions consistent with this Resolution and to carry out the purpose and intent of this Resolution and assure compliance with its terms.