



OPEN SESSION

REGULAR OPEN MEETING OF THIRD LAGUNA WOODS MUTUAL ARCHITECTURAL CONTROL AND STANDARDS COMMITTEE

**Monday September 27, 2021: 9:30AM - 11:30AM
VIRTUAL/IN PERSON MEETING**

Laguna Woods Village owners/residents are welcome to participate in all open committee meetings and submit comments or questions regarding virtual meetings using one of three options:

1. Via Zoom : <https://us06web.zoom.us/j/93156707417>
2. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and unit number must be included.
3. By calling (949) 268-2020 beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and unit number.

NOTICE and AGENDA

This Meeting May Be Recorded

1. Call to Order
2. Acknowledgement of Media
3. Approval of Agenda
4. Approval of Meeting Report – August 23, 2021
5. Chair's Remarks
6. Member Comments - (Items Not on the Agenda)
7. Department Head Update

Consent:

All matters listed under the Consent Calendar are considered routine and will be enacted by the Committee by one motion. In the event that an item is removed from the Consent Calendar by members of the Committee, such item(s) shall be the subject of further discussion and action by the Committee.

8. Monthly Mutual Consent Report (Attachment 1, PDF Page 7)

Items for Discussion:

9. ACM Comparison Report (Attachment 2, PDF Page 9)
10. Contractor Violation Policy (Attachment 3, PDF Page 15)
 - A. Contractor Violation List (Attachment 4, PDF Page 29)
11. Demolition Permits

Items for Future Discussion & Agendas:

- Manor Alterations News Bulletin Topics
- Water Heater Enclosure Alternatives
- Alternative Wood Flooring Material



Concluding Business:

12. Committee Member Comments
13. Date of Next Meeting – October 25, 2021
14. Adjournment



OPEN MEETING

**REGULAR OPEN MEETING OF THE THIRD LAGUNA WOODS MUTUAL
ARCHITECTURAL CONTROL AND STANDARDS COMMITTEE**

Monday, August 23 2021: 9:30AM-11:30AM
Laguna Woods Village Community Center (Zoom)
24351 El Toro Road, Laguna Woods, CA 92637

REPORT

COMMITTEE MEMBERS PRESENT: Robert Mutchnick, John Frankel, Ralph Engdahl, Reza Karimi, Steve Parsons

DIRECTORS PRESENT:

COMMITTEE MEMBERS ABSENT:

ADVISORS PRESENT: Michael Plean, Michael Butler

STAFF PRESENT: Robbi Doncost, Lauryn Varnum, Gavin Fogg

1. Call to Order

Acting Chair Engdahl called the meeting to order at 9:30 AM.

2. Acknowledgement of Media

Zoom recording.

3. Approval of Agenda

Agenda was approved by consensus.

4. Approval of Meeting Report for July 26, 2021

The committee approved the meeting report as presented.

5. Chair's Remarks

None.

6. Member Comments - (Items Not on the Agenda)

None.

7. Manor Alterations Division Update



Mr. Doncost updated the current status of the Manor Alterations (“MA”) office, with the staff currently at a three-person deficit and MA currently is utilizing temp staff members to help offset the void. The MA counter is currently closed due to the new COVID regulations and lack of staffing, but Mr. Doncost hopes to reopen the counter soon.

Director Karimi inquired what was being done to address the deficit, and Mr. Doncost confirmed that inspectors are being tapped to partially assist with intake, and the deficit was immediately brought to the attention of the VMS governance.

Consent:

All matters listed under the Consent Calendar are considered routine and will be enacted by the Committee by one motion. In the event that an item is removed from the Consent Calendar by members of the Committee, such item(s) shall be the subject of further discussion and action by the Committee.

8. Monthly Mutual Consent Report

The ACSC reviewed the report without questions.

Items for Discussion:

9. City of Laguna Woods Meeting Minutes

Chair Parsons inquired about the City’s willingness to streamline specific processes. Mr. Doncost confirmed the city has expressed willingness to work with MA, and is scheduling ongoing meetings to maintain contact. Director Mutchnick posed questions regarding asbestos regulations, highlighting that the city has different concerns than VMS, as there are employees of VMS entering resident’s manors. Mr. Doncost clarified that a list of roles/responsibilities is being compiled to confirm the needs of VMS v the city.

10. Alteration Fee Update

The committee review the breakdown and financial analysis provided within the Staff Report, with Mr. Doncost clarified that the fee update is related to expenditure of staff hours in order to balance the Manor Alterations budget. Advisor Plean inquired as to the relationship between the fee schedule and overall expenditure of Manor Alterations. Mr. Doncost could not provide that exact cost, and the fee schedule was derived from a workload analysis.

Advisor Plean then requested the verbiage be updated in order to more clearly illustrate the fees for unauthorized alterations, city-required permits, and alteration fees. Mr. Doncost pledged to update the verbiage accordingly before the Staff Report is reviewed by the Third Mutual Board.

Chair Parsons inquired if the committee was ready to vote, and Director Mutchnick made a motion to approve the Alteration Fee Schedule update and recommend to the Board. The motion passed.

11. SCAQMD & Asbestos Update



Mr. Doncost summarized the efforts of Manor Alterations to engage with SCAQMD resulting in minimal reciprocation. The VMS executive team has been engaged in an effort to facilitate further communication, but with no results as of yet. Mr. Doncost confirmed a responsibility matrix is being created in order to align the understanding of roles/responsibilities of each organization.

Chair Parsons inquired as to a prior idea proposed by United to create a clinic to provide testing at a lower cost to residents. Mr. Doncost stated that this idea has not been pushed further forward as the focus has been elsewhere for United, and the cost expenditure would be great as no recoverable costs are available. Director Karimi questioned which regulatory agency is the authority, and Mr. Doncost confirmed it was SCAQMD and CalOSHA respectively, and the complexities lie within the ownership of the Mutual v members. Chair Parsons stated the topic should be placed on the agenda for the following committee meeting.

Items for Future Agendas:

- Manor Alterations News Bulletin Topics
- In-Person Manor Alterations Seminar and Q&A

Chair Parsons highlighted two topics to add to the next agenda: penalties for contractors; demolition permits. Mr. Doncost confirmed that Manor Alterations was discussing the idea of streamlining permits, stating that the need for demo permits arose due to asbestos regulations. He also confirmed that both a Mutual Consent and a Demo permit can be pulled simultaneously. Chair Parsons acknowledged this, and confirmed the need to explore these topics further.

Concluding Business:

12. Committee Member Comments:

None.

13. Date of Next Meeting – August 23, 2021

14. Adjournment at 11:50AM

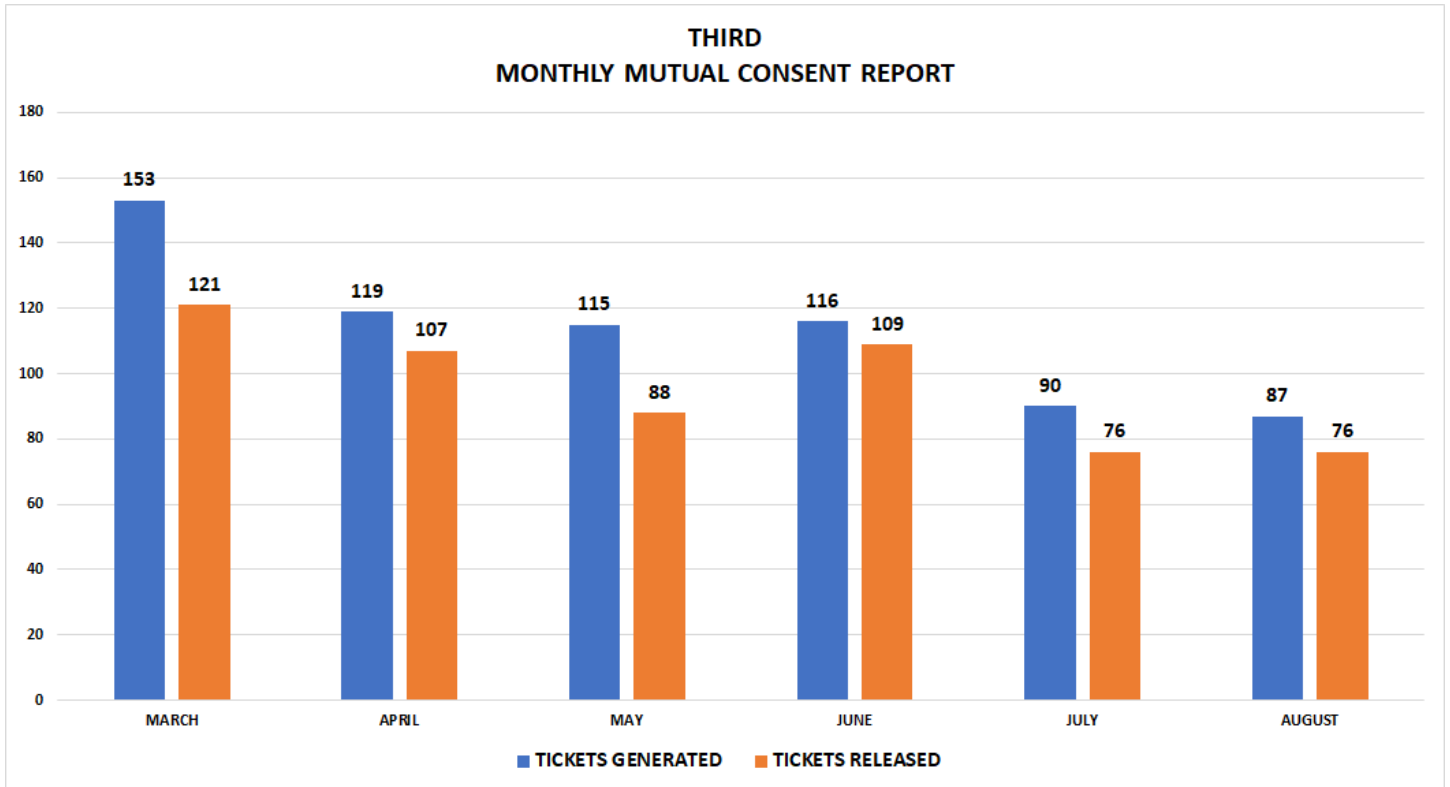
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Steve Parsons, Chair

Robbi Doncost, Staff Officer

Telephone: (949) 268-2281

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Average Numbers:

**Phone in-take: received per day / responded to per day =
25 – 40 Received per day / 25 – 35 Responded per day**

**E-mail in-take: received per day / responded to per day =
80 – 100 Emails per day / 70-90 Responded per day**

**Remote counter: total for August /average per day =
0 appointments due to closing office**

Permit Release Timeline:

Class I Permits = 9 - 13 Business Days

Class II Permits = 9 - 13 Business Days

Class III Permits = 10-90 Business Days

*Plan Checks are performed within 2-4 days, delays are caused by staff gap within the in-take division

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ACM COMPARISON REPORT

Date: Sept. 15, 2021

This comparison of requirements between City, Manor Alterations (MA), and AQMD are provided for a general review of each entities current requirements relating to approvals. No consultants have been authorized to review this information as noted by mutual request.

PART 1: COMPARISON CHART OF ACTIVITIES

ITEM	DEMOLITION WORK	Manor Alteration. Req.	City Req.	AQMD Rule or Regulation.	Notes
1	Abatement Consultant and permit for any disturbed material	X	X	X	See Note 1 :EPA regulations are established for protection of the Environment & Public 1403(b)
2	AQMD Permit needed for demolition & removal of ACM	X	X	Rule 1403	See Note 2: Prior to any demolition or removal of more than 100 square feet of intact (not damaged) asbestos- containing material greater than 1% asbestos.
3	City Permit required by AQMD	X	X	Rule 1403	California Health and Safety Code 19827.5 prohibits cities from issuing demolition permits until you provide the city with a copy of the demolition Notification that you submitted to the South Coast AQMD
4	CAC Survey & Test results	X	X	Rule 1403(d)(1)(A)	over 1% and 100sqft of ACM it is required.
5	Review of CAC Survey & Test Results	X		over 1% and 100sqft to AQMD	See Note 3: City files CAC Survey and relies upon certification of consultant
6	Final Air Clearance to MA	X	X	over 1% and 100sqft	See Note 4: AQMD requires Air clearance after all ACM work to show unit is clear of ACM
7	Unauthorized Release: P-5 CleanUp is needed.	X	X		See Note 5: AQMD verifies all clean up documents. MA requires MC for Demo that includes entire demo project. City requires waste manifest and AQMD approval.
8	Waste Disposal Manifest submittal		X		Not an MA requirement at present but could start to accept manifest in lieu of CAC survey reviews.

PART 2: GENERAL NOTES

1. City collects documents and allows consultants to assume all liability. See attached documents.
2. Stop Work Regulated Materials doc contains testing and CAC references.

ATTACHMENT 2
ACM COMPARISON REPORT

	3. Many times the CAC report findings appear to be contrary to AQMD regulations. Sample materials of multi-layers should be tested separately and not assume it is homogeneous material. Applies to plaster, drywall, mastic/tile, etc.				
	4. Asbestos Percentage Criteria				<1% = CALOSHA - passively governs worker laws/ City Permit requires ASC form
					>1% / >100sqft = AQMD – Via Notification 1403 form / City permit requires copy of 1403 form
	All Demolition must be reported to AQMD Via Notification 1403 form / City Permit requires copy of 1403 form				
	5. No City demo notification needed for P5 clean up in normal cases, as AQMD notification & approval of P-5 Plan. Both MA and City requires permits for demolition work.				
PART 3: ADDITIONAL CODES, DEFINITIONS, AND RULE APPLICATIONS					
A	ACM defined	This is a general note			AQMD ASBESTOS-CONTAINING MATERIAL (ACM) is both friable asbestos-containing material or Class I nonfriable asbestos-containing material. <u>1403(c)(5) - >1%</u>
B	P-5 Releases				Approved Alternative <u>1403(d)(1)(D)(i)(V)(1-3)</u>
C	CAC Testing should include Homogeneous Material Sampling. If material contains layers then each layer must be tested.				Survey shall include all affected materials including all layers 1403(d)(1)(A)(ii) Facility Survey
C1	Sample and test protocols to conform to (1) Sampling of materials suspected to contain asbestos, to comply with this rule, shall be conducted following the provisions of 40 CFR Part 763.86.				
C2	An accredited inspector shall collect, in a statistically random manner that is representative of the homogeneous area of bulk samples from each homogeneous area of friable surfacing material.				
D	100 SF Rule removal of Asbestos by certified contractors only				Only asbestos removal contractors listed at The Cal/OSHA Asbestos Registration are allowed to remove asbestos in the State of California, except where exempt under California Labor Code 6501.5

PART 4: AQMD Rules & Supplemental Information					
	Rule 1403 Compliance - Asbestos Emissions From Demolition/Renovation Activities				
	A person subject to this rule shall prevent emissions of asbestos to the outside air by complying	1403 (d) Requirements			
	Affected Facility or Facility components shall be thoroughly surveyed prior to demolition or renovation activity.	1403 (d)(1)(A)(i) Facility Survey			
	Notification - District shall be notified of intent to conduct any demolition or renovation activity	1403 (d)(1)(B) Notification to AQMD			
	AQMD Notification Form found at	Rule 1403			
	Misc Information found at Asbestos Removal & Demolition: (http://www.aqmd.gov/home/rules-compliance/compliance/asbestos-demolition-removal)				
	AQMD web page: Asbestos Removal & Demolition: (http://www.aqmd.gov/home/rules-compliance/compliance/asbestos-demolition-removal)				
	Certified Asbestos Consultant will NOT be allowed to conduct PACM tests for results on samples they have taken; all samples are required to be tested by a Lab				
1	MA requires a demolition permit due to need to obtain testing report, air clearances, and governmental approvals prior to issuance of new build permit. The City does not require a demo and new build permit separation. MA enacted this separation to receive and file the documents.				

	100 SQUARE FOOT RULE APPLICATION				
	Application of Exemption to Owners 100 SF Rule				
	This is a notification exemption: There is an exemption that applies only to the legal owner of the single unit family dwelling (house) who is a permanent resident of this house and is personally performing this house renovation themselves (not employing a contractor or laborer, and not being helped by friends, family or anyone else). See Rule 1403 (j)(9).				To be confirmed : Phone Call with I H S on 9/24/21
	<u>There are no exemptions for owners of condominiums, townhouses, or apartments.</u>				
	Rule 1403 (J) (1) The notification requirements of subparagraph (d)(1)(B) and the training requirements of subdivision (i) shall not apply to renovation activities, other than planned renovation activities which involve non-scheduled renovation operations, in which less than 100 square feet of surface area of ACM are removed or stripped.				provides exception for notification for <100sqft
	Rule 1403 (J) (9) The provisions of this rule shall not apply to an owner-occupant of a residential single-unit dwelling who personally conducts a renovation activity at that dwelling.				Provisions to entire 1403 rule do not apply to owners personally conducting work.
	Point Count				If it is found to be below (<.1 ACM containing) that material is then not regulated and is classified as a non-containing ACM material/substance. Furthermore, IHS (MA relied upon hygienist consultant) explained their process of testing using PLM, if below 1%, testing using 1000 point count to prove its less than 0.1% the material can be treated as Non-ACM. It can then be removed and disposed of as construction debris.

ATTACHMENT 2
ACM COMPARISON REPORT

	Point Counts are allowed and at time required. South Coast AQMD Asbestos Hot Line at (909) 396-2336				sample results of less than 10% must be point counted by 400-point count method or assumed to be ACM >1%. If PLM reveals trace amounts or <1%, then it must be, <u>at a minimum</u> , 400-point counted. If <1% it is noted as “trace” or “<1%” by PLM analysis must be point counted. subject to Rule 1403. 1000-point count & other methods are also acceptable after PLM analysis.
	O&M Workers follow >.1% and <100 SF can use certified workers w/ 16 Hrs training for removal				
	“None Detected” CAC test results equals - any worker may conduct the removal and disposal of construction materials				
PART 5: CONCLUSIONS & RECOMMENDATIONS					
MA1	As part of MA issuing of the new construction permit, MA collects and accepts the CAC Survey Reports as valid without review and comment as does the city.				
MA2	As part of MA issuing of the new construction permit, MA collects and files the Waste Manifest documents.				



ACM COMPARISON REPORT

Documentation	Manor Alter.		City Building Dept.				AQMD				Notes		
	<1% ACM	>1% ACM	<1% ACM	>1% ACM	<100sqft ACM	>100 sqft ACM	<1% ACM	>1% ACM	<100sqft ACM	>100 sqft ACM			
												Less than 1% but more than 0.1% ACM still requires to be handled as ACM and falls under CALOSHA regulations	
1 CAC Asbestos Survey Report	X		X	X			X	X			X	X	Rule 1403(d)(1)(A)
2 Review of CAC Survey & Test Results	X	X	X	X							X	X	CITY: City files CAC Survey and relies upon certification of consultant
3 Asbestos Survey Certification Form					X	X	X	X					Some Exceptions to City Requirements if AQMD notification is required
4 Certified ACM Worker Scope of work/Contract	X	X	X	X									MA: Any ACM (>0.1%) work required scope of work/Contract by Certified ACM worker.
5 Mutual Consent	X	X	X	X	X	X	X	X					CITY: City Uses MC as owner (Mutual) approval of proposed alterations.
6 City Permit	X	X	X	X	X	X	X	X					CITY: Some Exceptions to City Requirements if work falls under O&M rather than renovation/demolition.
7 AQMD Approval							X	X			X	X	AQMD: Rule 1403(d)(1)(B)(i) Notifications CITY: California Health and Safety Code 19827.5 prohibits cities from issuing demolition permits until you provide the city with a copy of the demolition Notification that you submitted to the South Coast AQMD
8 Waste Disposal Manifest submittal							X	X					AQMD: Rule 1403 (f)(1) - Required upon request only. CITY: Required to issue final permit MA: could start to add this requirement in exchange of no longer reviewing surveys
9 Final Air Clearance to MA	X	X	X	X	Currently checking with City							X	MA: Require Air clearance after all ACM (>0.1%) work to show unit (VMS work place) is clear for ACM following any alteration ACM work.



DATE: September 27, 2021
FOR: Third ACSC
SUBJECT: Contractor Violation Policy

RECOMMENDATION

Staff recommends the Third Laguna Woods Mutual Architectural Control and Standards Committee (ACSC) adopt the proposed Contractor Violation Policy (Attachment 1), Exhibit A - Contractor Rules & Obligations (Attachment 2) and Resolution 03-21-XX (Attachment 3) to provide additional protections to shareholders and mutual property as a result of the shareholders hiring contractors that continue to violate mutual construction rules and regulations.

BACKGROUND

Manor Alterations (MA) is seeing more frequent violations by shareholder-hired contractors. Many violations are minimal; some are severe, causing additional time management required by MA and extensive additional shareholder costs. These costs may include, but are not limited to, asbestos cleanups, removing mutual structural components (damage to the mutual) and starting work without MA or city permits.

Many contractors are repeat offenders. Currently, MA has no policy in place to manage contractor violations in this effort. As contractors are in direct contract with shareholders and not the mutual, the mutual is limited in its deployment of contractor violations. Third's attorney advises limiting the course of action against contractors to suspension or total exclusion from future work in Third if the contractor has a proven track record justifying such action.

MA has increased its presence in an ongoing effort to educate shareholders, contractors and realtors with the addition of a biweekly news bulletin, additional staff to answer inquiries and guide applicants through the permit process, articles in the Village Breeze, additional new tools such as a process map and a frequently asked questions guide. In the past year much more information has been provided; however, violations continue to increase.

DISCUSSION

MA is seeking to enact the Contractor Violation Policy as a method of leverage for enforcement of Third's current rules and regulations. This policy would only benefit Third Mutual shareholders, as it would provide clarity on potential contractor conduct expectations. It would also provide clarity on current mutual rules and regulations. This policy would be incorporated within the mutual consent (Attachment 4) and demolition (Attachment 5) application verbiage as a method of acknowledgement for both contractors and applicants.

FINANCIAL ANALYSIS

No financial analysis is provided. It can be assumed that adopting this policy will result in a slight reduction in staff time, as less attention will be needed to respond to violating contractor behavior. Even if the only reduction of staff responses to illegal asbestos releases is considered the following would apply:

Reduction in P-5 ACM releases

P-5 Releases per year estimate: Two per month for 24 responses

Staff est. time/Response: 12 hours x AV. Fee of \$38.94 (2021 bill rate inclusive of burden) =

\$467.28 per event x 24 events yields a savings of **\$11,214.72**

Prepared By: Robbi Doncost - MA Manager

Reviewed By: Gavin Fogg - MA Supervisor

Committee Routing: Third Mutual Board

ATTACHMENT(S)

Attachment 1 – Contractor Violation Policy 03-21-XX

Attachment 2 – Exhibit A – Construction Rules & Obligations

Attachment 3 – Contractor Violation Resolution 03-21-XX

Attachment 4 – Mutual Consent Application Revised Verbiage

Attachment 5 – Demolition Application Revised Verbiage

Attachment 1 – Contractor Violation Policy 03-21-XX

CONTRACTOR VIOLATION POLICY

It is crucial that contactors hired by shareholders strictly follow mutual rules and restrictions related to construction, improvement and repair projects. Given the proximity between units and age of the buildings, among other related factors, any deviation from mutual rules or the shareholder's approved scope of work has the potential to have a significant impact on the property as well as the adjacent neighbors. Staff has discovered a material increase in violations by shareholder contractors who are either unfamiliar with or fail to abide by mutual rules and restrictions or who perform work outside of what was approved. Oftentimes this can lead to delays; increased project costs for shareholders; increased noise, inconvenience and disturbance to neighbors; and unnecessary staff time and resources diverted to regulating and overseeing contractor violations and corrections.

This Contractor Violation Policy (policy) provides for penalties in the form of prohibiting offending contractors from performing work in Third in an effort to protect shareholders and Third property and to encourage contractors to adhere to the rules and obligations governing the shareholders and mutual.

Manor Alterations (MA) is the representative acting on behalf of the managing agent (VMS) for the mutual (Third). This policy classifies the noticing, violation severity, enforcement, ramifications of disciplinary actions and remedies relating to the offenses. MA would use the policy criteria listed herein to evaluate the contractors' behavior and administer notices and violations to shareholder contractors.

The circumstances for providing a potential violation notice or notice of violation and issuing violation suspensions are based on the severity of the offense listed in two categories as defined below:

Moderate Violation

1. Any violation of Exhibit A – Conditions Rules & Obligations unless noted as a severe violation.

Severe Violations

1. Any violation by a contractor performing demolition or initiating renovation work without all appropriate governmental and MA approvals inclusive of mutual consents issued by MA and City of Laguna Woods approvals, and
2. Any contractor performing work contrary to the work specifically noted on the mutual consent (MC) issued by MA for the following:
 - a. Performing any structural removal or modification, including, but not limited to, the widening of an opening of a doorway, passageway or window or removal or modification of a structural building element (inclusive of columns, bearing walls, shear walls, foundations, exterior walls, any work that would have required a variance approval from the board or lapse of any insurance coverage so disclosed by the contractor on the mutual standard certificate of liability insurance [COLI]).
 - b. Performing any work that is beyond the scope of work as defined by the mutual consent (MC). This expanded work will include, but not be limited to, installing a larger quantity of materials, amending the parameters initially identified, revised

Attachment 1 continued – Contractor Violation Policy 03-21-XX

layout, increased dimensions of an approved renovation or using differing materials as was indicated on the MC.

3. Any expansion of the MC description for demolition or improvement work previously issued without further authorization from MA. Any unauthorized asbestos release contrary to city code, SCAQMD or Cal/OSHA regulations, or
4. The reluctance to complete the approved MC scope of work within 90 calendar days of permit issuance, or such reasonable time for the work so described on the MC as agreed to with MA when the MC was initially issued, exempting therefrom, any reasonable extension of time for force majeure condition affecting the timely completion of the work. See Exhibit A – Construction Rules & Obligations Contractor, Item 17, for complete terms relating to time of completion. A force majeure event shall be defined as an event beyond the control of the contractor affecting the timely completion of the work. Allowable force majeure events shall be considered as an event(s) affecting the entire local contracting community that would include major material shortages, war, strike, riot, catastrophic weather event, labor disputes or governmental orders relating to a pandemic. The contractor's time shall only be extended for the duration of the force majeure event.

MA is responsible for providing the following enforcement actions of this policy:

1. Substantiate violations with notices, notes and photographs; document and archive the violation events; and transmit violation material to contractor and shareholder,
2. Maintain a log of violations recording at a minimum the contractor's name and address; detail of the violation circumstances; notes regarding the rules, regulations and obligations of violation; and other pertinent information of the event,
3. MA shall notify the manor shareholder and contractor of all violations and potential consequences within seven working days from time of MA's knowledge of the violation,
4. Issuance of all violation notice documents are to be posted on the manor with a description of the violation(s). Contractor violations shall also be published in the biweekly news bulletin only after validation of the violation.
5. Maintain a master list of contractors who are ultimately determined to have engaged in violation of and/or have been suspended under this policy.

Contractor Violations

Also see the contractor violation description below:

1. Moderate first violations – Any violation of the Exhibit A – Construction Rules & Obligations unless noted as a severe violation. Contractor and shareholder will be notified of the first violation. All subsequent violations in this category will then escalate to a severe violation as described below.
2. Severe violations – If the first violation is a severe first violation (or a second moderate violation) then MA shall issue a potential violation notice. MA shall allow the contractor the opportunity to explain the circumstances of the violation. Under special circumstances shall the contractor be allowed to continue work. MA shall then determine if the potential violation notice shall become a violation notice and invoke those actions described in the contractor violation description.
3. In the event a suspension is issued, the contractor will no longer be allowed to do work within Third. After the second suspension, board approval is necessary for contractor

Attachment 1 continued – Contractor Violation Policy 03-21-XX

reinstatement. Thereafter, any violation would result in permanent suspension from Third.

- a. The shareholder is responsible for any supplemental cost to mitigate the actions of his/her contractor that might be attributable to the consequences of damage, including, but not limited to, remediation of emergency asbestos cleanup and mitigation, damage to mutual property and fines established by governmental agencies.
 - b. The shareholder is responsible for any increased costs in replacing a suspended contractor from an existing project, subject to No. 4 below.
4. Upon issuance of a notice of severe violation, the contractor shall not be allowed to submit any new application(s), and existing applications will be refused and/or the contractor will not be allowed to perform any further work in the mutual. However, the shareholder of the manor issued the offense and any shareholder who is currently using this contractor shall be allowed, with consultation, under special circumstances and only with the express written approval of MA to continue to use the offending contractor to finish an existing contract at the discretion of MA and in consideration of code compliance.

Contractor Violation Description

Any violation or suspension due to a violation hereunder will be viewed in totality for any work performed by the contractor in the mutual, and not on a per-project/mutual basis.

Moderate Violation

1. First offense – Notice of moderate violation and no further action to be taken.
2. Second offense – Escalation to severe violation pending MA conference (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). If MA determines no further action is needed, it remains a moderate violation without suspension. If determined to be a second violation, MA will apply a 30-calendar-day suspension from working in the mutual.

Severe Violation

1. First offense – Notice of potential violation. Pending conference with MA (i.e., contractor will discuss with MA the basis for what was done so that MA can determine if there was a violation or a misunderstanding). The result of this conference will be the basis a 30-calendar-day suspension.
2. Second offense – Notice of violation and mandatory 90-day suspension.
3. Third offense – Notice of violation and mandatory termination of contractor from all work within the mutual. Only board reinstatement can result in the contractor continuing to work in the mutual.

Suspensions resulting from the second and third offense violations will occur after a conference is held between MA and the contractor to determine if there was a violation or a misunderstanding. It shall also be determined if the shareholder of the manor issued the offense and any shareholder that is currently using this contractor, shall be allowed, under special circumstances, to continue to use the offending contractor to finish their existing contract at the discretion of MA and in consideration of code compliance.

Attachment 1 continued – Contractor Violation Policy 03-21-XX

Regardless of the violations levied as noted herein, contractor and shareholder may be subject to other costs as a result of damages to mutual property.

Contractor Right to Dispute

The contractor's right to dispute the violation shall be as follows:

1. The contractor has the right to dispute the MA notice of violation by emailing a hearing request to alterations@vmsinc.org and copying the MA supervisor and MA manager within seven calendar days of the notice of violation issuance to contractor.
2. Said hearing request will be heard by Third's ACSC at its next appropriate hearing date.
3. Should the contractor make a hearing request, all conditions of the violation, including the suspension, will remain in effect until the ACSC provides a final determination.

Attachment 2 – Exhibit A – Construction Rules & Obligations

Exhibit A – Construction Rules & Obligations

Both shareholder and contractor shall abide by Exhibit A – Construction Rules & Obligations, may be held responsible for damages and take responsibility for the violations as a result of not complying with Exhibit A – Construction Rules & Obligations. Contractor agrees to comply with all rules and regulations, and violation provisions as stated in Exhibit A – Construction Rules & Obligations and the Contractor Violation Policy.

1. Mutual consent (MC) approvals: No improvement shall be installed, constructed, modified or altered at any manor (property) within Third Laguna Woods Mutual (mutual) without obtaining the proper demolition and new improvement permits in the forms of MCs for alterations and demolitions made to and approved in writing by Village Management Services Inc. (VMS), Manor Alterations Division (MA) or, in the event of a variance from the mutual's alteration standards, the Architectural Control and Standards Committee (ACSC) and the Third board. In the event written permission is given for the installation, construction, modification or alteration of any improvement(s) upon the property, the shareholder 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.
2. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the property's shareholder and/or all future mutual shareholders. Contractor may be held responsible to repair mutual property damaged and/or modified in the course of its work without having obtained the approval to do so via a duly executed MC.
3. 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.
4. A City of Laguna Woods permit may be required as well as a clearance requirement from the South Coast Air Quality Management District (SCAQMD) (asbestos hotline, 909-396-2336). Prior to the issuance of an MC for alterations and/or demolition, the appropriate City of Laguna Woods permit number(s) must be submitted to the MA office located in the Laguna Woods Village Community Center. The city permit must be approved within the prescribed timeframe, and a copy of the final permit must be submitted to MA.
5. Shareholder hereby consents and grants to the mutual, MA, the Maintenance and Construction Department and their representatives a right of property entry at any time to inspect said property and its improvements and for the mutual and the department, including its representatives and contractors, to remedy any violation upon the property, including, but not limited to, removing trash and/or any improvement installed without approval or modifying an improvement to bring the same into compliance with the terms of the approval.

Attachment 2 continued – Exhibit A – Construction Rules & Obligations

6. Subject to the Contractor Violation Policy, shareholder and contractor shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents, any others who perform work on the property and 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, damage to mutual property and use of mutual property for storage of equipment or materials without prior approval. Shareholder acknowledges and agrees that all such persons are his/her invitees. Shareholder shall be responsible for informing all his/her invitees of the mutual's rules and regulations; however, that does not relieve contractor from compliance with the rules due to ignorance or otherwise, as contractor will sign the MC for alterations and/or demolition as a condition to and requirement of any approval. Shareholder shall be liable for any violation of the mutual's governing documents or for any damage caused by any invitee, including any fine, assessment or other charge levied in connection therewith; however, contractor is also responsible to repair all damage that was done in the execution of the alteration, consistent with item number two in this exhibit.
7. Shareholder and contractor are responsible for following the gate clearance process in place to admit contractors and other invitees. See <http://www.lagunawoodsvillage.com>.
8. Shareholder'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 Laguna Woods Village for performance of work in connection with the property.
9. All improvements must be installed in accordance with California State building code, and the published mutual architectural alterations standards, policies and guidelines. See <http://www.lagunawoodsvillage.com>.
10. 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. Except in an emergency, work hours from 8 a.m. to 5 p.m. on weekdays; no work is permitted on holidays and weekends.
11. During construction, both the MC for demolition, alterations and the city building permit must be on display for public view at all times in a location approved by MA.
12. No waste or materials associated with the construction may be dumped in Laguna Woods Village trash bins; such waste or materials associated with the construction must be disposed of offsite by the contractor.
13. Call the Security Services Department at 949-580-1400 to receive dumpster location approval. All dumpsters must conform to the policy for temporary containers. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.

Attachment 2 continued – Exhibit A – Construction Rules & Obligations

14. Call Security at 949-580-1400 for portable bathroom placement approval.
15. The MC for alterations is expected to be completed within 90 calendar days after the date of approval, unless an application is submitted with fees and approved by MA for an extension or documentation is submitted with the MC that justifies the need for a period longer 90 days and MA has agreed to this extension in writing. If the MC has an established completion period of more than 90 days but less than 180 days, the date established by the MC shall govern. An extension for a maximum of an additional 90 calendar days beyond the maximum 180-day period may be granted at the request of the shareholder prior to expiration and at the discretion of MA. The contractor shall not perform any work beyond this 180-day period or six months unless authorized by MA in writing.
16. Violations of the forgoing conditions or the mutual's governing documents (see <http://www.lagunawoodsvillage.com>), including, but not limited to, unpaid assessments, 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 shareholder as presented in the Contractor Violation Policy.
17. Mutual shareholder and his/her contractor shall indemnify, defend and hold harmless Third and its officers, directors, committee members, employees and agents from and against any and all claims, demands, costs, fines, judgments, settlements and any other costs, expenses, amounts and liabilities arising from the mutual shareholder's improvements and installation, construction, design and maintenance of same.

Attachment 3 – Contractor Violation Resolution 03-21-XX

RESOLUTION 03-21-XX
Contractor Violation Policy

WHEREAS, the purpose of the Contractor Violation Policy is to enact a unilateral and unambiguous matrix of penalties for contractors who violate current Mutual rules and obligations or exceed the scope of approval for a project; and

WHEREAS, this pending Resolution would make the Contractor Violation Policy permanent and provide a clear template for invoking penalties, inclusive of temporary or potentially permanent suspension from work within Laguna Woods Village, reduction of MC lifespan to ninety (90) days with the possibility for an approved timeline extension; and

WHEREAS, the Third ACSC and Manor Alterations agree that the Contractor Violation Policy will be effective and both recommend the approval by the Third ACSC.

NOW THEREFORE, BE IT RESOLVED, on October 19, 2021, the Third Mutual Board hereby approve the Contractor Violation Policy as attached to these minutes; 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.

Attachment 4 – Mutual Consent Application Verbiage

REVISED VERBIAGE

MUTUAL CONSENT FOR MANOR ALTERATION(S)

The undersigned, a member of United Laguna Woods Mutual, Third Laguna Hills Mutual, or Laguna Woods Mutual No. Fifty, a California nonprofit corporation (hereafter referred to as the "Corporation"), hereby requests permission of the Corporation to make the alteration described below to the Manor. Said alteration (hereafter sometimes referred to as the "Work") shall be performed subject to the terms and conditions printed on the reverse side hereof, and the latest version of the Contractor Violation Policy, which terms and conditions set out the responsibilities of the member and the below named contractor.

United Laguna Hills Mutual, per Resolution 01-10-88, hereby designates that the member of United Mutual listed below is a representative of the Mutual exclusively for the purpose of obtaining a City of Laguna Woods building permit for the alteration proposed herein. By signing hereon below both member and contractor acknowledge receipt of the entire Contractor Violation Policy and will adhere to the terms and conditions.

Manor: _____
 Street: _____
 Mutual Consent#: _____
 Final Inspection: _____

A copy of the signed City Final Inspection is required for final acceptance by the Mutual

City Demo Permit#: _____
 Final Inspection: _____
 City Permit#: _____
 Final Inspection: _____
 NAF: _____
 Expiration Date of Mutual Consent: _____

MANOR MODEL NAME:

PLAN #:

PROPERTY OWNER / APPLICANT INFORMATION

Name: _____ Phone: _____
 Street Address: _____
 City: _____ State: _____ Zip Code: _____
 Email: _____

CONTRACTOR INFORMATION

Company Name: _____ Phone: _____
 Street Address: _____
 City: _____ State: _____ Zip Code: _____
 Email: _____ License: _____ Class: _____ Expires: _____

PROJECT DESCRIPTION:

VALUATION: \$

ALTERATIONS TO BE COMPLETED PER MUTUAL RULES & STANDARD SECTION(S):

PER MUTUAL APPROVED STANDARD PLAN(S) #

PER MUTUAL APPROVED VARIANCE RESOLUTION #

Attachment 4 continued – Mutual Consent Application Verbiage

MEMBER & CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY

1. The Mutual's Alteration process requires the Mutual Member receive a copy of the Mutual Standard to which the requested Mutual Consent applies, where applicable. To ensure compliance, the Member's signature below indicates receipt of the Standard is necessary, and a Mutual Consent will not be issued without this required signature.
2. We (Member and Contractor) understand that we will be in non-conformance if we do not conform to Mutual Rules and Regulations, and that the Member may be subject to Member Disciplinary Procedures, including the possibility of a fine in accordance with the Schedule of Monetary Penalties.
3. We (Member and Contractor) also understand and agree that we are responsible for all risks in connection with all alteration(s) or improvement(s), including but not limited to, the costs of removing, altering, protecting, or replacing the same as may be necessary or appropriate to conduct Corporation business.
4. The Member understands and agrees that the Member is responsible for, and will bear all costs in connection with all alteration(s) or improvement(s), and remediation(s) required to complete the alteration(s) or improvement(s). The member and contractor will be responsible for any costs associated with remediation, clean-up or repair of mutual owned or controlled property, caused by or resulting from alteration(s) or improvement(s) or the installation thereof as a result of the contractor not following the protocols and policies outlined in the Mutual Rules and Regulations, Mutual Consent Form, and the Contractor Violation Policy.

By signing below, both Member and Contractor agree to adhere to the four directives listed above.

I certify that all items listed on this Mutual Consent will be represented on the City of Laguna Woods building and demolition permit, and no work shall be covered without inspection and approval by the City of Laguna Woods. I also understand that the Mutual Consent will EXPIRE within 90 CALENDAR DAYS unless extended in writing by Manor Alterations.

Signature of Member:	Date:
CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY	
I have received, read, understand, and agree to follow and confirm to all current Mutual Standards regarding this alteration(s). In addition, I am a contractor licensed pursuant to the laws of the State of California and agree to perform the work subject to the terms and conditions printed on the reverse side of this application. I will ensure that items requiring Inspections will not be covered WITHOUT INSPECTION AND APPROVAL by the CITY OF LAGUNA WOODS BUIDLING INSPECTOR. I also understand that Mutual Consent will EXPIRE within 90 CALENDAR DAYS unless Manor Alterations approves a documented request for extension. For all work performed in the Mutual, the contractor acknowledges receipt of the Contractor Violation policy and will adhere to its terms and conditions.	

Signature of Contractor:	Date:
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IMPORTANT NOTICE: ASBESTOS CONTAINING MATERIALS THAT ARE BASICALLY INERT AND HARMLESS IF NOT DISTURBED MAY BE PRESENT IN CEILINGS, FLOORS AND OTHER BUILDING COMPONENTS. LEAD-BASED PAINT MAY BE PRESENT. MEMBER AND CONTRACTOR ARE CAUTIONED TO TAKE ALL REASONABLE AND PRUDENT MEASURES TO PROTECT PERSONS AND PROPERTY BEFORE DISTURBING SUCH MATERIALS. MEMBER AND CONTRACTOR AGREE TO ABIDE BY ALL FEDERAL, STATE, AND LOCAL LAWS, ORDINANCES, CODES AND REGULATIONS RELATING TO DISTURBANCE, REMOVAL AND/OR DISPOSAL OF ALL REGULATED MATERIALS; AND UPON REQUEST, COPIES OF DISPOSAL MANIFESTS WILL BE PROVIDED TO THE CORPORATION.

FOR OFFICE USE ONLY
This application is approved and said member is hereby granted permission to make the above described alteration(s).

Alteration Code(s):

VMS, Inc.	Permit Fee	Penalty Fee (If Applicable)	Paid <u>By</u>	Date
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Attachment 5 – Demolition Application Revised Verbiage

REVISED VERBIAGE

MUTUAL CONSENT FOR DEMOLITION

The undersigned, a member of United Laguna Woods Mutual, Third Laguna Hills Mutual, or Laguna Woods Mutual No. Fifty, a California nonprofit corporation (hereafter referred to as the "Corporation"), requests permission of the Corporation to perform the demolition required to make the alteration described below to the dwelling. Said alteration (hereafter sometimes referred to as the "work") shall be performed subject to the terms and conditions printed on the reverse side hereof, which terms and conditions set out the responsibilities of the member and the below named contractor, if a contractor is to perform said alteration; and which is incorporated herein and made a part hereof, and the latest revision Contractor Violation Policy, which terms and conditions set out the responsibilities of the member and the below named contractor.

United Laguna Hills Mutual, per Resolution 01-10-88, hereby designates that the member of United Mutual listed below is a representative of the Mutual exclusively for the purpose of obtaining a City of Laguna Woods building permit for the alteration proposed herein. By signing hereon below both member and contractor acknowledge receipt of the entire Contractor Violation Policy and will adhere to the terms and conditions.

Manor: _____
 Street: _____
 Demo Consent # _____
 City Demo Permit # _____
 Final Date: _____
 City Permit # _____
 Final Date: _____
 NAF: _____
 Expiration Date of Mutual Consent: _____

WASTE LINE LANDSCAPE

MANOR MODEL NAME:

PLAN #:

APPLICANT INFORMATION

Name: _____ Phone: _____
 Street Address: _____
 City: _____ State: _____ Zip Code: _____
 Email: _____

PROPERTY OWNER INFORMATION

Name: _____ Phone: _____
 Street Address: _____
 City: _____ State: _____ Zip Code: _____
 Email: _____

CONTRACTOR INFORMATION

Company Name: _____ Phone: _____
 Street Address: _____
 City: _____ State: _____ Zip Code: _____
 Email: _____ License#: _____ Class: _____ Expires: _____

DEMOLITION DESCRIPTION:	VALUATION: \$

IMPORTANT NOTICE: ASBESTOS CONTAINING MATERIALS MAY BE PRESENT IN ALL BUILDING COMPONENT, SUCH AS CEILINGS, FLOORS, AND MANY MORE. SUCH MATERIALS DO NOT IMPOSE RISK IF NOT DISTURBED. LEAD-BASED PAINT AND LEAD CONTAINING CERAMIC TILES MAY ALSO BE PRESENT. MEMBER AND CONTRACTOR ARE CAUTIONED TO TAKE ALL REASONABLE AND PRUDENT MEASURES TO PROTECT PERSONS AND PROPERTY BEFORE DISTURBING SUCH MATERIALS. MEMBER AND CONTRACTOR AGREE TO ABIDE BY ALL FEDERAL, STATE, AND LOCAL LAWS, ORDINANCES, CODES AND REGULATIONS RELATED TO PROPER TESTING, PERMITS & REQUIRED LICENCES DURING DISTURBANCE, REMOVAL AND/OR DISPOSAL OF ALL REGULATED MATERIALS. DISPOSAL MANIFESTS AND POST REMOVAL CLEARANCES MUST BE PROVIDED TO THE CORPORATION.

ALL DEMOLITION IS TO BE PERFORMED PER STATE, FEDERAL, CITY, AND MUTUAL REGULATIONS

Attachment 5 continued – Demolition Application Revised Verbiage

MEMBER & CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY

- 1. The Mutual's Alteration process requires the Mutual Member receive a copy of the Mutual Standard to which the requested Mutual Consent applies, where applicable. To ensure compliance, the Member's signature below indicates receipt of the Standard is necessary, and a Mutual Consent will not be issued without this required signature.
- 2. We (Member and Contractor) understand that we will be in non-conformance if we do not conform to Mutual Rules and Regulations, and that the Member may be subject to Member Disciplinary Procedures, including the possibility of a fine in accordance with the Schedule of Monetary Penalties.
- 3. We (Member and Contractor) also understand and agree that we are responsible for all risks in connection with all alteration(s) or improvement(s), including but not limited to, the costs of removing, altering, protecting, or replacing the same as may be necessary or appropriate to conduct Corporation business.
- 4. The Member understands and agrees that the Member is responsible for, and will bear all costs in connection with all alteration(s) or improvement(s), and remediation(s) required to complete the alteration(s) or improvement(s). The member and contractor will be responsible for any costs associated with remediation, clean-up or repair of mutual owned or controlled property, caused by or resulting from alteration(s) or improvement(s) or the installation thereof as a result of the contractor not following the protocols and policies outlined in the Mutual Rules and Regulations, Mutual Consent Form, and the Contractor Violation Policy.

By signing below, both Member and Contractor agree to adhere to the four directives listed above.

I certify that all items listed on this Mutual Consent will be represented on the City of Laguna Woods building and demolition permit, and no work shall be covered without inspection and approval by the City of Laguna Woods. I also understand that the Mutual Consent will EXPIRE within 90 CALENDAR DAYS unless extended in writing by Minor Alterations.

► Signature of Member:

Date:

CONTRACTOR: IMPORTANT, PLEASE READ CAREFULLY

I have received, read, understand, and agree to follow and confirm to all current Mutual Standards, Rules and Regulations. In addition, I certify that I am a contractor licensed pursuant to the laws of the state of California and agree to perform the work subject to the terms and conditions printed on the reverse side of this application. For all work performed in the Mutual, the contractor acknowledges receipt of the Contractor Violation Policy and will adhere to its terms and conditions.

► Signature of Contractor:

Date:

FOR OFFICE USE ONLY

Alteration Code(s):

Date: VMS, INC: Permit Fee: \$ Penalty Fee: \$



NAME	Mutual	DATE	ISSUE OF CONCERN
Abdulla Mirpur	United	11/17/2020	Began work without approved MC and disturbed ACM
Caleb Construction	Third	1/14/2021	Began work without approved MC and disturbed ACM
Caleb Construction	Third	4/6/2021	Began work without approved MC and disturbed ACM
Coastal Risk Management	Third	2/2/2021	Unauthorized water heater installation
Coastal Risk Management	Third	2/2/2021	Unauthorized demo/construction (P5 Investigation)
Coastal Risk Management	United	2/4/2021	Unauthorized demo/construction (P5 Investigation)
Coastal Risk Management	Third	7/1/2021	Installing washer/dryer without including in MC scope
Farley Construction & Development	Third	11/24/2020	Began work without approved MC and disturbed ACM
Miller & Sons	United	11/6/2020	Began work without approved MC and disturbed ACM
Miller & Sons	Third	9/10/210	Began work to alter tub/shower without approved MC
Miller & Sons	United	2/26/2021	Began work without approved MC and disturbed ACM
Mykaton (Ron Harbin)	Third	11/18/2020	Began work without approved MC
Patricio Caballero Construction	United	4/16/2021	Began work without approved MC and disturbed ACM
The Wood Wizard (David Langdon)	Third	2/19/2021	Submitted false Auto Insurance document for COLI
Y & D Heat and Air	United	2/24/2021	Began work without approved MC and disturbed ACM
Coastal Risk Management	United	7/13/2021	Installed breaker for ceiling fan ATF without obtaining Consent.
NEXGEN Plumbing and Drain Service Inc.	United	7/26/2021	Demo for bathroom remodel, no permits, caused P5 and hazourdous waste spill into concrete hole they dug to expose waste line.

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