



NOTICE TO MEMBERS

November 1, 2017

ARCHITECTURAL REVIEW PROCEDURES

Summary of Civil Code § 4765

Section a) of Civil Code 4765 requires that this section applies if the association's governing documents require association approval before an owner of a separate interest may make a physical change to the owner's separate interest or the common area, the association shall satisfy {specific} requirements.

Civil Code 4765 applies to United Laguna Woods Mutual; reference Article 12 - Alterations and Additions of the United Laguna Woods Mutual Occupancy Agreement, which states:

The Member shall not make any structural alterations to the interior or exterior of the dwelling unit or to any pipes, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements, or fixtures from the dwelling unit without prior written consent of the Corporation. The Member shall not install or use in the dwelling unit, any air conditioning equipment, washing machine, clothes dryer, electric heater, or power tools without prior written consent of the Corporation. The Member shall remove any such equipment promptly upon request of the Corporation.

Any alterations, additions, fixtures or improvements installed by the Member or any predecessor of the Member, whether within or without the dwelling unit, shall be repaired or maintained by the Member at its own expense and in a manner satisfactory to the Corporation. If the Member should fail to do so, such repairs or maintenance may be performed by the Corporation and upon demand by the Corporation the Member shall reimburse the Corporation therefor forthwith.

Further to the requirements provided by Civil Code 4765, the Mutual makes available to all its Members the United Laguna Woods Mutual Alterations Standards. The Standards are available upon request at the Laguna Woods Village Community Center. These Standards identify established alterations that have been previously approved by the Mutual's Board of Directors. The Alterations Standards are reviewed and updated as needed by the Mutual's Maintenance and Construction Committee, and the Board. Typically, a proposed alteration that meets the Alterations Standards requirements can be permitted without Board review.

UNITED LAGUNA WOODS MUTUAL ARCHITECTURAL REVIEW PROCEDURES

Page 2 of 11

Per United Mutual Policy all alterations with a value over \$500 will be required to post a refundable conformance deposit to ensure Mutual Policies, Rules and Regulations are followed. The will be returned to the permittee once all Mutual Consents and City permits have been accepted and all Mutual Policies, Rules and Regulations have been adhered to. Should a violation occur during the construction of the alteration, all costs, fines and penalties shall be deducted from the deposit, with the balance, if any, returned to the Member.

GUIDELINES FOR SUBMITTALS FOR STANDARD ALTERATION PERMITS

1. An Application for Alteration Permit must be submitted to the Manor Alterations Division to perform previously-approved Standard Plan alterations or alterations conforming in all aspects to Board-approved Mutual Alteration Standards.
2. A Mutual permit is required for all alterations to the building. A City of Laguna Woods permit may be required. All fees for both Mutual and City permits shall be paid for by the Member and/or the Member's contractor. Member and/or the Member's contractor must supply the Manor Alterations Division with City permit numbers prior to beginning work.
3. The Member applying for a permit shall provide to the Manor Alterations Division a detailed plan(s), for approval, indicating all work to be done, i.e., size, location, description, and specifications.
4. Prior to the issuance of a permit, the Member's signature is required to indicate that the Member has received, read, understands and agrees to follow and adhere to all current Mutual Standards regarding the alteration.
5. A signed Neighbor Awareness Form may be required in order to obtain a permit.

In order that a Member may propose an alteration that is not an established Alteration Standard, the Mutual provides the Member the opportunity to submit a Request for Variance. Guidelines for submittals for Variance Requests and submittals for Standard Alteration Permits follow:

GUIDELINES FOR SUBMITTALS FOR VARIANCE REQUESTS

Variance Requests are submitted to obtain approval for a variance to construct a non-standard alteration, that which is different from the Mutual's Alteration Standards and/or Standard Plans. Variance Requests are submitted to the Manor Alterations Division for consideration by the Mutual's Architectural Control and Standards Committee (ACSC), and the Board. A variance fee, per the current fee schedule, payable to GRF by check is required at time of submittal.

The submitted proposal for a Variance Request must be legible, clear and concise and should not require assumptions on the part of the reviewing agent. The

UNITED LAGUNA WOODS MUTUAL ARCHITECTURAL REVIEW PROCEDURES

Page 3 of 11

Variance Request must include a letter signed by the Mutual member that describes the proposed alteration(s). The submittal must also include conceptual drawings, or plans, of the proposed alteration.

1. The plans must represent a true replication of both the existing floor plan and proposed floor plan modifications, inclusive of specific dimensional details of each.
2. The plans must identify the precise location of the proposed alteration *and* any related alterations/installations. For example, if the proposal is for a room expansion, the re-location of doors, if necessary, should be identified.
3. The plans must provide specific details of how the proposed alteration would be constructed. For example, if a window is being installed, information detailing its size and whether it would be constructed of white-vinyl, dual-pane glass, etc. should be included.
4. Where a Variance Request is for an alteration that is visible from the outside of a manor (room expansion, window installation, door re-location, etc), an exterior elevation must be submitted, inclusive of the alteration's proposed roofline.
5. All plans must be site specific and original. Plans submitted for another manor for a similar requested alteration would not be considered.
6. Do not change or alter standard plans; if an alteration will differ slightly from a standard plan, provide written documentation with a new manor plan indicating how the proposed alteration would vary from the standard plan.
7. The Manor Alterations Division must be informed in writing of any deviations from an approved alteration that is being performed, prior to making any field changes. Any deviations from an approved plan must be approved by the Manor Alterations Division before it is made on the manor. Deviations from approved plans may require Board approval of an additional variance, thus a waiting period may result.

Further to the requirements provided by Civil Code 4765; Pursuant to the Occupancy Agreement, Article 12 and the Bylaws, the Architectural Control and Standards Committee is a standing committee of this Corporation; and that the Board of Directors of this Corporation assigns the duties and responsibilities of the Architectural Control and Standards Committee of the Corporation as follows:

The Architectural Control and Standards Committee (ACSC) shall have the responsibility to recommend approval or denial of all requests for nonstandard alterations and modifications, or alterations that have generated neighbor objection. Final recommendations shall be noted on the Mutual's monthly Board meeting Agenda Consent Calendar.

Variance Requests are processed as follows:

UNITED LAGUNA WOODS MUTUAL ARCHITECTURAL REVIEW PROCEDURES

Page 4 of 11

1. Variance Requests, and all required documentation, shall be submitted to the Manor Alterations Division a minimum of 30 (thirty) days prior to the next regularly scheduled ACSC Meeting in order to be considered.
2. Staff will prepare a Variance Request report on all proposed alterations that includes; a summary and recommendation, background information, analysis, and any recommended conditions of approval.
3. Using the written report and documentation, the Committee considers the Variance Request based on the following criteria:
 - Compliance with existing standards
 - Aesthetic effect
 - Cost impact on the Mutual
 - Conformity with Local and State Building Codes
 - Compliance with applicable law
 - Value impact

By a counted vote of Committee Members present at the Meeting, the ACSC Committee makes a recommendation to the Board for approval or denial of the request.

The recommendation of the Committee and the Variance Request report is considered at the next regularly scheduled Board Meeting, and by a counted vote of Board Members present at the Meeting, the Board either approves or denies the request, and passes a resolution of the Board's decision.

The Member is notified in writing explaining the Board's decision, which may include, in the case of approval, required Conditions of Approval. The conditions may vary depending upon the alteration being performed.

The Conditions of Approval may include:

1. No improvement shall be installed, constructed, modified or altered at Unit XXX, ("Property") within the United Laguna Woods Mutual ("Mutual") without an approved 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 ("Members") 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. A Mutual Consent for Manor Alterations has been granted at Unit XXX for _____, subject to the attached plans stamped approved and is

UNITED LAGUNA WOODS MUTUAL ARCHITECTURAL REVIEW PROCEDURES

Page 5 of 11

subject to a 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.

3. Member 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.
4. All costs for maintenance, repair, renovation, replacement or removal of the improvement, present and future, are the responsibility of the Property's Member at Unit XXX and all future Mutual members at Unit XXX.
5. Member 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 acknowledges and agrees that all such persons are his/her invitees. Member shall be responsible for informing all his/her invitees of the Mutual's Rules and Regulations. Member 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.
6. Member is responsible for following the gate clearance process (<http://www.lagunawoodsvillage.com>) in place to admit contractors and other invitees.
7. Member'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.
8. 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.
9. Member(s) of the Property must sign and submit to the Mutual, c/o VMS, Inc., at the Manor Alterations 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.

UNITED LAGUNA WOODS MUTUAL ARCHITECTURAL REVIEW PROCEDURES

Page 6 of 11

10. 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.
11. 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.
12. Prior to the Issuance of a Mutual Consent for Manor Alterations, the Member must have conducted an inspection of the waste lines, by a VMS Plumber, to assure no repairs are needed. The inspection will be a chargeable service to the member. Inspection appointments are to be made with Resident Services, by authorized persons only. Findings from the video inspection will be recorded on the chargeable service ticket for Manor Alterations staff to review.
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 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'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 be repaired at the Mutual's expense prior to installation.
14. Prior to the Issuance of a Mutual Consent for Manor Alterations, the Member 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 . 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, the Member shall request a Broadband infrastructure inspection to assure that Mutual property is appropriately identified in order to be addressed during construction.
16. Prior to the Issuance of a Mutual Consent for Manor Alterations, the Member shall request a Maintenance and Construction Department inspection to assure that Mutual property is appropriately addressed during construction.

UNITED LAGUNA WOODS MUTUAL ARCHITECTURAL REVIEW PROCEDURES

Page 7 of 11

17. Prior to the Issuance of a Mutual Consent for Manor Alterations, the approved exterior surface colors should match the Building color; fence/gate color of white vinyl or black or white tubular steel or wrought iron is approved as identified at Resident Services, located on ground floor of Community Center.
18. 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>.
19. Paver installation must be set on compacted subgrade.
20. 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.
21. 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.
22. 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.
23. A dumpster is approved for placement at the location identified on Attachment _____. Dumpsters must be ordered from the approved City of Laguna Woods waste hauler and must be maintained at all times.
24. A portable bathroom is approved for placement at the location identified on Attachment _____.
25. 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 Manor Alterations Division for an extension. Only one extension for a maximum of an additional six months may be granted.
26. 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 Member. Such fines left unpaid will result in forfeiture of a portion or all of the Conformance Deposit required above or other legal remedy.
27. Mutual member shall indemnify, defend and hold harmless United 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.
28. 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

UNITED LAGUNA WOODS MUTUAL ARCHITECTURAL REVIEW PROCEDURES

Page 8 of 11

Laguna Woods permit approval in order to arrange a final inspection for Mutual Consent.

29. Member execute the City's Non-Sleeping Room Certification form to affirm the Member/occupant's understanding that the rooms with egress eliminated by proposed alterations shall not be used as sleeping rooms.

The Member is notified that, in the case the Member wants to appeal a decision, in accordance with Resolution 01-03-109, the Member may appeal the Board's decision within thirty days to the Architectural Control and Standards Committee. The Board will make a final decision upon review of a recommendation from the ACSC.

Should the Mutual Member decide to appeal, the Member submits a request for appeal in writing to the Board via the Manor Alterations Division.

A memorandum regarding the appeal is prepared by Staff and presented to the ACSC for review, and by a counted vote of Committee Members present at the meeting, the ACSC makes a recommendation to the Board for approval or denial of the original proposed alteration.

By a counted vote of Board Members present at the Meeting, the Board either approves or denies the request, and passes a resolution of the Board's decision.

The Member is notified in writing explaining the Board's final decision, which may include, in the case of approval, required conditions of approval. The Member is notified that, in the case that the Board upholds its original denial of the proposed alteration that per Resolution 01-03-109, no further appeals will be granted for a twelve (12) month period from the date of the Board's decision on your appeal. This twelve-month period shall apply to both the original requesting Mutual Member and the subsequent member(s) if any.

The Committee shall have the authority to recommend new Architectural Standards or any revisions of all Mutual Architectural Standards. Final approval will rest with the Mutual Board.

The Committee shall require Neighbor Awareness forms for all alteration requests including requests that appear to conform to standards.

The Committee may impose conditions of approvals to ensure the structural, architectural, or common area integrity of the Members' request.

The Committee shall insure that all structural alterations, including any internal and external physical changes, performed or caused to be performed by a Member, shall not be performed without prior written consent of the Mutual. Consent is given either by proper processing of approved alteration standard, or use of the variance request process. The Committee will recommend a Disciplinary Hearing for all alterations preceding approval or deviation from approved changes.

Unauthorized Alterations

With respect to a Member's disregard for the rules on alterations, such as the installation of an alteration that is not in compliance with the Board's determination, the Member may ultimately be brought forth for a member disciplinary hearing.

Upon the discovery of an unauthorized alteration, the Manor Alterations Division provides the Member with a Notice of Unauthorized Alteration, which includes the requirements under which an alteration may be permitted.

Upon receipt of a Notice of Unauthorized Alteration, all work must cease immediately and the Member must obtain all required City and Mutual permits before performing additional work.

A re-inspection of the unauthorized alteration is performed no sooner than thirty days after the Notice of Unauthorized Alteration was issued.

Should the inspection reveal that the Member's alteration continues to be in violation, the Member is notified, in writing, of the violation and of the Board's requirement that the unauthorized alteration must be corrected within a specified time. The Member is advised that failure to comply may result in member disciplinary action in the form of a hearing before the Board of Directors.

A second inspection is performed thirty days after the date of the notification, and should the inspection reveal that the Member's alteration continues to be in violation after the previous requests to comply have gone unheeded, then the Member is notified via Certified and First Class Mail of a Member Disciplinary Hearing. This notification includes background information regarding the subject violation, the reasons for a hearing, the time and place of the hearing, and possibility of any and/or all of the following: suspension, discipline, and fines. The Member is provided a copy of the Mutual's Bylaws with respect to Discipline:

UNITED – ARTICLE IV, SECTIONS 2 AND 3 of the BYLAWS

SECTION 2 DISCIPLINE

(a) The Board of Directors may take disciplinary action against any Member, Qualifying Resident, Co-Occupant, Lessee or guest for breach of these Bylaws, any Rules or Regulations of the Corporation or any obligation of the Member under his or her Occupancy Agreement on the part of the Member, a Qualifying Resident, Co-Occupant, Lessee or guest of any of the aforementioned parties who may use the facilities of the Corporation or the GRF. Any disciplinary action authorized hereunder shall not act as a bar to the exercise of any other right or remedy available to the Corporation against any other party for any such breach. Members shall be required to

include in any lease with a Lessee of their Manor a provision whereby the Lessee shall be bound by these Bylaws and the Rules and Regulations of the Corporation.

(b) Disciplinary action authorized hereunder may consist of any or all of the following: (1) a fine with an amount determined by the Board of Directors not to exceed \$500.00 for each such breach; (2) suspension of the right to vote, whether by voice, ballot or written consent, on any or all matters brought before the Members for a period not to exceed one (1) year; and (3) suspension of the right to use any of the facilities of the Corporation for thirty (30) days for each such breach. The Corporation may also make an application to a court of competent jurisdiction for legal or equitable relief.

(c) Except with respect to traffic violations governed by paragraph (d) of this Section 2 and Section 3 of Article VII, and other than the exercise of the remedy provided in the Common Interest Development Law for collection of delinquent assessments, before any disciplinary action is taken, as authorized in Paragraph (b) above, a Member, Qualifying Resident, Co-Occupant, Lessee or guest of Member, shall be entitled to a hearing pursuant to the provisions of paragraph (b) of Section 3 of this Article.

(d) Except when a hearing is required by the traffic enforcement program approved by the Board of Directors of this Corporation, a Member, Qualifying Resident, Co-Occupant, Lessee or guest who is cited for a traffic violation of any type may, in certain instances specified in the traffic rules enforcement program as revised and approved by the Board of Directors from time to time, elect to waive his/her right to a hearing and commit to a traffic violation disciplinary action alternative as specified in the traffic rules enforcement program then in effect.

(e) In addition to the remedies specified herein, a Member found to be in violation shall be liable to the Corporation for costs of suit and a reasonable sum for attorneys' fees incurred in enforcing these Bylaws, any rule or regulation of the Corporation, or any obligation of a Member under the Occupancy Agreement.

SECTION 3 TERMINATION OF MEMBERSHIP; DISCIPLINARY HEARINGS

(a) Termination of Membership for Cause. A Membership may be proposed for termination for a violation of the Articles of Incorporation, these Bylaws, Rules or Regulations, or the Occupancy Agreement by the Board of Directors at any regularly scheduled meeting or special meeting of the Board at which a quorum is present, by the affirmative vote of the majority of the total number of Directors then holding office.

(b) Procedure for Termination and Discipline. After the determination that a Membership should be proposed for a termination under paragraph (a) above, or that disciplinary action should be taken by the Corporation against a Member, Qualifying Resident, Co-Occupant, Lessee or guest or invitee of Member pursuant to Section 2 of this Article, other than the disciplinary measures set forth in Section 2, paragraphs (c) and (d), the procedure below shall be followed.

UNITED LAGUNA WOODS MUTUAL ARCHITECTURAL REVIEW PROCEDURES

Page 11 of 11

(i) A notice shall be sent by prepaid, first class and certified mail to the most recent address of the Member as shown on the Corporation's records, setting forth the nature of the proposed termination and/or discipline and the reasons therefore. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the termination or discipline.

(ii) The Member being proposed for a termination or disciplined shall be given an opportunity to be heard and to present evidence in his or her behalf, either in person, by counsel, or by both, or in writing, at a hearing before the Board of Directors to be held not less than five (5) days before the effective date of the proposed termination or discipline. The notice to the Member of his or her proposed termination or discipline shall state the date, time, and place of the hearing.

(iii) Following the hearing, the Board shall decide by the affirmative vote of the majority of the total number of Directors, in good faith and in a fair and reasonable manner, whether the Membership should be terminated or whether the Member should be disciplined in some other way. The decision of the Board shall be final.

(iv) Following any Disciplinary Hearing, the Board may impose any fines or penalties pursuant to a previously adopted schedule of fines or penalties distributed to each Member.

(c) Effect of Termination. In the event of a termination of Membership under Section 3, the terminated Member shall promptly deliver his or her Membership Certificate to the Corporation, endorsed in a manner satisfactory to the Corporation. The Corporation, at its election, thereupon shall either: (1) repurchase said Membership at its market value as defined in Article III, Section 6(d); or (2) proceed with reasonable diligence to effect a sale of the Membership to a purchaser at a sales price acceptable to the Corporation. If, for any reason, the terminated Member should fail to deliver his or her endorsed Membership Certificates to the Corporation within ten (10) days after demand, said certificates shall be deemed to be canceled forthwith and new Membership Certificates may be reissued by the Corporation to a purchaser.