



OPEN MEETING

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
RESIDENT POLICY AND COMPLIANCE COMMITTEE**

**Tuesday, January 24, 2023 – 9:30 A.M.  
24351 El Toro Road, Laguna Woods, CA 92637  
Board Room and Virtual with Zoom**

Laguna Woods Village owner/residents are welcome to participate in committee meetings in-person and virtually. To submit comments or questions virtually for committee meetings, please using one of following options:

1. Join the Committee meeting via Zoom at: <https://us06web.zoom.us/j/84903327041> or by dialing 669-900-6833 Access Code: 849 0332 7041
2. Via email to [meeting@vmsinc.org](mailto: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 manor number must be included.

**NOTICE AND AGENDA**

*This Meeting May Be Recorded*

1. Call Meeting to Order
2. Approval of the Agenda
3. Approval of the Meeting Report for December 27, 2022
4. Remarks of the Chair
5. Member Comments (Items Not in the Agenda)
6. Response to Member Comments
7. Department Head Update
8. Items for Discussion and Consideration:
  - a. Compliance Process for Obvious Clutter Situations
  - b. Pet Policy
  - c. Appeal Policy
  - d. Resident Policy and Compliance Committee Charter
  - e. Compliance Determination Letter
  - f. Noise Problems in Multi-Story Buildings
9. Future Agenda Items: *All matters listed under Future Agenda Items are items for a future committee meeting. No action will be taken by the committee on these agenda items at this meeting.*
  - Social Media Use Policy
  - Barbeque Rules and Regulations
10. Committee Member Comments
11. Date of Next Meeting – Tuesday, February 28, 2023 at 9:30 a.m.
12. Adjournment

\*A quorum of the Third Board or more may also be present at the meeting.





**REGULAR OPEN MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
RESIDENT POLICY AND COMPLIANCE COMMITTEE**

Tuesday, December 27, 2022– 9:30 A.M.  
Board Room/Virtual Meeting  
Laguna Woods Village Community Center  
24351 El Toro Road, Laguna Woods, CA 92637

**MEMBERS PRESENT:** Mark Laws - Chair, Cris Prince and Cush Bhada

**MEMBERS ABSENT:** Nathaniel Ira Lewis and Jules Zalon (both excused)

**ADVISORS PRESENT:** Stuart Hack and Theresa Keegan

**ADVISORS ABSENT:** None

**STAFF PRESENT:** Jacob Huanosto and Ruby Rojas

**1. Call to Order**

Mark Laws - Chair, called the meeting to order at 9:30 a.m.

**2. Approval of Agenda**

Director Prince made a motion to approve the agenda as presented. Director Cush Bhada seconded the motion.

By way of consensus, the motion passed.

**3. Approval of Meeting Report**

Director Cush Bhada made a motion to approve the November 22, 2022 meeting report. Director Prince seconded the motion.

By way of consensus, the motion passed.

**4. Chairman's Remarks**

None

**5. Members Comments (Items Not on Agenda)**

Mr. Robert Stace of 2381-3H Via Mariposa West spoke about clutter issues and improper rec room usage at his Garden Villa building.

**6. Response to Members Comments**

Director Bhada assured Mr. Stace that his concerns would be addressed.

**7. Department Head Update**

None

## **8. Items for Discussion and Consideration**

### **a. Care & Maintenance of Patios, Balconies, Breezeways & Walkways**

The Committee reviewed the Care & Maintenance of Patios, Balconies, Breezeways & Walkways Policy. The Committee made comments and asked questions.

Director Prince made a motion to refer the Care & Maintenance of Patios, Balconies, Breezeways and Walkways with minor corrections to be the Board for review and adoption. Director Bhada seconded the motion.

By way of consensus, the motion passed.

### **b. Pet Policy**

Chair Laws presented the Pet Policy for discussion. The Committee discussed the matter and asked questions.

The Committee elected to table the matter and make changes to the policy then bring the matter back to the committee for further review.

### **c. Appeal Policy**

Chair Laws presented the Appeal Policy for discussion. The Committee discussed the matter.

The committee tabled the matter and elected to work with staff to make changes to the Appeal Policy and bring the policy back to the committee for review.

### **d. Resident Policy and Compliance Committee Charter**

The Committee discussed the Resident Policy and Compliance Committee Charter and elected to continue revising the Charter and bring the matter back to the committee for further review.

### **e. Noise issues**

The Committee discussed procedures for addressing noise complaints.

The Committee directed Staff to provide the Hard-Surface Flooring Policy to the Committee members and advisors.

## **9. Items for Future Agendas**

- Social Media Use Policy
- Barbeque Rules and Regulations
- Pet Rules
- Appeal Policy
- Resident Policy and Compliance Committee Charter

## **10. Committee Member Comments**

None

## **11. Date of Next Meeting**

Tuesday, January 24, 2023 at 9:30 a.m.

**12. Adjournment**

With no further business before the Committee, the meeting was adjourned at 10:58 a.m.

*Mark W. Laws*

Mark W. Laws (Jan 4, 2023 09:24 PST)

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Mark W. Laws, Chair





## STAFF REPORT

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**DATE:** January 24, 2023  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Compliance Process – Clutter Policy

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### **RECOMMENDATION**

Receive and file.

### **BACKGROUND**

The Resident Policy and Compliance Committee is tasked to review policy and processes for consistency, clarity, and efficiency.

The member discipline process is coordinated by the Compliance Division. Upon notice of an alleged violation, staff investigates and should staff identify objective evidence of a violation of the governing documents (bylaws, CC&Rs, rules and regulations, resolutions, etc.) by a member or any individual they allow into the Community, staff will send a courtesy notice to the offending member describing the allegation(s) and the disciplinary action that may ensue if not corrected. Staff will monitor the situation and if compliance is not evident, staff will send a final notice requesting compliance. Additionally, the matter is scheduled for a disciplinary hearing with the Board of Directors to determine if member discipline is merited. If the alleged violation has been resolved, no further action is required. Depending on the seriousness of the matter, the Board has the authority to schedule a disciplinary hearing as soon as reasonably possible.

If a disciplinary hearing is merited, staff will proceed with noticing the member for a hearing. During a Member Disciplinary Hearing the member has the right to meet before the Board of Directors in executive session. If the board finds the member to be in violation of the governing documents, the board may impose a fine based on the Monetary Fee Schedule, suspend Member privileges for delinquency, and/or consider legal action.

### **DISCUSSION**

The Committee requested review of the compliance process for reporting, inspection, letters, follow up inspections and hearings regarding clutter.

### **FINANCIAL ANALYSIS**

None.

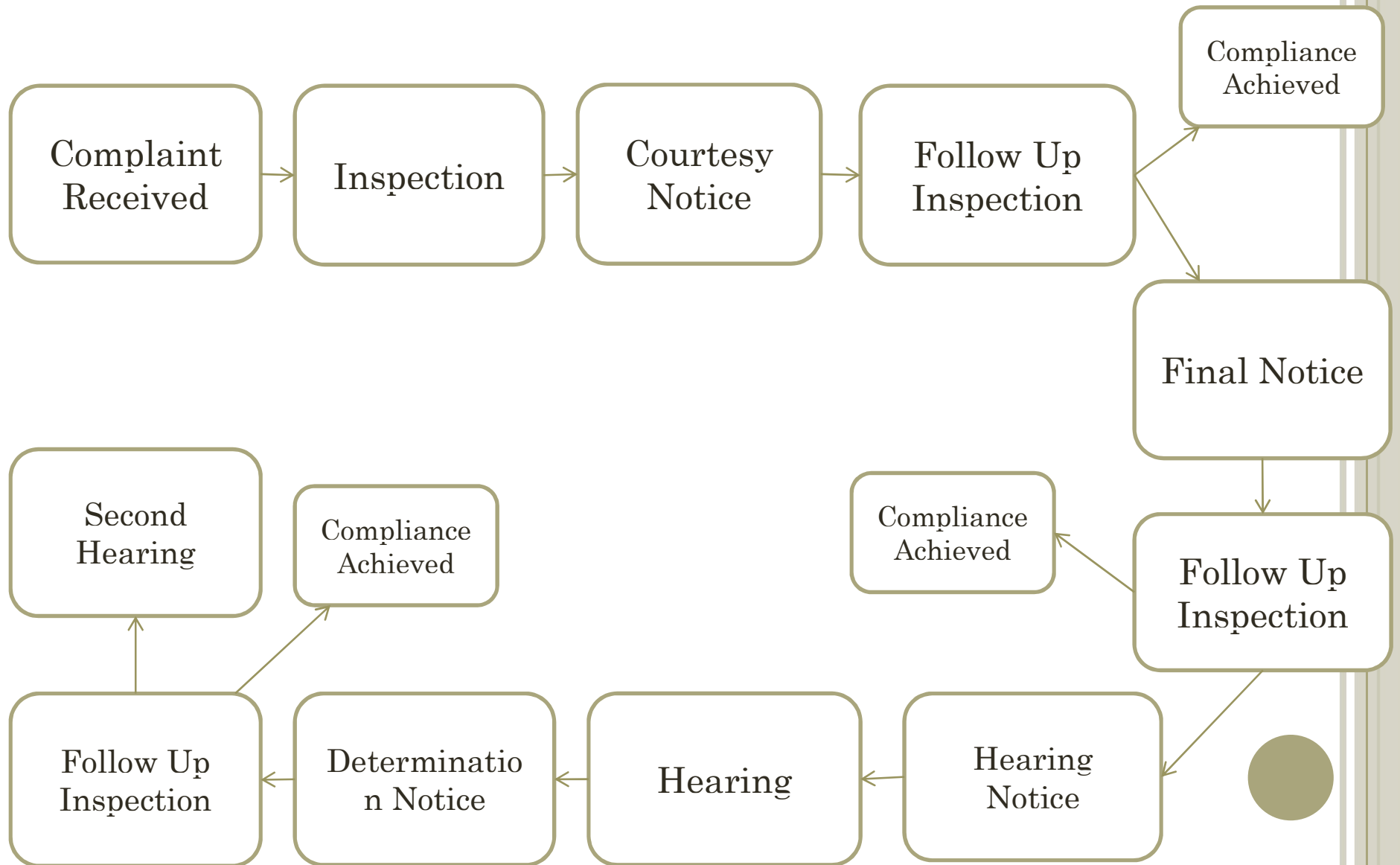
**Prepared By:** Jacob M. Huanosto, Interim Compliance Supervisor

**Reviewed By:** Blessilda Wright, Compliance Supervisor

### **ATTACHMENT(S)**

Attachment 1: Disciplinary Process Flow Chart

# COMPLIANCE PROCESS







## STAFF REPORT

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**DATE:** January 24, 2023  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Resolution No. 509 Pet Restrictions

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### **RECOMMENDATION**

Discuss and consider changes to the policy.

### **BACKGROUND**

The Resident Policy and Compliance Committee is tasked to review policy and processes for consistency, clarity, and efficiency.

On February 27, 1976, the Board adopted Pet Restrictions to provide guidelines for pet owners (Resolution 509). The resolution addresses, but is not limited to: dog barking, pets off-leash, leash size requirements, the cleaning of pet feces, pet access to common buildings, vicious animal, etc. (Attachment 1).

### **DISCUSSION**

On December 27, 2022 the Committee reviewed Resolution No. 509 Pet Restriction and made changes to the policy to provide clarifications on the purpose of the policy, Conditions and definitions regarding pets.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Jacob M. Huanosto, Interim Compliance Supervisor

**Reviewed By:** Blessilda Wright, Compliance Supervisor

### **ATTACHMENT(S)**

Attachment 1: Resolution No. 509 Pet Restrictions – Existing Policy

Attachment 2: Third Pet Policy – Proposed Revisions (Red Line)

Attachment 3: Third Pet Policy – Proposed Revisions (Clean Copy)

**Resolution No. 509**

RESOLVED, that the following rules and regulations applicable to real property owned or managed by this corporation are hereby adopted:

1. No person shall keep, maintain or permit within any dwelling unit under his control, or within any other real property owned or managed by this corporation, any dog which by any sound or cry shall disturb the peace and comfort of the inhabitants of the neighborhood or interfere with any person in the reasonable and comfortable enjoyment of life or property.
2. No person owning or having charge of any dog shall permit the same to run at large within any real property owned or managed by this corporation, except as otherwise provided in these rules and regulations, unless such dog is restrained by a substantial leash not to exceed six (6) feet in length and is in the charge of a person competent to restrain such dog.
3. Any animal found running at large within any real property owned or managed by this corporation may be reported to the Poundmaster of the County of Orange for such action as he may deem appropriate according to law.
4. No person owning or having charge of any dog shall permit the same to enter or remain within any real property owned or managed by this corporation contrary to the provisions of any sign posted conspicuously thereon by the corporation, provided that appropriate exception, as the case of guide dogs for blind persons, may be noted upon any such sign.
5. No person owning or having charge of any dog shall permit any feces therefrom to remain within any real property owned or managed by this corporation except in trash containers.
6. Whenever any animal suspected of being vicious is reported to this corporation, the officers and agents shall report facts and circumstances thereof to the Poundmaster of the County of Orange for such action as he may deem appropriate according to law; and

RESOLVED FURTHER, that resolution No. 155 adopted on October 27, 1972 is hereby cancelled.

Adopted 02/27/1976

**THIRD LAGUNA HILLS MUTUAL  
PET POLICY  
RESOLUTION XX-XX-XXXX**

**RESOLVED**, that pursuant to the Bylaws, Article 2, Section 2.2.3, Third Laguna Hills Mutual (Third Mutual), has the power to adopt rules and regulations to carry out the purposes of this Corporation through its Board of Directors (Board) with regard to its Members.

**RESOLVED FURTHER**, *on this day* the Board hereby amends Third Mutual's Pet Policy (Policy) to include, but is not limited to the following:

**I. Purpose**

The purpose of this Policy is to set out the rules and regulations for the treatment and handling of pets within Third Mutual in accordance with the requirements of Third Mutual's including Bylaws, Amended and Restated Covenants, Conditions and Restrictions, and other governing documents (Governing Documents) and local, state and federal law.

**II. Definitions**

1. **Member** includes, for purposes of the Policy, Members, Owners, Qualifying Residents, Co-occupants, Tenants, and their Guests.
2. **Ordinance** refers to the Code of Ordinance City of Laguna Woods, California.
3. **Pet** means any domesticated bird, cat, dog, or aquatic animal kept within an aquarium. The Policy shall not prohibit a Member from continuing to keep any pet that the Member currently keeps in the Member's separate interest if the pet otherwise conforms with the previous rules or regulations relating to pets.
4. **Vicious animal** means:
  - a. Any [doganimal](#), which, twice within a 12-month period, has physically harmed, bitten, attacked, or otherwise caused injury to a person engaged in lawful activity, without provocation; or
  - b. Any [doganimal](#) that when unprovoked inflicts bites or attacks a human being or domestic animal or in a vicious or terrorizing manner approaches any person in apparent attitude of attack in Third Mutual's common areas; or
  - c. Any [doganimal](#) with a known propensity, tendency, or disposition to attack unprovoked, to cause injury or to otherwise endanger the safety of human beings or domestic animals; or
  - d. Any dog which engages in or is found to have been trained to engage in, exhibitions of dog fighting; or
  - e. Any [doganimal](#) at large found to attack, menace, chase, display threatening or aggressive behavior or otherwise threaten or endanger the safety of any domestic animal or person.

### III. Responsibilities

#### 1. Number of Pets Permitted.

- a. A maximum combination of three cats and dogs, no more than two of which can be dogs, are permitted in any dwelling unit within Third Mutual.
- b. Animals being fostered as a part of a not-for-profit organization/agency program shall ~~be permitted~~~~not be included for the purpose of determining the number of animals in a dwelling unit~~. The foster program shall be registered with the City of Laguna Woods and an individual animal in the dwelling unit shall be fostered for a period of no more than six months. In no event shall the total number of Pets fostered and Pets owned exceed the number of Pets permitted in Section III.1.a above.
- c. If pets are brought in before the adoption of this Policy, the pets are automatically grandfathered and can remain.

#### 2. Vaccination and License.

- a. Dogs four months of age or older shall be required to have been vaccinated for rabies. (Ordinance § 5.04.030, as may be amended.)
- b. Dogs four months of age or older shall be licensed in accordance with the regulations of the County of Orange and the City of Laguna Woods. Such dogs shall have attached to its collar current numbered metal tag as evidence of its license. (Ordinance § 5.04.010, as may be amended.)
- c. Cats over four months of age may be registered with the City of Laguna Woods in the same manner in which dogs are registered, and for the same fee. Cats must have a current rabies vaccination valid for the entire one-year registration period.

#### 3. Care and Control.

- a. No Member owning or having charge of any dog shall permit the same to run at large within any real property owned or managed by Third Mutual, except as otherwise provided in these rules and regulations, unless such dog is restrained by a substantial leash not to exceed six (6) feet in length and is in the charge of a Member competent to restrain such dog. Retractable leashes exceeding six (6) feet are not permitted in Third Mutual.
- b. Any ~~animal~~~~dog~~ found running at large within any real property owned or managed by Third Mutual may be reported to Laguna Beach Animal Services at (949) 497-0701 for such action as deemed appropriate according to law.
- c. No Member owning or having charge of any dog shall permit the same to enter or remain within any real property owned or managed by Third Mutual contrary to the provisions of any sign posted conspicuously thereon by Third Mutual, provided that appropriate exception, as in the case of guide dogs for blind persons, may be noted upon any such sign.

- d. No Member owning or having charge, care or custody of any animal shall permit such animal to damage or destroy public property or the property of any person other than that of the owner of such animal.
- e. Any Member or person having charge, custody or control of any dog shall immediately remove and dispose of it in a sanitary manner, by depositing in a trash receptacle any feces deposited by such animal upon Third Mutual property. The Member or person having charge, custody or control of an animal shall have in possession a suitable wrapper, bag or container for the purpose of complying with the requirements of this section.

**4. Noise.**

No Member shall keep, maintain, or permit within any dwelling unit under his control, or within any other real property owned or managed by Third Mutual, any Pet which by any persistent sound or cry shall disturb the peace and comfort of the inhabitants of the neighborhood or interfere with any person in the reasonable and comfortable enjoyment of life or property.

**5. Vicious Animal.**

Whenever a Member owning or having charge, care, control, custody, or possession of any [doganimal](#) has knowledge that the [doganimal](#) has bitten a person, the Member shall report the facts of the incident to Laguna Beach Animal Services at (949) 497-0701 for such action as deemed appropriate according to law.

**6. Violation of Pet Policy.**

Third Mutual is authorized to take disciplinary action against any Member who may be found in violation of the Policy, or whose unit or Residents, tenants, or guests are found to be in violation of the Policy. When a complaint is lodged regarding the occurrence of a violation, the Board has a duty to investigate and impose, if appropriate, discipline as set forth in the Governing Documents. Discipline shall be imposed, if at all, after a duly noticed disciplinary hearing in accordance with the requirements of statute and the Governing Documents.

**RESOLVED FURTHER**, that Resolution M3-76-509 adopted February 27, 1976, and Resolution M3-71-50 adopted July 23, 1971 are hereby superseded and cancelled.

**RESOLVED FURTHER**, that the officers and agenda of this Corporation are hereby authorized, on behalf of the Corporation, to take such action as they deem appropriate to carry out the purposes of this resolution as written.

**THIRD LAGUNA HILLS MUTUAL  
PET POLICY  
RESOLUTION XX-XX-XXXX**

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  - a. Any animal, which, twice within a 12-month period, has physically harmed, bitten, attacked, or otherwise caused injury to a person engaged in lawful activity, without provocation; or
  - b. Any animal that when unprovoked inflicts bites or attacks a human being or domestic animal or in a vicious or terrorizing manner approaches any person in apparent attitude of attack in Third Mutual's common areas; or
  - c. Any animal with a known propensity, tendency, or disposition to attack unprovoked, to cause injury or to otherwise endanger the safety of human beings or domestic animals; or
  - d. Any dog which engages in or is found to have been trained to engage in, exhibitions of dog fighting; or
  - e. Any animal at large found to attack, menace, chase, display threatening or aggressive behavior or otherwise threaten or endanger the safety of any domestic animal or person.

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- b. Animals being fostered as a part of a not-for-profit organization/agency program shall be permitted. The foster program shall be registered with the City of Laguna Woods and an individual animal in the dwelling unit shall be fostered for a period of no more than six months. In no event shall the total number of Pets fostered and Pets owned exceed the number of Pets permitted in Section III.1.a above.
- c. If pets are brought in before the adoption of this Policy, the pets are automatically grandfathered and can remain.

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- c. Cats over four months of age may be registered with the City of Laguna Woods in the same manner in which dogs are registered, and for the same fee. Cats must have a current rabies vaccination valid for the entire one-year registration period.

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- b. Any dog found running at large within any real property owned or managed by Third Mutual may be reported to Laguna Beach Animal Services at (949) 497-0701 for such action as deemed appropriate according to law.
- c. No Member owning or having charge of any dog shall permit the same to enter or remain within any real property owned or managed by Third Mutual contrary to the provisions of any sign posted conspicuously thereon by Third Mutual, provided that appropriate exception, as in the case of guide dogs for blind persons, may be noted upon any such sign.
- d. No Member owning or having charge, care or custody of any animal shall permit such animal to damage or destroy public property or the property of any person other than that of the owner of such animal.

- e. Any Member or person having charge, custody or control of any dog shall immediately remove and dispose of it in a sanitary manner, by depositing in a trash receptacle any feces deposited by such animal upon Third Mutual property. The Member or person having charge, custody or control of an animal shall have in possession a suitable wrapper, bag or container for the purpose of complying with the requirements of this section.

**4. Noise.**

No Member shall keep, maintain, or permit within any dwelling unit under his control, or within any other real property owned or managed by Third Mutual, any Pet which by any persistent sound or cry shall disturb the peace and comfort of the inhabitants of the neighborhood or interfere with any person in the reasonable and comfortable enjoyment of life or property.

**5. Vicious Animal.**

Whenever a Member owning or having charge, care, control, custody, or possession of any animal has knowledge that the animal has bitten a person, the Member shall report the facts of the incident to Laguna Beach Animal Services at (949) 497-0701 for such action as deemed appropriate according to law.

**6. Violation of Pet Policy.**

Third Mutual is authorized to take disciplinary action against any Member who may be found in violation of the Policy, or whose unit or Residents, tenants, or guests are found to be in violation of the Policy. When a complaint is lodged regarding the occurrence of a violation, the Board has a duty to investigate and impose, if appropriate, discipline as set forth in the Governing Documents. Discipline shall be imposed, if at all, after a duly noticed disciplinary hearing in accordance with the requirements of statute and the Governing Documents.

**RESOLVED FURTHER**, that Resolution M3-76-509 adopted February 27, 1976, and Resolution M3-71-50 adopted July 23, 1971 are hereby superseded and cancelled.

**RESOLVED FURTHER**, that the officers and agenda of this Corporation are hereby authorized, on behalf of the Corporation, to take such action as they deem appropriate to carry out the purposes of this resolution as written.





## STAFF REPORT

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**DATE:** January 24, 2023  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Appeal Policy

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### **RECOMMENDATION**

Discuss and consider adopting changes to the Appeal Policy

### **BACKGROUND**

Third Laguna Hills Mutual's ("Third") Governing Documents require a Member to seek approval from the Board of Directors ("Board") on various matters of Corporate business by way of the Committee structure for review of a question that may/will ultimately be determined by the Board. For example, a resident requesting an alteration variance or a landscape change is reviewed at the Committee level before it is brought before the Board for final decision.

Civil Code Section §4765 provides that decisions made by the Board or of a committee having the same composition as the Board relating to a member's architectural and/or landscape request that occur in an Open Session Board meeting in compliance with the requirements of Civil Code §4900 et seq. (the Open Meeting Act) may be final, without the right of a Member to appeal said decision.

On August 20, 2019, Third amended the Appeal Policy (Resolution 03-19-79) to conform with Civil Code §4765; allowing for Board decisions to be final. The policy also streamlined the process to provide guidelines for a member if they meet the criteria for an appeal. The policy amendment added further review stipulating that if new relevant information is brought to the Board's attention relating to a matter previously decided by the Board, the Board may, in its sole discretion, revisit such decision due to extraordinary circumstances, but it shall have no obligation to do so and no member shall be entitled to such reconsideration as a matter of right.

The purpose of the Appeal Policy is to set forth appeals of certain decisions by the Board, Committees, or Management on architectural and landscape matters, Lease Authorization Permits, Co-occupancy Applications, Caregiver Applications, non-escrow membership transfer applications and Resale related matters, as well as decisions made regarding Member discipline and reimbursement to Third by Members for expenses incurred by Third for which the Member is responsible, including without limitation when applicable, legal fees and costs. (Attachment 1)

### **DISCUSSION**

On December 27, 2022 the Committee reviewed the Appeal Policy and proposed changes to simplify the process of appeals and provide uniformity and clear guidelines for appeals (Attachment 2).

### **FINANCIAL ANALYSIS**

None.

**Appeal Policy**

January 24, 2023

Page 2

**Prepared By:** Jacob M. Huanosto, Interim Compliance Supervisor

**Reviewed By:** Blessilda Wright, Compliance Supervisor

**ATTACHMENT(S)**

Attachment 1: Appeal Policy – Existing Policy

Attachment 2: Appeal Policy Proposed Version



**Appeal Policy**  
**Resolution 03-19-79; Adopted August 20, 2019**

**I. Purpose**

Third Laguna Hills Mutual (“Third”) requires a Member to seek approval from the Board of Directors (“Board”) on certain matters of Corporate business by way of the committee structure for review of a question that may ultimately be determined by the Board in Open session, including without limitation, certain architectural and landscape approvals, and variance requests, or in Executive Session, including without limitation, approvals for Lease Authorization Permits, Co-occupancy Applications, Caregiver Applications, non-escrow membership transfer applications and Resale, as well as decisions on discipline of members for governing document violations and reimbursement for expenses incurred by Third.

Depending on the circumstances and the powers granted to the Committee (as defined below), the Committee may either act to approve or deny a Member’s request, or, if such request requires Board consideration, forward the Committee’s recommendations regarding the Member’s request to the Board for its consideration and decision.

The purpose of this document is to set forth the Appeal Policy for appeals of certain decisions by the Board, Committees, or Management on architectural and landscape matters, Lease Authorization Permits, Co-occupancy Applications, Caregiver Applications, non-escrow membership transfer applications and Resale related matters, as well as decisions made regarding Member discipline and reimbursement to Third by Members for expenses incurred by Third for which the Member is responsible, including without limitation when applicable, legal fees and costs.

A decision made by a Committee or Management, within its powers, to deny a Member’s request shall be appealable to the Board if permitted by the Community Rules and/or required by statute. However, except as specifically provided in this Policy or otherwise in the Community Rules (as defined below), or as may otherwise be required by law, **all decisions, including other matters of Corporate business made by the Board, whether in an Open Meeting or in Executive Session, shall be final and not subject to additional review or a right of appeal by Third Members.**

## II. Definitions

For the purposes of this Policy:

- a. **Committee** is a group of individuals appointed by the Board for a specific function. For example, the Architectural Control and Standards Committee and Landscape Committee review Member requests for nonstandard architectural or landscape changes and make recommendations to the Board for approval or denial.
- b. **Community Rules** shall mean and refer to the Articles of Incorporation and Bylaws of Third, the recorded Covenants, Conditions, and Restrictions (“CC&Rs”); and any rules and regulations adopted by Third. Any reference to the “**Governing Documents**” shall, for purposes of this Policy, be deemed a reference to the Community Rules set forth in this definition.
- c. **Executive Hearing Committee** is comprised of three (3) Directors and two (2) alternate Directors for the purpose of making decisions on disciplinary/confidential matters in Executive Session, including without limitation, discipline for Governing Document violations and decisions regarding the imposition of reimbursement assessments on Members for Common Area damage.
- d. **Executive Session** is defined as a closed meeting of the Board to address disciplinary/confidential matters as described in Civil Code Section 4935.
- e. **Management** shall mean and refer to Village Management Services, Inc., the managing agent for Third.
- f. **Member** is defined as any person who is an owner of a Unit in Third’s development who has been approved for membership in Third.
- g. **Open Meeting** is defined as a meeting open to the Members of Third as provided in the Open Meeting Act as codified in the Civil Code at Section 4900 et seq. Per Civil Code Section 4765, decisions made by the Board relating to a Member’s architectural and/or landscape request that occur in an Open Session meeting may be final.
- h. **Subject Matter Expert** (“SME”) is defined as the Staff Member from Management with the highest level of expertise in the specialized job, task, or skill pertinent to a Member’s appeal request.

### III. Architectural and Landscape Decisions

As further described in the Community Rules, including without limitation, the Architectural Review Procedures, applications for Standard Plan alterations submitted to the Manor Alterations and Permits Division may typically be approved without Board review.

An application with plans not in conformance with the approved Standard Plan alterations or for which neighbor objections have been received are considered and reviewed by the Architectural Control and Standards Committee ("ACSC").

Applications that are not in conformance with Third's architectural standards may be recommended for denial by the ACSC.

Meanwhile, an application that may otherwise meet the application requirements, but with plans that do not conform to the approved Standard Plan alterations, requires the approval of a variance request, which must be submitted for review by the ACSC. The ACSC reviews the architectural application, variance request, and other documentation provided regarding the proposed alteration at its regularly scheduled meetings and makes a written recommendation to the Board as to whether the architectural/variance request should be granted or denied.

Similarly, requests by Members for landscape modification are submitted to the Landscape Division for review by Management and/or the Landscape Committee, which may approve standard landscape alterations without Board review. Nonstandard landscape requests will be reviewed by the Landscape Committee, who will then make a written recommendation to the Board as to whether the landscape modification should be approved or denied.

The recommendation from the ACSC or Landscape Committee, as may be applicable, on a matter to be ultimately determined by the Board is considered by the Board at the next regularly scheduled Open Meeting, at which time the Board will either approve (either with or without conditions) or deny the Member's architectural/variance or landscape modification request.

**Such decisions made by the Board at an Open Meeting are not subject to appeal, in accordance with Civil Code Section 4765.** Nor shall decisions made by the Board on such matters in Executive Session, as may be applicable, be subject to appeal.

Notwithstanding the foregoing, if new relevant information is brought to the Board's attention relating to a matter previously decided by the Board, the Board may, in its sole discretion, revisit such decision due to extraordinary circumstances, but it shall have no obligation to do so and no Member shall be entitled to such reconsideration as a matter of right.

The SME will review any request for reconsideration based on extraordinary circumstances if submitted in writing within thirty (30) days from the Board's determination or the discovery of such extraordinary circumstances; in no event, however, shall any reconsideration request be considered by the Board after one (1) year from the date of the original, final decision by the Board. Reconsideration of the Board's decision may be considered in the following circumstances: (1) the application or documentation provided had an error which would otherwise have resulted in approval; (2) the Board or recommending Committee misinterpreted provisions of the application or the requirements of law or the Community Rules in its decision; (3) an aberration from the review and approval procedures as laid out in the Community Rules is discovered; and (4) any other situation in which the Board, in its sole discretion, believes that an additional review is necessary to ensure the equal and fair treatment of all Members.

#### IV. Disciplinary Decisions

The Executive Hearing Committee makes decisions on disciplinary/confidential matters, including discipline for governing document violations and decisions regarding the imposition of reimbursement assessments on Members for Common Area damage, in Executive Session meetings, to which the Member has been invited to be heard, and issues written decisions to Members within fifteen (15) days from the date of the noticed hearing in accordance with the hearing and enforcement procedures in Third's Community Rules.

Within thirty (30) days of receipt of a written decision by the Executive Committee relating to Member discipline or a reimbursement by the Member to Third, made at an Executive Session meeting, the Member may appeal to the Board the Executive Committee's decision by providing an explanation, in writing, as to why the Member believes the Committee made an incorrect decision, along with any additional evidence or documentation pertinent to the Member's appeal.

Upon receipt of such appeal request, the information will be reviewed by the SME for consideration. If approved, a new hearing will be scheduled before the Board, at which the Board will consider the written appeal as well as any evidence or documentation previously provided, after which the Board will make a decision and provide notice of same in accordance with Third's Governing Documents and applicable statute.

**No further appeals, other than as directly referenced above, will be granted upon reconsideration by the Board of the matter that was the subject of the initial hearing before the Executive Committee and a final determination by the Board. In addition, the decision on any such matter heard directly before the Board (rather than first being heard by the Executive Committee) shall be final and not subject to appeal.**

## V. Occupancy and Membership Decisions

Pursuant to Third's Lease Policy, Care Provider Policy, Resale Policy and the Governing Documents, a Member seeking authorization to occupy or obtain Membership must submit the required Permit application to the Community Services Division along with all required supporting documentation. The application is then reviewed by Management, who may either approve or deny the application based on the conformance of the application to the requirements in the Lease Policy, Care Provider Policy, Resale Policy, and the Governing Documents and ability of the Member to pursue such action as otherwise specified in the Community Rules and/or based on prior disciplinary action against the Member.

If Management denies the request within its authority (without consideration by the Board), the Member may appeal such decision to the Board upon written appeal by providing an explanation, in writing, as to why the Member believes Management made an incorrect decision, along with any additional documentation pertinent to the Member's appeal. Upon receipt of such appeal request, the information will be reviewed by the SME for consideration as well as any evidence or documentation previously provided, for consideration by the Board, which will make a final decision on the Member's application.

In some instances, Management may refer the approval/denial decision directly to the Board, and provide a recommendation for approval or denial of the application based on its review of the submitted application and documentation.

**A decision on the approval or denial by the Board, whether in an Open Meeting or in Executive Session shall be final, and not subject to appeal or further review by the Member.**

Notwithstanding the foregoing, if new relevant information is brought to the Board's attention relating to a matter previously decided by the Board, the Board may, in its sole discretion, revisit such decision due to extraordinary circumstances, but it shall have no obligation to do so and no Member shall be entitled to such reconsideration as a matter of right.

The SME will review any request for reconsideration based on extraordinary circumstances if submitted in writing within thirty (30) days from the Board's determination or the discovery of such extraordinary circumstances; in no event, however, shall any reconsideration request be considered by the Board after one (1) year from the date of the original, final decision by the Board. Reconsideration of the Board's decision may be considered in the following circumstances: (1) the application or documentation provided had an error which would otherwise have resulted in approval; (2) the Board or recommending Committee misinterpreted provisions of the application or the requirements of law or the Community Rules in its decision; (3) an aberration from the review and approval procedures as laid

out in the Community Rules is discovered; and (4) any other situation in which the Board, in its sole discretion, believes that an additional review is necessary to ensure the equal and fair treatment of all Members.



**Appeal Form**  
**Compliance Division**  
**PO BOX 2220, Laguna Hills, CA 92654; 949-268-CALL; [compliance@vmsinc.org](mailto:compliance@vmsinc.org)**

If you disagree with the Determination Notice by the Third Laguna Hills Mutual (Third) Executive Hearings Committee, you may appeal the decision(s) to the Board of Directors by completing this form and explaining why you disagree. You must sign the form and return it to the Compliance Division. **YOU HAVE 30 DAYS FROM THE MAIL DATE OF THE DETERMINATION NOTICE TO FILE A TIMELY APPEAL.** The Subject Matter Expert (SME) will review the appeal request for consideration. If approved, a new hearing will be scheduled before the Board, in accordance with Resolution 03-19-79, Appeal Policy.

<b>Section I: Member(s) Information</b>			
<b>Name:</b>	<b>Unit #</b>	<b>Telephone #</b>	<b>Email:</b>
<b>Name:</b>	<b>Unit #</b>	<b>Telephone #</b>	<b>Email:</b>
<b>Date of Disciplinary Hearing:</b>			

<b>Section II: Appeal Statement</b>
PLEASE PRINT
Explain the reason for your appeal and why you disagree with the decision(s). If required, attach additional pages to this form and write your name and unit on each page.

**FOR OFFICE USE ONLY**

**Action Taken By:** \_\_\_\_\_

<input type="checkbox"/> <b>Appeal Approved</b>	<input type="checkbox"/> <b>Appeal Denied</b>	<b>Date:</b>
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**Third Appeal Policy**  
Resolution 03-23-XX; Adopted MMMMMM DD, 2023

### I. Purpose

Third Laguna Hills Mutual (“Third”) requires a Member to seek approval from the Board of Directors (“Board”) on certain matters of Corporate business by way of the committee structure for review of a question that may ultimately be determined by the Board in Open session, including without limitation, certain architectural and landscape approvals, and variance requests, or in Executive Session, including without limitation, approvals for Lease Authorization Permits, Co-occupancy Applications, Caregiver Applications, non-escrow membership transfer applications and Resale. Furthermore, decisions on discipline of members for governing document violations and reimbursement for expenses incurred by Third are made by the Executive Hearing Committee.

Depending on the circumstances and the powers granted to the Committee (as defined below), the Committee may either act to approve or deny a Member’s request, or, if such request requires Board consideration, forward the Committee’s recommendations regarding the Member’s request to the Board for its consideration and decision. The Executive Hearing Committee may also discipline members for governing document violations and determine that reimbursement for expenses incurred by Third are the responsibility of a Member.

The purpose of this document is to set forth the Appeal Policy for appeals of certain decisions by the Board, Committees, or Management on architectural and landscape matters, Lease Authorization Permits, Co-occupancy Applications, Caregiver Applications, non-escrow membership transfer applications and Resale related matters, as well as decisions made regarding Member discipline and reimbursement to Third by Members for expenses incurred by Third for which the Member is responsible, including without limitation when applicable, legal fees and costs.

A decision made by a Committee or Management, within its powers, to deny a Member’s request shall be appealable to the Board if permitted by the Community Rules and/or required by statute. However, except as specifically provided in this Policy or otherwise in the Community Rules (as defined below), or as may otherwise be required by law, all decisions, including other matters of Corporate business made by the Board, whether in an Open Meeting or in Executive Session, shall be final and not subject to additional review or a right of appeal by Third Members.

### II. Definitions

For the purposes of this Policy:

- a. Committee is a group of individuals appointed by the Board for a specific function. For example, the Landscape Committee reviews Member requests for landscape changes and makes recommendations to the Board for approval or denial.
- b. Community Rules shall mean and refer to the Articles of Incorporation and Bylaws of Third, the recorded Covenants, Conditions, and Restrictions (“CC&Rs”); and any rules and regulations adopted by Third. Any reference to the “Governing Documents” shall, for purposes of this Policy, be deemed a reference to the Community Rules set forth in this definition.

c. Executive Hearing Committee is comprised of three (3) Directors [and two (2) alternate Directors] for the purpose of making decisions on disciplinary/confidential matters in Executive Session, including without limitation, discipline for Governing Document violations and decisions regarding the imposition of reimbursement assessments on Members for Common Area damage.

d. Executive Session is defined as a closed meeting of the Board to address disciplinary/confidential matters as described in Civil Code Section 4935.

e. Management shall mean and refer to Village Management Services, Inc., the managing agent for Third.

f. Member is defined as any person who is an owner of a Unit in Third's development who has been approved for membership in Third.

g. Open Meeting is defined as a meeting open to the Members of Third as provided in the Open Meeting Act as codified in the Civil Code at Section 4900 et seq. Per Civil Code Section 4765, decisions made by the Board relating to a Member's architectural and/or landscape request that occur in an Open Session meeting may be final.

### III. Policy

It is the stated policy that Members shall have the right to appeal decisions made by a Committee made up of less than the Board. Information regarding how to request an appeal will be included in the determination letter sent to a Member as a result of a Committee's decision.

Within thirty (30) days of receipt of a written decision by the Committee, a Member who claims to have been harmed by the decision may appeal the decision directly to the Board by providing a statement in writing, explaining why the Member believes the Committee made an incorrect decision. The member may – but is not obliged to – provide such new evidence or documentation that the Member feels will aid the Member's appeal. However, no new evidence or documentation not provided within such 30-day period will be considered by the Board.

It is the stated policy that Members shall have the right to have their appeal considered by the Board, after which the Board will make a decision and provide notice of same in accordance with Third's Governing Documents and applicable statute.

As per Community Rules and applicable law, any appeal decision made by the Board, whether in an Open Meeting or in Executive Session, shall be final and not subject to additional review or a right of appeal by Third Members.





## STAFF REPORT

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**DATE:** January 24, 2023  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Resident Policy and Compliance Committee Charter

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### **RECOMMENDATION**

Discuss and Consider adopting changes to the Resident Policy and Compliance Committee Charter.

### **BACKGROUND**

The Resident Policy and Compliance Committee is tasked to review policy and processes for consistency, clarity, and efficiency. The Committee Charter outlines the qualifications for being a committee member, responsibilities and duties of the committee.

In August 2016, a Resident Policy and Compliance Ad Hoc Committee was established in conjunction with United Laguna Woods Mutual to address aligning governing documents when possible to create a streamline process. Later in the year, Third Laguna Hills Mutual broke off from the joint Ad Hoc Committee and established a Resident Policy and Compliance Task Force to review policies and process for consistency. On August 15, 2017, the Board of Directors approved members for the Resident Policy and Compliance Task Force (Resolution 03-17-87).

On December 2, 2019, the Resident Policy and Compliance Task Force approved revisions the charter which include establishing the Task Force as a Committee and outlining the roles and responsibility of the committee.

On December 17, 2019, the Board of Directors approved the changes to Resident Policy and Compliance Committee Charter (Resolution 03-19-136)

### **DISCUSSION**

On December 27, 2022 the Committee discussed and considered revisions to the Resident Policy and Compliance Committee charter and responsibilities.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Jacob M. Huanosto, Interim Compliance Supervisor

**Reviewed By:** Blessilda Wright, Compliance Supervisor

### **ATTACHMENT(S)**

Attachment 1: Resident Policy and Compliance Committee Charter – Existing Version  
Attachment 2: Resident Policy and Compliance Committee Charter – Proposed Clean Copy  
Attachment 3: Resident Policy and Compliance Committee Charter – Proposed Red line Copy



**RESOLUTION 03-19-36**  
**Amended January 17, 2019**

**RESIDENT POLICY AND COMPLIANCE COMMITTEE CHARTER**

**WHEREAS**, pursuant to Bylaws, Article VII, Section 1, the Resident Policy and Compliance Committee is established as a standing committee of this Corporation for the purpose of reviewing the governing documents for clarity, legality and current applicability; and

**WHEREAS**, pursuant to Bylaws, Article VII, Section 7.1.3.1, Committee Advisors shall have voting rights;

**NOW THEREFORE BE IT RESOLVED**, December 17, 20219 that the Board of Directors of this Corporation hereby assigns the following procedures for this Committee as follows:

**I. Committee Members**

1. The Board of Directors shall appoint the Resident and Compliance Committee Chair;
2. The Committee shall consist of no more than 5 directors and 3 advisors, all will be voting members appointed by the Board of Directors upon recommendation of the Committee Chair;
3. A Committee Member absent from three consecutive, regularly scheduled meetings shall no longer qualify for the Committee, unless excused by the Chair.

**II. Responsibilities**

This Committee shall serve at the direction of and at the pleasure of the Board of Directors. The primary responsibility of the Committee is to recommend general and specific actions related to the governing documents for the Boards approval and implementation.

1. The Committee's scope includes assuring that the governing documents are consistent with the Bylaws, CC&Rs and other governing documents, as well as current federal, state and local laws;
2. Review all governing documents and make recommendations to the Board of Directors regarding proposed revisions to the governing documents;
3. Consult, as appropriate and upon Committee approval, with Corporate Counsel;

4. Perform such additional functions as may be assigned or referred to this Committee by the President as well as those that are necessary and prudent to fulfill the Committee's duties and responsibilities;
5. Function as an advisory and liaison body to the managing agent in matters pertaining to governing document changes/implementation and coordinate these matters with other standing committee having related concerns.

**RESOLVED FURTHER**, the Resident Policy and Compliance Task Force will now be known as the Resident Policy and Compliance Committee from henceforth;

**RESOLVED FURTHER**, that the officers and agenda of this Corporation are hereby authorized, on behalf of the Corporation, to carry out this resolution as written.

**THIRD LAGUNA HILLS MUTUAL  
RESIDENT POLICY AND COMPLIANCE COMMITTEE CHARTER  
RESOLUTION XX-XX-XXX**

**RESOLVED**, that pursuant to Bylaws, Article 7, Section 7.1, the Resident Policy and Compliance Committee (Committee) has been established as a standing committee of this Corporation for the purpose of reviewing the governing documents (Governing Documents) for Third Laguna Hills Mutual (Third Mutual) for clarity, legality and current applicability, recommending to the Board of Directors (Board) revisions to the rules, and overseeing the processes used to manage discipline within this Corporation.

**RESOLVED FURTHER**, *on this date*, that the Board of this Corporation hereby amends the Members and Responsibilities information for the Committee as follows:

**I. Committee Members**

1. The Board shall appoint the Committee Chair upon recommendation of the Board President.
2. The Committee shall consist of no more than 5 Board Directors, all will be voting members appointed by the Board upon recommendation of the Committee Chair.
3. The Committee may include Resident Advisors, all who will be non-voting members appointed by the Board upon recommendation of the Committee Chair.
4. A Committee Member absent from 3 consecutive, regularly scheduled meetings shall no longer qualify for the Committee, unless excused by the Chair.

**II. Responsibilities**

This Committee shall serve at the direction of and at the pleasure of the Board. The primary responsibility of the Committee is to recommend general and specific actions related to the Governing Documents for the Board's approval and implementation, including but not limited to:

1. Ensure that the Governing Documents are consistent with the Bylaws, Amended and Restated Covenants, Conditions and Restrictions and other governing documents, as well as current federal, state and local laws.
2. Review all Governing Documents and make recommendations to the Board regarding proposed revisions to the Governing Documents.
3. Ensure that the processes used to manage adherence to the Governing Documents are clear, relevant, reflect kindly on members, and are fair and consistent.
4. Consult, as appropriate and upon Committee approval, with Corporate Counsel.
5. Function in accordance with the Governing Documents and federal, state, and local laws.
6. Perform such additional functions as may be assigned or referred to the Committee by the Board President as well as those that are necessary and prudent to fulfill the Committee's duties and responsibilities.



7. Function as an advisory and liaison body to the managing agent in matters pertaining to the Governing Document changes/implementation and coordinate these matters with other standing committees having related concerns.

**RESOLVED FURTHER**, that Resolution 03-XX-XXX, adopted MMMMMMM DD, YYYY is hereby superseded and cancelled.

**RESOLVED FURTHER**, that the officers and agenda of this Corporation are hereby authorized, on behalf of the Corporation, to take such action as they deem appropriate to carry out the purposes of this resolution as written.

**THIRD LAGUNA HILLS MUTUAL  
RESIDENT POLICY AND COMPLIANCE COMMITTEE CHARTER  
RESOLUTION XX-XX-XXX**

**RESOLVED**, that pursuant to Bylaws, Article 7, Section 7.1, the Resident Policy and Compliance Committee (Committee) has been established as a standing committee of this Corporation for the purpose of reviewing the governing documents (Governing Documents) for Third Laguna Hills Mutual (Third Mutual) for clarity, legality and current applicability, [recommending to the Board of Directors \(Board\) revisions to the rules](#), and overseeing the processes used to manage discipline within this Corporation.

**RESOLVED FURTHER**, *on this date*, that the Board ~~of Directors (Board)~~ of this Corporation hereby amends the Members and Responsibilities information for the Committee as follows:

**I. Committee Members**

1. The Board shall appoint the Committee Chair upon recommendation of the Board President.
2. The Committee shall consist of no more than 5 Board Directors, all will be voting members appointed by the Board upon recommendation of the Committee Chair.
3. The Committee may include Resident Advisors, all who will be non-voting members appointed by the Board upon recommendation of the Committee Chair.
4. A Committee Member absent from 3 consecutive, regularly scheduled meetings shall no longer qualify for the Committee, unless excused by the Chair.

**II. Responsibilities**

This Committee shall serve at the direction of and at the pleasure of the Board. The primary responsibility of the Committee is to recommend general and specific actions related to the Governing Documents for the Board's approval and implementation, including but not limited to:

1. Ensure that the Governing Documents are consistent with the Bylaws, Amended and Restated Covenants, Conditions and Restrictions and other governing documents, as well as current federal, state and local laws.
2. Review all Governing Documents and make recommendations to the Board regarding proposed revisions to the Governing Documents.
3. Ensure that the processes used to manage adherence to the Governing Documents are clear, relevant, reflect kindly on members, and are ~~fairly and consistently enforced~~ [fair and consistent](#).
4. Consult, as appropriate and upon Committee approval, with Corporate Counsel.
5. Function in accordance with the Governing Documents and federal, state, and local laws.
6. Perform such additional functions as may be assigned or referred to the Committee by the Board President as well as those that are necessary and prudent to fulfill the Committee's duties and responsibilities.

7. Function as an advisory and liaison body to the managing agent in matters pertaining to the Governing Document changes/implementation and coordinate these matters with other standing committees having related concerns.

**RESOLVED FURTHER**, that Resolution 03-XX-XXX, adopted MMMMMMM DD, YYYY is hereby superseded and cancelled.

**RESOLVED FURTHER**, that the officers and agenda of this Corporation are hereby authorized, on behalf of the Corporation, to take such action as they deem appropriate to carry out the purposes of this resolution as written.



## STAFF REPORT

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**DATE:** January 24, 2023  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Member Disciplinary Process

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### **RECOMMENDATION**

Received and file.

### **BACKGROUND**

On July 20, 2004, the Board of Directors established a member-discipline process for the purposes of holding disciplinary hearings in a timely manner and ensuring progressive discipline (Attachment 1, Resolution 03-04-12). The Board of Directors is obligated to evaluate and impose if appropriate, member-discipline under its Bylaws and California Civil Code.

The member-discipline process is coordinated by the Compliance Division. Upon notice of an alleged violation, staff investigates and should staff identify objective evidence of a violation by a member or their guests, staff will send a courtesy notice to the offending party describing the allegation(s) and the disciplinary action that may ensue if not corrected. Staff will monitor the situation and if compliance is not evident, staff will send a final notice requesting compliance. Additionally, the matter is scheduled for a disciplinary hearing with the Board of Directors to determine if member-discipline is merited. If the alleged violation has been resolved, no further action is required.

If a disciplinary hearing is merited, staff will proceed with noticing the Member for a hearing. During a Member Disciplinary Hearing the member has the right to meet before the Board of Directors in executive session. If the board finds the member to be in violation of the governing documents, the board may impose a fine based on the Monetary Fee Schedule, suspend Member privileges for delinquency, and/or consider legal action.

The Executive Hearings Committee meets for four hours on a monthly basis for damage restoration and disciplinary hearings. For 2021, the Committee averaged six disciplinary hearings per monthly meeting.

On August 23, 2022, the Resident Policy and Compliance Committee requested samples of the following notices mailed by the Compliance Division: courtesy notices, final notices, hearing notices and determination notices.

### **DISCUSSION**

The disciplinary notice templates have been reviewed and vetted by Legal Counsel over the years to ensure compliance with Civil Code and Bylaw requirements. Furthermore, the determination notices use the term "in violation" when the Executive Hearings Committee

determines not to impose a monetary penalty however, still finds the member liable for violation of Third's governing documents.

**FINANCIAL ANALYSIS**

None

**Prepared By:** Blessilda Wright, Compliance Supervisor

**Reviewed By:** Jacob M. Huanosto, Interim Compliance Supervisor

**ATTACHMENT(S)**

Attachment 1: Determination Notices



## Disciplinary Hearing Determination Notice

[Date]

Via Certified, First Class Mail, and E-mail  
(email)

[Name]

[Address]

Laguna Woods, CA 92637

**Re: Bylaws, Article 4, Membership, Section 4.2.3.4, Guest Restrictions**

Dear [Name]:

On [Date], the Third Laguna Hills Mutual (Third) Board of Directors noticed and held a disciplinary hearing during the Board of Directors Closed Executive Session to consider an allegation that you are in violation of Third's Governing Documents. As you were advised, [insert details and reason for the disciplinary hearing here] continuing to reside in your unit without Board approval in violation of Third's Bylaws, Article 4, Membership, Section 4.2.3.4, Guest Restrictions.

The Board reviewed information presented by Village Management Services, Inc. (VMS) Staff, managing agent for Third. [The Board also heard oral testimony from you via video call]. **Based on its review of all the information, the Board of Directors determined that you have failed to comply with Third's Governing Documents.**

**After the completion of the disciplinary hearing and due deliberation the Board elected to take the following actions:**

- 1. Impose a \$[amount] monetary penalty for violation of occupancy restrictions;**
- 2. Require all unapproved occupants vacate the unit within 10 days from the date of the determination notice; and**
- 3. Advise you that failure to comply may result in additional disciplinary action up to and including additional disciplinary action and potential legal action.**

An invoice reflecting the \$[amount] monetary penalty will be mailed to you separately. The invoiced amount is due and payable to Golden Rain Foundation (GRF) upon receipt.

As a reminder, Bylaws, Article 4, Membership, Section 4.2.3.4, Guest Restrictions states:

"No person, except a Guest, may Reside in a Manor without the prior written approval of this Corporation. An applicant may seek to Reside in a Manor as a Qualifying Resident or, if another person is applying for, or has already been approved for residency as a Qualifying Resident, as a Co-

occupant. No person shall be approved as a Co-occupant unless another person with whom he or she seeks to Reside has been approved as a Qualifying Resident.”

Additionally, Bylaws, Article 2, Purposes, Powers, Governance, Definitions, Section 2.4.13, defines Guest as:

“An individual other than a resident, Qualifying Resident, Lessee or Co-occupant of any age. A Guest may stay in a Manor for up to sixty (60) days in any twelve-month period at the invitation of the Qualifying Resident or Co-occupant, subject to limitations on the maximum number of occupants in a Manor.”

Furthermore be advised that CC&R’s Article XXI, Attorney Fees, states:

“If an Owner defaults...in the performance or observance of any provision of these Restrictions, and the Mutual has obtained the services of an attorney...the Owner covenants and agrees to pay to the Mutual any costs or fees involved, including reasonable attorneys’ fees...”

Be further advised that Third’s Appeal Policy states:

“...all decisions, including other matters of Corporate business made by the Board, whether in an Open Meeting or in Executive Session, shall be final and not subject to additional review or a right of appeal by Third members.”

In the event you have any questions regarding the Board’s disposition of this matter, please do not hesitate to contact me at [compliance@vmsinc.org](mailto:compliance@vmsinc.org) or call me at 949.268.2255.

Sincerely,  
FOR THE BOARD OF DIRECTORS

[Name],  
Compliance Coordinator, VMS, Inc.  
Agent for Third Laguna Hills Mutual



## STAFF REPORT

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**DATE:** January 24, 2023  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Interior Hard Surface Flooring Policy

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### **RECOMMENDATION**

Discuss and Consider proposing changes to the Interior Hard Surface Flooring Policy.

### **BACKGROUND**

The Resident Policy and Compliance Committee is tasked to review policy and processes for consistency, clarity, and efficiency. The Committee Charter outlines the qualifications for being a committee member, responsibilities and duties of the committee.

The Interior Hard Surface Flooring Policy was adopted on July 20, 2010 and was revised on August 20, 2013.

### **DISCUSSION**

The Committee is requesting review of the Interior Hard Surface Flooring Policy for possible changes to the process for addressing hard surface flooring noise complaints. On July 20, 2010, the Board of Directors adopted Resolution 03-10-98 Interior Hard Surface Flooring Complaint Rules.

### **FINANCIAL ANALYSIS**

None.

**Prepared By:** Jacob M. Huanosto, Interim Compliance Supervisor

**Reviewed By:** Blessilda Wright, Compliance Supervisor

### **ATTACHMENT(S)**

Attachment 1: Interior Hard Surface Flooring Policy – Existing Version with forms





## **STANDARD 11A: INTERIOR HARD-SURFACE FLOORING**

Adopted July 20, 2010, RESOLUTION 03-10-97

Revised December 21, 2010, RESOLUTION 03-10-188

### **1.0 GENERAL REQUIREMENTS**

See Standard Section 1: General Requirements

### **2.0 APPLICATIONS**

**2.1 FIIC AND CC&R STANDARDS:** All interior hard-surface flooring (including but not limited to new, different or replacement flooring) which is installed in a room within a second or third floor Condominium that is located above an area where there is no dropped ceiling immediately below, must at all times meet a field impact insulation class (FIIC) rating of 50 as defined in the American Society for Testing and Materials (ASTM) E 1007 standard, and the utilization of same by the occupants of the aforesaid Condominium must not cause any violation of Article III section 6 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions. FIIC testing on interior hard-surface flooring shall only be required pursuant to the procedures described in the Interior Hard-Surface Flooring Complaint Rules. Floor coverings such as area rugs, may be included to obtain the required FIIC 50 rating; provided that these coverings must be retained as a permanent part of the interior flooring and may be replaced only by other floor coverings that provide the required 50 FIIC rating.

**2.2 OWNER RESPONSIBILITIES.** The Owner(s) of a Condominium (including the Condominium Owner(s) on the date of the installation and all successor Owners) where interior hard-surface flooring subject to paragraph 2.1 has been installed shall be responsible for ensuring that the utilization of said flooring at all times meets a 50 FIIC rating, and for ensuring that said flooring does not cause any violation of Article III section 6 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions.



## **INTERIOR HARD-SURFACE FLOORING COMPLAINT RULES**

July 20, 2010, RESOLUTION 03-10-98  
REVISED AUGUST 2013, RESOLUTION 03-13-85

**1. APPLICABILITY.** These Interior Hard-Surface Flooring Complaint Rules (“Rules”) shall govern complaints by any Owner or resident of a first or second floor Condominium that the interior hard-surface flooring in the Condominium immediately above is in violation of Article III section 6 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions and/or Section 11A of the Third Laguna Hills Mutual Alteration Standards.

**2. WRITTEN COMPLAINTS.** Any Owner or resident of a first or second floor Condominium who alleges that the existence of and/or utilization of the interior hard-surface flooring in the Condominium immediately above it is in violation of Article III section 6 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions and/or Section 11A of the Third Laguna Hills Mutual Alteration Standards, must submit a written complaint to the Mutual on a form provided by the Mutual (the “Hard-Surface Flooring Complaint Form” or “Complaint”). Upon receipt of said Complaint, the Mutual will forward a packet to the complaining Condominium Owner(s), the Owner(s) of the Condominium against which the Complaint has been lodged, and the residents of same (if different from the Owners), which packet will include the Complaint, these Rules, and a written demand that all affected parties meet and confer in person in a good faith effort to resolve the Complaint (collectively the “Meet and Confer Packet”).

**3. MEET AND CONFER PROCESS.** Upon receipt of the Meet and Confer Packet, all affected parties shall meet and confer in person in a good faith effort to resolve the Complaint between themselves. If the affected parties resolve the Complaint, they shall notify the Mutual in writing of the terms and conditions of such resolution. If the affected parties are unable to resolve the Complaint between themselves, then the complaining Owner or resident must so notify the Mutual in writing on a form provided by the Mutual (the “Notice of Failure To Resolve Hard-Surface Flooring Complaint” or “Notice”).

**4. INVESTIGATION OF COMPLAINTS.** Upon the Mutual's receipt of the Notice of Failure To Resolve Hard-Surface Flooring Complaint from the complaining Owner or resident, then the Mutual shall: a) forward a copy of said Notice to the Owners and residents of the Condominium which is the subject of the Complaint, and b) select, retain and advance the costs for an acoustical testing and engineering expert, who shall perform FIIC testing on interior hard-surface flooring located in bedroom(s), the living room, and hallway(s), whichever is the subject of the Complaint. Testing shall not necessarily be required on interior hard-surface flooring located in the dining room, kitchen, nook, or bathroom(s). The Mutual's payment of such expert costs shall be subject to its right to obtain reimbursement of such costs by imposition and levy of a Reimbursement Assessment upon the appropriate Condominium and Condominium Owners pursuant to the Governing Documents and these Rules.

**5. FIIC TESTING.** All FIIC testing which is conducted under these Rules shall be performed by an expert selected by the Mutual in its sole discretion. The expert shall be experienced in the field of acoustical testing and engineering. Said expert shall promptly forward to the Mutual a written report which shall include all test results as well as his, her or its findings, opinions and recommendations. The Mutual shall forward copies of the report to the complaining Condominium Owners and residents, and to the Owners and residents of the Condominium wherein the interior hard-surface flooring at issue is located.

**6. OWNER AND RESIDENT COOPERATION.** All Condominium Owners and residents involved shall fully cooperate with the Mutual, its agents and experts in connection with FIIC testing. Said cooperation shall include allowing the Mutual, its agents and experts to enter, inspect, photograph, and test all Condominiums which are identified in the Complaint. If entry into a Condominium is required, such entry shall be done at reasonable times, upon reasonable prior notice, and with as little inconvenience to the Condominium Owners and residents as possible. The Board shall impose and levy a Reimbursement Assessment against the appropriate Condominium Owners and their respective Condominiums in order to reimburse the Mutual for all costs, expenses and attorney's fees which the Mutual incurs in connection with the Complaint or the enforcement of these Rules.

**7. BOARD HEARINGS AND ORDERS.**

i) As soon as reasonable after the Mutual receives the expert's test results and report, a hearing shall be held before the Board of Directors. At the hearing, the Board shall consider all relevant matters, including whether there has been any violation of Article III section 6 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions and/or Section 11A of the Third Laguna Hills Mutual Alteration Standards.

ii) After the hearing has concluded, the Board of Directors shall determine such

actions, remedies, fines, penalties, suspensions, Reimbursement Assessments, and other orders that the Board in its discretion deems appropriate to be taken, including, but not limited to:

- (1) Imposing and levying a Reimbursement Assessment against either the Owner of the Condominium where the interior hard-surface flooring at issue is located or the Owner of the Condominium which originated the Complaint (even if the Complaint was made by a non-Owner resident in the Condominium) to reimburse the Mutual for all costs, expenses and attorney's fees that the Mutual has incurred in connection with the Complaint or its enforcement of these Rules, including the costs of FIIC testing, expert consultations, and expert reports;
- (2) Directing the Owner(s) and/or resident(s) of the Condominium where the interior hard-surface flooring at issue is located to take remedial action to correct the situation that resulted in the Complaint, submit documents verifying that such remedial action has been completed, and/or allow an expert selected by the Mutual and paid for in advance by said Owners to perform follow-up FIIC testing to verify the effectiveness of the remedial action; and
- (3) Making such other and further orders as it deems appropriate, including imposing monetary penalties and fines, imposing and levying Reimbursement Assessments, suspending the right to use any facilities owned, operated or managed by the Mutual, suspending the right to vote in Mutual elections, recommending to GRF that it take disciplinary action against the Owner(s) and/or resident(s) with respect to the Owner(s) and/or resident(s) use of GRF provided facilities and amenities, and/or setting additional hearings.



**NOTICE OF FAILURE TO RESOLVE  
HARD-SURFACE FLOORING COMPLAINT**

In accordance with RESOLUTION 03-10-98, adopted by the Third Laguna Hills Mutual Board of Directors on July 20, 2010, I hereby declare that the affected parties to the hard-surface flooring complaint are unable to resolve the Complaint.

Name of Complainant 1: \_\_\_\_\_ Manor # \_\_\_\_\_

Name of Complainant 2: \_\_\_\_\_ Manor # \_\_\_\_\_

Name of Alleged Violator(s): \_\_\_\_\_ Manor # \_\_\_\_\_

Complainant Signature: \_\_\_\_\_ Date \_\_\_\_\_

**IMPORTANT:** Upon the Mutual’s receipt of the Notice of Failure to Resolve Hard-Surface Flooring Complaint from the complaining Owner or Resident, then the Mutual shall: a) forward a copy of said Notice to the Owners and Residents of the Condominium which is the subject of the Complaint, and b) select, retain and advance the costs for an acoustical testing and engineering expert, who shall perform FIIC testing on the interior hard-surface flooring which is the subject of the Complaint. The Mutual’s payment of such expert costs shall be subject to its right to obtain reimbursement of such costs by imposition and levy of a Reimbursement Assessment upon the appropriate Condominium and Condominium Owners pursuant to the Governing Documents and Rules. All FIIC testing which is conducted under these Rules shall be performed by an expert selected by the Mutual in its sole discretion.

**NOTICE OF RESOLUTION OF  
HARD-SURFACE FLOORING COMPLAINT**

In accordance with RESOLUTION 03-10-98, adopted by the Third Laguna Hills Mutual Board of Directors on July 20, 2010, I/we hereby declare that the affected parties to the hard-surface flooring complaint have resolved the Complaint.

Name of Complainant 1 \_\_\_\_\_ Manor # \_\_\_\_\_

Name of Complainant 2 \_\_\_\_\_ Manor # \_\_\_\_\_

Name of Alleged Violator(s) \_\_\_\_\_ Manor # \_\_\_\_\_

The terms and conditions of said agreement are as follows:

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Complainant Signature \_\_\_\_\_ Date \_\_\_\_\_

Complainant Signature \_\_\_\_\_ Date \_\_\_\_\_

Alleged Violator(s) Signature \_\_\_\_\_ Date \_\_\_\_\_