



OPEN MEETING

**REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL
RESIDENT POLICIES AND COMPLIANCE TASK FORCE**

**Thursday, October 31, 2019 – 1:30 P.M.
Laguna Woods Village Community Center Board Room
24351 El Toro Road**

AGENDA

- | | |
|---|--------------|
| 1. Call to Order | Lynn Jarrett |
| 2. Acknowledgment of Media | Lynn Jarrett |
| 3. Approval of the Agenda | Lynn Jarrett |
| 4. Approval of Meeting Report for August 29, 2019 | Lynn Jarrett |
| 5. Chair's Remarks | Lynn Jarrett |
| 6. Member Comments (Items Not on the Agenda) | Lynn Jarrett |

Reports:

- | | |
|----------------------------------|------------------|
| 7. Disciplinary Report | Blessilda Wright |
| 8. Expired Lease – 15 Day Letter | Pamela Bashline |

Items for Discussion and Consideration:

- | | |
|------------------|------------------|
| 9. Non-Smoking | Blessilda Wright |
| 10. Co-occupancy | Blessilda Wright |

Items for Future Agendas:

11. To Be Determined

Concluding Business:

12. Committee Member Comments
13. Date of Next Meeting – To Be Determined
14. Adjournment

Lynn Jarrett, Chair
Blessilda Wright, Staff Officer
Telephone: 597-4254



OPEN MEETING

REGULAR MEETING OF THE THIRD LAGUNA HILLS MUTUAL RESIDENT POLICY AND COMPLIANCE TASK FORCE

Thursday, August 29, 2019 – 1:00 p.m.
Laguna Woods Village Community Center, Board Room – 24351 El Toro Road

MEMBERS PRESENT: Roy Bruninghaus, Chair, Bunny Carpenter, Reza Karimi, and Lynn Jarrett

MEMBERS ABSENT: Rosemarie diLorenzo, Steve Parsons

ADVISORS PRESENT: Stuart Hack and Cindy Baker

ADVISORS ABSENT: None

STAFF PRESENT: Pamela Bashline, Blessilda Wright, Brett Crane, Francis Gomez, and Debbie Ballesteros

CALL TO ORDER

Roy Bruninghaus, Chair, called the meeting to order at 1:00 p.m.

ACKNOWLEDGEMENT OF PRESS

The Media was not present.

APPROVAL OF AGENDA

Director Jarrett made a motion to approve the agenda as presented. Director Karimi seconded the motion.

By unanimous vote the motion carried.

APPROVAL OF MEETING REPORTS

Director Karimi made a motion to approve the July 24, 2019 meeting report as presented. Director Jarrett seconded the motion.

By unanimous vote the motion carried.

CHAIRMAN'S REMARKS

Chair Bruninghaus stated that two policies will be discussed today, Smoking and Solicitation. He asked for the Task Force's best thoughts and inputs to see if these policies should be sent to Third Board for approval. He explained that both policies have already been approved by legal counsel.

MEMBER COMMENTS ON NON-AGENDA ITEMS

None

REPORTS

Vacant Manor Updated List

Brett Crane, Permits, Inspections & Restoration Manager, presented the Vacant Manor Updated List. Mr. Crane explained that the number of inspections is higher than listed since inspections have been completed since the document was prepared. The Task Force members commented and asked questions.

The Task Force directed Staff to present a progress report on this program at the next Third Mutual Board meeting for their information.

Mr. Crane left the meeting at 1:25 p.m.

Disciplinary Report

Blessilda Wright, Compliance Supervisor, presented the Disciplinary Report. The Task Force members commented and asked questions. Clutter still is the reason for the most disciplinary cases.

Expired Lease – 15 Day Letter

Pamela Bashline, Community Services Manager, presented a report on the success of the Expired Lease – 15 Day Letter. She explained that in July, 27 letters were sent out and only five (5) cases remain open. 22 cases were resolved. The Task Force members commented and asked questions. The program is working as intended.

ITEMS FOR DISCUSSION AND CONSIDERATION

Non-Smoking Policy

Ms. Wright presented the existing Non-Smoking Policy. She explained that since the adoption of the policy in 2017, there have been 46 disciplinary letters sent out and only had 9 disciplinary hearings. Discussion ensued about smoke free buildings. The Task Force members commented and asked questions. Staff proposed a clarification/revision to one section in the existing policy.

Director Karimi made a motion to approve the proposed changes to the existing Non-Smoking Policy. Director Jarrett seconded the motion.

By unanimous vote, the motion carried.

Assembly and Solicitation Policy

Ms. Wright presented the new Assembly and Solicitation Policy. She explained that legal counsel has approved the policy. Resident Services will be in charge of implementing the policy. Discussion ensued regarding the status of the rec room for the Garden Villas. The Task Force members commented and asked questions.

The Task Force directed Staff to reach out to legal counsel to determine if Garden Villa recreation rooms can be exempted from the California law.

Director Karimi made a motion to table this issue for the next Task Force meeting or until legal counsel has given her opinion. Director Jarrett seconded the motion.

By unanimous vote, the motion carried.

United States Census Bureau Procedure

Ms. Wright presented the United States Census Bureau Procedure. She explained the current procedure requires that Census Bureau Field Representatives obtain a pass to enter the Community. The Gate Ambassadors refer the Census Bureau Field Representatives to the Resident Services Department during regular business hours and the Security Department after hours to obtain a one-day pass. Staff will verify the Census Bureau Field Representatives credentials/identification. The Task Force members commented and asked questions.

The Task Force directed Staff to reach out to the United State Census Office to make a presentation to the Village regarding the Census. The Task Force also recommended a full-scale communications blitz to inform residents on what to expect when the 2020 census takes place.

ITEMS FOR FUTURE AGENDAS

To be determined

CONCLUDING BUSINESS

Task Force Member Comments

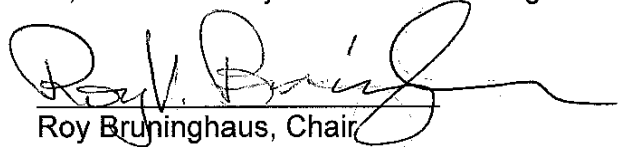
Director Karimi expressed his concern regarding clubhouse rentals for personal gain.

Date of Next Meeting

To be determined

Adjournment

With no further business before the Task Force, the Chair adjourned the meeting at 2:20 p.m.


Roy Bruninghaus, Chair
Third Laguna Hills Mutual



Laguna Woods Village®

MEMORANDUM

To: Third Laguna Hills Mutual Board of Directors
From: Blessilda Wright, Compliance Supervisor
Date: October 15, 2019
Re: Disciplinary Hearing Update

Below is a breakdown of the disciplinary cases:

	Jul	Aug	Sep
Total Number of Cases:	383	373	397
Average Case Load per Coordinator:	128	124	132
Allegations:			
Abandoned Vehicle:	15	11	9
Alteration - Failure to Maintain:	20	11	8
Animal Nuisance:	40	28	37
Alteration Standards:	37	23	28
Business in Manor:	0	0	0
Clutter:	123	108	124
<i>Balcony Clutter:</i>	16	15	19
<i>Breezeway Clutter:</i>	26	17	27
<i>Carport Clutter:</i>	30	25	27
<i>Common Area Clutter:</i>	34	24	32
<i>Interior Clutter:</i>	8	15	8
<i>Patio Clutter:</i>	9	12	11
Care Provider Policy:	9	13	11
Delinquent Accounts:	5	79	62
Illegal Occupancy:	36	25	21
Landscape:	17	12	9
Maintenance:	0	9	10
Nuisance:	35	32	41
Real Estate Signs:	29	13	21
Short-Term Rentals:	0	0	0
Smoking Policy:	7	5	6
Traffic Rules:	6	4	6
Vehicle Oil:	4	0	4



MEMORANDUM

To: Resident Policies and Compliance Task Force
From: Pamela Bashline, Community Services Manager
Date: October 28, 2019
Re: Expired Lease – 15 Day Letter

Distribution of the 15 day letter at the time of lease expiration significantly decreases the number of holdover leases occurring in Third Mutual. During September 2019, 30 letters were mailed, resulting in 21 cases being resolved immediately and only nine cases remaining open.

These positive results mitigate the number of active investigations that are pursued by the Compliance and/or Security departments.



MEMORANDUM

To: Resident Policy and Compliance Task Force
From: Blessilda Wright, Compliance Supervisor
Date: October 31, 2019
Re: Designating individual buildings as smoke free

The Resident Policy and Compliance Task Force directed staff to provide the United Policy for designating a United Smoke Free Building:

- United Resolution Regarding Designating a Building Smoke Free
- Procedure for Designating a Building as Smoke-Free
- Petition for Designating a Building as Smoke-Free
- United Amendment to the Occupancy Agreement Form
- Checklist for Designating a Building as Smoke Free
- List of United Smoke Free Buildings

Third's Legal Counsel provided options the Board may take to designate a building as smoke free:

1st Option:

- Vote by the membership to designate a building as smoke free.
- This would require a change to the CC&Rs. The estimated cost is between several thousand dollars to tens of thousands depending on the number of owners in the particular building and the costs to prepare all the necessary materials.

2nd Option (Individual Building):

- Require complete agreement among all the owners in a particular building.
- The recordation of covenants to run with the land on each of the units in the building without amending the CC&Rs. This will bind all future owners.
- The estimated cost for this option was not provided.

UNITED LAGUNA WOODS MUTUAL

RESOLUTION 01-11-181

TO IMPLEMENT THE DESIGNATION OF BUILDINGS AS “SMOKE-FREE”

WHEREAS, the members/shareholders (each, a “Member”) of United Laguna Hills Mutual (“United”) have an interest in their health, safety and welfare while within United’s common interest development (the “Development”), including when in the separate interest dwelling units located within the Development (each, a “Manor”) in which the Members, their co-occupants and tenants, if applicable, reside; and

WHEREAS, certain Members have requested that United’s Board of Directors (the “Board”) designate the buildings in which their Manors are located as “smoke-free”, to reduce those Members’, their co-occupants’ and tenants’, if applicable, exposure to second hand smoke; and

WHEREAS, the Board has determined that in addition to addressing health concerns related to second-hand smoke raised by Members as referenced above, prohibiting smoking in buildings at the Development will reduce the risk of fires related to accidents stemming from the use of smoking tobacco, marijuana and other substances, and reduce maintenance and repair costs for building components needed due to wear and tear to those components caused by smoke; and

WHEREAS, the Board has consulted with United’s legal counsel on the legality of prohibiting smoking at the Development and the Board has determined that upon certain conditions and requirements being met, that multi-dwelling unit buildings at the Development can be permanently designated as “smoke-free” on a going forward basis; and

WHEREAS, the Board recognizes that Members, their co-occupants and tenants, if applicable, have a right to privacy within their respective Manors and a right to freely use and occupy the Manors (in accordance with the terms of the Occupancy Agreement for their Manor), that Members signed their Occupancy Agreement with the understanding that smoking was not prohibited in their Manor, and that legal precedent does not exist as to whether the Board can unilaterally prohibit smoking in Manors; and

WHEREAS, the Board has determined that it will designate a building containing Manors as non-smoking if all of the then Members subject to an Occupancy Agreement for a Manor in that building, agree in writing before a notary public, that the building should be non-smoking and if certain other requirements are met; and

WHEREAS, the Board has tasked United's legal counsel with drafting documents related to implementing and managing the designation of buildings at the Development as non-smoking that provide for such designation in a systematic, fair and reasonable manner; and

WHEREAS, United's legal counsel has drafted those documents, the Board has reviewed those documents, and the Board believes those documents and the procedures and requirements described in those documents meet the Member needs and business requirements of United; and

WHEREAS, those documents consist of (i) the "Procedure for Designation of a Building as Smoke-Free", (ii) the "Petition for Designating a Building as Smoke-Free", (iii) the "Petition Agreement Form" and (iv) the "Smoke-Free Amendment to Occupancy Agreement" (collectively, the "Designation Documents"), all of which are attached to this Resolution and incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED, on September 30, 2011, that the Board has determined that the Designation Documents, and the procedures and requirements described thereunder, shall be immediately effective upon adoption by the Board, to provide for a systematic, fair and reasonable manner to designate buildings at the Development as non-smoking.

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

RESOLUTION 01-14-117

DESIGNATION OF BUILDINGS AS “SMOKE-FREE” ADDENDUM

WHEREAS, on September 30, 2011, United’s Board of Directors (“Board”) determined and resolved pursuant to Resolution 01-11-181 that certain documents, including (i) the “Procedure for Designation of a Building as Smoke-Free”, (ii) the “Petition for Designating a Building as Smoke-Free”, (iii) the “Petition Agreement Form” and (iv) the “Smoke-Free Amendment to Occupancy Agreement” (collectively, the “Designation Documents”), as well as the procedures and requirements described thereunder, were in effect to provide for a systematic, fair and reasonable manner to designate certain buildings within United’s common interest development (the “Development”) as non-smoking; and

WHEREAS, the Board, after consulting legal counsel, determined that “upon certain conditions and requirements” being met, multi-dwelling unit buildings at the Development can be permanently designated as smoke-free on a going forward basis; and

WHEREAS, in addition to the procedures, conditions and requirements set forth in Resolution 01-11-181, the “certain conditions and requirements” shall also include, without limitation, the requirement that Members seeking a smoke-free designation of the building in which his/her/its Manor is located agree to and execute a “Covenant to Run with the Land Regarding Designation of a Building as Smoke-Free,” which must be signed and notarized by each and every existing Member subject to an Occupancy Agreement for a Manor in that building, as well as recorded in the Orange County Recorder’s Office. Further, the individual Member shall reimburse United for the recordation fee and expenses incurred in preparation of the required legal documents to designate the building as “Smoke-Free.”

NOW, THEREFORE, BE IT RESOLVED, September 9, 2014, the Board resolved to include the “Covenant to Run with the Land Regarding Designation of a Building as Smoke-Free”, which shall be signed before a notary public and recorded in the Official Recorder’s Office of Orange County, as a Designation Document and further resolved to require **each** the executing Member to reimburse United for the cost to record same and the cost to prepare the legal documents, for a total fee of \$150.

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

UNITED LAGUNA WOODS MUTUAL

Procedure for Designation of a Building as “Smoke-Free”

Summary Statement

United Laguna Woods Mutual (“**United**”) is the corporation formed to administer, manage and operate the business and affairs of the stock cooperative common interest development commonly known as United Laguna Woods Mutual located at Laguna Woods Village in Laguna Woods, California (the “**Development**”). The Development is comprised of 6,323 separate dwelling units (collectively, the “**Manors**”). Each occupant of a Manor is either a “**Member**”, “**Qualifying Resident**”, “**Co-occupant**” or “**Lessee**”, as such terms are defined in United’s By-Laws (as may be amended from time to time, the “**Bylaws**”).

The Manors are located within 1124 multi-dwelling unit buildings (each, a “**Building**”) at the Development. Effective as of September 30, 2011, pursuant to Resolution 01-11-181 of United’s Board of Directors (the “**Board**”), and Resolution 01-14-117, Buildings can be designated as non-smoking on a permanent, irrevocable going forward basis (the “**Designation**”). Designation of a Building may occur upon the collective and unanimous written consent of all of the existing Members at that time who have the right to occupy and use the Manors in a Building subject to a valid “**Occupancy Agreement**” (as such term is defined in United’s Bylaws), in accordance with the procedures described below.

Process for Designation of a Building

(1) Petition, Petition Agreement Form, and Amendment to Occupancy Agreement

Any Member may petition United for a Designation for the Building in which his/her Manor is located (the “**Petitioner**”), by completing the United form titled “Petition for Designation as a Smoke-Free Building,” which includes the “Petition Agreement Form” (as may be amended from time to time, the “**Petition**”). The “Petition Agreement Form” attached to the Petition must be signed by each and every Member, or the Member’s legal agent, including without limitation a valid power of attorney, provided valid evidence of same is submitted with the Petition, subject to an Occupancy Agreement for the Building proposed for Designation at the time the completed Petition is submitted to United (the “**Applicable Members**”). The Petition Agreement Form must also be signed by the Petitioner in his/her capacity as an Applicable Member. If the Petition is not signed by all Applicable Members in front of a notary public, then the Petition will be deemed incomplete and returned to the Petitioner. By signing the Petition, the Applicable Members agree to be bound by the terms of the Petition and to execute the form “Smoke-Free Amendment to Occupancy Agreement” (as may be amended from time to time, the “**Amendment**”), which is an amendment to the Applicable Members’ Occupancy Agreements, and a “Covenant to Run with the Land Regarding Designation of a Building as Smoke-Free,” and further agree to bear the cost of recordation of same.

An Amendment must be signed by each Applicable Member, and all Amendments must be submitted with the Petition. If the Petition is approved, the designated United Board member will also sign the Amendment to the Occupancy Agreement as set forth herein.

Additionally, a \$150 fee per Manor is required to be submitted at the time the Petition is submitted. Each Applicable Member shall send a check payable to United Mutual c/o Professional Community Management, P.O. Box 2220, Laguna Hills, CA 92654. This fee must be received before the scheduled Hearing (discussed below) and this fee shall cover the expense of preparing the necessary legal documents, as well as the recordation costs associated with recording the Covenant.

(2) Verification by Board and Hearing

When a completed Petition and original executed Amendments signed by all Applicable Members are submitted and verified as complete and accurate by United (the “**Verification**”), the Board will schedule a hearing with the Applicable Members to confirm that none of them oppose the Designation of their Building (the “**Hearing**”). The Hearing will be held in an open session meeting of the Board, at which all Applicable Members are encouraged to attend, within sixty (60) days of the Verification. At the Hearing, the Applicable Members will have an opportunity to be heard and address the Board regarding the Petition, Designation and, if any, his/her opposition to same. Notice of the Hearing will be sent by United to the Applicable Members’ mailing address(es) on record with United, via first class mail at least twenty-one (21) days prior to the Hearing. Enclosed with the Notice of Hearing will be a “Covenant to Run with the Land Regarding Designation of a Building as Smoke-Free,” which must be reviewed, signed before a notary and returned to United for recordation with the Orange County Clerk-Recorder (“Covenant”). Applicable Members must return the Covenant within 30 days of mailing of same. If any Applicable Member fails to return a signed, notarized Covenant, the Conversion Date may be postponed until same is received and United may, through legal counsel, follow up with the Member regarding the Covenant.

(3) Results of Hearing

If any Applicable Member opposes the Petition at the Hearing, then the Board will deny the Petition. The Applicable Members will be advised of the Designation denial via first class mail within fifteen (15) days after the Hearing. The Petitioner or any other Applicable Member can resubmit a Petition for the Building to United if a Petition is denied by the Board, provided, however, that a Petition for any specific Building may be submitted to United only once during any six (6) month period.

If no Applicable Member opposes the Petition at the Hearing, then the Board may approve the Petition. The Applicable Members will be advised of the Designation approval via first class mail within fifteen (15) days after the Hearing (the “**Approval Notification**”).

(4) Designation Effective Date

The Designation will be effective forty-five (45) days after the Hearing, provided a signed, notarized Covenant is received from each and every Applicable Member (the “**Conversion Date**”).

Conversion to a Non-Smoking Building

After the Approval Notification but before the Conversion Date:

1. The Board will execute all of the Amendments for the Manors in the Building receiving the Designation, and return a fully executed copy of each Amendment to the appropriate Applicable Member.
2. Copies of the fully executed Amendments will be placed in United’s corporate records for each of the Manors in the Building, and provided to the employees and/or contractors of United and/or United’s managing agent (e.g. persons or parties managing membership, real estate, Manor maintenance and escrow matters for United) who are responsible for providing information regarding the Manors to Members, prospective Members (through the current Member, and/or through the current Member’s real estate broker or agent, as applicable) and lenders of either.
3. Within ten (10) days of receiving copies of the recorded Covenants from the County Recorder’s Office, which may take thirty (30) days or longer, United will provide the Applicable Members with a copy of the recorded Covenant (“Formal Notice”). Note, receipt of recorded Covenants from the Recorder’s Office may be after the Conversion Date.
4. A “Smoke-Free Building” book compiled and maintained by United will be updated to reflect that the Building is subject to Designation and the effective date of the Designation.
5. The “Smoke Free Building” webpage on the Community’s website will be updated to reflect that the Building is subject to Designation and the effective date of the Designation.
6. United will post signs containing the language “No Smoking Anywhere in Building” (the “**Signs**”) at the main/common entrances to each building (both at the exterior and interior entrances), if any, as well as in at least two (2) prominent places within common hallways/walkways on the floor of each Building, as may be applicable. The Signs shall be of a design, material and size to be determined by the Board, and should conform with the architectural aesthetics of the Building. As may be practical, United will try to use the same or similar Signs for different Buildings subject to a Designation.

At the end of the Conversion Period, the Building will be deemed to have received a permanent Designation as a non-smoking Building, unless a Covenant is not received from each and every Applicable Member as provided herein. All Applicable Members, all future Members subject to a future Occupancy Agreement to a Manor in the Building and all current and future Qualifying Residents, Co-occupants and Lessees residing in a Manor in the Building, and the family members, guests and invitees of each of them, shall be prohibited from smoking anywhere in the Building as of the Conversion Date. Further, all new Occupancy Agreements and renewals of existing Occupancy Agreements for Manors at the Building will include an article prohibiting smoking of any substances anywhere within the applicable Manor and the other portions of the Building.

Violation of the Designation

Once a Designation is effective for the Building, no smoking of any products or items of any kind shall be allowed within the Building. Smoking within a Manor of a Building receiving a Designation shall be a violation of the Occupancy Agreement applicable to the smoker (the “**Violation**”). If an alleged Violation is reported to United, United will investigate the alleged Violation, and, as appropriate, call an offending Member to a hearing before the Board regarding the violation, in accordance with the disciplinary proceeding requirements under the Bylaws and applicable state statute. In the event of a verified Violation, the offending Member shall be subject to the rights and remedies of United with respect to such Violation (in the same manner as any other violation of the Occupancy Agreement), as described in the Occupancy Agreement, the Bylaws, the other governing documents of United and at law, including, without limitation, the imposition of monetary penalties and/or the cancellation of the Member’s membership in United, termination of the Occupancy Agreement and its amendments and eviction from the Member’s Manor.

All Applicable Members are also able to enforce compliance of the Designation against any other Applicable Member, at their own cost and expense, and in accordance with the provisions of the Bylaws, United’s other governing documents and applicable law.

United shall not be liable for any injury to any person or damage to any property of any kind resulting from an alleged or actual Violation.

UNITED LAGUNA WOODS MUTUAL
Petition for Designating a Building as "Smoke-Free"

I am a Member of United Laguna Woods Mutual. I am completing this Petition for Designating a Building as "Smoke-Free" (this "Petition") to request that the Building in which my Manor is located, including all Manors and Common Areas comprising the Building, be designated as non-smoking.

Prior to completing this form, I acknowledge and agree that I have read and understand the document titled "Procedure for Designation of a Building as Smoke-Free" regarding the requirements for approval of this Petition and designation of my Building as non- smoking (the "Procedure"), and that I will be considered the Petitioner under the Procedure. The capitalized terms used in this Petition shall have the same meaning given to them in the Procedure, unless otherwise defined herein.

My information:

Name: _____

Manor Address: _____

Mailing Address: _____

Manor Residents: _____

I understand that this Petition must be signed by all of the Applicable Members subject to an Occupancy Agreement for my Building, on the form attached hereto and identified as the "Petition Agreement Form" (the "Agreement") before this Petition will be considered by the Board, and that an executed "Smoke-Free Amendment to Occupancy Agreement" (the "Amendment") to each Occupancy Agreement for each Manor in my Building must also be submitted with this Petition. If an Agreement and Amendment is not complete and signed by all such Members and submitted with this Petition, then this Petition will be deemed incomplete and returned to me. By signing this Petition, I agree to be bound by the terms of this Petition, the Agreement and the Procedure, and to execute and submit an Amendment for my Occupancy Agreement with this Petition. I understand I must also sign the Petition Agreement Form in my capacity as an Applicable Member. I further understand that all Applicable Members must sign the "Covenant to Run with the Land Regarding Designation of a Building as Smoke-Free" before a notary public, which must be recorded in the Official Records of Orange County, and the Applicable Member shall bear the cost of same ("Covenant"). The Covenant is provided to all Members after the submission of a fully executed petition.

By: _____

Date: _____

United Laguna Woods Mutual
Petition for Designating a Building as "Smoke-Free" Page
1 of 3

Petition Agreement Form

I am a Member of United Laguna Woods Mutual, and I acknowledge and agree that I have read the Petition to which this Agreement is attached and the Procedure governing the Petition. I understand that by executing this Agreement and the attached Amendment to my Occupancy Agreement, I am requesting that the Building in which my Manor is located be designated permanently and forever as a non-smoking Building. I further understand that upon such designation, should it occur, that neither myself nor any current or future residents of, or visitors to, my Manor may smoke any substance (tobacco, marijuana or otherwise) in my Manor or any portion of the Building in which my Manor is located.

Upon such non-smoking designation, any smoking in my Manor will be deemed a violation of my Occupancy Agreement, and could result in, without limitation, termination of my Occupancy Agreement, cancellation of my stock certificate, cancellation of my membership in United and my eviction from my Manor by United, as described in the Procedure. My signature below, which must be executed in front of a notary public who completes the following notary page, and my execution of the "Smoke-Free Amendment to Occupancy Agreement" to my Occupancy Agreement, as well as execution of the Covenant, shall be deemed agreement with and acknowledgement of these potential enforcement actions by United in the event of a smoking violation with respect to my Manor.

I further understand and agree to send, on my own accord, a check in the amount of \$150 payable to United Mutual, which is the fee per Manor required to be submitted with the Petition. This fee shall cover the expense of preparing the necessary legal documents, as well as the recordation costs associated with recording the Covenant.

Name: _____

Manor Address: _____

Mailing Address: _____

Manor Residents: _____

I understand that an original notarized copy of this Agreement signed by each of the Members subject to an Occupancy Agreement for a Manor in my Building, and an original copy of the Amendment, noted above, executed by all such Members for their respective Occupancy Agreements, must be submitted to United before the Petition to which this Agreement is attached will be considered by the Board. If the Agreement and Amendment is not complete and signed by all such Members, then the Petition will be deemed incomplete and my Building will not be designated as smoke-free.

By: _____

Date: _____

United Laguna Woods Mutual
Petition for Designating a Building as "Smoke-Free"
Attachment – Petition Agreement Form (1 of 2)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

United Laguna Woods Mutual
Petition for Designating a Building as "Smoke-Free"
Attachment – Petition Agreement Form (2 of 2)

SMOKE-FREE AMENDMENT TO OCCUPANCY AGREEMENT

The parties to this Smoke-Free Amendment to Occupancy Agreement (hereinafter referred to as this "Amendment") are UNITED LAGUNA WOODS MUTUAL, a California nonprofit mutual benefit corporation (hereinafter referred to as the "Corporation"), and _____ (hereinafter referred to as the "Member").

RECITALS

1. The Corporation and the Member are parties to that certain Occupancy Agreement (as may be amended and/or renewed from time to time, hereinafter referred to as the "Agreement") executed by Member on _____, _____ for the dwelling unit located at Laguna Woods Village described as _____, Laguna Woods, California, including Carport No. _____ (hereinafter referred to as the "Manor").
2. The Manor is located within the multi-dwelling unit building located at Laguna _____ Woods _____ Village _____ described as _____, Laguna Woods, California (hereinafter referred to as the "Building").
3. The Member and the other members of the Corporation entitled to occupy and use a dwelling unit in the Building pursuant to a document similar to the Agreement have petitioned the Corporation to designate, on a permanent going forward basis, the Building, including all dwelling units located within the Building (including, without limitation, the Manor), Common Area, and any Exclusive Use Common Area as smoke-free, in accordance with the Corporation's "Procedure for Designation of a Building as Smoke-Free" (hereinafter referred to as the "Procedure"), attached hereto as Attachment 1 and incorporated herein by reference.
4. The Member's request to designate the Building as non-smoking, and the Member's agreements and obligations related to same, are also described in (i) the completed "Petition for Designating a Building as Smoke-Free" applicable to the Building (the "Petition"), attached hereto as Attachment 2 and incorporated herein by reference, and (ii) the "Petition Agreement Form" executed by the Member applicable to the Petition (the "Form"), attached hereto as Attachment 3 and incorporated herein by reference.
5. The Member has agreed to execute this Amendment as a part of the Petition to designate the Manor and all other portions of the Building as smoke free, and the Member understand and agrees that this Amendment shall only become effective, if at all, upon execution by an authorized

signatory of the Corporation as set forth in Article 25 of the Occupancy Agreement.

6. All capitalized terms used in this Amendment shall have the meaning given to them in the Agreement, unless otherwise defined herein.

TERMS

In consideration of the mutual promises contained herein, the parties hereby agree as follows:

1. The recitals set forth above are incorporated herein by reference as terms of this Amendment.
2. Upon execution of this Amendment by the Corporation, if at all, and distribution of a fully executed copy of this Amendment to the Member, as may be applicable, the following Article 26 shall be added to the Agreement:

ARTICLE 26. SMOKING PROHIBITED

The dwelling unit covered by this Occupancy Agreement, and the building in which such dwelling unit is located, have been permanently and forever designated as non-smoking. No tobacco products, marijuana and/or other substances that generate smoke, or the use of such substances, are allowed at any time to be smoked within the dwelling unit or in any portion of the building in which the dwelling unit is located. Failure to adhere to this smoking restriction by the Member, any non-Member occupant of the dwelling unit, or any guest or invitee of the Member or such non-Member occupant of the dwelling unit, shall be a breach of this Occupancy Agreement, and will subject the Member to the rights and remedies of the Corporation under this Occupancy Agreement, the Corporation's By-Laws and other governing documents, and at law.

3. The Member agrees that the Member, all occupants of the Manor, and all guests and invitees to the Manor shall be bound by and to the terms of this Amendment, the Procedure, the Petition and the Form, as may be applicable to such persons.
4. Except as provided above, no other amendments or modifications to the Agreement are contemplated under this Amendment.

Signatures:

Member

Member

If this Amendment is being executed by a trustee as the “Member”, the current beneficiary of the trust must be an occupant of the dwelling unit and, by executing this Amendment in the space provided below, agrees as follows:

I agree to be bound and act in accordance with all provisions of this Amendment and the Occupancy Agreement as if I were the Member, and upon demand by the Corporation, I agree to fulfill all obligations of the Member under this Amendment and the Occupancy Agreement.

Beneficiary

Beneficiary

UNITED LAGUNA WOODS MUTUAL
A California nonprofit mutual benefit corporation
by

Signature and Officer Title

**United Mutual Smoke Free
Building Designation Checklist
PETITIONER**

Manor Number

Timeline	Date and/or Checked Off
Primary Contact Person:	
Phone Number:	
“Petition for Designating Building as Smoke-Free” - signature of Petitioner required	
Distribution of “Petition Agreement Forms” (one for each Manor ¹)	
Distribution of “Smoke-Free Amendment to Occupancy Agreement”	
Distribution of “Procedure for Designation of a Building as Smoke-Free”	
Receipt of Petition Agreement Forms – one for each Manor, signed and notarized	
Receipt of Smoke-Free Amendment to Occupancy Agreement, – one for each Manor, signed	
Submission of Fully Executed Petition, Petition Agreement Forms and Smoke-Free Amendment to Occupancy Agreement to United as one complete packet (“Submission”)	
Board to Schedule Hearing within 60 days of Submission, if verified	
Members Notified of Hearing (via mail by legal counsel) with enclosed “Covenant to Run with the Land Regarding Designation of a Building as Smoke-Free” –must be signed and notarized by all Applicable Members and returned within 30 days	

¹ Petitioner must also complete a Petition Agreement Form for his/her Manor.

Hearing Held – Applicable Members may attend	
Approval of Petition by the Board?	
Hearing Results mailed to members (Board)	
Certified mailing of executed Amendments (also signed by Board) to Members by Board	
Receipt of Notarized Covenants by Board – to be recorded with County Recorder	
Certified mailing of Recorded Notarized Covenants to Member by Board	
Items above verified by counsel	
Conversion Date Set	



United Smoke Free Buildings

The following list if of Buildings in United have been formally designated smoke-free through successful completion of the smoke free building designation process.

Building	Date
Building 410	February 27, 2015
Building 926	November 21, 2016

Should you wish to pursue designation of your building as “smoke-free”, please contact the General Manager’s Office at 949-597-4265.



STAFF REPORT

DATE: August 20, 2019
FOR: Board of Directors
SUBJECT: Co-occupancy Policy

RECOMMENDATION

Approve a Co-occupancy Policy.

BACKGROUND

Third Laguna Hills Mutual (Third) Bylaws and Covenants, Conditions and Restrictions (CC&Rs) recognize three general classifications of occupants: 1) Member(s) (Qualifying Residents); 2) Non-Member Co-Occupants residing with a Member, and 3) Lessees. Policy has documented membership approval and lease authorization approval. In order to provide clarity with respect to allowable co-occupancy in Third, a Co-occupancy Policy has been developed.

Co-occupants, by definition, do not have a formal lease agreement with the Qualifying Resident, do not regularly pay a set sum of money for the use of a portion(s) of the Unit, and reside with the Member, both of whom regard the Unit to be their principal residence and having equal responsibility to uphold Third's governing documents.

Third's CC&Rs authorize the Board of Directors to establish income requirements for co-occupants, individually or collectively – such that average monthly income exceeds average monthly housing expenses. If the person(s) seeking to co-occupy are unable to satisfy the required average monthly income level, another financially responsible person (Guarantor) may enter into a contract with the Mutual. The Board is further authorized by the CC&Rs to adjust the average income level from time to time.

The Resident Policy and Compliance Task Force studied select issues that consume a great amount of Director and Staff time. One such issue relates to an increasing number of individuals aging in place on a fixed income who resort to inviting others to reside in their home without obtaining Board permission to do so. The Board seeks to induce such undocumented occupants, for a one-time finite period, to submit co-occupancy applications and become registered with Third and the Golden Rain Foundation.

DISCUSSION

Third has a responsibility to know who is residing in the Mutual. Anecdotal instances of unauthorized occupancy result in disciplinary hearings. In addition to educating Members regarding co-occupancy and requiring the submission of a specialized application along with current financial documentation, Third proposes to identify a Staff person who specializes in the review and processing of co-occupancy applications. Using a checklist, the subject matter

expert will make herself/himself available to walk individuals through the co-occupancy application process.

By way of a co-occupancy policy, the Board anticipates a reduction in the number of unauthorized occupants, a reduction in the number of disciplinary hearings triggered by unauthorized occupants, and the increased residential longevity of aging members who find their fixed incomes are insufficient to sustain themselves, alone, in their homes.

FINANCIAL ANALYSIS

None.

Prepared By: Pamela Bashline, Community Services Manager

Reviewed By: Blessilda Wright, Compliance Supervisor
Siobhan Foster, COO

ATTACHMENT(S)

Attachment 1 – Co-occupancy Policy



Co-Occupancy Policy
Resolution 03-19-XX; Adopted September 17, 2019

I. Purpose

The purpose of this document is to define the policy of Third Laguna Hills Mutual (Third) regarding Members who seek approval from Third for an individual to be a Co-occupant of the Member's Unit. This Policy shall apply for occupancy by a resident with a Member, not to occupancy of the Member's Unit by a lessee/tenant, which is governed by and subject to provisions of Third's governing documents relating to leasing, including without limitation, the Lease Policy.

II. Definitions

- a. Application – the form prescribed by Third to apply for approval to Co-occupy the Unit (Exhibit A).
- b. Approval – written authorization to Co-occupy the Unit granted by Third or authorized VMS Staff Member(s).
- c. Assessment – the monthly amount which Members are bound to pay pursuant to the terms of the Bylaws and CC&Rs. Also known as carrying charges.
- d. Charge – a fee, fine, and/or monetary penalty that Third may levy upon a Member(s) pursuant to the Governing Documents.
- e. Co-habitants – persons who live together as spouses or persons who are domestic partners within the meaning of Section 297 of the California Family Code.
- f. Community – Laguna Woods Village.
- g. Co-occupant – a person who resides with a Qualifying Resident and who satisfies at least one of the following criteria and shall provide such additional certification or information as the Corporation or its managing agent may require:
 - i. At least forty-five (45) years of age; or
 - ii. A spouse of a Qualifying Resident; or
 - iii. A co-habitant of a Qualifying Resident, or
 - iv. A provider of primary economic support to a Qualifying Resident; or
 - v. A provider of primary physical support to a Qualifying Resident. (refer to the Private Caregiver Policy)

- vi. A permanently physically or mentally impaired or terminally ill adult who is a dependent child of the Qualifying Resident or Co-Occupant
- h. Golden Rain Foundation (GRF) – the Golden Rain Foundation of Laguna Hills, a California nonprofit mutual benefit corporation.
- i. Governing Documents – the Articles of Incorporation and Bylaws of Third, the recorded Covenants, Conditions, and Restrictions (CC&R's) applicable to any Unit, the Rules and Regulations, and any Resolutions or Policies of the Board, as the same may be lawfully amended or modified from time to time.
- j. Guarantor – person(s) accepting financial responsibility for an occupant residing in Third. Each guarantor shall enter into an agreement with Third to become financially responsible, jointly and severally, for all expenses associated with the applicant's residency.
- k. Identification (ID) Card – photo ID card issued by GRF to Members, Co-occupants, and Lessees of the Community authorizing use and access to the Community Facilities.
- l. Landlord and Tenant Relationship – for purposes of this document, shall mean a formally executed written agreement between the Owner and a Co-occupant, authorizing the Co-occupant to occupy space in the Manor for a specified dollar amount of periodic payment to the Owner.
- m. Member – Any person entitled to membership in Third as provided in the Articles and By-laws.
- n. Qualifying Resident – any person who is at least 55 years of age and who has been approved by the Board of Directors for occupancy of a Unit.
- o. Staff Member – individual employed by Village Management Services, Inc. (VMS), authorized agent to act on behalf of Third.
- p. Third – the corporate homeowners association that was formed in 1970 and by 1984 had acquired the assets and liabilities by vote of each of the 59 individual mutuals within the larger Leisure World (now Laguna Woods Village), a common interest development, with full authority to “manage, operate, and maintain” them
- q. Unit – a dwelling unit owned by the Member. Also known as a Manor.

- r. Vehicle Decal – identifying marker, supplied by GRF, to residents; a decal is required for parking within the Community other than by guests or contractors.

III. Fees

See Schedule of Fees.

IV. Terms and Conditions

a. General Information

- i. Third is an independent-lifestyle and age-restricted senior citizen community, as defined by California Civil Code §51.3. No form of healthcare or assisted living is provided by Third. Each resident is responsible for his/her own health, safety, care and welfare.
- ii. Authorization for Co-occupancy shall be effective only when approved in writing by Third and issued in writing by an authorized VMS Staff Member of Third.
- iii. An Application to reside in a Unit shall be made on the form prescribed by Third (Exhibit A). Any changes in such form shall not be deemed a change in this Co-Occupancy Policy which requires notice to the Member(s) of Third.
- iv. Approval of the Co-occupancy Application by Third, in and of itself, does not confer any right on the Co-occupant other than the revocable right to occupy the Unit named on the Application.
- v. Third shall, to the extent required by law, provide notice of potential asbestos-containing materials used during construction (Exhibit B) to any approved Co-occupant at the time of approval of a Co-occupancy Application.
- vi. Appearance of the Community is important, and residents, including without limitation Qualifying Residents and approved Co-occupants, are required to keep their balconies, patios, walkways, and carports free of clutter per the Governing Documents.
- vii. The Resident Services Department will notify the Member(s) of the approval or denial status of the application, or of the need for additional information to approve or deny said application, within seven (7) business days of submittal of the complete application.
- viii. Guest occupancy is permitted for a maximum period of sixty (60) days per twelve (12) month period, per guest, solely in conjunction with the occupancy by a Qualifying Resident or Co-occupant. No

guest may occupy a Unit in the absence of a Qualifying Resident or Co-occupant.

- ix. Unless otherwise required by law, the maximum number of persons allowed to occupy a Unit is equal to the number of original construction bedrooms plus one: no more than two persons in a one bedroom Unit; no more than three persons in a two bedroom Unit; no more than four persons in a three bedroom Unit. There is an additional monthly GRF fee for each person in excess of two occupying a Unit.
- x. Third and Member(s) have the right to terminate Co-Occupant status at any time, without cause. Subject to any restriction or limitation on such right provided by law, including without limitation Civil Code § 51.3.
- xi. Members seeking an individual to share expenses and/or mutual companionship must complete a Co-Occupancy application for review and consideration by Third. This would include, for example, such arrangements as friends or companions residing with a Member, widows or widowers with a roommate or companion, and other arrangements with roommates or companions residing with a Member whether or not they are sharing costs/expenses, so long as such Co-Occupant otherwise meets the requirements for occupancy. A Co-occupant may not be in a Landlord-Tenant Relationship with or a lessee of a Member, and a Lease Authorization for such co-occupancy will be rejected in accordance with Third's Lease Policy. Example: widowers who seek companionship to reside in the same Unit with Board approval.
- xii. Advertisements by Members for prospective Co-occupants in any print media and/or any websites must state the following:
 - 1. Laguna Woods Village is a 55 and older Community
 - 2. Duration of stay must be longer than 60 days
 - 3. Must apply for and receive Approval for Co-occupancy in Third
 - 4. Co-occupant will be bound by and subject to the provisions of Third's governing documents.

b. Occupancy

- i. Co-occupant(s) shall be entitled to occupy only the Unit indicated on the Co-occupancy Application.
- ii. The Member(s) and Co-occupant cannot have a Landlord-Tenant Relationship. Landlord-Tenant occupancy at Third is governed by

Third's Lease Policy, which prohibits leasing of less than the entirety of a Unit and room rentals.

- iii. Both Co-occupant(s) and Member(s) must reside in the Unit; the Board reserves the right to require proof of residency of any Member or Co-occupant who has received Approval for Co-Occupancy.
- iv. Individuals may reside in the Unit as a Co-occupant only if they co-occupy with the Member(s) who is/are in residence, and meet the requirements of a Co-Occupant as described in the governing documents, including without limitation this Co-Occupancy Policy.
- v. Approved Co-occupant(s) will receive a Resident ID and may use the facilities and receive the services made available by GRF, unless such privileges have been revoked against the Member with whom the Co-occupant(s) resides. The facilities and services may be modified or discontinued by GRF at any time.
- vi. Member shall at all times be responsible for the conduct and deportment of the Co-occupant, and subject to disciplinary and/or enforcement action in accordance with Third's enforcement policies and procedures due to violations of the Governing Documents by a Co-occupant.
- vii. Co-occupant shall be subject to the same rules, regulations, and restrictions of the Governing Documents that apply to Members, except with respect to payment of carrying charges. If at any point in time Co-occupant becomes the legal or equitable owner of the Membership, Co-occupant must apply for Membership in Third in the form generally used by Third and pay all amounts required pursuant to the Membership application.
- viii. Member(s) and Co-occupant(s) shall be equally responsible for payment of any charges incurred by Co-occupant(s) in respect to service provided by GRF or Third that is not included within the Assessments paid by Member(s).
- ix. As a condition of any Co-occupant Approval, Member(s) agrees to pay to Third an additional fee each month for each Co-occupant in excess of two at the rate prescribed by Third, which may change from time to time.
- x. Member(s) shall be responsible for cancelling the Co-occupancy status and returning Co-occupant's ID Card and Vehicle Decal

when Co-occupant ceases to reside in the Unit. Use by the Member of a Co-occupant ID Card and/or Vehicle Decal after the termination of residency by the Co-occupant shall be a violation of this Policy and subject to disciplinary action by Third.

- xi. Co-occupant shall not have been convicted of a felony within the last 20 years or a misdemeanor involving moral turpitude within five years immediately preceding the date of application. Approval granted due to false or misleading information on a Co-Occupancy Application shall be subject to immediate revocation by Third of the Co-occupant's residency and disciplinary action against the Member in accordance with Third's enforcement policies and procedures.

V. Procedure

- a. The Member(s) must complete and submit the Co-Occupancy Application for Board review and receive Approval prior to the occupancy of his/her Unit by a Co-occupant. The Application is available for download at www.lagunawoodsvillage.com or upon request from the Resident Services Department.
- b. The Board or authorized VMS Staff Member(s) will review the Application and approve or deny the request in writing, or, as may be applicable, request additional information necessary to process the Application.
- c. Upon receipt of an Application, the Resident Services Department will research if the Member(s) has/have received notices of rules violations or is subject to any outstanding Charges or Assessments before approval of the application. A Co-occupancy application will not be approved if the Member has any outstanding Charges or Assessments.
- d. The Resident Services Department will notify the Member(s) of the results within seven business days, unless it notifies the Member(s) that it requires additional time to review and/or requests additional information from the Member(s) while conducting its review.
- e. The Resident Services Department hours of operation are Monday-Friday, federal holidays excepted, 8:00 A.M. to 5:00 P.M., phone number (949) 597-4323. Mailing address is P.O. Box 2220, Laguna Hills, CA 92654-2220.

VI. Enforcement

Third is authorized to take disciplinary action against a Member(s) whose Unit may be found in violation of the Governing Documents. When a complaint is lodged regarding the occurrence of a violation, the Board of Directors has a fiduciary duty to investigate said violation(s) and impose, if appropriate, disciplinary measures as set forth in the Governing Documents.

In accordance with its enforcement and disciplinary powers pursuant to the Governing Documents, the Board has the authority to, without limitation, impose monetary fines, suspend Member(s) privileges, and/or bring forth legal action against a Member whose Unit is found to be in violation. The Member(s) are entirely responsible for ensuring that the Governing Documents and all Community rules and policies are followed by anyone they allow into the Community. This includes, without limitation, any Co-occupant, Lessee, Guest, Care Provider, Vendor, invitee or contractor. Any disciplinary action, restriction or revocation of a Member's privileges applies to the Member's Co-occupant(s) and any guest or invitee of either the Member or Co-occupant.

The Member(s) and Co-occupant(s) must read and agree to comply with and be bound by all the Governing Documents and the Community Rules.

Nothing contained herein shall relieve Member(s) of the performance of any obligation owed to Third and/or GRF under the Governing Documents.

A complaint may be registered by calling the Security Department at 949-580-1400 or the Compliance Division by calling 949-268-CALL or email to compliance@vmsinc.org.