



OPEN MEETING

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

**Tuesday, June 27, 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 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 May 23, 2023
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. Financial Qualifications
 - b. Barbecue Rules and Regulations
 - c. Disciplinary Violations Matrix
 - d. Schedule of Monetary Penalties
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.*
 - a. None.
10. Committee Member Comments
11. Date of Next Meeting – Tuesday, July 25, 2023 at 9:30 a.m.
12. Adjournment

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

Mark Laws, Chair
Blessilda Wright, Staff Officer
Telephone: 949-597-4254



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

Tuesday, May 23, 2023 at 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, Nathaniel "Ira" Lewis, Cush Bhada and Jules Zalon

MEMBER ABSENT: None

ADVISORS PRESENT: Stuart Hack and Theresa Keegan

ADVISORS ABSENT: None

STAFF PRESENT: Blessilda Wright, Ruby Rojas, Pamela Bashline, Jeff Spies and Patty Kurzet

1. Call to Order

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

2. Approval of Agenda

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

By way of unanimous consent, the motion passed.

3. Approval of Meeting Report

Director Zalon made a motion to approve the April 25, 2023 meeting report. Director Bhada seconded the motion.

By way of consensus, the motion passed.

4. Remarks of the Chair

None.

5. Members Comments (Items Not on Agenda)

None.

6. Response to Members Comments

None.

7. Department Head Update

None.

8. Items for Discussion and Consideration

a. Leasing/ Rental Policy

Ms. Pamela Bashline, Community Services Manager, presented the Leasing/Rental Policy for discussion. The committee discussed the matter and asked questions.

Director Prince made a motion to forward the Lease/Rental Policy with minor changes to the board of directors. Director Lewis seconded the motion.

By a vote of 3-0-2 (Director Bhada and Director Zalon abstained), the motion passed.

Ms. Bashline, Mr. Spies and Ms. Kurzet exited the meeting at 10:06 a.m.

b. Compliance Letters

Ms. Blessilda Wright, Compliance Supervisor, presented the Compliance Letters templates for discussion. The Committee discussed the letters and asked questions.

Director Prince made a motion to approve compliance letters with minor changes reviewed by legal counsel attachment 1-4 for staff to implement and to continue to review attachment 5 with legal review. Director Lewis seconded the motion.

By a vote of 3-1-1 (Director Zalon voted No and Director Bhada abstained), the motion passed.

c. Barbecue Grill Rules and Regulations

Chair Laws, presented the Barbecue Rules and Regulations Policy for discussion. The Committee discussed the matter and asked questions.

The committee elected to table the matter, requesting Staff to share OCFA guidelines for barbecuing with the Committee for consideration at a future Resident Policy and Compliance Committee Meeting.

d. Operating Rules: Table of Contents (Review and Discussion)

Chair Laws, presented the Operating Rules: Table of Contents for the Laguna Woods Village for the committee to review for relevance and updating. The Committee discussed the matter and asked questions.

The Committee elected to table the matter and bring forward as a future agenda item.

e. Internal Dispute Resolution Policy (Inform Membership)

Chair Laws, presented the Internal Dispute Resolution Policy for discussion. The Committee discussed the matter and asked questions.

It was suggested that the Board continue to consider ways to inform Third Members about this policy, especially with regards to "neighbor-to-neighbor" disputes.

By consensus the Internal Dispute Resolution Policy was removed from future agenda items.

9. Items for Future Agendas

- Disciplinary Violations Matrix
- Membership Financial Qualifications

10. Committee Member Comments

None.

11. Date of Next Meeting

Tuesday: June 27, 2023 at 9:30 a.m.

12. Adjournment

With no further business before the Committee, the meeting was adjourned at 11:45 a.m.

Mark W. Laws

Mark W. Laws (May 30, 2023 17:01 PDT)

Mark W. Laws, Chair
Third Laguna Hills Mutual



RESOLUTION 03-22-80

Clarification of Guidelines for Financial Qualifications Policy

WHEREAS, Third Laguna Hills Mutual (Third) is formed to manage, operate and maintain housing at Laguna Woods Village; and

WHEREAS, Third is authorized to adopt rules and regulations to carry out the purposes of this Corporation through its board of directors; and

WHEREAS, Third desires to protect the financial integrity of the Corporation; and

WHEREAS, Third has expressed the need to clarify select income and net worth provisions of its Guidelines for Financial Qualifications Policy;

NOW, THEREFORE BE IT RESOLVED, July 19, 2022, the Board of Directors of this Corporation hereby introduces one amendment to the Financial Qualifications Policy, which amends Section II, Net Worth Requirements, Subsection B to add “U.S.” before residential property; and

RESOLVED FURTHER, that Resolution 03-21-50, adopted August 17, 2021, is hereby suspended in its entirety and canceled; and

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

Guidelines for Financial Qualifications

Resolution 03-22-80

Adopted July 19, 2022

The governing documents of Third Laguna Hills Mutual ("Mutual") require each person seeking to acquire an ownership interest in a unit ("Applicant") to obtain the **PRIOR** written approval of the Mutual's Board of Directors ("Board") before doing so. As a condition to obtaining such approval, each Applicant must provide to the Board documentation that conclusively establishes that Applicant satisfies certain financial requirements as set forth in the Mutual's governing documents ("Application"). For the purposes of determining whether an Application will be approved or denied, the Board has adopted these Guidelines for Financial Qualifications ("Guidelines"), which shall remain in effect until such time as these Guidelines may be changed, modified, or amended by a duly adopted Board resolution.

I. General Application Requirements.

- a. As a condition of approval, each Applicant must submit to the Mutual an Application with all of the following documentation provided in a form satisfactory to the Board:
 1. A federal income tax return for the most recent year that is signed, dated, and includes Schedules A, B and E, as applicable, as well as any other financial verification documents requested by the Board. By way of example, but without limitation, other verification documents may be required if any Applicant derives income from a business owned by the Applicant (personally or through a legal entity), in which case the applicable business tax schedule and profit and loss statement may also be required.
 2. Net worth verification pursuant to Section II of these Guidelines.
 3. Income verification pursuant to Section III of these Guidelines.
 4. A completed Financial Statement and Credit Information form.
 5. Verification of the Applicant's identity, which must be a natural person, or a designated individual acting on behalf of a corporation, LLC or Trust.
 6. If the Applicant desires to have a Guarantor to enable the Applicant to Qualify to purchase a unit (as defined below), all documents required pursuant to Section IV of these Guidelines shall also apply to the Guarantor.
 7. If the Applicant desires to purchase more than one (1) unit or already owns at least one (1) unit at the Mutual, all documents required pursuant to Section IV of these Guidelines shall be required for each unit application.
- b. The Board may deny any Application that does not include all of the documentation required herein, in a form consistent with these Guidelines and satisfactory to the Board, except as otherwise required by law.
- c. Any Application (including, without limitation, any document submitted in connection with said Application) that contains false or misleading information will be denied. If an Application was approved and it is later determined that such Application contained false or misleading information and if escrow had not closed by the time such discovery was made the Board may immediately withdraw its approval without the Mutual suffering any liability whatsoever. If

escrow, as referenced immediately above, has already closed when the discovery of the false and misleading documentation is discovered, the Applicant will be deemed an owner, not in good standing and will, after a noticed hearing before the Board, be denied the owner's amenity rights, held by an owner in the Mutual, unless such rights are suspended by the Board of Directors.

- d. Notwithstanding anything to the contrary contained herein, if more than one (1) Applicant will acquire an ownership interest or reside in any single unit, such Applicants' income and net worth may, in the Board's sole reasonable discretion, be calculated collectively.

II. Net Worth Requirements.

- a. As a condition of approval, each Applicant shall submit satisfactory verification of net worth that is greater than or equal to the sum of the purchase price of the unit plus one hundred twenty-five thousand dollars (\$125,000) in acceptable assets. NOTE: Applicants owning other properties having mortgage obligations shall provide satisfactory evidence of additional assets sufficient to offset the total mortgage balance(s).
- b. When computing net worth for the purposes of this Section, acceptable assets shall be limited to those assets that are considered, in the Board's sole discretion, to be liquid, marketable or income producing. Examples of acceptable assets include, without limitation, the following:
 - 1. Equity in U.S. residential and income real estate.
 - 2. Savings accounts in U.S. banks and U.S. credit unions.
 - 3. Cash value life insurance.
 - 4. Certificates of deposit and money market accounts.
 - 5. IRA, SEP, 401(k), Profit Sharing and Keogh accounts.
 - 6. Federal, state, or municipal government bonds.
 - 7. U.S. traded investments (e.g., NYSE, Amex, OTC, Nasdaq, etc.) valued at current market prices.
 - 8. Mortgages and promissory notes; provided that the interest in such mortgages or promissory notes is reported on the Applicant's tax return.
- c. When computing net worth for the purposes of this Section, acceptable assets will not include, without limitation, the following:
 - 1. Equity in mobile homes, recreational vehicles, boats, trailers, airplanes, automobiles, or other vehicles of any kind.
 - 2. Vacant or undeveloped real estate.
 - 3. Artwork, jewelry, or other collectibles (e.g., coins, dolls, stamps, etc.).
 - 4. Term life insurance.
 - 5. Annuity funds that cannot be withdrawn in lump sum.

6. Anticipated bequests, devises or inheritances.
7. Mortgages and promissory notes where the interest in such mortgages or promissory notes is not reported on the Applicant's tax return.

III. Income Requirements.

- a. As a condition of approval, each Applicant shall submit satisfactory verification of annual income that is greater than or equal to the sum of the total of the unit's annual mortgage payment plus forty-five thousand dollars (\$45,000) per year.
- b. Traditional retirement account assets (e.g., 401K, ERISA, IRA, Profit Sharing, etc.) will be considered as a source of annual income in accordance with this subsection. For the purposes of the income verification requirement pursuant to subsection (a) above, the portion of an Applicant's traditional retirement account assets attributable to said Applicant's annual income shall be deemed to be the greater of the following:
 1. The mandatory annual distributions for the Applicant's retirement accounts; or
 2. The total amount of the Applicant's retirement accounts *multiplied* by eighty percent (80%), and then *dividing* this product by twenty-five (25) years, as follows:
$$\text{Attributable Income} = (\text{Total Retirement Account Assets} \times 80\%) \div 25$$
- c. Examples of acceptable income verifications include, without limitation, the following:
 1. Federal tax returns from the most recent year.
 2. W-2 forms or paycheck stubs.
 3. Bank, credit union, or investment account statements.
 4. Letters from bankers with verifiable first-hand knowledge of the Applicant's finances.
 5. Notices of annuities and social security payments.
 6. Credit reports.
- d. Examples of unacceptable income verifications include, without limitation, the following:
 1. Letters from employers, accountants, enrolled agents, investment counselors, or attorneys.
 2. Any income not reported on federal income tax returns.

IV. Guarantors.

- a. In the event any Applicant is unable to satisfy the financial requirements set forth in the Mutual's governing documents (including, without limitation, these Guidelines), the Board may permit said Applicant to have a financial guarantor in accordance with this Section IV ("Guarantor").
- b. Each Applicant supported by a Guarantor shall submit proof that their primary residence is

located in California, USA and satisfactory verification of a net worth of at least one hundred twenty-five thousand dollars (\$125,000) in acceptable assets, notwithstanding the requirements of Section II and Section III of these Guidelines.

- c. Each Guarantor shall enter into an agreement with the Mutual to become financially responsible, jointly and severally, for all expenses associated with the Applicant's ownership, residency and/or membership at the Mutual ("Assessment/Charges Guarantor Obligation Form"). A Assessment/Charges Guarantor Obligation Form is attached hereto as Exhibit "A" and incorporated in its entirety herein by this reference as if fully set forth in these Guidelines.
- d. Each Guarantor shall submit all of the following documentation in a form satisfactory to the Board:
 - 1. A fully executed and completed Assessment/Charges Guarantor Obligation Form.
 - 2. Proof that the Guarantor's primary residence is located in California, USA.
 - 3. Verification of net worth equal to the sum of the purchase price of the unit plus two hundred thousand dollars (\$200,000) in acceptable assets.
 - 4. Verification that the Guarantor's annual income is greater than or equal to the sum of the total of the unit's annual mortgage payment plus \$150,000 per year.
 - 5. A credit report.
- e. The Board may withhold its approval of any Guarantor for, without limitation, any the following reasons:
 - 1. A Guarantor or Applicant fails to provide all of the documentation as required by subsection (d), above, in a form consistent with these Guidelines and satisfactory to the Board.
 - 2. A Guarantor is subject to a bankruptcy proceeding that is pending or has not been discharged.
 - 3. Any foreclosure or short sale of any property owned by the Guarantor.
 - 4. Any outstanding balances, collection accounts, or judgments owed by the Guarantor.
 - 5. A Guarantor's credit score is lower than 680.
 - 6. A Guarantor resides in a primary residence outside of the State of California.
 - 7. A Guarantor's bank is located outside of the State of California.
 - 8. A Guarantor already guarantees (1) one or more units within Laguna Woods Village.
 - 9. A Guarantor provides any false or misleading information to the Board.
 - 10. Any other reasonable grounds that call into question a Guarantor's financial ability or fitness to serve in this capacity on an Applicant's behalf.
- f. Each Guarantor's assurances shall only apply to the Applicant(s) and unit expressly identified

on the Assessment/Charges Guarantor Obligation Form. No Guarantor's assurances may be transferred to any other Applicant or unit.

II. **Multiple Units.** As a condition of approval, any Applicant who desires to purchase more than one (1) unit or already owns at least one (1) unit at Third Laguna Hills Mutual, Laguna Woods Mutual No. Fifty or United Laguna Woods Mutual shall submit satisfactory verification of annual income and net worth requirements pursuant to this Section V.

a. **Net Worth Requirements.** The Applicant shall submit satisfactory verification of net worth that is greater than or equal to the *sum* of the purchase price for each unit *plus* one hundred twenty-five thousand dollars (\$125,000) in acceptable assets per unit, as follows:

Unit 1: purchase price for Unit 1 + \$125,000

Unit 2: purchase price for Unit 1 + \$125,000 +
purchase price for Unit 2 + \$125,000

Unit 3: purchase price for Unit 1 + \$125,000 +
purchase price for Unit 2 + \$125,000 +
purchase price for Unit 3 + \$125,000

b. **Income Requirements.** The Applicant shall submit satisfactory verification of annual income as follows:

1. Annual Income that is greater than or equal to the *sum* of the following: the total of the first unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year *plus* the total of the second unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year *plus* an additional twenty-two thousand five hundred dollars (\$22,500).

2. For each additional unit, the annual income requirement shall be calculated consistent with subsection (b)(1), above – that is, the additional unit's annual mortgage payment *plus* an additional twenty-two thousand five hundred dollars (\$22,500) over the previous annual income requirement, as follows:

Unit 1: annual mortgage payment + \$45,000

Unit 2: annual mortgage payment on Unit 1 + \$45,000 +
annual mortgage payment on Unit 2 + \$45,000 + \$22,500

Unit 3: annual mortgage payment on Unit 1 + \$45,000 +
annual mortgage payment on Unit 2 + \$45,000 + \$22,500 +
annual mortgage payment on Unit 2 + \$45,000 + \$22,500 + \$22,500

EXHIBIT "A"

THIRD LAGUNA HILLS MUTUAL A California Non-Profit Mutual Benefit Corporation (the "Mutual")

ASSESSMENT/CHARGES GUARANTOR OBLIGATION FORM

A. The Parties

Owner(s): _____ (collectively, the "Owner")

Property Address: _____ (the "Property")

Guarantor: _____ ("Guarantor")

B. Guarantee Payment. Guarantor hereby guarantees unconditionally to the Mutual and the Mutual's agents as follows:

- a. Guarantor guarantees unconditionally to be jointly and severally responsible for/liable for all Charges related and charged to the Owner's assessment account.
- b. Guarantor guarantees unconditionally to promptly pay for all HOA assessments, regular or special, compliance assessments, reimbursable assessments, chargeable services etc., late charges, interest, costs, trustee fees, attorney fees, or any other amount charged by the Mutual to the HOA assessment account for the Property, including fines, after a noticed hearing before the Board, reimbursement assessments, special assessments, chargeable services etc. (collectively, the "Charges".)

C. Waiver of Right to Demand Enforcement. Because the Guarantor is jointly and severally liable for the Charges, Guarantor guarantees unconditionally to waive any right to require the Mutual or the Mutual's agents to proceed against the Owner for any default occurring under the Governing Documents before seeking to enforce this Assessment/Charges Guarantor Obligation Form.

D. Broad Interpretation. This Assessment/Charges Guarantor Obligation Form shall be construed as a general, absolute, and unconditional Guaranty of payment and shall continue in perpetuity and said guarantees shall apply to all amounts charged by the Mutual to the Owner's account during the time which the Owner is a title/record owner of the Property. If any of the provisions of this Assessment/Charges Guarantor Obligation Form shall be determined to be invalid or unenforceable under applicable law, such provision shall, insofar as possible, be construed or applied in such manner as will permit enforcement.

E. Enforcement.

- a. The Mutual may enforce this Assessment/Charges Guarantor Obligation Form without being obligated to resort first to any security or any other remedy against the Owner, and

Guarantor hereby waives any notice of default and/or any right to cure same and there shall be no presentment or dishonor hereunder.

- b. This Assessment/Charges Guarantor Obligation Form is general and shall inure to, and may be relied upon and enforced by, any successor or assign of the Mutual.
- c. This Assessment/Charges Guarantor Obligation Form shall be governed by the laws of the State of California and the parties specifically agree that any legal action brought under this Assessment/Charges Guarantor Obligation Form or any underlying lease shall be brought only in Orange County, California, which Court is agreed to have jurisdiction over the parties.
- d. The Parties waive the right to a jury trial in any such legal action.
- e. If the Guarantor breaches this Assessment/Charges Guarantor Obligation Form, the Mutual shall be entitled to a full award of attorney fees, costs and expenses relative to any enforcement efforts taken, including any litigation pursued to enforce this Assessment/Charges Guarantor Obligation Form. Guarantor agrees to pay the Mutual's actual attorney fees, costs, and expenses in the enforcement of the Governing Documents and this Assessment/Charges Guarantor Obligation Form, whether before the lawsuit/proceeding is filed, after the lawsuit/proceeding is filed, or in any and all trial and appellate tribunals, whether suit be brought or not, if, after default, counsel shall be employed by the Mutual.
- f. All amounts due to the Mutual hereunder shall bear interest at the highest rate allowed by law from the date of default.

- F. Modification.** Alteration, Modification or Revocation of this Assessment/Charges Guarantor Obligation Form is not permitted unless otherwise agreed to and signed by the Parties in writing.
- G. No Strict Performance Required.** Failure of the Mutual to insist upon strict performance or observance of any of the terms of the Governing Documents or to exercise any right held by the Mutual will not diminish the enforceability of this Assessment/Charges Guarantor Obligation Form. Guarantor agrees that the foregoing obligations shall in no way be terminated, affected, or impaired by reason of any action which the Mutual may take, or fail to take against the Owner, or by reason of any waiver of, or failure to enforce, any of the rights or remedies to the Mutual in the Governing Documents and all amendments thereto.
- H. Binding on Successors.** The obligations of Guarantor shall be binding upon Guarantor and his/her/their successors and assigns.
- I. Effective Immediately Upon Signature.** Guarantor fully understands this Assessment/Charges Guarantor Obligation Form is neither a reference, credit check, nor application, that the Mutual has relied on Guarantor's representations and warranties contained herein and it is fully effective upon Guarantor's signature.

By: _____ Dated: _____

Print Name: _____

Address: _____

Phone Number: _____ E-Mail: _____

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)
) ss.
COUNTY OF)

On _____, before me, _____, a Notary Public in and for the State of California, 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 forgoing paragraph is true and correct.



STAFF REPORT

DATE: June 27, 2023
FOR: Resident Policy & Compliance Committee
SUBJECT: Barbecue Grill Rules & Regulations

RECOMMENDATION

Review and provide direction.

BACKGROUND

On December 3, 2020 and February 3, 2021, the Resident Policy and Compliance Committee approved the Barbecue Grill Rules and Regulations information sheet. On March 16, 2021, the information sheet was converted into a policy and approved by the Board (Resolution 03-21-18).

On May 27, 2023, the Committee discussed the policy and tabled the matter for pending review of the Orange County Fire Authority Barbecue Flyers.

In the last six years there have been four fires started by barbecue grills. Only one of the incidents required Third Laguna Hills Mutual (Third) insurance company to be involved. Since 2011, the Compliance Division has mailed eleven (11) disciplinary letters regarding nuisance violations caused by the use of barbecue grills.

DISCUSSION

The Chair requested review of the policy to allow the use of charcoal grills.

Prepared By: Blessilda Wright, Compliance Supervisor

Reviewed By: Francis Gomez, Operations Manager

ATTACHMENT(S)

Attachment 1: Proposed Barbecue Grill Rules & Regulations

Attachment 2: Orange County Fire Authority Flyers for Barbecue



Barbecue Rules & Regulations

Resolution 03-23-XX; Adopted Mmm DD, 2023

I. Purpose

The purpose of this document is to define the policies of Third Laguna Hills Mutual (“Third”) regarding the use of Barbecue Grills.

II. Definitions

For the purposes of this policy:

- a. Barbecue Grills are devices **made for outdoor use** that cook food by applying heat from below. There are three categories of grills common for residential use:
 - Gas-fueled grills typically use LPG (propane or butane) or natural gas as a fuel source and are known as an “open flame” source.
 - **Charcoal grills typically use charcoal or wood chunks as a fuel source and are known as an “open flame” source. Charcoal grills are prohibited.**
 - Electric grills typically use an electric element to supply a constant heat source with no open flames.
- b. Combustible material includes materials made of or surfaced with wood, plastic compressed paper or other material that will ignite and burn. These materials shall be considered as combustible even though flameproofed, fire-retardant treated.
- c. Common Area means the area which is available for use by more than one person.
- d. Community Rules are defined as the Articles of Incorporation, Bylaws, 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.
- e. Enclosed Area is defined as an area closed in by roof and contiguous walls or windows, connecting floor to ceiling with appropriate opening for ingress and egress.
- f. Member is defined as any person entitled to membership in Third.
- g. Multi Story-Unit Residential Facility means a building or portion thereof that contains more than one story of dwelling units.
- h. Open Flame grills are defined as those with a visible flame and include but are not limited to those which use gas, LPG, propane, **charcoal, or wood chunks as a fuel source**
- i. Private residence is defined as that portion of any Condominium which is not owned in common with other owners.

III. General Rules for all Barbecue

- a. Open flame grills are prohibited in multi-story buildings. Only electric grills are permitted in multi-storied buildings.
- b. Hot Barbecue **grills units** may be left in place where used until cool.
- c. Barbecue **grills units** must be used and stored so as not to block walkways.
- d. Barbecue procedures must not cause excessive smoke or offensive odor or be a nuisance to neighboring residents.

IV. Rules specific to “open flame” Barbecue **units grills**

- a. Active open flame ~~grills units~~ must be located at least 10 feet from combustible material as defined above.
- b. Active open flame ~~grills units~~ must not be located ~~on walkways or~~ under ~~or within 10 feet of~~ roof eaves, ~~combustible~~ patio covers or similar overhead coverings.
- c. Active open flame ~~grills units~~ may not be used in an any Enclosed Area.
- d. Any ~~cooking device~~ Barbecue grill's tanks shall contain no more than 15 pounds net weight (often referred to as 5 gallons) of propane.
- e. Charcoal grills should be started only with an electric starter -- lighter fluid and charcoal chimneys are prohibited.
- f. Used charcoal must be cold to the touch before being disposed of.

V. Safety Tips

- a. Follow the manufacture instructions.
- b. Fasten the propane, or LPG, tank securely to the grill assembly.
- c. Place your grill on a solid and level surface to prevent accidental overturn.
- d. Ignite gas grills with the top open.
- e. If ignition of a gas grill does not occur immediately, or the flame goes out, turn the gas off and wait at least 5 minutes before attempting ignition.
- f. Supervise the grill when in use and keep everyone away, including pets.
- g. Use long-handled tools especially made for cooking on the grill.
- h. Do not wear a loose apron or loose clothing while grilling.
- i. Thoroughly clean grill after each use to help avoid grease fires.
- j. Keep a fire extinguisher nearby.
- k. Always use and store cylinders outdoors in an upright (vertical) position unless the ~~Bar-B-Que~~ Barbecue manufacturer has designed the system otherwise.
- l. Leak test all gas connections with soap solution at least once each year and the tank connection every time a cylinder is replaced.
- m. Close the gas tank valve when finished ~~Bar-B-Q-Barbecuing~~ if so equipped.
- n. Be sure any extension cords used with an electric grill ~~or electric starter~~ are rated for the power (current) stated by the ~~Bar-B-Que-Barbecue~~ manufacturer and rated for outdoor use.
- o. Be sure to locate power cords so as not to be a trip hazard.

VI. Enforcement

Third is authorized to take disciplinary action against a Member found to be in violation of these Barbecues Rules and Regulations. When a violation occurs, the Board is obligated to evaluate and impose certain appropriate, member-discipline as set forth in the governing documents. The Board of Directors has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action.

The Member is entirely responsible for ensuring that the rules, regulations, and policies are followed by anyone they allow into the community. This includes any Co-occupant, lessee, guest, care provider, vendor, invitee or contractor. A complaint may be registered with the Compliance Department by calling 949-268-~~2255CALL~~ or compliance@vmsinc.org or by calling the Security Department at 949-580-1400.

BBQ SAFETY



A BBQ that is too close to items that can burn is a fire hazard. Here are a few tips to help you stay safe and avoid a grilling fire.



If you smell gas while cooking, immediately get away from the grill and call the fire department. Do not move the grill.



**Orange County
Fire Authority**

(714) 573-6200
ocfa.org



Grilling Safety Tips

- Propane and charcoal BBQ grills should be used outdoors only.
- Grills should be placed a safe distance from the home, deck railings, tables, overhanging branches, and areas where people gather.
- Keep children and pets at least three feet away from the grill area.
- Keep your grill clean by removing grease or fat buildup from the grates and in the trays below the grill.
- Never leave a heated grill, lighter, or matches unattended.

Charcoal Grills

- If you use starter fluid, use only charcoal starter fluid. Never add charcoal fluid or any other flammable liquids to the fire while cooking.
- When you are finished grilling, let the coals completely cool (for about 48 hours) before disposing in a metal container.

Propane Grills

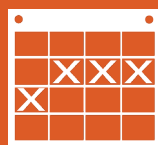
- Check the gas tank hose for leaks before grilling.
- If your grill has a gas leak, get the grill serviced by a professional before using it again. If a leak occurs while grilling, call the fire department.
- If the flame goes out, turn the grill and gas off and wait at least 5 minutes before re-lighting it.

ON AVERAGE, THERE ARE 10,200 GRILLING FIRES PER YEAR



89%

started by gas grills



57%

occur May-Aug



160

injuries per year



\$123 MILLION

property damage



Orange County Fire Authority Community Risk Reduction INFORMATIONAL BULLETIN 02-20

Subject: Open-flame Cooking Devices on Balconies and Decks

Purpose: This informational bulletin provides clarification regarding regulations pertaining to use of barbeques and other open-flame cooking devices on balconies and decks in multifamily residential structures.

Section 308.1.4 of the 2019 California Fire Code regulating open-flame cooking devices was not adopted by the State Fire Marshal. This provision still appears in the on-line and print versions of the code book, however, it is there as suggested language should individual cities or counties choose to include it as an amendment to the California Fire Code when they adopt the CFC as their local fire code.

In the past, this provision had been adopted as an amendment into the local fire code by some of the jurisdictions served by OCFA. However, when the current version of the fire code was adopted, this provision was not included. As it is currently not a part of the local or state fire code, this provision cannot be enforced by city/county code enforcement officers or OCFA fire inspectors.

It is incumbent upon the person cooking to ensure that the device is being used safely. As with any open flame, reasonable caution and care should be taken to mitigate the potential for the device to be an unintended source of ignition. Follow the manufacturer's recommendations regarding clearance from vegetation, combustible furniture, decks and buildings, and overhangs such as balconies and eaves. Refer to the BBQ Safety flyer on the ocfa.org website for additional safety information.

While the fire code may not regulate these devices, some insurance companies may include a restriction on their use in their policies, and HOAs may stipulate certain conditions to enhance safety and mitigate complaints regarding smoke and odors. Please consult with these agencies regarding specific rules that may apply in your community.

Revised 1-1-20

Agenda Item 8b



STAFF REPORT

DATE: June 27, 2023
FOR: Resident Policy and Compliance Committee
SUBJECT: Disciplinary Violations Matrix

RECOMMENDATION

Review revised disciplinary violations matrix.

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. The Board of Directors is obligated to evaluate and impose if appropriate, member-discipline under its Bylaws and the California Civil Code.

On April 24, 2018, the Executive Hearings Committee developed a guideline outlining compliance matters that should be immediately scheduled for a disciplinary hearing (“fineable”) as opposed to be given a courtesy notice (“warn-able”). Matters that most adversely impact quality of life and/or public health and safety are categorized as immediately “fine-able” offenses that merit an immediate disciplinary hearing. Clutter on a patio was one example of a “warn-able” matter that would receive a courtesy notice.

The Executive Hearings Committee meets for four (4) hours on a monthly basis for damage restoration and disciplinary hearings. The Committee averages five (5) damage restoration hearings and five (5) disciplinary hearings per monthly meeting.

DISCUSSION

The Chair provided proposed updates to the Disciplinary Violations Matrix for the Committee’s consideration and review (Attachment 1).

FINANCIAL ANALYSIS

None.

Prepared By: Blessilda Wright, Compliance Supervisor

Reviewed By: Francis Rangel, Operations Manager

ATTACHMENT(S)

Attachment 1: Disciplinary Violations Matrix

THIRD MUTUAL DISCIPLINARY VIOLATIONS MATRIX

Allegation	Schedule Hearing Immediately	Follow Expedited Process Flow	Follow Standard Process Flow	Committee's Comments and Questions
Abandoned Vehicle			X	
<u>Alterations - General Requirements</u>				
Construction Hours			X	
Debris			X	
Expired Permit			X	
Non-Compliance to Variance Request	?		?	Is this different from Damage to Mutual Property?
Damage to Mutual Property without Approval	X			
Use of Community Trash Bins			X	
Alterations - Failure to Maintain			X	
<u>Animal Control</u>				
Breeding Animals for Sale or Commercial Gain			X	
Dog Barking			X	
Injury to Person	?		?	Document for Third, but call Sheriff for Action
Damage to Property	?		?	
Not Picking Up and Disposing of Feces				
Not Under Control (Off Leash / Leash Longer than 6 feet)				
Caregiver Policy	?		?	What does "Caregiver Policy" mean?
Clutter Violations			X	
Illegal Business			X	
Landscape Violations			X	
<u>Manor Maintenance and Repair</u>				
Major (Fire, Safety, Health Hazard)	?		?	Wouldn't Security request immediate resolution?
Minor (Broken Blinds, Visible Repair Needed, etc)			X	
Non-Payment of Assessments	?		?	Aren't there other Notifications from Finance?
Non-Payment of Chargeable Services	?		?	Aren't there other Notifications from Finance?
<u>Nuisance - Behavior / Disturbance</u>				
Assault, Theft	X			
Trespassing	?		?	Can you share some examples of "Trespassing"?
Yelling			X	
Nuisance - Noise			X	
Nuisance - Odors			X	
Nuisance - Others	?		?	Need to categorize by specific Nuisance
Nuisance - Violation of Laws	X			
Nuisance - Visual			X	
Non-Smoking Policy			X	
Temporary Container Policy	?		?	Wouldn't Security request immediate resolution?
Traffic Rules			X	
Unauthorized Occupancy			X	
Vehicle Oil			X	

Red signifies requested changes; Blue signifies questions/comments from Committee; Green signifies potential new process for Committee to consider



STAFF REPORT

DATE: June 27, 2023
FOR: Resident Policy and Compliance Committee
SUBJECT: Schedule of Monetary Penalty

RECOMMENDATION

Review and file.

BACKGROUND

The Schedule of Monetary Penalties identifies the violations and potential monetary penalties which may be imposed upon a member following a duly noticed disciplinary hearing. Per California Civil Code, the Member Disciplinary Process and Schedule of Monetary Penalties must be disclosed to the membership yearly. A summary of the process and schedule are included as part of the annual mailing in November. Additionally, per Bylaws, Section 4.5.3, Disciplinary or Suspension Action Authorized, states that the Board is authorized to impose "... a fine for each breach, not to exceed the maximum established in the adopted Schedule of Monetary Penalties."

On January 19, 1993, the Board of Directors approved the Schedule of Monetary Penalties (Resolution M3-93-14). The Schedule of Monetary Penalties was amended in 1995 and 1996 (Resolutions M3-95-70 and M3-96-31).

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 Schedule of Monetary Penalties, suspend Member privileges, and/or consider legal action.

DISCUSSION

The Committee requested review of the Schedule of Monetary Penalties.

FINANCIAL ANALYSIS

The Board imposes disciplinary monetary penalties as an action for violation of the governing documents. The penalties range from \$25 - \$500 depending on the specifics of the matter. For 2022, the Board held sixty-two (62) hearings and imposed monetary penalties in total of \$24,300.

Prepared By: Blessilda Wright, Compliance Supervisor

Reviewed By: Francis Gomez, Operations Manager

ATTACHMENT(S)

Attachment 1: Schedule of Monetary Penalty



SCHEDULE OF MONETARY PENALTIES

The following notice is provided pursuant to Civil Code Section §5310 and §5850.

The following schedules identify the violations and potential monetary penalties which may be imposed upon a member. Such penalties may be imposed following a hearing by Third Laguna Hills Mutual (Third) Board of Directors (Board) for a violation of the governing documents and rules and regulations by the member, co-occupant, guest or lessee.

Type of Violation	Penalty Ranges
Alteration	
Examples: Debris, work without a permit, work beyond the allowed hours, expired permit, noncompliance with approved variance request, use of community trash bins, failure to maintain alteration, etc.	\$25 - \$500
Clutter Restrictions	
Examples: Balcony, breezeway, carport, common area, interior, patio, vehicle, etc.	\$25 - \$500
Landscape Restrictions	
Examples: Saucers/casters not present, too many plants (refer to landscape maintenance manual), vegetable plants, vines attached to walls, wind chimes, etc.	\$25 - \$500
Maintenance/Repair	
Examples: (Major) failure to correct fire, safety, health hazard or other dangerous condition; (minor) broken blinds, etc., violation of the paint program, interior pest policy, moisture intrusion event, etc.	\$50 - \$500
Nonpayment	
Examples: Nonpayment of assessments, chargeable services, disciplinary penalties, facilities or services use charges, traffic citations, etc.	\$25 - \$500
Nuisance/Harassment Restrictions	
Behavior/Disturbances: Assault, theft, trespassing, yelling, etc.	\$25 - \$500
Noise: Activities that interfere with quiet enjoyment such as improperly installed hardwood floors, neighbors playing music or television too loud, loud conversation, barking dogs, etc.	\$25 - \$500
Odors: Strong cooking odors, BBQ smoke entering other units, etc.	\$25 - \$500
Visual: Draping articles over balcony rails, etc.	\$25 - \$500

Health/Safety: Hoarders who allow unsanitary conditions to exist that attract insects and rodents, or residents who wash dog feces and urine off their balcony onto the property below them, etc.	\$25 - \$500
Violation of laws: Violations of federal, state or local ordinances. Examples include public nudity or a resident engaged in drug dealing etc.	\$25 - \$500
Occupancy Restrictions	
Examples: Caregiver policy, short-term rentals, advertisement of short-term/vacation rentals, lease policy, unapproved occupancy, qualifying resident not in unit, room rentals, guest visitations exceeding 60 calendar days within a 12-month period, etc.	\$25 - \$500
Other	
Illegal business, nonsmoking policy, portable storage container policy	\$25 - \$500
Pet Restrictions	
Examples: Dog not on leash, dog not under control, unreasonable noise (barking), not picking up and disposing of feces, etc.	\$25 - \$500
Examples: Breeding of animals for sale or commercial gain, injury to persons or damage to property caused by animal, etc.	\$50 - \$500
Traffic Rules and Regulations	
Examples: Abandoned vehicle, commercial vehicles, excessive vehicles, vehicle oil, etc.	\$25 - \$500
Any violation of the governing documents or rules and regulations not specifically identified in this schedule.	\$25 - \$500
Second or Subsequent Violations of the Same Rule	
Ongoing violation of the same event may result in a daily fine in accordance with current monetary penalty schedule until compliance is achieved and/or double of fines imposed.	

In addition to, or instead of the monetary penalty, the board of directors may impose the following penalties, following a noticed hearing, for a violation of the governing documents or rules and regulations:

1. Suspension of the right to use any facilities owned, operated or managed by Third, for a period not to exceed 30 days for each breach, and/or any facilities owned, operated or managed by the Golden Rain Foundation (GRF) for a period not to exceed 90 days for each breach.
2. Third may also make an application to a court of competent jurisdiction for legal or equitable relief.

Third bylaws and rules and regulations provide that members/residents who receive a traffic citation may elect to waive their right to a hearing and attend traffic school or forfeit a fine for certain violations and under certain circumstances. (See schedule of traffic monetary penalties).

Delinquent regular or special assessments, plus any costs of collection, late charges and interest, shall become a lien on the owner's interest in the common interest development upon recordation of a Notice of Delinquent Assessment in the Official Records of Orange County, California; and said lien may be enforced as provided by Sections 5650-5690 of the California Civil Code, and as otherwise permitted by law.

If you have questions regarding the above information, please contact the Compliance Division during regular business hours at 949-268-CALL or at compliance@vmsinc.org.