



## **OPEN MEETING**

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

**Wednesday, March 27, 2024 – 9:30 A.M.  
24351 El Toro Road, Laguna Woods, CA 92637  
Board Room and Virtual with Zoom**

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

1. Join the Committee meeting via Zoom at: <https://us06web.zoom.us/j/84903327041> or by dialing 669-900-6833 Access Code: 849 0332 7041
2. Via email to [meeting@vmsinc.org](mailto:meeting@vmsinc.org) any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and manor number must be included.

### **NOTICE AND AGENDA**

*This Meeting May Be Recorded*

1. Call Meeting to Order
2. Approval of the Agenda
3. Approval of the Meeting Report for February 27, 2024
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 for Purchasing in Third Mutual
  - b. Temporary Storage Containers Policy
  - c. Internal Dispute Resolution
  - d. Barbecue Rules and Regulations
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. Caregiver Policy
  - b. Translations of Disciplinary Letters
  - c. Proof-of-Income for Co-Occupants
  - d. Third Mutual Traffic Rules and Regulations
10. Committee Member Comments
11. Date of Next Meeting – Tuesday, April 23, 2024

\*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, February 27, 2024 at 9:30 A.M.  
Board Room/Virtual Meeting  
Laguna Woods Village Community Center  
24351 El Toro Road, Laguna Woods, CA 92637

**MEMBERS PRESENT:** Cris Prince – Acting Chair, Andy Ginocchio, Nathaniel “Ira” Lewis, Moon Yun and S.K. Park (Alternate)

**MEMBERS ABSENT:** Mark Laws (per prior notification)

**ADVISORS PRESENT:** Stuart Hack

**ADVISORS ABSENT:** Theresa Keegan (per prior notification)

**STAFF PRESENT:** Blessilda Wright, Ruby Rojas and Daniel Lurie.

**OTHERS PRESENT:** None

**1. Call to Order**

Cris Prince, Acting Chair, called the meeting to order at 9:31 a.m.

**2. Approval of Agenda**

Director Lewis made a motion to approve the agenda. Director Yun seconded the motion.

By unanimous consent, the motion passed.

**3. Approval of Meeting Report**

Director Ginocchio made a motion to approve the January 23, 2024 meeting report. Director Yun seconded the motion.

By unanimous consent, the motion passed.

**4. Remarks of the Chair**

Acting Chair, Cris Prince wanted to inform the community that Chair Laws is on a well-deserved vacation.

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

Members commented regarding ADA accommodations in regard to cutting down curb corners; Member commented barbecue rules need to be updated to prohibit charcoal grills; and Member commented on residents who use their garages for storage instead of parking their vehicles. When residents use their garage for storage can store unsafe

items.

**6. Response to Members Comments**

Directors Park and Ginocchio commented members to attend the Third Laguna Hills Mutual (Third) Maintenance & Construction Committee to address their ADA concerns regarding curb cutting.

Director Yun commented he is requesting the Barbecue rules be updated to prohibit charcoal grills in Third; and he also expressed concern addressing restrictions of carport garages as storage.

Blessilda Wright, Compliance Supervisor, clarified Third's Traffic Rules and Regulations address the use of garages to park vehicles before using open parking.

**7. Department Head Update**

None.

**8. Items for Discussion and Consideration**

**a. Disciplinary Letters**

Ms. Wright presented the Disciplinary Letters for discussion. The Committee discussed the matter and asked questions. A minor change was requested.

The Committee elected to approve the Disciplinary Letters templates with one minor change.

By unanimous consent, the motion passed.

**b. Policy for Temporary Storage Containers (PODS)**

Mr. Daniel Lurie, Supervisor II/Administrative Supervisor, presented the Policy for Temporary Storage Containers (PODS) for discussion. The Committee discussed the matter and asked questions.

The Committee elected to table the matter and provided charges to the policy.

By unanimous consent, the motion passed.

Mr. Lurie left the meeting at 10:24 a.m.

**c. Overview of the Member Disciplinary Process**

Ms. Wright presented the Member Disciplinary Process for discussion. The Committee discussed the matter and asked questions.

The Committee took no further action.

**d. Distribution of Printed Materials (Specifically "Political" Materials- Oral Discussion)**

Ms. Wright presented the Distribution of Printed Materials for discussion. The Committee discussed the matter and asked questions.

Acting Chair Prince suggested the Committee review the materials regarding this

matter and to present any questions or comments at the next meeting.

**e. Harassment Policy (Oral Discussion)**

Ms. Wright presented the Harassment Policy for discussion. The Committee discussed the matter and asked questions.

Acting Chair Prince suggested the Committee review the materials regarding this matter and present any questions or comments at the next meeting.

**f. Hate Policy (Oral Discussion)**

Ms. Wright presented the Hate Policy for discussion. The Committee discussed the matter and asked questions.

Acting Chair Prince suggested the Committee review the materials regarding this matter and present any questions or comments at the next meeting.

**g. Nuisance Policy (Oral Discussion)**

Ms. Wright presented the Nuisance Policy for discussion. The Committee discussed the matter and asked questions.

Acting Chair Prince suggested the Committee review the materials regarding this matter and present any questions or comments at the next meeting.

**9. Items for Future Agendas**

- a. Barbecue Grill Rules and Regulations
- b. Caregiver Policy
- c. Financial Qualifications for Purchasing in Third Mutual
- d. Internal Dispute Resolution/ Meet & Confer
- e. Operating Rules (Website)
- f. Proof-of-Income for Co-occupants
- g. Third's Traffic Rules & Regulations regarding garages being used for storage
- h. Translation of Disciplinary letters into other languages

**10. Committee Member Comments**

Director Ginocchio expressed concern of how safety-projects are addressed in the annual Third Maintenance and Construction budget.

Director Yun made a comment regarding surveying Third's and GRF property for proper ADA accommodations and prevention.

Director Lewis made a comment regarding the immense amount of time, money and effort it would take to take on such challenge and to consider a project that addresses issues over time versus "all-at-once".

**11. Date of Next Meeting**

Wednesday, March 27, 2024 at 9:30 a.m.

**12. Adjournment**

With no further business before the Committee, the meeting was adjourned at 10:52 a.m.

Cris Prince

Cris Prince (Mar 20, 2024 08:43 PDT)

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Cris Prince, Acting Chair  
Resident Policy and  
Compliance Committee  
of the Third Laguna Hills  
Mutual Board of Directors



## MEMORANDUM

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To: Resident Policy and Compliance Committee  
From: Pamela Bashline, Community Services Manager  
Date: March 27, 2024  
Re: Review of Third Mutual Financial Qualifications

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Late in 2023, community services staff was presented with a several questions which triggered a review of Third Mutual's Guidelines for Financial Qualifications. The Guidelines were last updated and approved by the Board on June 19, 2022.

Since that time, many economic factors have changed: the inventory of affordable housing has shrunk; inflation has dramatically increased the cost of goods and services; wages oftentimes did not keep pace with the rate of inflation; the market place for property and casualty insurance became much more expensive with too few providers writing policies in California; a greater number of people fled California than are coming to the state; and on and on.

With this backdrop, staff re-visited the Guidelines currently in place and, even with the profound social/economic changes referenced above, found no solid justification to make changes to the Board's existing Guidelines.

ATT 1 – Responses to Questions

ATT 2 – Guidelines for Financial Qualifications, adopted June 19, 2022

**Third Laguna Hills Mutual – Resident Policy and Compliance Committee**  
**Guidelines for Financial Qualifications**  
**March 27, 2024**

**1. Should the 'net worth requirements' be updated?**

An applicant's net worth is adjusted and impacted by current inflationary factors: (today's assets minus today's debt = today's net worth. The valuations fluctuate with the current economy and, by nature, are a moving target. It is expected that one's assets exceed one's indebtedness, although that is not always the case. As a result, community services staff does not see a need to adjust net worth requirements at this time. **Third's net worth requirement is equal to or greater than the purchase price plus \$125,000.** In the event an applicant falls short of this net worth requirement when purchasing a principal residence, provisions exist for him to obtain a guarantor or utilize "attributable income".

**2. Should the 'net income requirements' be updated?**

An applicant's net income is calculated by adding all of the income reported on Federal income tax forms together with some sources of income that are not required to be reported (alimony, child support, life insurance death benefits). Absent knowledge of any accelerated bad debt expenses incurred by TLHM, community services staff does not see a need to adjust net income requirements up or down at this time. **Third's annual income requirement is equal to or greater than \$45,000.** In the event an applicant falls short of this income requirement, provisions exist for him to obtain a guarantor or utilize "attributable income".

**3. Should 'guarantor requirements' be updated?**

Guarantor requirements were established at a rate intended to enable the guarantor to maintain his own household in O.C. with enough excess income/assets to support one household in Laguna Woods Village. Community services staff is unaware of any bad debt write off that has



occurred when a guarantor was listed on the homeowner's account. Accordingly, we have no recommendation to update guarantor requirements at this time. Third's guarantor requirements are \$150,000 or more in annual income and net worth equal to or greater than the unit's purchase price plus \$200,000.

#### 4. Should "multiple unit owner requirements" be updated?

An applicant who desires to own multiple units within the Village is required to demonstrate increased income and assets to do so. While the stepped-up income and asset requirements were established to ensure the applicant could reasonably afford to own multiple units, it may also have discouraged some multiple unit ownerships. Multiple unit ownerships are invariably tied to rental properties. Today, leasing activity in TLHM fluctuates around 29% and community services staff recommends any mitigating measures to reduce that activity.

- 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

**5. Should a “bond” be required of concurrent unit flippers in lieu of the “multiple unit owner” requirements?**

There are easily more than half a dozen known flippers in Laguna Woods Village. Only one such individual has approached the Board and staff with a request for an alternate methodology to qualify to purchase, remodel and resell units in this community. **Staff does not find any justification to accelerate sales or create a “niche” for others to make their livelihood in Laguna Woods Village.**

**6. Should steps be taken to create a special category for high net worth clients?**

At least one agent representing high net worth clients has requested some

special consideration for applicants owning multiple investment properties when their tax returns do not reflect at least \$45,000 in annual income. Typically, this is because the applicant has depreciated rental monies received and staff, relying upon the tax return, calculates rental incomes less the depreciated amounts. Altering the current practice will only accelerate the rising lease activity and, therefore, staff does not recommend altering the practice.



## 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.

IN WITNESS WHEREOF, this Assessment/Charges Guarantor Obligation Form is executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-Mail: \_\_\_\_\_

### 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                    )  
  ) 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.

WITNESS my hand and official seal.

\_\_\_\_\_





## STAFF REPORT

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**DATE:** March 27, 2024  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Temporary Containers Policy

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### **RECOMMENDATION**

Staff recommends approval of the revised Temporary Containers Policy.

### **BACKGROUND**

On July 17, 2018, the Board of Directors adopted the Temporary Containers Policy (Resolution 03-18-111). The policy was created as a result of an increase in resident complaints regarding the placement of dumpsters, contractor trailers and portable storage containers. The Temporary Containers Policy provides guidelines and restrictions for staff when directing residents and contractors in the placement of these items. The policy was implemented by the Security Services Department with support from the Alterations Division.

On January 23, 2024, staff presented the Temporary Containers Policy to the Committee. The Committee discussed the matter, asked questions, and suggested possible improvements by clarifying the language. The Committee elected to table the matter and directed staff to work with Chair Laws to update the Temporary Containers Policy.

On February 27, 2024, staff presented a revised Temporary Containers Policy to the Committee. The Committee and staff discussed the matter and suggested additional improvements by clarifying the language. The Committee directed staff to update the Temporary Containers Policy.

### **DISCUSSION**

The proposed revisions include changes recommended by President Mark Laws and staff, along with the subsequent revisions recommended by the Committee on February 27, 2024 (Attachments 1-3).

### **FINANCIAL ANALYSIS**

None

**Prepared By:** Dan Lurie, Security Administrative Supervisor

**Reviewed By:** Francis Gomez, Operations Manager

**Reviewed By:** Steve Hormuth, Director of Financial Services

### **ATTACHMENT(S)**

**Attachment 1:** Policy for Temporary Containers (redline version)

**Attachment 2:** Policy for Temporary Containers (revised version)  
**Attachment 3:** Resolution 03-24-xxx



### **Temporary Containers Policy Resolution 03-24-XX; Adopted [Date]**

This policy is intended to regulate the location, identification and maintenance of temporary containers such as dumpsters, contractor trailers, and portable storage containers (PODs). All references to temporary containers ~~s-s~~ shall include all of the aforementioned items.

No dumping of building materials, construction/remodeling debris, carpet, or large, bulky items is allowed in/around any trash receptacle provided by Laguna Woods Village. It is the Owner/Resident's responsibility to ensure such materials are properly removed from the community by themselves or their contractor. This rule applies to Owner/Residents performing their own work, contractors, vendors, service companies, and delivery personnel.

#### **Terms and Conditions**

Temporary containers may be permitted with the following conditions:

1. 24-hour notice is given by the contractor or ~~Member~~Owner/Resident to the Security Services Department @at 949-580-1400; providing building number, unit number, and the name of Owner/Resident.
2. Temporary container must be clearly marked at all times, by the contractor or ~~Member~~Owner/Resident, with the unit number from which the debris is sourced. The marking must be legible and able to withstand the elements (permanent marker on duct tape, waterproof label etc.)
3. Location of the temporary container must be authorized by the on-duty Watch Commander or designee.
4. Temporary container must be covered at the end of each work day. The area around the temporary container shall be kept clean and free of debris and dirt. The area shall be cleaned promptly upon removal of the temporary container.
5. Contractor and ~~Owner~~Owner/Resident shall be responsible for placing and maintaining adequate warning signs, lights, barricades and devices at all times in order to promote the safe movement of traffic.
6. Contractor and ~~Owner~~Owner/Resident shall be responsible to ensure temporary containers are equipped with reflectors on all sides. Warning devices shall be placed in advance of each temporary container as directed by the on-duty Watch Commander or designee. All warning signs, barriers, barricades, flags and other devices shall comply with or exceed the standards required in the Manual of Uniform Traffic Devices (MUTCD). All traffic devices shall be removed promptly upon removal of the temporary container.

7. Temporary containers may be in place for a maximum of seven days or until full, whichever occurs first. Any additional days needed requires approval from the on-duty Watch Commander or designee, at least 24 hours prior to the expiration date.
8. Dumpsters may be limited to 3-yard size (6'x4'x4'); roll-off dumpsters may be permitted, if space allows, with prior approval from the on-duty Watch Commander or designee.
9. Temporary Storage Containers/PODs may be limited to eight feet in length. Larger sizes may be permitted, if space allows, with prior approval from staff.
10. No hazardous materials can be disposed of, or stored, in temporary containers.
11. Temporary containers with wheels must have wheel chocks to prevent movement.

### **Placement**

Inquiries will be referred to the on-duty Watch Commander or designee for direction as to where the container may be placed. Staff will be assigned to meet with the Owner/Resident, or their contractor, to determine an appropriate location for the container.

The following will be taken into consideration:

1. Traffic safety.
2. Sufficient room to place / retrieve the container.
3. Protection of hardscape and landscape assets -- placement on landscaped areas, walkways or sidewalks is prohibited.
4. Placement in any parking spaces **other than driveways, e.g. such as** guest spaces and carports, is prohibited.
5. Proximity to the unit and efficiency for the contractor.

### **Enforcement**

Failure of the ~~Member~~**Owner/Resident** or their contractor to cooperate in placement of the container, as directed by staff, may result in disciplinary action. The Board of Directors has the authority to impose disciplinary action to include monetary penalties, suspension of services, and/or legal action. **O w n e r s / R e s i d e n t s** are responsible for ensuring that the rules, regulations, and policies are followed by anyone they allow into the community. This includes any co-occupant, lessee, contractor, vendor, service company, and delivery personnel. The Owner/Resident is responsible for any damages caused by the temporary container placement. ~~Removal of encroachments to protect~~



~~public safety:~~

Whenever the on-duty Watch Commander or designee determines that a temporary container or other encroachment located in the community causes a dangerous condition or obstruction, the on-duty Watch Commander or designee may cause the immediate removal, relocation and/or remedy of that condition without prior notice to the Owner/Resident or permittee of that encroachment.

~~The Watch Commander or designee may remove or cause to be removed any temporary container or other encroachment that is placed on the community that is in violation of these conditions, provided that a reasonable attempt has been made to contact the owner and to give twenty-four (24) hours' notice of the intent to remove the bin.~~

The responsible ~~ownerm~~Owner/Resident~~and/or operator~~ shall pay all costs incurred by the Third for removal, storage or clean-up resulting from the placement of a temporary container.

If a resident is concerned about the placement ~~of~~for safety of a temporary container, they should immediately contact the Security Services Department at 949-580-1400.



**Temporary Containers Policy**  
**Resolution 03-24-XX; Adopted [Date]**

This policy is intended to regulate the location, identification and maintenance of temporary containers such as dumpsters, contractor trailers, and portable storage containers (PODs). All references to temporary containers shall include all of the aforementioned items.

No dumping of building materials, construction/remodeling debris, carpet, or large, bulky items is allowed in/around any trash receptacle provided by Laguna Woods Village. It is the Owner/Resident's responsibility to ensure such materials are properly removed from the community by themselves or their contractor. This rule applies to Owner/Residents performing their own work, contractors, vendors, service companies, and delivery personnel.

**Terms and Conditions**

Temporary containers may be permitted with the following conditions:

1. 24-hour notice is given by the contractor or Owner/Resident to the Security Services Department at 949-580-1400; providing building number, unit number, and the name of Owner/Resident.
2. Temporary container must be clearly marked at all times, by the contractor or Owner/Resident, with the unit number from which the debris is sourced. The marking must be legible and able to withstand the elements (permanent marker on duct tape, waterproof label etc.)
3. Location of the temporary container must be authorized by the on-duty Watch Commander or designee.
4. Temporary container must be covered at the end of each work day. The area around the temporary container shall be kept clean and free of debris and dirt. The area shall be cleaned promptly upon removal of the temporary container.
5. Contractor and Owner/Resident shall be responsible for placing and maintaining adequate warning signs, lights, barricades and devices at all times in order to promote the safe movement of traffic.
6. Contractor and Owner/Resident shall be responsible to ensure temporary containers are equipped with reflectors on all sides. Warning devices shall be placed in advance of each temporary container as directed by the on-duty Watch Commander or designee. All warning signs, barriers, barricades, flags and other devices shall comply with or exceed the standards required in the Manual of Uniform Traffic Devices (MUTCD). All traffic devices shall be removed promptly upon removal of the temporary container.

7. Temporary containers may be in place for a maximum of seven days or until full, whichever occurs first. Any additional days needed requires approval from the on-duty Watch Commander or designee, at least 24 hours prior to the expiration date.
8. Dumpsters may be limited to 3-yard size (6'x4'x4'); roll-off dumpsters may be permitted, if space allows, with prior approval from the on-duty Watch Commander or designee.
9. Temporary Storage Containers/PODs may be limited to eight feet in length. Larger sizes may be permitted, if space allows, with prior approval from staff.
10. No hazardous materials can be disposed of, or stored, in temporary containers.
11. Temporary containers with wheels must have wheel chocks to prevent movement.

### **Placement**

Inquiries will be referred to the on-duty Watch Commander or designee for direction as to where the container may be placed. Staff will be assigned to meet with the Owner/Resident, or their contractor, to determine an appropriate location for the container.

The following will be taken into consideration:

1. Traffic safety.
2. Sufficient room to place / retrieve the container.
3. Protection of hardscape and landscape assets -- placement on landscaped areas, walkways or sidewalks is prohibited.
4. Placement in any parking spaces other than driveways, such as guest spaces and carports, is prohibited.
5. Proximity to the unit and efficiency for the contractor.

### **Enforcement**

Failure of the Owner/Resident or their contractor to cooperate in placement of the container, as directed by staff, may result in disciplinary action. The Board of Directors has the authority to impose disciplinary action to include monetary penalties, suspension of services, and/or legal action. Owners/Residents are responsible for ensuring that the rules, regulations, and policies are followed by anyone they allow into the community. This includes any co-occupant, lessee, contractor, vendor, service company, and delivery personnel. The Owner/Resident is responsible for any damages caused by the temporary container placement.

Whenever the on-duty Watch Commander or designee determines that a temporary container or other encroachment located in the community causes a dangerous condition or obstruction, the on-duty Watch Commander or designee may cause the immediate removal, relocation and/or remedy of that condition without prior notice to the Owner/Resident or permittee of that encroachment.

The responsible Owner/Resident shall pay all costs incurred by the Third for removal, storage or clean-up resulting from the placement of a temporary container.

If a resident is concerned about the placement or safety of a temporary container, they should immediately contact the Security Services Department at 949-580-1400.



**Temporary Containers Policy  
Resolution 03-24-XX, Adopted [Date]**

**WHEREAS**, the placement of temporary containers such as dumpsters, portable storage units (PODS) , and contractor trailers has caused safety and mobility concerns throughout the village; and,

**WHEREAS**, the Resident Policy & Compliance Committee has revised the policy that addresses these concerns;

**NOW THEREFORE BE IT RESOLVED**, [DATE], the Board of Directors hereby adopts the revised Temporary Container Policy as attached to the official meeting minutes;

**RESOLVE FURTHER**, the safety, placement, and housekeeping of these items are the responsibility of the owner/resident; and,

**RESOLVE FURTHER**, that Third reserves the right to remove or relocate any item to remedy as unsafe condition; and,

**RESOLVE FURTHER**, Resolution 03-18-111 adopted July 17, 2018 is hereby superseded and canceled; and

**RESOLVE 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.





## STAFF REPORT

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**DATE:** March 27, 2024  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Internal Dispute Resolution

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### **RECOMMENDATION**

Staff is seeking direction on the revised Internal Dispute Resolution Policy.

### **BACKGROUND**

On September 8, 2015, the Board adopted an Internal Dispute Resolution Policy to meet requirements that align with Civil Code §4360 (Resolution 03-15-86).

On December 2, 2019, the Resident Policy and Compliance Committee amended the Internal Dispute Resolution Policy to include a time frame of two (2) months to resolve the matter. The Board approved the amended policy on January 21, 2020 (Resolution 03-20-07). The current policy meets Civil Code §5910 Minimum Requirements for Internal Dispute Resolution.

On March 29, 2023, the Committee reviewed the current Internal Dispute Resolution Policy and directed Chair Laws and staff to revise the policy to align with current practices.

On April 25, 2023, the Committee determined to keep the current Internal Dispute Resolution Policy. However, the Committee wants to inform the membership of the Internal Dispute Resolution Policy. The annual mailer to the membership of Third Laguna Hills Mutual includes the Internal Dispute Resolution Policy.

### **DISCUSSION**

The Chair sent the Internal Dispute Resolution Policy to legal counsel for review and update (Attachment 2).

### **FINANCIAL ANALYSIS**

There is no financial impact.

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

**Reviewed By:** Francis Gomez, Operation Manager

### **ATTACHMENT(S)**

Attachment 1: Resolution 03-20-07 - Internal Dispute Resolution Policy

Attachment 2: Revised Internal Dispute Resolution Policy

Attachment 3: Resolution 03-24-XX



**Internal Dispute Resolution**  
**Resolution 03-20-07; Adopted January 21, 2020**

The Internal Dispute Resolution (“IDR”) process provides Third Laguna Hills Mutual (“Third”) as well as all Owners an alternative to the filing of any litigation related to a dispute involving their respective rights, duties or liabilities under the governing documents, the Davis-Stirling Common Interest Development Act; and/or the nonprofit mutual benefit corporation law; or any other state or federal law (a “CID Dispute”). An owner should be permitted to request IDR for a disputed assessment or charge (not a delinquency or a request for a payment plan.) The IDR process is available not only to disputes between Third and an Owner, but can also be used to help resolve disputes between Owners. It does not relate to any collection of assessments unless Third determines it needs to pursue litigation to collect same.

1. Either party (Third or an Owner) to a CID Dispute may invoke the following procedure:
  - a. The party may request the other party to meet and confer, in an effort to resolve the CID Dispute. The request shall be in writing.
  - b. An Owner may refuse a request to meet and confer. Third may not refuse an Owner’s request to meet and confer.
  - c. In response to a CID Dispute involving Third, the Board will designate two Directors (“Board Designees”) to represent Third and meet and confer with the Owner. The Board Designees shall also have the right to request the Chairperson of any applicable Committee involved in the CID Dispute to assist Third and attend the meet and confer session with the Owner.
  - d. IDR meetings between Owners and not involving Third should be held at a “neutral” location. To the extent conference rooms are available, and if the requesting Owners provide a minimum of ten (10) business days’ advance written notice, Third will provide a conference room in the Laguna Woods Village Community Center for the purpose of the IDR meeting. IDR meetings involving Third will be held in the Laguna Woods Village Community Center.
  - e. IDR meetings will be one hour in length. By requesting or agreeing to participate in IDR, the parties agree to commit one hour to the effort to resolve the dispute.
2. An Owner participating in IDR may be assisted by an attorney or another person in explaining their positions at the Owner’s cost, as also Third may be so assisted at Third’s cost. Although an Owner is permitted to bring Owner’s attorney or other representative to the IDR meeting, Third encourages direct discussions between Third representative and the Owner, without legal counsel, to further the goal of resolution through an amicable, no cost, and expeditious process.
3. If an Owner desires to bring Owner’s attorney to the IDR meeting, the Owner shall give ten (10) business days’ advance written notice to the other parties, including



Third, so that the other parties may determine if they wish their respective legal counsel to attend. Failure of Owner to advise if Owner is bringing legal counsel will require a postponement of the IDR meeting to a date at which Third counsel or the counsel of any other party is able to participate. If an Owner appears at the IDR meeting with previously unannounced counsel, the IDR will be rescheduled and will not proceed.

4. In an IDR meeting, the parties will meet promptly at a mutually convenient time and place, explain their positions to each other and confer in good faith in an effort to resolve the CID Dispute. If all parties to the IDR are not present, and no one has called to indicate a problem with arrival, the IDR will be cancelled after 15 minutes of waiting.
5. A resolution of the CID Dispute agreed to by the parties shall be memorialized in writing and signed by all participating parties, including, if Third is involved, the Board Designees on behalf of Third.
6. The Agreement reached by the Owners or the Owners and the Board Designees will bind the parties and be judicially enforceable if the following conditions are satisfied.
  - a. The Agreement is in writing and signed by all parties to the IDR process;
  - b. The Agreement is not in conflict with law or the governing documents; and
  - c. If the IDR involves Third as a participant, the Agreement is consistent with the authority granted in advance to the Board Designees by the Board or is ratified by the Board of Directors within thirty (30) days of the date that the Agreement is executed by the Owner and the Board Designees.
7. The Owner participating in the IDR Process shall not be charged a fee to participate in the IDR Process.
8. All parties participating in the IDR process should note that the goal of the meeting is not to determine who is right or who is wrong, nor does IDR determine a "winner." The purpose of the IDR meeting is to try to find a compromise between the disputing parties, and thereby enhance neighborliness and harmony. Therefore, parties participating should come to the IDR meeting with an open mind and prepared to be flexible in dealing with other parties to the IDR.
9. Resolution must be reached within two (2) months from the IDR request.



### **Internal Dispute Resolution**

#### **Resolution 03-XX-XX; Adopted XXXXX, 2024**

In accordance with California Civil Code Section 5905, Third Laguna Hills Mutual ("Third") provides a fair, reasonable, and expeditious procedure for, as well as an alternative to the filing of any litigation related to, resolving disputes between Third and owners involving, their respective rights, duties or liabilities under Third's governing documents, the Davis-Stirling Common Interest Development Act; and/or the nonprofit mutual benefit corporation law; or any other state or federal law (a "CID Dispute").

If Third, or a Member, wishes to engage in the Internal Dispute Resolution (IDR) process, also known as the meet and confer process, either party should invoke the procedure, as follows:

- a. The party may request the other party to participate in the IDR process, in an effort to resolve the CID Dispute. The request shall be in writing. A Member may refuse a request to participate in IDR. Third may not refuse a Member's request to participate in IDR.
  - b. In response to an IDR request by a Member, the Third Board will designate two Directors ("Board Designees") to represent Third and meet with the Member. The Board Designees shall also have the right to request the Chairperson of any applicable Committee involved in the CID Dispute to assist Third and attend the IDR session with the Member.
  - c. IDR meetings involving Third will be held in the Laguna Woods Village Community Center.
1. An Owner participating in IDR may be assisted by an attorney or another person in explaining their positions at the Owner's cost, as also Third may be so assisted at Third's cost. If an Owner desires to bring Owner's attorney to the IDR meeting, the Owner shall give ten (10) business days' advance written notice to Third, so that Third may determine if legal counsel should attend. Failure of Owner to advise if Owner is bringing legal counsel will require a postponement of the IDR meeting to a date at which Third counsel or the counsel of any other party is able to participate. If an Owner appears at the IDR meeting with previously unannounced counsel, the IDR will be rescheduled and will not proceed.
  2. In an IDR meeting, the parties will meet promptly at a mutually convenient time and place, explain their positions to each other and confer in good faith in an effort to resolve the CID Dispute. A requested IDR should take place within forty (40) days following Third's receipt of such request or Owner acceptance of Third IDR request. If all parties to the IDR are not present, and no one has called to indicate a problem with arrival, the IDR will be canceled after 15 minutes of waiting.

3. The Board Designees shall not have authority to bind the Board of Directors or Third to any agreement or resolution.
4. A resolution of the CID Dispute shall be memorialized in writing and signed by all participating parties.
5. Any agreement reached by the Owners and the Board Designees will bind the parties and be judicially enforceable if the following conditions are satisfied:
  - a. The Agreement is in writing and signed by all parties to the IDR process;
  - b. The Agreement is not in conflict with law or the governing documents; and
  - c. The Agreement is ratified by the Board of Directors within thirty (30) days of the date that the Agreement is executed by the Owner and the Board Designees.
6. If an Owner participates in the IDR process, but the dispute is resolved in any way other than by agreement of the Owner, then the Owner shall have a right to appeal such resolution to the Board.
7. The Owner participating in the IDR Process shall not be charged a fee to participate in the IDR Process.
8. All parties participating in the IDR process should note that the goal of the meeting is not to determine who is right or who is wrong, nor does IDR determine a "winner." The purpose of the IDR meeting is to try to find a compromise between the disputing parties. Therefore, parties participating should come to the IDR meeting with an open mind and prepared to be flexible in dealing with other parties to the IDR.



## **RESOLUTION 03-24-XXX**

### **Internal Dispute Resolution**

**WHEREAS**, Civil Code §5910 establishes requirements for Internal Dispute Resolution meetings; and

**WHEREAS**, the Resident Policy and Compliance Committee recognizes the need to revise the Internal Dispute Resolution to make the process simple for members; and

**NOW THEREFORE BE IT RESOLVED**; XXX XX, 2024, that the Board of Directors of this Corporation hereby approves the revised Internal Dispute Resolution, as attached to the official minutes of this meeting; and

**RESOLVED FURTHER**, that Resolution 03-20-07 adopted January 21, 2020 is hereby superseded in its entirety and cancelled;

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



## STAFF REPORT

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**DATE:** March 27, 2024  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Barbecue Grills Rules & Regulations

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### **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.

On June 27, and July 26 2023, the Committee discussed the policy and voted to rescind the Barbecue Rules and Regulations.

On September 19, 2023, the Board of Directors (Board) voted to rescind the Barbecue Rules and Regulations. The Board requested the Committee consider creating new Barbecue Rules and Regulations specific to multi story buildings.

On September 27, 2023, the Committee discussed creating a simplified Barbecue Rules and Regulations. The Committee changes have been included in the proposed rules and regulations.

On October 24, 2023, the Committee discussed the Barbecue Rules and Regulations. The Committee directed Chair Laws to work with staff to implement the changes.

### **DISCUSSION**

On January 16, 2024, the Board voted to approve the updated Barbecue Rules and Regulations allowing charcoal grills only in single-story buildings. Additionally, charcoal grills are not permitted in multi-story buildings.

### **FINANCIAL ANALYSIS**

None

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

**Reviewed By:** Francis Gomez, Operations Manager

**ATTACHMENT(S)**

Attachment 1: Resolution 03-24-02 - Barbecue Grills Rules & Regulations

**Barbecue Rules & Regulations**  
**Resolution 03-24-02; January 16, 2024**

**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 that cook food by applying heat from below. There are three categories of grills:
  1. Gas-fueled grills cook food with gas jets located under its cooking surface; they typically use propane, butane, or natural gas as a fuel source, and generate an open flame for grilling or smoking;
  2. Charcoal grills are home grills that use lump charcoal or charcoal briquettes as a heating source to cook food; the charcoal fuel is located under the grill grates, and generates an open flame for grilling or smoking;
  3. Electric grills cook and smoke food by using heat generated by an electric element; electric grills include pellet grills which use electricity to heat a rod that ignites wood pellets, and it's the heat and smoke from those wood pellets that cook and flavor food;
- b. Common Area means the area which is available for use by more than one person.
- c. Governing Documents 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.
- d. Member is defined as any person entitled to membership in Third.
- e. Multi-story building residential facility means a building or portion thereof that contains more than one story of dwelling units.
- f. Single-story building residential facility means a building or portion thereof that contains only one story of dwelling units.

**III. Conditions**

**Permitted in Third:**

- a. Gas-fueled grills and Electric grills are permitted in all buildings (including all multi- and single-story buildings);
- b. Propane tanks are not to exceed the standard propane tank size of 20 pounds which are the tanks one commonly sees at exchange stations located at grocery stores, home improvement stores, and gas stations; a 20-pound propane tank holds about 4.5 gallons of propane and weighs about 37 pounds when full;
- c. Charcoal grills are permitted only in single-story buildings; Charcoal grills are not permitted in multi-story buildings;

#### **IV. Enforcement**

Third is authorized to take disciplinary action against a Member found to be in violation of the Barbecues Rules. When a violation occurs, the Board is obligated to evaluate and impose if 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 Division by calling 949-268-2255 or [compliance@vmsinc.org](mailto:compliance@vmsinc.org) or by calling the Security Department at 949-580-1400.