



## **OPEN MEETING**

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

**Tuesday, April 23, 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 March 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. Third Mutual Traffic Rules and Regulations
  - b. Financial Qualifications for Purchasing in Third Mutual
  - c. Impacts of Implementing a New Lease Limit in Third Mutual to 25% (Oral Discussion)
  - d. Proof-of-Income for Co-Occupants
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. Anti-Racial Discrimination Communication within Third Mutual
  - c. Executive Hearings Committee Charter
  - d. Rules for Board Meetings
10. Committee Member Comments
11. Date of Next Meeting – Wednesday, May 29, 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, March 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:** Mark Laws –Chair, Cris Prince, Andy Ginocchio, Nathaniel “Ira” Lewis, Moon Yun

**MEMBERS ABSENT:** None

**ADVISORS PRESENT:** Theresa Keegan

**ADVISORS ABSENT:** Stuart Hack (Per prior notification)

**STAFF PRESENT:** Blessilda Wright, Ruby Rojas, Pamela Bashline, Jeff Spies and Daniel Lurie

**OTHERS PRESENT:** S.K. Park

**1. Call to Order**

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

**2. Approval of Agenda**

Director Prince made a motion to approve the agenda. Director Ginocchio seconded the motion.

By unanimous consent, the motion passed.

**3. Approval of Meeting Report**

Director Lewis made a motion to approve the February 27, 2024 meeting report. Director Prince seconded the motion.

By unanimous consent, 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. Financial Qualifications for Purchasing in Third Mutual**

Ms. Pamela Bashline, Community Services Manager, presented the Financial Qualifications for Purchasing in Third Mutual for discussion. The Committee discussed the matter and asked questions. Minor changes were requested.

Director Moon made a motion to direct staff to review income and net worth qualification; then bring back to the committee the modified amounts. Director Ginocchio seconded the motion.

By unanimous consent, the motion passed.

Ms. Pamela Bashline and Mr. Jeff Spies, Community Services Supervisor left the meetings at 10:03 a.m.

Mr. Dan Lurie entered the meeting at 9:38 a.m.

**b. Temporary Storage Containers Policy**

Mr. Daniel Lurie, Security Supervisor II/ Administrative Supervisor, presented the Temporary Storage Containers Policy for discussion. The Committee discussed the matter, asked questions, and suggested minor modifications.

Director Prince made a motion to forward the Temporary Storage Container Policy as amended to the board for twenty-eight (28) day review and consideration. Director Lewis seconded the motion.

By unanimous consent, the motion passed.

Mr. Dan Lurie left the meeting at 10:18 a.m.

**c. Internal Dispute Resolution**

Ms. Blessilda Wright, Compliance Supervisor presented the Internal Dispute Resolution for discussion. The Committee discussed the matter and asked questions.

Director Prince made a motion to forwarded the Internal Dispute Resolution Policy to the board for twenty-eight (28) day review and consideration. Chair Laws seconded the motion.

By unanimous consent, the motion passed.

**d. Barbecue Rules and Regulations**

Ms. Wright presented the Internal Dispute Resolution for discussion. The Committee discussed the matter and asked questions.

The Committee took no further action.

**9. Items for Future Agendas**

- a. Caregiver Policy
- b. Proof-of-Income for Co-occupants
- c. Third's Traffic Rules & Regulations regarding garages being used for storage
- d. Racial Discrimination Posters to be placed in Third

**10. Committee Member Comments**

None.

**11. Date of Next Meeting**

Tuesday, April 23, 2024 at 9:30 a.m.

**12. Adjournment**

With no further business before the Committee, the meeting was adjourned at 10:49 a.m.

Mark W. Laws

Mark W. Laws (Apr 5, 2024 11:00 PDT)

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Mark W. Laws, Chair  
Resident Policy and Compliance  
Committee of the Third Laguna Hills  
Mutual Board of Directors





## STAFF REPORT

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**DATE:** April 23, 2024  
**FOR:** Resident Policy & Compliance Committee  
**SUBJECT:** Vehicle, Traffic and Parking Rules – Rules Updates

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### **RECOMMENDATION**

Staff recommends the committee review and provide further direction.

### **BACKGROUND**

In 1972, the Board of Directors created vehicle, traffic, and parking rules. Since its adoption the rules have been changed numerous times and renamed the Vehicle, Traffic and Parking Rules (the active Resolutions are 03-14-43, 03-15-42, 03-17-152, 03-19-50, and 03-19-85). The Vehicle, Traffic and Parking Rules provide residents, guests and vendors the rules for driving and parking to promote safety for the Community.

The Resident Policy and Compliance Committee requested the Vehicle, Traffic and Parking Rules be added to future agenda items for review and updates.

### **DISCUSSION**

Chair Laws provided suggested updates to the Vehicle, Traffic and Parking Rules.

### **FINANCIAL ANALYSIS**

**Prepared By:** Daniel Lurie, Supervisor II/Administrative Supervisor

**Reviewed By:** Blessilda Wright, Compliance Supervisor  
Francis Gomez, Operations Manager

Attachments:

Attachment 1: Vehicle Traffic and Parking Rules- Redline



## Vehicle, Traffic, and Parking Rules

**Current Resolution: 03-24-XX, adopted MMM DD, 2024**

**(Past Resolutions: 03-19-85, adopted August 20, 2019; Resolution 03-49-50, adopted May 21, 2019; Resolution 03-17-152, adopted December 19, 2017; Resolution 03-15-42, adopted April 21, 2015; and Resolution 03-14-43, adopted April 15, 2014)**

The following Vehicle, Traffic, and Parking Rules are strictly enforced and are applicable to all pedestrians and persons controlling or operating vehicles on any real property regulated by Third Laguna Hills Mutual (Third). This generally refers to the cul-de-sacs, parking areas, sidewalks, and grounds regulated by Third.

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### **1 PREFACE**

(See Section 2 – Definitions, for words appearing in ALL CAPITAL LETTERS.)

To promote safety, the BOARD requires that all drivers and vehicles in THIRD follow the same rules for driving and parking as are expected on public streets, unless otherwise specified in herein.

Enforcement is the responsibility of the Laguna Woods Village Security Division, unless otherwise designated by law. All persons must stop when directed or signaled by a member of the Security Services Division and provide all items of identification as requested, such as GRF identification card, driver's license, vehicle registration, gate pass, etc.



Security Officers will issue Notices of Violation for violation of these rules. Drivers in violation may be subject to a fine and other disciplinary action. Vehicles parked in violation may be subject to a fine, and towed-away at the vehicle owner's expense.

The BOARD kindly reminds everyone that parking space is a valuable and limited resource.

- RESIDENTS are encouraged to limit their number of vehicles kept in THIRD.
- Please remind your guests to use UNASSIGNED PARKING or your own ASSIGNED PARKING space. Use of another RESIDENT'S ASSIGNED PARKING space without their permission can result in a Notice of Violation, fine, and tow-away at the vehicle owner's expense.
- The use and control of an ASSIGNED PARKING space rests exclusively with the RESIDENTS of the associated UNIT.
- A NON-RESIDENT party to a UNIT such as a MEMBER, owner, leasing agent, power of attorney, successor trustee, conservator, etc. may not keep any vehicle in the Village when the subject UNIT is occupied by a RESIDENT.

The MEMBER is responsible for any violation occurring in their ASSIGNED PARKING, unless someone not authorized is parking in a member's assigned parking.

The MEMBER is responsible for any violation committed by their delegate, invitee, renter or lessee, and any invitee of a delegate, renter or lessee.

## **2 DEFINITIONS**

Words appearing in ALL CAPITAL LETTERS are defined in this section.

### **2.1 ABANDONED VEHICLE**

A MOTOR VEHICLE having either of the following attributes:

- Appears deserted, neglected, unsightly, or INOPERABLE.
- If in UNASSIGNED or GUEST PARKING, and has not been moved within a 21 day period unless previously receiving written authorization from the Security Department. (See Section 7.5 - Resident's Extended Parking.)

### **2.2 ASSIGNED PARKING**

A defined parking location such as a carport, parking garage space, or UNIT driveway or garage that has both of the following attributes:

- Is regulated by Third.
- Is allotted as an exclusive use area of a particular UNIT.

### **2.3 BOARD**

The Board of Directors or its delegated Committee.

## **2.4 BICYCLE**

A device, upon which a person can ride, propelled by human power through pedals, a belt, chain, or gears and having one or more wheels.

- A motorized and/or electric bicycle is classified as a MOTOR VEHICLE, not a BICYCLE.

## **2.5 COMMERCIAL VEHICLE**

A vehicle displaying any of the following attributes:

- Of a type used or maintained for the transportation of persons for hire, compensation, or profit.

Examples: taxi cab, limousine, any vehicle originally designed to carry 12 or more passengers.

- Designed, used, or maintained primarily for the transportation of property.
  - Includes any vehicle mounted with a utility body/bed. However, a carrier designed for specific sports or athletic equipment (e.g. bicycle or ski rack) is acceptable.
- Used, specially equipped, or advertised for commercial purposes.

Examples: MOTOR TRUCK, cargo trailer, PICKUP TRUCK with a ladder rack or utility body or carrying visible tools or merchandise, van with business advertising displayed or carrying visible tools, chests, racks or merchandise.

### EXCEPTIONS:

- PICKUP TRUCKS and passenger vehicles (including commuter carpooling vans of up to 11 passenger capacity) are not COMMERCIAL VEHICLES unless used, specially equipped, or advertised for commercial purposes.

## **2.6 EMPLOYEE**

A person who is employed by the managing agent.

## **2.7 GRE**

The Golden Rain Foundation of Laguna Woods.

## **2.8 GOLF CART**

A MOTOR VEHICLE having all of the following attributes:

- Having not less than three wheels in contact with the ground.
- Having an unladen weight of less than 1,300 pounds.
- Designed to be operated at no more than 20 mph.
- Designed to carry golf equipment and passengers.
- Is exempt from California Motor Vehicle Registration.

## **2.9 GOLF CAR**

A MOTOR VEHICLE that has all the attributes of a Low Speed Vehicle (LSV) or Neighborhood Electric Vehicle (NEV):

- Having 4 wheels.
- Having a gross vehicle weight rating of less than 3,000 pounds.
- Designed to attain a speed of more than 20 miles per hour and not more than 25 miles per hour on a paved level surface.
- May legally be driven on public streets with a maximum speed limit of 35 miles per hour.
- Requires government motor vehicle registration on a public street.

#### **2.10 GUEST**

A NON-RESIDENT approved for entry into LAGUNA WOODS VILLAGE by an authorized party for a MANOR, or by the managing agent.

#### **2.11 GUEST PARKING**

A parking location that is marked as such by a sign, or curb or pavement marking is reserved for GUEST use only.

#### **2.12 LOW SPEED VEHICLE (LSV)**

See GOLF CAR.

#### **2.13 IN LAGUNA WOODS VILLAGE**

Any real property governed by GRF or a Mutual Corporation IN LAGUNA WOODS VILLAGE.

#### **2.14 IN THIRD**

Any real property governed by THIRD.

#### **2.15 INOPERABLE VEHICLE**

A partial or complete vehicle displaying **any** of the following attributes:

- Is parked in GUEST PARKING or UNASSIGNED PARKING and ~~does not show current~~ and has a government issued license and registration for on-street operation that is at least three (3) months out of date.
- Is parked in ASSIGNED PARKING and has a government issued license and registration for on-street operation that is at least one (1) year out of date.
- Is government registered with a classification of non-operational, or for a use other than on-street.

Examples: "Planned Non Operation," "Off Highway Vehicle," and watercraft registrations.

#### **EXCEPTION:**

- The above registration provisions do not apply to GOLF CARTS. See Section 5.2 – Vehicle Registration Required.
- Lacks any original and complete **major** design component. (Examples: motor, fender, hood, wheel, light.)
- Appears unable to legally or safely operate on the street in its present condition.  
Examples: ~~does not run~~, significant disassembly or collision damage, leaking fluids, flat tire, tire off ground, vehicle up on blocks.

- Presents a nuisance or hazard as determined by the BOARD.

**2.16 MANOR**

A dwelling unit IN LAGUNA WOODS VILLAGE.

**2.17 MEMBER**

The person having legal accountability to GRF and THIRD for a UNIT.

**2.18 MOTOR TRUCK**

A MOTOR VEHICLE designed, used, or maintained primarily for the transportation of property.

**2.19 MOTOR VEHICLE**

A vehicle that is self-propelled.

**EXCEPTIONS:**

- A self-propelled wheelchair, invalid tricycle, electric personal assistive mobility device (example: Segway) or motorized quadricycle.

**2.20 NEIGHBORHOOD ELECTRIC VEHICLE (NEV)**

See GOLF CAR.

**2.21 NON-RESIDENT**

A person who is not a legal occupant of a UNIT in LAGUNA WOODS VILLAGE.

**2.22 NON-RESIDENT VEHICLE**

Any vehicle not registered as a RESIDENT VEHICLE with GRF.

**2.23 PICKUP TRUCK**

A MOTOR TRUCK having ***all*** of the following attributes:

- Is equipped with an open box-type bed not exceeding 9 feet in length.
- Has an overall vehicle length not exceeding 22 feet.
- Has only 2 axles.
- Has an unladen weight of less than 8,001 pounds.
- Has a manufacturer's gross vehicle weight rating of less than 11,500 pounds in single rear wheel configuration, or 14,000 pounds in dual rear wheel configuration.

PICKUP TRUCK does not include a vehicle otherwise meeting the above definition that is equipped with a bed-mounted storage compartment unit commonly called a "utility body" or "utility bed."

A vehicle otherwise meeting the above definition that is mounted with an equipment rack or storage chest, or displays advertising is deemed to be a COMMERCIAL VEHICLE.

A PICKUP TRUCK mounted with a camper unit extending over the cab or equipped with food preparation and sleeping areas is deemed to be a RECREATIONAL VEHICLE. See Section - 7.8 Recreational Vehicles Restricted.

**2.24 PEDESTRIAN**

A person who is ***either*** of the following:

- On foot or using a means of conveyance propelled by human power other than a BICYCLE.
- Operating a self-propelled or motorized wheelchair, invalid tricycle, electric personal assistive mobility device (example: Segway) or motorized quadricycle.

### **2.25 RECREATIONAL VEHICLE (RV)**

A vehicle so defined in the GRF Recreational Vehicle (RV) Parking Areas Rules and Regulations.

### **2.26 RESERVED PARKING**

A parking location that is marked as such by a sign, or curb or pavement marking is set-aside for use only by the named user(s).

### **2.27 RESIDENT**

A BOARD approved, legal occupant of a UNIT in LAGUNA WOODS VILLAGE.

### **2.28 RESIDENT VEHICLE**

A vehicle that has **all** of the following attributes:

- A RESIDENT has exclusive use thereof.
- Is of a type approved by GRF.
- Is registered with GRF.

### **2.29 SAFELIST**

A register maintained by the Security Services Department to document vehicles granted a limited exception to certain parking rules. Examples: Extended RESIDENT'S absence, overnight RV parking, late night calls for overnight guests without a parking permit.

### **2.30 SPONSOR**

A RESIDENT, MEMBER or delegate for a MANOR, who approves the admission of any NON-RESIDENT into Laguna Woods Village,

**OR,**

A person representing an organization or business entity for the purpose of requesting entry for themselves or another into Laguna Woods Village.

### **2.31 UNASSIGNED PARKING**

A proper parking location having **both** of the following attributes:

- Not an ASSIGNED PARKING space for a particular UNIT or RESIDENT.
- Not designated as GUEST PARKING or RESERVED PARKING.

### **2.32 UNAUTHORIZED VEHICLE**

A vehicle having **both** of the following attributes:

- NON-RESIDENT VEHICLE.
- Parked IN THIRD at any time between the hours of 12:00 a.m. (midnight) and 6:00 a.m. without displaying a valid GRF Overnight Parking Permit.

### **2.33 VISITOR PARKING**

See GUEST PARKING.

## **3 BOARD AUTHORITY and ENFORCEMENT**

### **3.1 BOARD AUTHORITY**

The BOARD establishes and from time to time updates these rules, and decides upon fines and other disciplinary actions for violations.

The BOARD will appoint a Director to participate as a member of the Laguna Woods Village Traffic Hearings Committee ~~comprised of three (3) BOARD members~~. The Laguna Woods Village Traffic Hearings Committee will schedule traffic hearings as necessary to adjudicate Notices of Violation. The Laguna Woods Village Traffic Hearings Committee is an ~~open~~ closed meeting that the alleged violator is invited to attend.

Notices of violation, traffic hearings, assessment of fines and other disciplinary actions are administrative processes of GRF and THIRD.

Fines and other disciplinary actions may be greater for repeated violations within a 3 year period.

The BOARD at its discretion may approve case-by-case exceptions to these rules.

The BOARD endorses the traffic rules of GRF and the other Mutual Corporations. ~~Notices of Violation issued in another Mutual's area to RESIDENTS of THIRD will be adjudicated as if the violation had occurred in THIRD.~~

#### **3.1.1 MEMBER**

A MEMBER is subject to the payment of a fine and other disciplinary action imposed by the BOARD for any violation committed by the MEMBER, or any delegate, occupant, lessee, renter, invitee or guest of the MEMBER.

#### **3.1.2 RESIDENT**

A RESIDENT is subject to the payment of a fine and other disciplinary action imposed by the BOARD for any violation committed by the RESIDENT, or any delegate, occupant, lessee, renter, invitee or guest of the RESIDENT. Responsibility for non-compliance with any such disciplinary action transfers to the applicable MEMBER. [ Need clarification of this section for when a RESIDENT is a MEMBER and when a RESIDENT is a lessee. ]

#### **3.1.3 NON-RESIDENT**

A NON-RESIDENT is subject to confiscation of their gate pass and other loss of community access privileges as determined by the Community Access Division [ need clarification of what this "Division" is ], and may be subject to assessment of a fine and other disciplinary action imposed by the BOARD for any violation committed by the NON-RESIDENT.

#### **3.1.4 SPONSOR OF A GUEST**

If a GUEST [ is "GUEST" the same as "NON-RESIDENT"? ] fails to pay a fine or comply with other disciplinary requirements determined by the BOARD, responsibility transfers to the RESIDENT SPONSOR who authorized

the violator into Laguna Woods Village. Responsibility for non-compliance with any such disciplinary action by the SPONSOR transfers to the applicable MEMBER.

### **3.1.5 ON-DUTY EMPLOYEE**

An on duty EMPLOYEE of the managing agent is held to the same standard of safe driving as all others.

A violator is subject to disciplinary action, including potential loss of driving privileges, in accordance with the managing agent's Human Resources policy and procedure.

### **3.1.6 OFF DUTY EMPLOYEE**

The Notice of Violation is unrelated to work and adjudicated under BOARD authority as a RESIDENT or NON-RESIDENT.

## **3.2 SECURITY SERVICES DEPARTMENT ENFORCEMENT**

Enforcement of these rules is the responsibility of the Laguna Woods Village Security Services Department, unless otherwise designated by law.

Security Officers will issue a Notice of Violation for any violation of these rules.

All persons must stop when directed or signaled by any member of the Security Services Department, and provide all items of identification as requested, such as GRF identification card, driver's license, vehicle registration, and gate pass.

## **3.3 NOTICE OF VIOLATION PROCESSING - RESIDENTS, MEMBERS, OWNERS, and NON-RESIDENTS**

Traffic hearings for RESIDENTS and NON-RESIDENTS will be held by the Laguna Woods Village Traffic Hearings Committee.

### **3.3.1 TRAFFIC HEARING NOTICE**

Following a Notice of Violation, the alleged violator will be sent a letter scheduling a traffic hearing date and time. This letter will be sent at least 15 days before the hearing.

### **3.3.2 TRAFFIC HEARING**

The traffic hearing will be an ~~closed~~-open meeting. The Committee will hear testimony and consider evidence from the alleged violator and Security staff.

If an alleged violator chooses not to attend their hearing, the Committee will make its decision based on the Notice of Violation and other evidence presented.

After each hearing, the Committee will render its decision.

The Laguna Woods Village Traffic Hearings Committee will be documented by a written report of the proceedings.

A letter stating the Committee's decision will be sent to the alleged violator within 10 days [ need to confirm that "10" days is correct ] following the hearing. If the Committee finds the individual guilty, the letter will inform the violator of the penalty and present the choice of paying the scheduled fine, or attending Traffic School, if eligible.



### **3.3.3 TRAFFIC SCHOOL**

The Laguna Woods Village Traffic School will be a 2 hour class addressing traffic safety topics, and designed for Laguna Woods Village drivers.

Traffic School is available to a violator once during any 3 year period.

The Security Services Department will provide instructors to teach Traffic School.

Every attendee must pay an administrative fee prior to attending Traffic School.

The following citations are ineligible for Traffic School: Parking, RV Lot Parking, Handicap Parking, and specific Moving Violations (Hit and Run, Valid Driver's Licenses Not Produced and Reckless Driving).

### **3.3.4 FINES**

THIRD adopts the fine structure ~~of GRF~~ for traffic violations as per section 7.15 of this document. ~~Fines are set by the latest GRF schedule.~~

### **3.4 NOTICE OF VIOLATION PROCESSING – ON DUTY EMPLOYEES**

The Notice of Violation will be forwarded to the managing agent's Director of Human Resources for handling according to the managing agent's disciplinary policy.

## **4 TOWING POLICY**

The California Vehicle Code authorizes private property tow-away at the vehicle owner's expense. The Security Services Department has been authorized by the BOARD to enforce these rules in compliance with California Vehicle Code § 22658 (a).

Violations may result in tow-away at the vehicle owner's expense. Vehicles may be towed immediately or after a 96 hour waiting period as indicated below.

### **4.1 IMMEDIATE TOW AWAY**

#### **4.1.1 SECURITY SERVICES DEPARTMENT TOWING**

The Security Services Department is authorized to immediately tow-away at the vehicle owner's expense any vehicle parked under any of the following conditions:

- In a space designated for handicapped parking while not displaying a valid disabled (handicapped) license plate or placard.
- In a no parking zone.
- Within 15 feet of a fire hydrant.
- Blocking an entrance or exit of a building or parking space or street.
- Blocking a roadway or posing a hazard to traffic.
- Posing a safety or environmental hazard.



#### **4.1.2 RESIDENT'S PRIVATE TOWING**

An ASSIGNED PARKING space (e.g. carport, driveway, garage) is provided for the exclusive use of the RESIDENT who controls (is in lawful possession of) that location.

No vehicle may be parked in any ASSIGNED PARKING location without that controlling RESIDENT'S written permission, which can include an overnight parking pass.

California Vehicle Code §22658 (a) allows a person in lawful possession of private property (the controlling RESIDENT) to order the immediate tow-away of any vehicle parked without permission in that person's ASSIGNED PARKING space. Tow-away is made at the vehicle owner's expense.

***Because the tow-away is made from a restricted use common area location, the towing is a private matter between the RESIDENT ordering tow-away, the vehicle owner, and the towing company. THIRD-, GRF, and the Security Services Department are not parties to, and assume no authority or liability in the matter.***

#### **4.2 TOW AWAY AFTER 96 HOURS NOTICE**

##### **4.2.1 NON-RESIDENT VEHICLE IN ASSIGNED PARKING**

Except as provided above, the Security Services Department is authorized to tow-away at the vehicle owner's expense a NON-RESIDENT vehicle, in an ASSIGNED PARKING location, for any violation of these rules, upon meeting all of the following requirements:

- Receiving specific direction from the BOARD. [ Need clarification of this; can Managing Agent make decision on behalf of BOARD? If not, how does BOARD provide specific direction? ]
- Requesting compliance to correct the violation or remove the vehicle from the Village. [ Need clarification and better wording of this statement. ]
- Compliance is not made within **96 hours** of written notification.

##### **4.2.2 NON-RESIDENT VEHICLE IN OTHER THAN ASSIGNED PARKING**

Except as provided above, the Security Services Department is authorized to tow-away at the vehicle owner's expense an UNAUTHORIZED VEHICLE or NON-RESIDENT vehicle, not in ASSIGNED PARKING, for any violation of these rules, upon meeting **both** of the following requirements:

- Requesting compliance to correct the violation or remove the vehicle from the Village. [ Need clarification and better wording of this statement. ]
- ~~Compliance is not made~~ Inappropriately parked vehicle is not moved within **96 hours** of written notification.

##### **4.2.3 RESIDENT VEHICLE IN ANY LOCATION**

Except as provided above, the Security Services Department is authorized to tow-away at the vehicle owner's expense a RESIDENT VEHICLE for any violation of these rules, upon meeting the following requirements:

- Receiving specific authorization from the BOARD. [ Need clarification and better wording of this statement. ]

- Requesting compliance to correct the violation or remove the vehicle from the Village. [ Need clarification and better wording of this statement. ]
- Resident does not comply ~~Compliance is not made~~ within 96 hours of written notification.

## 5 **LICENSE AND REGISTRATION REQUIREMENTS**

### 5.1 **DRIVERS LICENSE REQUIRED**

Any person operating a MOTOR VEHICLE is required to have a valid driver's license in their possession and present it to any member of the Security Services Department upon request.

EXCEPTIONS:

- GOLF CART
- Motorized bicycle

### 5.2 **VEHICLE REGISTRATION REQUIRED**

Every MOTOR VEHICLE in THIRD is required to display ~~current~~ on-street license plate and registration that is no more than three (3) months out of date, and the person in control thereof must present current registration documentation to any member of the Security Services Department upon request.

EXCEPTIONS:

- GOLF CART
- Motorized bicycle

### 5.3 **AUTHORIZED RESIDENT VEHICLE TYPES**

THIRD authorizes any vehicle type that is eligible to receive a GRF ~~decal~~ RFID sticker.

### 5.4 **GRF VEHICLE DECALS** [ Need to determine if this section still needed, and if so, reword as appropriate ]

All RESIDENT MOTOR VEHICLES must be registered with GRF and properly display the current GRF vehicle decal while in THIRD.

### 5.5 **Resident Vehicle Decal Limit** [ Need to determine if this section still needed, and if so, reword as appropriate ]

Each UNIT is allowed to receive a limited number of GRF decals based on the number of original construction bedrooms.

- 1 Bedroom UNIT up to 2 decals
- 2 Bedroom UNIT up to 3 decals
- 3 Bedroom UNIT up to 3 decals

Each UNIT is allowed to receive up to a total of 2 decals for GOLF CARTS and/or GOLF CARS regardless of the number of original bedrooms in the UNIT.

Decal counts do not include motorhomes and commercial vehicles stored in the GRF Recreational Vehicle Storage Area.

## 6 **RULES FOR DRIVING**

## **6.1 STAY ON PAVEMENT**

Vehicles may only be driven on streets, cul-de-sacs, driveways, and designated parking areas designed for such use. Vehicles may not be driven or parked off pavement.

EXCEPTIONS:

Certain specific and limited exceptions are detailed in

- Section 8 - Special Rules for Golf Carts and Golf Cars
- Section 9 - Special Rules for Bicycles

## **6.2 TRAFFIC CONTROL DEVICES**

Drivers must obey all posted traffic signs, and pavement and curb markings.

## **6.3 SPEED LIMITS**

Vehicles may never be driven faster than is safe for the prevailing conditions.

Vehicles may not exceed the posted speed limit.

- 25 MPH: All streets, unless otherwise posted
- 15 MPH: All cul-de-sacs and parking areas, unless otherwise posted
- 10 MPH: All inbound gate entrances

## **6.4 STOP SIGNS**

When approaching a stop sign, drivers must stop at the limit line, if marked, otherwise before entering the crosswalk on the near side of the intersection.

- The limit line is a white line painted across the driver's lane just before the stop sign or crosswalk.
- If there is no limit line or crosswalk, drivers must stop at the entrance to the intersecting roadway.
- If visibility is restricted at the limit line or crosswalk, drivers may, after coming to a full stop at the limit line or crosswalk, need to pull forward and stop again before safely passing through the intersection.

Drivers must always make a full and complete stop.

- So called "California stops" or "rolling stops" are not allowed; the wheels of the vehicle must stop turning.

## **6.5 RIGHT OF WAY**

### **6.5.1 Emergency Vehicles**

Drivers must yield to any law enforcement, fire or ambulance vehicle with emergency lights illuminated or siren in use.

### **6.5.2 Pedestrians**

The driver of a vehicle must yield the right-of-way to a PEDESTRIAN crossing the roadway. The driver of a vehicle approaching a PEDESTRIAN must exercise all due care and reduce the speed of the vehicle or take any other action relating to the operation of

the vehicle as necessary to safeguard the safety of the PEDESTRIAN.

No PEDESTRIAN may suddenly leave a curb or other place of safety and walk or run into the path of a vehicle that is so close as to constitute an immediate hazard. No PEDESTRIAN may unnecessarily stop or delay traffic.

### **6.5.3 Side Road**

A driver entering a through road from a cul-de-sac or side road must yield to vehicles on the through road.

### **6.5.4 Stop Sign**

At an intersection controlled by a stop sign, the first vehicle to arrive has the right of way. If two vehicles arrive at the same time, the vehicle to the right has the right of way.

### **6.5.5 Travel Lanes**

Do not drive to the left of center of the road, even when no center line is present.

### **6.5.6 Turns**

A driver making a left turn or U-turn must yield to oncoming traffic.

## **6.6 WIRELESS COMMUNICATIONS**

Drivers may not operate a cell phone without the use of a hands-free device.

Drivers may not use a wireless device to write, send or read communications, or view images, unless their vehicle is correctly pulled to the curb and parked.

## **6.7 SEAT BELTS**

Drivers must wear a seat belt when driving.

Adult passengers must wear seat belts.

Younger passengers must be secured in a seat belt or child passenger restraint system of the type required by law on a public street.

## **6.8 USE OF LIGHTS**

MOTOR VEHICLES must operate head lamps and tail lamps from ½ hour after sunset to ½ hour before sunrise. This includes GOLF CARTS.

MOTOR VEHICLES must operate head lamps and tail lamps if rain, fog, or other hazardous weather condition requires the continuous use of windshield wipers.

MOTOR VEHICLES must use turn signals at least 100 feet before you turn.

MOTOR VEHICLES approaching and entering any Laguna Woods Village gate at night must use low beam headlamps.

For safety, any PEDESTRIAN or BICYCLE or electric bicycle on a roadway at night must shine a flashlight or otherwise display lighting sufficient to be plainly visible in any direction within 200 feet.

- This includes any vehicle using human power, or a self-propelled or motorized wheelchair, invalid tricycle, electric personal assistive mobility device (e.g. Segway) or motorized quadricycle.

## **7 RULES FOR PARKING**

### **7.1 VEHICLES PROHIBITED [ *Need to determine if this section still needed, and if so, reword as appropriate* ]**

GRF specifies the types of vehicles prohibited from parking in LAGUNA WOODS VILLAGE. THIRD requires that any vehicle parked in THIRD must adhere to the GRF restrictions.

### **7.2 ASSIGNED PARKING**

The use and control of an ASSIGNED PARKING space rests exclusively with the RESIDENT of a UNIT.

- A NON-RESIDENT party to a UNIT such as a MEMBER, owner, leasing agent, power of attorney, successor trustee, conservator, etc. may not keep any vehicle in the Village when the subject UNIT is occupied by a RESIDENT.

A RESIDENT must utilize their ASSIGNED PARKING space before using UNASSIGNED PARKING.

~~A NON-RESIDENT VEHICLE may not be stored in ASSIGNED PARKING.~~

- ~~• A NON-RESIDENT vehicle parked more than 7 days in ASSIGNED PARKING is deemed to be stored, unless the person in possession is a GUEST who is listed for the same time period in the GRF Gate Clearance System and the vehicle is properly displaying a valid GRF Overnight Parking Permit.~~

### **7.3 GENERAL PARKING RULES**

#### **7.3.1 Park Safely**

At no time may a vehicle be parked in a manner creating a traffic hazard.

#### **7.3.2 Fire Hydrant**

At no time may a vehicle be parked within 15 feet of a fire hydrant. Vehicles in violation are subject to immediate tow-away at owner's expense. See Section 4 – Towing Policy.

#### **7.3.3 Sidewalk**

Except to safely cross on a roadway or driveway, no vehicle may be driven or parked with any portion of it on a sidewalk.

#### **7.3.4 Off Pavement**

At no time may a vehicle be driven or parked with any portion of it off pavement.

EXCEPTIONS:

Certain specific and limited exceptions are detailed in

- Section 8 - Special Rules for Golf Carts and Golf Cars.
- Section 9 - Special Rules for Bicycles.

#### **7.3.5 Curb or Parking Stall**

Vehicles may park in a designated parking stall or along a curb or sidewalk.

- Parking along a curb or sidewalk:
  - Vehicles on a 2-way travel roadway must be parked with the passenger side wheels alongside the curb or sidewalk.
  - Vehicles on a 1-way travel roadway may park alongside the curb or sidewalk on either side of the roadway.
  - The front and rear wheels alongside must be within 18" of the curb or sidewalk edge.
  - Vehicles may not be parked in, or within 20 feet of a street intersection.
- Parking in a marked stall:
  - Vehicle must fit and be parked completely within the marked boundaries of a parking space.
- Parking in an unmarked stall:
  - A vehicle may be parked in a location that is not marked; however, at no time may it be parked in a manner that creates a traffic hazard, interferes with other vehicle access, PEDESTRIAN traffic, or access to facilities or equipment.

#### **7.3.6 Inoperative Vehicle**

At no time may an INOPERATIVE VEHICLE be parked IN THIRD.

#### **7.3.7 Abandoned Vehicle**

At no time may an ABANDONED VEHICLE be parked IN THIRD.

#### **7.3.8 Unauthorized Vehicle**

At no time may an UNAUTHORIZED VEHICLE be parked IN THIRD.

### **7.4 TIME LIMITED PARKING**

#### **7.4.1 ASSIGNED PARKING**

There is no time limit that a RESIDENT VEHICLE may be parked in the ASSIGNED PARKING location for RESIDENT'S MANOR, provided that the vehicle's ~~GRF vehicle decal, government registration,~~ mechanical condition and appearance are properly maintained.

- A vehicle that appears INOPERABLE or ABANDONED is subject to tow-away at vehicle owner's expense. See Section 2 - Definitions, and Section 4 - Towing Policy.
- A RESIDENT VEHICLE parked in the ASSIGNED PARKING location for RESIDENT'S MANOR must have a government issued license and registration for on-street operation that is at no more than one (1) year out of date.

#### **7.4.2 UNASSIGNED PARKING**

Signs and curb and pavement markings that limit or prohibit parking apply at all times.

- Red zone: No stopping, standing or parking.

EXCEPTIONS:

- A driver may stop to avoid conflict with other traffic.
- An attended vehicle may stop for passenger transfers.
- An attended vehicle may stop for emergency vehicles.
- An attended vehicle may stop for use of a mailbox.
- An attended vehicle may stop or stand while necessarily engaged in work.

Examples: moving or delivery truck.

- An unattended vehicle or piece of equipment may park when necessary and is authorized by the Security Services Department.
- Blue zone: Parking is permitted only when the vehicle is displaying a valid government issued disabled (handicapped) license plate or placard.
- Fire hydrant zone: No person shall stop, park, or leave standing any vehicle within 15 feet of a fire hydrant. Vehicles in violation are subject to immediate tow-away at owner's expense. See Section 4 – Towing Policy.
- Green zone: Parking may not exceed 10 minutes, or as posted by sign or curb marking.

EXCEPTION:

- Unlimited time parking in a Green Zone is permitted only when the vehicle is displaying a valid government issued disabled (handicapped) license plate or placard.
- Grey zone: Same as Unpainted.
- Handicapped zone: See "Blue zone."
- White zone: Loading and unloading only.
- Yellow zone: Commercial vehicle loading and unloading only.
- Unpainted: Parking is permitted for up to 7 continuous days, unless otherwise restricted. Parking is always prohibited within 15 feet of a fire hydrant even if the curb is unpainted. See Fire hydrant zone above.

EXCEPTION:

- Resident's extended absence parking. See Section 7.5 following.
- GUEST PARKING zone: RESIDENT VEHICLES are prohibited from using the location between 8:00 a.m. and 10:00 p.m.
- RESERVED PARKING zone: Parking is prohibited by a vehicle not carrying a party designated by the sign.
- VISITOR PARKING zone: RESIDENT VEHICLES are prohibited from using the location between 8:00 a.m. and 10:00 p.m.



## **7.5 RESIDENT'S EXTENDED ABSENCE PARKING**

Due to a RESIDENT'S extended absence from the Village, a RESIDENT VEHICLE may be parked in UNASSIGNED PARKING for more than 7 days under the following conditions:

- RESIDENT'S ASSIGNED PARKING space must be occupied during the same time period by another RESIDENT VEHICLE.
- As a courtesy to fellow RESIDENTS, vehicle must be parked as far as practicable from MANORS, preferably on a named street rather than in a numbered cul-de-sac.
- RESIDENT must arrange to keep the vehicle's GRF vehicle ~~decal, government registration,~~ appearance and operating condition up to date. Vehicles that become INOPERABLE, or appear neglected or ABANDONED may become subject to tow-away at owner's expense. See Section 4 - Towing Policy.
- The RESIDENT must SAFELIST the vehicle with the Security Services Department.
- NON-RESIDENT vehicles are not eligible for extended parking privileges.

## **7.6 CONTRACTOR and SERVICE VEHICLE PARKING [ Need to make sure this section is in line with Third Standard 1: General Requirements. ]**

Contractor and service vehicles, including personal vehicles driven by workers, must be parked on named streets and are prohibited from parking within numbered cul-de-sacs or assigned parking spaces.

- Contractors may park on a SPONSORING RESIDENT'S driveway with the RESIDENT'S permission, but may not obstruct the sidewalk.

### **EXCEPTIONS:**

- Vehicles, equipment and materials immediately and directly required for the performance of work.
- Vehicles immediately loading or unloading.

## **7.7 OVERNIGHT PARKING PERMITS**

GRF has rules regarding overnight parking for NON-RESIDENTS. THIRD requires that any vehicle parked overnight adhere to GRF's rules. [ Need to list GRF's rules here. ]

## **7.8 RECREATIONAL VEHICLES (RV) RESTRICTED**

Daily parking is limited to the GRF Recreational Vehicle Storage Area. Refer to the GRF Recreational Vehicle (RV) Parking Areas Rules and Regulations.

An RV may park in THIRD only when meeting **all** of the following conditions:

- RV is parked only for the purpose of loading or unloading. Other activities such as sleeping or resting in the RV, and vehicle maintenance are not allowed.
- RV is parked with engine and accessory equipment (e.g. exterior lights, generator, air conditioner, audio and video equipment) shut off.
- Extensions such as slide-outs, tilt-outs, and awnings must be closed.
- RV may not be attached to any external power supply.



- Leveling jacks, if used, must include a base plate sufficient to prevent damage to pavement.
- RV is parked for no more than 6 hours at a time.

**EXCEPTION:**

- Permission to park overnight immediately before or after a road trip will be reasonably granted by the Security Services Department. Vehicle must be removed no later than 12:00 noon the following day.

## **7.9 FOR SALE SIGNS**

RESIDENT VEHICLES may display a maximum of two (2) "For Sale" signs advertising that vehicle. Each sign may be up to 9" x 12" in size. No signage may be on the exterior of the vehicle.

## **7.10 ADVERTISING**

Any signage advertising a business or organization is prohibited on a vehicle parked overnight. Displaying a name or contact information such as a physical or communications address constitutes advertising.

**EXCEPTIONS:**

- Commercial vehicle or equipment displaying a valid GRF Overnight Parking Permit issued by the managing agent.
- License plate frames, and vehicle manufacturer's incidental identification and accessory items (example: vehicle brand and model nameplates.)
- Signs allowed in Section 7.9 – For Sale Signs.
- GRF vehicles.

## **7.11 REPAIRS**

Vehicles may not be rebuilt or rehabilitated, major service may not be performed, and fluids may not be changed.

## **7.12 WASHING**

In the interest of water conservation, vehicle washing is prohibited in Third.

## **7.13 PLUG IN ELECTRIC VEHICLES (PEV)**

Non-resident and guest PEVs are prohibited from connecting to common area outlets.

Any PEV connected to a common area outlet without authorization may be disconnected and/or owner contacted by Security staff, in addition to the other enforcement actions allowed in these rules.

Owners of PEVs are solely responsible for the proper use and maintenance of their vehicle and any associated equipment used in charging the vehicle and may not make any unauthorized alterations to Mutual outlets, wiring, circuit breakers or electric service panels.

Resident PEVs of other types (e.g. battery electric and plug-in hybrid vehicles) are allowed to connect to Mutual common area electricity upon payment of the electricity

user fee set by the Mutual Board, and Resident must properly display a Mutual issued Electric Vehicle (EV) decal on the vehicle.

- A pro-rated annual electricity usage fee, as set forth on the Mutual fee sheet, registered to any UNIT that does not have a private garage per the requirements of the BOARD approved Alteration Standard, Section 44, Electric Vehicle Charging Stations.
- Participating PEVs will be issued a Mutual authorized EV decal, affixed by staff to the exterior of the rearmost window in the lower corner furthest from the driver.
  - The EV decal is the property of THIRD and may be revoked upon expiration, withdrawal or termination from program, or non-compliance with these rules.



- The EV decal authorized to connect common area only.
  - Connection to outlets controlled by GRF, United, or Mutual Fifty is prohibited, except for self-contained, fee-per-use charging stations.
  - Connection to an outlet metered at any individual THIRD UNIT is prohibited without the controlling Resident's express permission.
  - Residents may request to "opt-out" of the Mutual EV Decal program by submitting a signed waiver at Resident Services indicating they will not be using Mutual common area electric to charge their Plug-in Electric Vehicle (PEV), and that they understand the consequences (fines) if they violate the Mutual EV Decal policy.
  - PEV's are equipped with charging cords, which for the purpose of this Policy are not "extension cords".

signifies the PEV is to outlets in the THIRD

outlets controlled by

### **UNATTENDED EXTENSION CORDS**

~~Unattended extension cords may not be used in THIRD for any purpose. Residents found with unattended extension cords will be subject to fines.~~

~~Electrical use charges shall be computed in the following manner:~~

- ~~• The total miles driven since the last odometer mileage recorded by staff will be divided by 3.5 to calculate the kilowatt hours usage of common area electricity used to charge the PEV (3.5 equates to miles driven per KW charged). This value will be multiplied by the existing electrical common area billing rate of Southern California Edison, or other electric service provider if applicable.~~

~~NOTE: According to the Third Mutual Energy Committee chair, Third pays SCE commercial electric rates that as of 7-15-2015 are about 17 cents per kilowatt hour. This is in between the comparable residential user rates of Tier 1 at 15 cents and Tier 2 at 19 cents per kilowatt hour.~~

- ~~○ This calculation assumes that all energy use attributed to the PEV during the enrollment period was received by connection to Third Mutual common area outlets. No deduction will be considered for the PEV charging at any other location, or charging or motive power received from a PEV onboard source (e.g. hybrid engine, integrated solar panel)~~

#### **7.14 EXTENSION CORDS**

In the interest of safety, unattended extension cords may not be used ~~IN~~in THIRD for any purpose. Any unattended extension cord may be disconnected by Security staff, in addition to the other enforcement actions allowed in these rules.

#### **7.15 FINES**

Refer to the THIRD Fee Sheet and the Schedule of Traffic and Monetary Penalties as it applies.

### **8 SPECIAL RULES FOR GOLF CARTS and GOLF CARS**

#### **8.1 GOLF CART**

Unless exempted in this Section, all THIRD Vehicle, Parking and Traffic Rules, including stop sign, speed limit, parking, and GRF vehicle decal rules, apply to GOLF CARTS, just as any other MOTOR VEHICLE.

##### **8.1.1 DRIVERS LICENSE**

A driver's license is not required to operate a GOLF CART.

##### **8.1.2 MINIMUM AGE**

A NON-RESIDENT driving a GOLF CART must be both

- Age 16 years or older.
- Accompanied by a RESIDENT.

##### **8.1.3 VEHICLE REGISTRATION**

No government vehicle registration is required.

##### **8.1.4 LIGHTS**

Must operate head lamps and tail lamps from ½ hour after sunset to ½ hour before sunrise.

##### **8.1.5 STAY ON PAVEMENT**

Driving off pavement is prohibited.

EXCEPTION:

- Limited driving off pavement is allowed at the GRF 27-hole golf course, in accordance with golf course rules.

### **8.1.6 SIDEWALKS AND PATIOS**

Driving or parking is not allowed on sidewalks, breezeways, or patios.

### **8.1.7 CART PATHS**

Driving on paved cart paths is permissible. On a cart path the driver must:

- Travel at a slow speed that is reasonable and prudent.
- Exercise due regard for the safety of all PEDESTRIANS.
- Yield the right-of-way to all PEDESTRIANS.

Parking on a cart path is prohibited, except in a marked parking stall.

## **8.2 GOLF CAR**

Unless exempted in this Section, all THIRD Vehicle, Parking and Traffic Rules apply to GOLF CARS, just as any other MOTOR VEHICLE.

### **8.2.1 CART PATHS**

May be driven on a paved cart path.

On a cart path the driver must:

- Travel at a slow speed that is reasonable and prudent.
- Exercise due regard for the safety of all PEDESTRIANS.
- Yield the right-of-way to all PEDESTRIANS.

Parking on a cart path is prohibited, except in a marked parking stall.

## **9 SPECIAL RULES FOR BICYCLES (NON-MOTORIZED) AND MOTORIZED BICYCLES**

Unless otherwise specified in this Section, all requirements of Section 6 - Rules for Driving, including stop sign and speed limit rules, and Section 7 - Rules for Parking, apply to BICYCLES.

### **9.1 STAY ON PAVEMENT**

BICYCLES may not be ridden off pavement.

### **9.2 SIDEWALKS**

Riding on a sidewalk is allowed only between a point of origin or destination and the nearest connector to a street or cul-de-sac.

EXCEPTION:

- When delivering newspapers, a BICYCLE may be ridden an unlimited distance on a sidewalk.

While riding on a path or sidewalk, the cyclist must:

- Exercise due regard for the safety of all PEDESTRIANS.
- Travel at a speed that is reasonable and prudent.
- Yield the right-of-way to all PEDESTRIANS.
- Walk the BICYCLE when inside a building or on any covered passageway.

### **9.3 LIGHTS**

For safety, at night a BICYCLE must operate lighting sufficient to be plainly visible in any direction within 200 feet.

### **9.4 PARKING**

Bicycles may not be parked in any manner interfering with foot or vehicle traffic.

Bicycles must be parked utilizing parking racks where provided.

Attended BICYCLES may be parked off pavement, but only in such a manner as not to damage landscaping.

## **10 SPECIAL RULES FOR PEDESTRIANS**

### **10.1 SIDEWALKS**

For safety considerations, PEDESTRIANS ~~may~~should not walk upon a roadway.

EXCEPTIONS:

- When crossing a roadway.
- When there is no adjacent sidewalk available that is at least two (2) feet wide.

When upon any roadway, PEDESTRIANS must:

- Walk facing the flow of traffic, unless upon a 1-way roadway.
- Avoid stopping or delaying traffic.
- Shine a flashlight or otherwise display lighting at night sufficient to be plainly visible in any direction within 200 feet.

### **10.2 SKATEBOARDS**

No person may ride or propel a skateboard or other riding device.

EXCEPTION:

- A person operating a motorized bicycle, self-propelled or motorized wheelchair, invalid tricycle, electric personal assistive mobility device (ex: Segway) or motorized quadricycle.

## **11 SPECIAL RULES FOR MANAGING AGENT**

MOTOR VEHICLES and equipment used by the managing agent are permitted to operate and park on roadways, sidewalks, paths and landscape in a manner such as needed to efficiently provide services, such as maintenance, landscaping and security.

Except as necessary to efficiently provide services, MOTOR VEHICLES and equipment must be parked so as not to block access, walkways, or carports.

Except for fire hydrant and handicapped parking zones, all parking locations may be used by the managing agent as needed to efficiently provide services.

Visitor/unassigned parking locations may be used by the managing agent only in an emergency and/or to drop off heavy equipment.

MOTOR VEHICLES operated by the managing agent must follow all of the traffic rules as outlined in this document.

## **12 RULES FOR REPORTING COLLISIONS**

### **12.1 INJURY TO A PERSON**

For a collision that causes injury or death to a person:

- Notify local authorities (Call 911.)
- Notify the Laguna Woods Village Security Department.
- Driver must stop and remain at the scene to provide their identity and information about the collision.
- ~~Notify local authorities (Call 911.)~~
- ~~Notify the Laguna Woods Village Security Department.~~

### **12.2 NO INJURY TO A PERSON**

For a collision with no injuries that causes damage to any property, including damage solely to the driver's own MOTOR VEHICLE or BICYCLE:

- Notify the Laguna Woods Village Security Services Department
- Driver must stop and remain at the scene to provide their identity and information about the collision.
- Driver must identify themselves to the owner or individual in control of the damaged property.
- ~~Notify the Laguna Woods Village Security Services Department~~
- Any involved party may request the sheriff's department respond for a report.



## STAFF REPORT

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**DATE:** April 23, 2024  
**FOR:** Third Resident Policy and Compliance Committee  
**SUBJECT:** Third Mutual Financial Qualifications

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### **RECOMMENDATION**

Staff recommends that the Resident Policy and Compliance Committee receive and consider adjusting the Mutual's minimum net worth and annual income requirements.

### **BACKGROUND**

In late 2023, Community Services staff received an inquiry regarding the possibility of updating the Mutual's Guidelines for Financial Requirements. On March 27, 2024, staff presented its responses to the Resident Policy and Compliance Committee. The Committee directed staff to explore adjusting the minimum net worth and minimum annual income requirements in light of recent inflationary pressures.

### **DISCUSSION**

Third Mutual's Guidelines for Financial Qualifications were last amended on July 19, 2022 by way of Resolution 03-22-80. However, the requirement that an applicant's net worth be greater than or equal to the sum of the purchase price of the unit plus \$125,000 in acceptable assets was last updated in 2005. The requirement that an applicant submit verification of an annual income that is greater than or equal to the sum total of the annual mortgage payment plus \$45,000 per year was last updated in 2016.

Numerous social and economic factors have evolved since the minimum income and asset requirements were updated: the inventory of affordable housing has dwindled (the median sales price for a single family home in California is \$843,340 according to the California Association of Realtors in September 2023); inflation has surged making some goods and services much less affordable; wages have stalled in some sectors of the economy; and the insurance markets in California have become more restrictive.

Staff's observations for adjusting the Mutual's net worth and annual income requirements in light of inflationary factors are as follows:

#### **Net Worth Requirements**

An applicant's net worth is impacted by current inflationary factors: today's assets minus today's debt equals today's net worth. This valuation fluctuates with the current economy and is inherently dynamic. While it is expected that one's assets exceed one's debts, this is not always the case. In the event an applicant falls short of the Mutual's net worth requirement, provisions exist for the applicant to obtain a guarantor or utilize "attributable income" as

explained under Section III (b) (ATT 1). While Community Services staff acknowledged it did not see a need to adjust net worth requirements at this time, we have provided the adjusted annual income and net worth increases to align with the rate of inflation since the fees were last adjusted.

Therefore, if the committee considers increasing the current surplus of \$125,000 net worth requirement over and above the purchase price to reflect inflationary rates since 2005, the adjusted requirement would be \$199,875 as shown below:

Years	Current Requirement Amount	Sum of Inflationary Rates Over the Ensuing Years	Potential Net Worth Requirement
2005-2024	\$125,000	59.9 %	\$199,875

#### Annual Income Requirements

An applicant's annual income is calculated by adding all income reported on federal income tax forms together with certain unreported income sources (e.g., alimony, child support, life insurance death benefits). In the event an applicant falls short of the Mutual's income requirement, provisions exist for the applicant to obtain a guarantor or utilize "attributable income". Absent any accelerated bad debt expenses incurred by Third Mutual, Community Services staff did not see a need to adjust the annual income requirements at this time.

However, if the committee considers increasing the current \$45,000 minimum annual income requirement to accommodate inflationary rates since 2016 when income was last adjusted, the requirement would become \$58,545, based on the breakdown below:

Years	Current Requirement Amount	Sum of Inflationary Rates Over the Ensuing Years	Potential Annual Income Requirement
2016-2024	\$45,000	30.1.3%	\$58,545

The current minimum annual income and net worth requirements are believed to serve the Mutual's interests effectively. Fee increases could be implemented for potential buyers without substantial financial benefit to the Mutual.

#### Guarantor and Multiple Unit Owner Requirements

Should the committee recommend to adjust the Mutual's net worth and annual income requirements based on inflationary rates, then it needs to consider increasing the Guarantor and multiple unit owner requirements. Staff has provided the adjusted net worth and annual income increases to align with the rate of inflation since the fees were last adjusted as follows:

##### Guarantor

	Years	Current Requirement Amount	Sum of Inflationary Rates Over the Ensuing Years	Potential Requirement
Net Worth	2003-2024	\$200,000	69.7%	\$339,400



Annual Income	2020-2024	\$150,000	20.7%	\$181,050
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### Multiple Units – Net Worth

The requirements for applicants who wish to purchase more than one unit or already own at least one unit in another mutual shall submit verification of net worth and annual income.

The current net worth requirement is greater than or equal to the *sum* of the purchase price for each unit, *plus* \$125,000, and was established in 2016. The sum of inflationary rates since then is 30.1% which would increase the net worth requirement to be \$162,625. The breakdown would be as follows:

Unit 1: purchase price for Unit 1 + 162,625

Unit 2: purchase price for Unit 1 + 162,625 +  
purchase price for Unit 2 + 162,625

Unit 3: purchase price for Unit 1 + 162,625 +  
purchase price for Unit 2 + 162,625 +  
purchase price for Unit 3 + 162,625

### Multiple Units – Annual Income

The current annual income requirement for multiple unit owners, which was also established in 2016, 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).

The sum of inflationary rates since 2016 is 30.1% which would increase the annual income requirement to be \$58,545 + \$29,272. The breakdown would be as follows:

Unit 1: annual mortgage payment + \$58,545

Unit 2: annual mortgage payment on Unit 1 + \$58,545 +  
annual mortgage payment on Unit 2 + \$58,545 + \$29,272

Unit 3: annual mortgage payment on Unit 1 + \$58,545 +  
annual mortgage payment on Unit 2 + \$58,545 + \$29,272 +  
annual mortgage payment on Unit 2 + \$58,545 + \$29,272 + \$29,272

### **FINANCIAL ANALYSIS**

Any increase in Third Mutual's financial requirements would have an immediate financial impact on the Mutual, including the potential loss or slowdown of sales to those who actually want to live in the community as well as those who choose to invest here.

A further consequence of increasing the minimum financial requirements would be the impact on multiple unit owners, which may prove to be a positive consequence.

**Prepared By:** Patty Kurzet, Membership Services Coordinator

**Reviewed By:** Pamela Bashline, Community Services Manager  
Jeff Spies, Community Services Supervisor

**ATTACHMENT(S) -**

ATT 1 – Current Guidelines for Financial Requirements

## **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.

\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

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

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

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*

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.

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AGENDA ITEM 8c WILL BE RELAYED VIA ORAL  
DISCUSSION



### **THIRD LAGUNA HILLS MUTUAL**

#### **BOARD RESOLUTION TO SUSPEND AUTOMATIC ENFORCEMENT OF PROOF OF INCOME OF CO-OCCUPANTS**

##### **Board of Directors – Open Session**

WHEREAS, Article II of the Third Laguna Hills Mutual (“Mutual”) Amended and Restated Declaration of Covenants, Conditions and Restrictions (“CC&Rs”) includes Residency Restrictions and provides that in approving or disapproving an application to reside in a Condominium, the Board of Directors (“Board”) shall consider the following standards in qualifying the applicant as Qualifying Resident with all other Co-occupants making application concurrently to reside in the same Unit shall satisfy the applicable financial qualifications set forth in Section 5 of this Article II;

WHEREAS, it is the Board’s understanding that the automatic financial approval of Co- occupants creates an extensive administrative burden for VMS staff, thereby, creating excessive and unnecessary financial burden to the Mutual;

WHEREAS, Co-occupants of the Mutual are not legally financially responsible for the payment of assessments to the Mutual;

WHEREAS, the Board is informed and believes that the collection and analysis of financial information of a Co-occupant, that will ultimately have no bearing on the Mutual’s collection enforcement procedures, is a burden imposed that far outweighs any benefit;

WHEREAS, in light of the foregoing, and upon the advice of the Mutual’s experts, the Board desires to suspend the automatic enforcement of requiring Co-occupants to provide proof of income, unless, in the triggering event of a rejection of a Qualifying Resident’s application for membership, the Qualifying Resident requests that the Mutual review a Co-occupants' financials;

WHEREAS, the Board has decided to adopt a policy reflecting the above referenced revised qualifications for membership, attached hereto;

THEREFORE, IT IS RESOLVED THAT: the Board hereby elects to suspend the automatic enforcement of requiring Co-occupants to provide proof of income; and adopts the enclosed policy to establish the revised qualifications for membership.

## **RESOLUTION 03-24-XX**

### **Suspend Automatic Enforcement of Proof of Income of Co-Occupants**

**WHEREAS**, Article II of the Third Laguna Hills Mutual (“Mutual”) Amended and Restated Declaration of Covenants, Conditions and Restrictions (“CC&Rs”) includes Residency Restrictions ~~which~~~~and~~ provides that in approving or disapproving an application to reside in a Condominium, the Board of Directors (“Board”) shall consider ~~certain~~~~the following~~ standards in qualifying ~~an~~~~the~~ applicant as a Qualifying Resident ~~together~~ with all other Co-occupants making application concurrently to reside in the same Unit shall satisfy the applicable financial qualifications set forth in Section 5 of this Article II; and

**WHEREAS**, it is the Board’s understanding that the automatic financial approval of Co-occupants creates an extensive administrative burden for VMS staff, thereby, creating excessive and unnecessary financial burden to the Mutual; and

**WHEREAS**, Co-occupants of the Mutual are not legally financially responsible for the payment of assessments to the Mutual; and

**WHEREAS**, the Board is informed and believes that the collection and analysis of financial information of a Co-occupant, that will ultimately have no bearing on the Mutual’s collection enforcement procedures, is a burden imposed that far outweighs any benefit; and

**WHEREAS**, in light of the foregoing, and upon the advice of the Mutual’s experts, the Board desires to suspend the automatic enforcement of requiring Co-occupants to provide proof of income, unless, in the triggering event of a rejection of a Qualifying Resident’s application for membership, the Qualifying Resident requests that the Mutual review a Co-occupants' financials; and

**WHEREAS**, the Board has decided to adopt the attached~~a~~ policy reflecting the above ~~referenced revised qualifications for membership, attached hereto~~;

**NOW THEREFORE BE IT RESOLVED**, May 21, 2024, that the Board hereby elects to suspend the automatic enforcement of requiring Co-occupants to provide proof of income; and adopts the enclosed policy ~~to establish the revised qualifications for membership~~; and

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