



## **OPEN MEETING**

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

**Wednesday, May 29, 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 April 23, 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% (Lease Cap Waiting List Procedure)
  - d. Passive Home Business Policy and Application
  - e. Executive Hearing Committee Charter
  - f. Rules for Board Meetings
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
10. Committee Member Comments
11. Date of Next Meeting – Tuesday, June 25, 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, April 23, 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, Nathaniel “Ira” Lewis, Moon Yun and Andy Ginocchio (left at 11:14 a.m.)

**MEMBERS ABSENT:** None

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

**ADVISORS ABSENT:** None

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

**OTHERS PRESENT:** None.

**1. Call to Order**

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

**2. Approval of Agenda**

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

By unanimous consent, the motion passed.

**3. Approval of Meeting Report**

Director Ginocchio made a motion to approve the March 27, 2024 meeting report. Director Lewis seconded the motion.

By unanimous consent, the motion passed.

**4. Remarks of the Chair**

None.

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

A member made comments regarding his objection to the non-printing of agenda packets at open committee meetings, the LH21 Storage Areas Clutter courtesy notice, and parking in front of mailboxes (limiting the Post Office from delivering mail) and towing.

**6. Response to Members Comments**

Chair Laws advised the member to print the agenda packet at home, and stated he will mention the parking in front of mailboxes to the appropriate staff and discuss with the Compliance Division the LH21 storage area project.

**7. Department Head Update**

None.

Officer Dan Lurie entered the meeting at 9:33 a.m.

**8. Items for Discussion and Consideration**

**a. Traffic Rules and Regulations**

Officer Daniel Lurie, Security Supervisor II/ Administrative Supervisor, along with Chair Laws, presented the proposed updates to the Traffic Rules and Regulations for discussion. The Committee discussed the matter, asked questions, and suggested changes and clarifications

The Committee did not get through a review of the entire document and elected to update the document with the identified changes and table the matter for review at the next meeting.

By unanimous consent, the motion passed.

Mr. Dan Lurie left the meeting at 11:18 a.m.

Ms. Pamela Bashline, Community Services Manager and Mr. Jeff Spies, Community Services Supervisor entered the meeting at 11:13 a.m.

**b. Financial Qualifications for Purchasing in Third Mutual**

Ms. Pamela Bashline, presented the Financial Qualifications for discussion. The Committee discussed the matter and asked questions.

Director Lewis made a motion to table the matter for review at the next meeting, along with the additional information requested. Director Prince seconded the motion.

By a vote of 3-0-1 (Director Yun abstained), the motion passed.

Staff was directed to provide data assessment history from the previous five years for consideration at next meeting.

**c. Impacts of Implementing New Lease Limit to 25% (Oral Discussion)**

Ms. Bashline presented the New Lease Limit for discussion. The Committee discussed the matter and asked questions.

The committee elected to table the matter for review at the next meeting, along with the additional information requested.

Staff was directed to provide the lease wait-list process and associated costs for consideration at next meeting.

**d. Proof-of-Income for Co-Occupants**

Chair Laws presented the Proof-of-Income for Co-Occupants Policy for discussion. The Committee discussed the matter and asked questions.

Director Prince made a motion to approve the document and forward for board consideration as presented. Chair Laws seconded the motion.

By unanimous consent, the motion passed.

**9. Items for Future Agendas**

- a. Caregiver Policy
- b. Anti-Racial Discrimination Communication within Third Mutual
- c. Executive Hearings Committee Charter to Include Member Requested Hearings/ IDRs

**10. Committee Member Comments**

None.

**11. Date of Next Meeting**

Wednesday, May 29, 2024 at 9:30 a.m.

**12. Adjournment**

With no further business before the Committee, the meeting was adjourned at 12:04 p.m.

Mark W. Laws

Mark W. Laws (Apr 27, 2024 16:18 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:** May 29, 2024  
**FOR:** Resident Policy and 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.

On April 23, 2024, the Resident Policy and Compliance Committee reviewed and provided updates. The matter was tabled till the next meeting.

### **DISCUSSION**

The Committee 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

Attachment 2: Vehicle Traffic and Parking Rules- Clean



**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.

Last Audited 5-20-20



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 of these rules 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~~ THIRD.
- Is allotted as an exclusive use area of a particular UNIT.

### 2.3 BOARD

The Board of Directors of THIRD or its delegated Committee.

**Commented [LD1]:** Currently, there is no "Assigned Parking" signage at the Garden Villa undermanor entrances.

#### 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.

Commented [LD2]: Is capitalization desired?

#### 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.

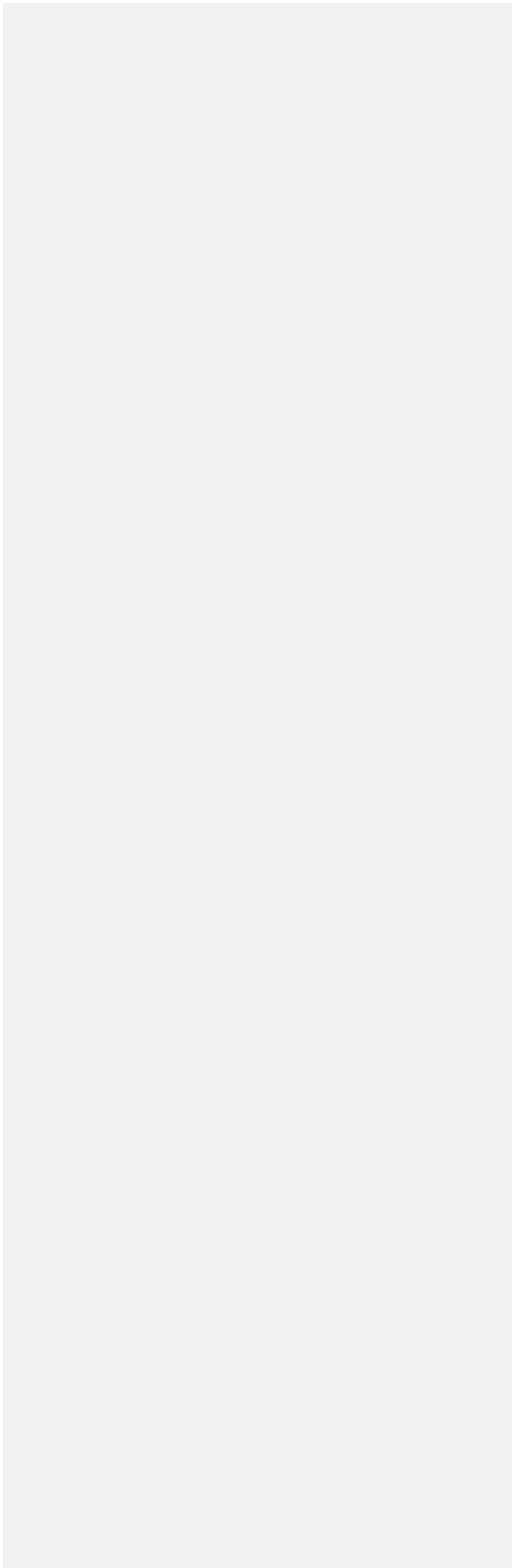
Examples: "Planned Non Operation," "Off Highway Vehicle," and watercraft registrations.

#### 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.

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- 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:

- o 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~~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~~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~~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~~endorses the traffic rules of GRF and the other Mutual Corporations, in relation to Traffic Hearings. THIRD rules take priority, for violations which are committed with its boundaries. ~~Notices of Violation issued in another Mutual's area to RESIDENTS of THIRD will be adjudicated as if the violation had occurred in THIRD.~~

Commented [LD3]: Staff offers this verbiage, for specificity.

**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. ]

Commented [LD4]: MEMBER and RESIDENT are defined under Definitions.

**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 ~~Department~~Division of the Resident Services Department ~~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.

Commented [LD5]: Correct language?

Commented [LD6]: This should be Department, not Division

**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

Commented [LD7]: GUEST is the same as a NON-RESIDENT per Definitions.

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| to the RESIDENT SPONSOR who authorized\_

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the violator into ~~Laguna Woods Village~~ **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-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-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~~ **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.

**Commented [LD8]:** Preference to whether "staff" is capitalized?

**Commented [LD9]:** Staff recommends changing "Committee" to "Committee's findings"

### **3.3.3 TRAFFIC SCHOOL**

The ~~Laguna Woods Village~~LAGUNA WOODS VILLAGE Traffic School will be a 2 hour class addressing traffic safety topics, and designed for ~~Laguna Woods Village~~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~~these rules~~. ~~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 LAGUNA WOODS VILLAGE Village. [ Need clarification and better wording of this statement. ]
- Compliance is not made within 96 hours of written notification.

**Commented [LD10]:** Staff recommends adding "after a disciplinary hearing is held and BOARD provides direction to staff."

**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 LAGUNA WOODS 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.

**Commented [LD11]:** Consider "Compliance to correct the violation or vehicle removal from LAGUNA WOODS VILLAGE was requested."

**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

**Commented [LD12]:** Staff recommends adding "following a disciplinary hearing."

Third Laguna Hills Mutual  
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wording of this statement. ]

- Requesting compliance to correct the violation or remove the vehicle from ~~the Village~~LAGUNA WOODS VILLAGE. [ Need clarification and better wording of this statement. ]

**Commented [LD13]:** Staff recommends "Compliance to correct the violation or vehicle removal from LAGUNA WOODS VILLAGE was requested."

- ~~Resident~~ **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:

- o GOLF CART
- o 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:

- o GOLF CART
- o Motorized bicycle

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

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

### 5.4 **GRF VEHICLE DECALS – RFID TAGS [ 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 and/or RFID Tag Decal Limit [ Need to determine if this section still needed, and if so, reword as appropriate ]**

The term "decal" applies charging decals, for use in carports for charging. Each UNIT is allowed to receive a limited number of GRF ~~RFID tags stickers~~ decals based on the number of original construction bedrooms. These are also the allowed number of motor vehicles, except for Golf Carts and/or Golf Cars.

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

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

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

## 6 **RULES FOR DRIVING**

Commented [LD14]: For continuity, GRF verbiage related to RFIDs is "tag"

Commented [LD15]: Differentiation between currently used decals and RFID stickers

**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:

**Commented [LD16]:** For clarification "Pavement" is a hard surface, covered in concrete or asphalt, which includes the Cul-de-sacs and streets.

Certain specific and limited exceptions are detailed in

- Section 8 - Special Rules for Golf Carts and Golf Cars
- Section 9 - Special Rules for non-motorized and motorized 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-right-of-way~~. If two vehicles arrive at the same time, the vehicle to the right has the ~~right-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 and GOLF CARS.

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~~ LAGUNA WOODS VILLAGE gate at night must use low beam headlamps.

For safety, any PEDESTRIAN or BICYCLE ~~or electric or electric bicycle~~ 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.

**Commented [LD17]:** Staff recommends changing "or electric bicycle to "Motorized" which covers both gas and electric.



**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~~ LAGUNA WOODS 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

- o Section 8 - Special Rules for Golf Carts and Golf Cars.
- o 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.

**Commented [LD18]:** Staff recommends changing "keep" to "store"

**Commented [LD19]:** Staff recommends changing "when" to "whether or not"

**Commented [LD20]:** Staff recommends adding "non-motorized and motorized"

- 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.

**Commented [LD21]:** Consistent with CVC 22502 (Calif. Vehicle Code)

**Commented [LD22]:** Consistent with CVC 22502 (Calif. Vehicle Code)

#### 7.3.6 **Inoperative Vehicle**

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

#### 7.3.7 **Abandoned Vehicle**

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

#### 7.3.8 **Unauthorized Vehicle**

At no time may an UNAUTHORIZED VEHICLE be parked ~~IN~~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-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.

**Commented [LD23]:** Staff recommends leaving this in.

**7.5 RESIDENT’S EXTENDED ABSENCE PARKING**

Due to a RESIDENT’S extended absence from ~~the Village~~ LAGUNA WOODS 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:**

- o Vehicles, equipment and materials immediately and directly required for the performance of work.
- o 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.

**Commented [LD24]:** Location of this information, Blessilda?

**Commented [LD25]:** Staff recommends adding "or in the RESIDENT’S assigned covered parking with their expressed written permission" to be in line with Third Standard 1: General Requirements

**Commented [LD26]:** Staff recommends adding a link to GRF’s rules here <https://lagunawoodsvillage.com/documents/view/GRF-Traffic-Rules-and-Regulations.pdf?v=1634247895>

**Commented [LD27]:** Confirming list the approximate 1-page of GRF rules here?

- 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~~ 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.

signifies the PEV is to outlets in the THIRD

- 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".

#### 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, GOLF CAR, NON-MOTORIZED OR MOTORIZED BICYCLE.

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

A NON-RESIDENT driving a GOLF CART or GOLF CAR 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:

- o 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**

Commented [LD28]: Staff recommends adding "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:

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

Commented [LD29]: Staff recommends adding "NON-MOTORIZED"



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.

Commented [LD30]: Staff recommends adding "non-motorized and"

**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.

**Commented [LD31]:** Is there a preference for capitalization?

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.

**Commented [LD32]:** Is there a preference for capitalization?

**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 ~~sheriffs~~ Sheriff's department Department respond for a report.

**Commented [LD33]:** Staff recommends Department should be capitalized



**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.

- 1 PREFACE ..... 1
- 2 DEFINITIONS ..... 2
- 3 BOARD AUTHORITY and ENFORCEMENT ..... 7
- 4 TOWING POLICY ..... 9
- 5 LICENSE AND REGISTRATION REQUIREMENTS ..... 11
- 6 RULES FOR DRIVING ..... 11
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- 10 SPECIAL RULES FOR PEDESTRIANS ..... 22
- 11 SPECIAL RULES FOR MANAGING AGENT ..... 23
- 12 RULES FOR REPORTING COLLISIONS ..... 23

**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 of these rules 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, 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 of THIRD 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 GRF**

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 LAGUNA WOODS VILLAGE**

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

#### **2.14 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 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: 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. The Committee will schedule traffic hearings as necessary to adjudicate Notices of Violation. The Committee is a 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, in relation to Traffic Hearings. THIRD rules take priority, for violations which are committed with its boundaries.

#### **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.

#### **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 Department of the Resident Services Department, 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 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 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 a closed 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 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 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 for traffic violations as per section 7.15 of these rules.

### **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.
- Requesting compliance to correct the violation or remove the vehicle from LAGUNA WOODS VILLAGE.
- 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 LAGUNA WOODS VILLAGE.
- 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.
- Requesting compliance to correct the violation or remove the vehicle from LAGUNA WOODS VILLAGE.
- RESIDENT does not comply 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 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 RFID tag.

### **5.4 GRF VEHICLE RFID TAGS**

All RESIDENT MOTOR VEHICLES must be registered with GRF.

### **5.5 Resident Vehicle Decal and/or RFID Tag Limit**

The term "decal" applies charging decals, for use in carports for charging. Each UNIT is allowed to receive a limited number of GRF RFID tags ~~stickers~~ based on the number of original construction bedrooms. These are also the allowed number of motor vehicles, except for Golf Carts and/or Golf Cars.

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

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

RFID tag 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 non-motorized and motorized 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 and GOLF CARS.

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 electricBICYCLE, 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**

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 LAGUNA WOODS VILLAGE when the subject UNIT is occupied by a RESIDENT.

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

### **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 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 LAGUNA WOODS 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 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**

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.

#### **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 signifies the PEV is authorized to connect to outlets in the THIRD 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".

#### **7.14 EXTENSION CORDS**

In the interest of safety, unattended extension cords may not be used 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, GOLF CAR, NON-MOTORIZED OR MOTORIZED BICYCLE.

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

A NON-RESIDENT driving a GOLF CART or GOLF CAR 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**

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 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.

### **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.
- Any involved party may request the Sheriff's Department respond for a report.





## STAFF REPORT

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**DATE:** May 29, 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

### 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

ATT 2 – Data Assessment and Sale Histories

## 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.

**V. 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*

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.

\_\_\_\_\_

**Assesments 2000 - 2024**

Year	Amount	% Change
2000	\$ 183.12	1.3%
2001	\$ 187.88	2.6%
2002	\$ 198.33	5.6%
2003	\$ 208.20	5.0%
2004	\$ 227.01	9.0%
2005	\$ 253.35	11.6%
2006	\$ 285.52	12.7%
2007	\$ 301.22	5.5%
2008	\$ 327.97	8.9%
2009	\$ 336.25	2.5%
2010	\$ 336.48	0.1%
2011	\$ 352.99	4.9%
2012	\$ 344.95	-2.3%
2013	\$ 370.93	7.5%
2014	\$ 383.63	3.4%
2015	\$ 414.85	8.1%
2016	\$ 426.12	2.7%
2017	\$ 426.25	0.0%
2018	\$ 429.85	0.8%
2019	\$ 434.39	1.1%
2020	\$ 446.62	2.8%
2021	\$ 466.62	4.5%
2022	\$ 559.62	19.9%
2023	\$ 559.62	0.0%
2024	\$ 587.60	5.0%

**Sales 2000 - 2023**

Year	Total Sales	Avg. Sale Price	% Change
2000	577	\$ 163,936	5.8%
2001	488	\$ 195,575	19.3%
2002	564	\$ 204,050	4.3%
2003	558	\$ 259,492	27.2%
2004	521	\$ 321,080	23.7%
2005	398	\$ 361,059	12.5%
2006	378	\$ 365,507	1.2%
2007	355	\$ 326,360	-10.7%
2008	271	\$ 299,475	-8.2%
2009	267	\$ 281,113	-6.1%
2010	330	\$ 246,737	-12.2%
2011	328	\$ 250,941	1.7%
2012	399	\$ 259,455	3.4%
2013	511	\$ 297,267	14.6%
2014	424	\$ 321,492	8.1%
2015	495	\$ 321,730	0.1%
2016	502	\$ 344,818	7.2%
2017	509	\$ 397,309	15.2%
2018	392	\$ 429,885	8.2%
2019	407	\$ 417,900	-2.8%
2020	339	\$ 418,349	0.1%
2021	495	\$ 463,423	10.8%
2022	415	\$ 523,751	13.0%
2023	368	\$ 556,635	6.3%



## STAFF REPORT

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**DATE:** May 29, 2024  
**FOR:** Third Resident Policy and Compliance Committee  
**SUBJECT:** Lease Eligibility Request Procedures and Waiting List Application

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### **RECOMMENDATION**

Staff recommends approval of the Lease Eligibility Request Procedures and Waiting List Eligibility Request Application (ATT 2).

### **BACKGROUND**

On April 21, 2020, by way of Resolution 03-20-26, Third Mutual established a 30% leasing cap (1831 units) and adopted its Leasing Cap and Lease Waiting List Policy (ATT 1). The cap of active leases enables members and prospective members to obtain more favorable loans, maintain a positive member-tenant ratio within the community, and stabilizes the pool of resident members who are eligible to assist with the governance of Third Mutual.

For the past 4 years, the lease rate has fluctuated between 27.6% to 29.3% with a 28.83% lease rate for the month of May (month to date) and 29.3% for the month of March being the highest rate thus far. The average lease percentage for the past year was 28.88%.

### **DISCUSSION**

At its April 23, 2024 meeting the Third Resident Policy and Compliance Committee discussed the possibility of reducing the leasing cap to 25% and directed staff to draft procedures on how to manage the waiting list and provide associated costs to administer the process if/when the leasing cap has reached the 30%.

Pursuant to the current leasing cap, no more than 30% of units in Third shall be leased at any given time. This means only 1831 units in Third can be leased. Members who purchased their units before and after the established 2020 lease cap date would count toward the 1831 limit. However, only members who purchased their unit after April 21, 2020, would be placed on the waiting list once the 1831 limit was reached.

In the event the leasing cap is reached, a member will be required to submit a Waiting List Eligibility Request Application in order to be placed on the waiting list. At such time the number of leases falls below the 30% cap and the member's name is first on the waiting list, the member will have 90 days from staff's written lease eligibility to submit a complete Lease/Rental Authorization Application. After 90 days from the notice of eligibility to lease, the member's eligibility to lease will expire, and the member must submit a new request for eligibility and be placed at the bottom of the waiting list.

While the Board can adopt a new leasing cap, i.e., 25% for new members, it is likely to create a huge administrative burden for the Mutual. According to legal counsel, this would create a third class of members that staff would need to keep track of and analyze on a daily basis. The three classes of members would be those who purchased before April 21, 2020, who are not subject to any lease cap; those who purchased after April 21, 2020, who are subject to the 30% cap; and those who purchase after the 25% leasing cap is established. Members

who purchase after the adoption of a 25% cap would not be permitted to lease their units once 25% of the total number of units were leased out (i.e., 1526 units).

It should be noted that the proposed Lease Eligibility Request Procedures and Waiting List Eligibility Request Application mirrors the current Lease Waiting List Policy and do not reflect a new policy that requires a 28-day comment period.

**FINANCIAL ANALYSIS**

The below costs are estimations associated with implementing the waiting list.

**Please note:** This is a new process that has not been tested. These are estimated costs of additional staff time that will be required to implement and maintain the waitlist policy. We have broken it down by the size of the cap.

For the 30% cap, this will involve staff running a series of queries against our database each week to update our waitlist spreadsheet. Leasing staff will be spending more time per application to process. The costs associated with processing the Lease/Rental Authorization Application (new, renewal, or extension) are estimated below:

<b>Tasks</b>	<b>Costs</b>	<b>Frequency</b>
Update and maintain waitlist spreadsheet.	\$ 526.50	Per Month
Increase in staff time to process applications. At full staff we can average 75 or more applications per week.	\$ 954.00	Per Week

For the 25% cap, the complexity of the process almost triples the time since there will be multiple spreadsheets with different dates of exemption based on advice from legal counsel. It will take staff longer to process each application and may require adding an additional part time staff person just to maintain this process.

<b>Tasks</b>	<b>Costs</b>	<b>Frequency</b>
Update and maintain waitlist spreadsheet.	\$ 1,316.25	Per month
Increase in staff time to process applications. At full staff we can average 75 applications per week.	\$ 1,550.25	Per Week
Additional Part time staff person	\$ 1,800.00	Per Month

The costs presented above only cover hourly wages. There will be additional overhead costs, plus building and material usage costs that we are unable to calculate based on available data.

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

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

**ATTACHMENT(S) -**

- ATT 1 – Current Leasing Cap and Lease Waiting List Policy
- ATT 2 – Lease Eligibility Request Procedures and Waiting List Eligibility Request Application
- ATT 3 – Resolution 03-24-XX



**Leasing Cap and Lease Waiting List Policy  
Resolution 03-20-26; Adopted April 21, 2020**

**I. Purpose**

Third Laguna Hills Mutual (“Third”) authorizes Members, as defined in the CC&Rs, to lease their manors, subject to the restrictions and procedures in Third’s Governing Documents, including without limitation, the Operating Rules and any policy duly adopted by the Board. The current procedures relating to Lease Authorization are contained in Third’s Lease Policy, as may be amended from time to time. Notwithstanding the right of Members to lease their manors, Third has in place a limit on the total number of manors that may be leased at any given time, which is thirty percent (30%) of the total number of manors in Third (the “Leasing Cap”).

The purpose of this document is to set for the Leasing Cap and Waiting List Policy (the “Policy”), which supplements the Lease Policy by providing additional procedures relating to eligibility of Members to lease their manors once the Leasing Cap is reached.

**II. Restriction on Number of Units Leased; Leasing Eligibility**

Pursuant to the Leasing Cap, no more than thirty percent (30%) of the manors in Third shall be leased at any given time.

A Member desiring to lease his or her manor must submit to Third a written lease eligibility request for approval of eligibility of the Member to lease his or her manor based on the total number of manors currently leased in Third. No Member will be eligible to lease his or her manor or to submit a Lease Authorization Application prior to receiving written notice of eligibility to lease from Third through an authorized VMS staff member.

Third will respond to any Member’s written request for eligibility to lease the Member’s manor within ten (10) business days of the written submittal of such request to Third.

Third will deny a Member’s request for eligibility to lease the Member’s manor if the number of currently leased manors, plus the number of manors for which other Members have received approval to lease but which are not yet leased, plus the Member’s manor (the “Leased Unit Calculation”) exceeds thirty percent (30%) of the manors in Third. In such event, the Member will be notified in writing of such denial and placed on the lease waiting list, as further described below.

If the Leased Unit Calculation does not exceed thirty percent (30%) of the manors in Third, Third will notify the Member that his or her manor is eligible to lease, and that the Member has ninety (90) days to submit a complete Lease Authorization Application in accordance with the Lease Policy. After ninety (90) days from the notice of eligibility to lease, the Member’s eligibility to lease will expire, and the Member must submit a new written request for eligibility.

**III. Waiting List**

In the event a Member’s request for approval to lease is denied because the Leased Unit Calculation exceeds thirty percent (30%), the Member shall be placed on a waiting list maintained by Third, and the Member shall be given an opportunity to

submit a Lease Authorization Application to lease his or her manor when such Member's name is first on the waiting list and the Leased Unit Calculation no longer exceeds thirty percent (30%) of the manors in Third. The Member will be contacted by Third in writing when such Member is eligible to lease his or her manor.

If a Member has received notice that such Member is eligible to lease his or her manor, that Member must submit a complete Lease Authorization Application in accordance with the Lease Policy within ninety (90) days of the notice of eligibility to lease. If the Member fails to submit a complete Application within ninety (90) days of the date of notice of lease eligibility, the Member's eligibility to lease shall expire. In such event, the Member shall be required to submit a new written request for eligibility to lease his or her manor in accordance with the foregoing provisions; and, if there is a waiting list, the Member will be placed at the end of such waiting list.

Members who are currently leasing their manors will continue to be eligible to lease their manor for ninety (90) days after the expiration or termination of the current Lease Authorization. If a Lease Authorization for an approved lease of a Member's manor expires or terminates and the Member does not submit a new, complete Lease Authorization Application (in accordance with the requirements of the Lease Policy) for a new lease for the Member's manor within ninety (90) days of the expiration or termination of the prior Lease Authorization, the Member's eligibility to lease his or her manor shall expire. In such event, the Member shall be required to submit a new written request for eligibility to lease his or her manor in accordance with the foregoing provisions of this Policy.

#### **IV. Exemptions; Enforcement**

Upon written request by a Member for eligibility to lease his or her Unit, the Board shall be authorized and empowered, in its sole and reasonable discretion, to grant a hardship exemption for the Member with respect to the Leasing Cap. For purposes of this Policy, a "hardship" shall be defined as the need of a Member to lease his or her manor as a result of an unforeseeable event and/or because enforcement of the Leasing Cap against the Member could reasonably subject the Member to suffer a severe financial difficulty.

If a Member submits a Lease Authorization Application in accordance with the Lease Policy without first requesting and receiving written approval for eligibility to lease, the Application will be rejected and the fee returned, with instructions for the Member to first obtain written approval of eligibility to lease.

If a Member leases his or her manor without approval from the Board, or is otherwise in violation of the provisions of this Policy or the Lease Policy, the Member shall be subject to disciplinary measures, including, but not limited to: (A) a monetary penalty in an amount to be determined by the Board; (B) other disciplinary measures; and/or (C) a reimbursement assessment in an amount equal to the costs incurred by Third related to addressing such violation, including, without limitation, attorneys' fees and costs, irrespective of whether Third is able to obtain a court order to evict the tenant or otherwise effectuate the legal eviction of the non-compliant tenant from the Member's manor.

## **LEASE ELIGIBILITY REQUEST PROCEDURES AND WAITING LIST ELIGIBILITY REQUEST APPLICATION**

Pursuant to Third Mutual's leasing cap, no more than 30% of units (i.e., 30% x 6102 = 1831 units) shall be leased at any given time. In the event that the leasing cap is reached, all members who purchased their unit after April 21, 2020 and wish to start leasing out their unit will be placed on a waiting list. To be placed on the waiting list, all members must submit to Third Mutual a Waiting List Eligibility Request Application for approval of eligibility to lease his or her unit based on the total number of units currently leased in Third.

No member will be eligible to lease his or her unit or to submit a Lease Authorization Application prior to receiving written notice of eligibility to lease from Third through an authorized VMS staff member.

### **LEASING ELIGIBILITY PROCEDURES**

1. No more than 30% of units shall be leased at any given time.
2. A member desiring to lease his/her unit must submit to Third Mutual this Waiting List Eligibility Request Application for approval to lease unit based on the total number of units currently leased in Third.
3. No member will be eligible to lease or submit a Lease/Rental Authorization Application prior to receiving written notice of eligibility to lease from Third through an authorized VMS staff member.
4. Third will respond to member's written request for eligibility to lease within ten business days of written submittal.
5. Third will deny a member's request for eligibility to lease unit if the number of currently leased units, plus the number of units for which other members have received approval to lease, but which are not yet leased exceeds 30%, plus the member's unit. In such event, member will be notified in writing of such denial and placed on the lease waiting list as described below:

### **WAITING LIST PROCEDURES**

1. In the event a member's request for approval to lease is denied because the number of leased units exceeds 30%, the member shall submit a Waiting List Eligibility Request Application and shall be placed on a waiting list.
2. Member shall be given an opportunity to submit a Lease/Rental Authorization Application to lease his/her unit when said member's name is first on the waiting list and the number of leased units no longer exceeds 30%.
3. Member will be contacted by authorized staff in writing, via email, or other means, when such member is eligible to lease unit.

4. If member has received notice that he/she is eligible to lease their unit, member must submit a complete Lease/Rental Authorization Application within 90 days of staff's written notice of eligibility to lease.
5. If member fails to submit a completed application within 90 days of written notice, member's eligibility to lease shall expire and member shall be required to submit a new written request for eligibility to lease; and if there is a waiting list, member will be placed at the bottom of such waiting list.

### **Members Currently Leasing Units**

1. Members who are currently leasing will continue to be eligible to lease for 90 days after the expiration or termination of the current Lease/Rental Authorization.
2. If a Lease/Rental Authorization for an approved lease expires or terminates and member does not submit a new and complete Lease/Rental Authorization, Lease Renewal or Lease Extension within 90 days of expiration or termination, member's eligibility to lease shall expire.
3. If member fails to submit a new and complete Lease/Rental Authorization, Lease Renewal or Lease Extension within 90 days of expiration or termination, the member shall be required to submit this Waiting List Eligibility Request Application. If there is a waiting list, member will be placed at the bottom of such waiting list.

Return completed Lease Waiting List Eligibility Request Application to the Leasing Office located in the Community Center at 24351 El Toro Road, Laguna Woods, CA 92637; phone 949-597-4323; email [leasing@vmsinc.org](mailto:leasing@vmsinc.org). Mailing address is P.O. Box 2220, Laguna Hills, CA 92654-2220.



### Third Mutual Lease Waiting List Eligibility Request Application

Please complete the application below to be placed on the Lease Waiting List to lease your unit. Waitlist requests are processed on a first-come, first-served basis, established by the date and time application is received by the Leasing Office.

Once member is at the top of the waiting list and the leasing cap no longer exceeds 30%, member, or designated agent for member, will be contacted by way of email or other means to alert member of lease eligibility.

Member has 90 days from the written lease eligibility notification to submit a complete Lease/Rental Authorization Application. If eligible member fails to submit a complete Lease/Rental Authorization Application within the specified time period, the member's eligibility to lease will expire and member will lose eligibility and will need to submit a new request for eligibility and shall be placed at the bottom of the waiting list.

Member Name 1 (print): \_\_\_\_\_

Member Name 2 (print): \_\_\_\_\_

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

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

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

Purchase Date \_\_\_\_\_

#### Eligibility Criteria:

Please confirm by initialing below that you meet the following eligibility criteria by checking the appropriate boxes:

1. \_\_\_\_\_ I am a Member/Owner of Third Laguna Hills Mutual.
2. \_\_\_\_\_ I understand that if I am placed on the waiting list, it does not guarantee the opportunity for me to lease my unit.
3. \_\_\_\_\_ I understand that if I am placed on the waiting list, I will not be able to lease my unit until my name is at the top of the list and the leasing cap no longer exceeds 30%.

4. \_\_\_\_\_ I have not been in violation of any HOA rules or regulations within the past twelve months.
5. \_\_\_\_\_ I understand that staff will notify me in writing, via email, or other means when I am eligible to submit a complete Lease/Rental Authorization Application.
6. \_\_\_\_\_ I understand that if I fail to submit a completed Lease/Rental Authorization Application within 90 days of staff's written notice of eligibility to me, or my designated agent, I will be required to submit a new written request for eligibility, and if there is a waiting list, my name shall be placed at the end of such waiting list.
7. \_\_\_\_\_ I understand that any Lease/Rental Authorization Application (new, renewal, or extension) is subject to approval by the Board.

**Acknowledgment:**

By signing below, I acknowledge that the information provided in this application is true and accurate to the best of my knowledge. I understand that any false or misleading information may result in the rejection of my eligibility request.

\_\_\_\_\_  
Landlord / Lessor

\_\_\_\_\_  
Landlord / Lessor

Signed this Date: \_\_\_\_\_

Signed this Date: \_\_\_\_\_

RECEIVED DATE: _____	<b>OFFICE USE ONLY</b>
	TIME RECEIVED: _____

**RESOLUTION 03-24-XX**

**Lease Eligibility Request Procedures and Waiting List Application**

**WHEREAS**, on April 21, 2020, the Board adopted Resolution 03-20-26 which established that a maximum of thirty percent (30%) of the units may be leased at any given time (the “Leasing Cap”); and

**WHEREAS**, since the time the Leasing Cap was implemented by the Board and became effective as an operating rule of Third, the number of units leased has remained below the Leasing Cap, however the number of leased units has steadily risen and will soon reach the Leasing Cap; and

**WHEREAS**, given the approach of the number of leased units to the Leasing Cap, the Board has determined that it would be in the best interests of Third to adopt eligibility to lease procedures once the Leasing Cap has been met;

**NOW, THEREFORE BE IT RESOLVED**, June 18, 2024, that the Board of Directors hereby approves and adopts the attached Lease Eligibility Request Procedures and Waiting List Eligibility Request Application for members who purchased their unit after April 21, 2020 and wish to start leasing out their unit; and

**RESOLVED FURTHER**, that the aforementioned Lease Eligibility Request Procedures and Waiting List Eligibility Request Application shall be posted on the GRF website; and

**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:** May 28, 2024  
**FOR:** Third Resident Policy and Compliance Committee  
**SUBJECT:** Third Mutual Policy Regulating Passive Home Businesses

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### **RECOMMENDATION**

Staff recommends that the Resident Policy and Compliance Committee approve revisions to the Mutual's Policy Regulating Passive Home Businesses.

### **BACKGROUND**

Third's governing documents state that members shall use their units as a private dwelling and for no other purpose. However, in order to accommodate the evolving needs of its members, Third Mutual established a policy to allow members to conduct select, administrative type businesses in their units. The purpose of the policy was to put in place reasonable standards that allow certain businesses to operate in a member's unit without negatively affecting neighbors and/or the community.

### **DISCUSSION**

Third Mutual's Policy Regulating Home Occupations was established on August 21, 2001 by way of Resolution M3-01-38 (ATT 1). Since the policy has not been revised since its inception, it is necessary to update the current policy by removing any reference to Laguna Woods Mutual No. Fifty, clarifying the Mutual's intent of establishing such policy, and to make other housekeeping changes by making language consistent throughout the policy (ATTs 2 and 3).

It should be noted that the proposed revisions are administrative in nature and do not reflect any change in policy that requires the 28-day comment period.

### **FINANCIAL ANALYSIS**

It is not anticipated that the passive home business policy revisions will have any financial impact.

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

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

### **ATTACHMENT(S) -**

- ATT 1 – Current Policy Regulating Home Occupations
- ATT 2 – Policy Regulating Passive Home Businesses – redline
- ATT 3 – Policy Regulating Passive Home Businesses - clean
- ATT 4 – Resolution 03-24-XX

## POLICY REGULATING HOME OCCUPATIONS

It is the current policy of the three housing corporations, that Members may use the dwelling unit for no other purpose than as a dwelling unit. The following rules and regulations were adopted by United Laguna Hills Mutual Resolution No. 82 – September 11, 2001; Third Laguna Hills Mutual Resolution No. 38 – August 21, 2001; Laguna Woods Mutual 50 Resolution No. 24 (a) – September 20, 2001.

The intent of the restriction is to preclude the use of the dwelling unit in any manner that creates a nuisance, has an adverse effect on the Mutual's insurance rates or has a negative impact on surrounding properties. Nuisance or negative impact can result from increased vehicular traffic, increased pedestrian traffic, noise, parking congestion, and other conditions that affect the other residents or properties in the surrounding area.

Further, it is the Mutual's intent to prescribe a reasonable standard which permit the conduct of certain businesses which do not have an adverse affect on the community.

### Limitations of Dwelling Use

1. The business shall not change the principal character of the dwelling as a residence;
2. The business shall not employ, either paid or unpaid, persons who are not bona fide residents of the dwelling;
3. The business shall be conducted only within the dwelling structure interior, and shall not operate in, or be conducted upon any common area, or limited use common area, including a garage, patio, balcony or carport;
4. The business shall not display any signage or other evidence of a business inside or on the exterior of the premises;
5. The business operator shall not utilize the dwelling address in any advertisement, on any business stationery, or business cards;
6. The business shall not occupy more than one room within the dwelling, or 25% of the gross floor area, whichever is less;
7. The business shall not produce, store, maintain on the site, or use in its operation any hazardous material (other than typical household cleaning materials in small quantities) which can affect the Mutual's insurance rates;
8. No tools, materials or any equipment used in the business may generate smoke, noise, dust, odors or vibration which are atypical of residential property use;
9. A business which uses telephone, computer or mail marketing may not ship, send or otherwise distribute, or receive delivery of business-related goods or merchandise at the dwelling;
10. Persons conducting home occupations are subject to the regulatory codes and ordinances of the jurisdiction(s) in which the dwelling is located.

Violations of this policy can result in suspension of the use of Mutual facilities, suspension of voting privileges, and a monetary penalty of up to \$500.

<b>APPLICATION FOR PERMIT TO CONDUCT A PASSIVE BUSINESS IN A MANOR</b>	MUTUAL <input type="checkbox"/> UNITED <input type="checkbox"/> THIRD FIFTY
NAME OF RESIDENT	MANOR ADDRESS
DESCRIBE NATURE OF BUSINESS (SALES, COUNSELING, CONSULTING, ETC.)	
DESCRIBE WHERE AND HOW SERVICES WILL BE PROVIDED (IN CUSTOMER'S HOME, OUTSIDE OFFICE, ETC.)	
<b>ACKNOWLEDGMENT BY APPLICANT</b>	
<p>I am applying for this permit in order to conduct a business in or from my Laguna Woods Village manor. I understand that the governing rules of my Mutual homeowners association prohibit the conduct of any business, commercial undertaking or other professional activity that can cause a nuisance to other residents or to the community at large.</p> <p>I attest that the persons to whom I provide service will not visit my manor for purposes related to the business activity, and that all contacts with my clients shall be away from my manor. Further, I attest that the business will not cause an increase in vehicular traffic, either from deliveries, shipping or otherwise; that the business will not cause an increase in pedestrian traffic; and that my manor address will not appear on my business stationery or business cards, or in any advertising that I may use to solicit business.</p> <p>I have read the Mutual <u>Policy Regulating Home Occupations</u> on the reverse side of this Application form and agree to comply with all the restrictions and conditions therein.</p>	
SIGNATURE OF APPLICANT	DATE

<b>ACTION BY MUTUAL BOARD OF DIRECTORS</b>	
<b>APPLICATION DENIED</b>	<b>APPLICATION APPROVED</b>
The Board of Directors of this Mutual Corporation has reviewed the Application to Conduct a Passive Business. Based on the information provided, the application is denied.	The Board of Directors of this Mutual Corporation has reviewed the Application to Conduct a Passive Business. Based on assurances provided by the applicant herein, the Board of Directors gives approval to this application
SIGNATURE	SIGNATURE
SIGNATURE	SIGNATURE
SIGNATURE	SIGNATURE
DATE	DATE

PASSIVE BUSINESS IN A MANOR (REV 04-06)

## POLICY REGULATING PASSIVE HOME OCCUPATIONSBUSINESSES

~~It is the current policy. The governing documents of the three housing corporations, Third Laguna Hills Mutual and United Laguna Woods Mutual state that Members may members shall use their units as a private dwelling unit, and for no other purpose than as a dwelling unit. The following rules and regulations were. However, both mutuals recognize the need to establish restricted conditions under which a passive business may be conducted within a residential unit, and this policy regulating passive home businesses was adopted by United Laguna Hills Woods Mutual via Resolution No. U-01-82 on September 11, 2001; and by Third Laguna Hills Mutual via Resolution No. M3-01-38 on August 21, 2001; Laguna Woods Mutual 50 Resolution No. 24 (a) — September 20, 2001.~~

The intent of the ~~restriction~~restrictions is to preclude the use of the dwelling unit in any manner that creates a nuisance, has an adverse effect on the Mutual's mutuals' insurance rates or has a negative impact on surrounding properties. Nuisance~~A nuisance~~ or negative impact can result from increased vehicular traffic, ~~increased~~ pedestrian traffic, noise, and parking congestion, and as well as other conditions that affect ~~the~~ other residents or properties in the surrounding area.

Further, it is the Mutual's mutuals' intent to prescribe a reasonable standard which permit the conduct of that allows certain businesses which do not have an adverse affect onto operate without negatively affecting the community.

### Limitations of Dwelling Use

- ~~II.1.~~ The business shall not change the principal character of the dwelling as a residence;.
- ~~III.2.~~ The business shall not employ, either persons, paid or unpaid, ~~persons~~ who are not bona fide residents of the dwelling;.
- ~~IV.3.~~ The business shall be conducted only within the dwelling structure interior, and shall not operate in, or be conducted upon any common area, or limited-use common area, including a garage, patio, balcony or carport;.
- ~~V.4.~~ The business shall not display any signage or other evidence of a business inside or on the exterior of the premises;.
- ~~VI.5.~~ The business operator shall not utilize~~use~~ the dwelling address in any advertisement, or on any business stationery, or business cards;.
- ~~VII.6.~~ The business shall not occupy more than one room within the dwelling, or 25% of the gross floor area, whichever is less;.
- ~~VIII.7.~~ The business shall not produce, store, maintain on the site, or use in its operation any hazardous material (other than typical household cleaning materials in small quantities) which that can affect the Mutual's mutuals' insurance rates;.
- ~~IX.8.~~ No tools, materials or any equipment used in the business may generate smoke, noise, dust, odors or vibration which that are atypical of residential property use;.
- ~~X.9.~~ A business which that uses telephone, computer or mail marketing may not ship, send or otherwise distribute, or receive delivery of business-related goods or merchandise, at the dwelling;.
- ~~XI.10.~~ Persons conducting home occupations businesses are subject to the regulatory codes and ordinances of the jurisdiction(s) in which the dwelling is located.

Violations of this policy can result in suspension of the use of Mutual GRF facilities, suspension of and voting privileges, and a monetary penalty of up to \$500.

Updated 5-10-2024

<b>APPLICATION FOR PERMIT TO CONDUCT A PASSIVE BUSINESS IN A MANOR</b>	MUTUAL <input type="checkbox"/> UNITED <input type="checkbox"/> THIRD <b>FIFTY</b>
NAME OF RESIDENT <u>NAME</u>	MANOR ADDRESS
DESCRIBE NATURE OF BUSINESS (SALES, COUNSELING, CONSULTING, <u>ADMINISTRATIVE</u> , ETC.)	
DESCRIBE WHERE AND HOW SERVICES WILL BE PROVIDED (IN CUSTOMER'S HOME, <u>OUTSIDEHOME</u> OFFICE, ETC.)	
<b>APPLICANT ACKNOWLEDGMENT BY APPLICANT</b>	
<p>I am applying for this permit <del>in order</del> to conduct a business in or from my Laguna Woods Village manor. I understand that the governing rules of my <del>Mutual homeowners</del> <u>mutual homeowers'</u> association prohibit the conduct of any business, commercial undertaking or other professional activity that can cause a nuisance to other residents or to the community at large.</p> <p>I attest that the <del>persons to whom I provide service will not visit my manor for purposes related to the business activity, and that all contacts with my clients shall be away from my manor. Further, I attest that the</del> business will not cause an increase in vehicular <u>and/or pedestrian</u> traffic, either from deliveries, shipping or otherwise; that the business will not cause <del>an increase in pedestrian traffic</del> <u>excessive noise, parking congestion and other conditions that affect other residents or surrounding areas</u>; and that my manor address will not appear on my business stationery or business cards, or in any advertising that I may use to solicit business.</p> <p>I have read the <u>Mutual Policy Regulating Home Occupations</u> <del>mutual policy regulating passive home businesses</del> on the reverse side of this <u>Application</u> <del>application</del> form and agree to comply with all the restrictions and conditions therein.</p>	
<u>APPLICANT SIGNATURE OF APPLICANT</u>	DATE

ACTION BY MUTUAL BOARD OF DIRECTORS	
APPLICATION DENIED	APPLICATION APPROVED
The <del>Boardboard</del> of <del>Directors</del> <u>directors</u> of this <del>Mutual Corporation</del> <u>mutual corporation</u> has reviewed the <u>Application</u> <del>application</del> to <u>Conduct</u> <del>conduct</del> a <u>Passive Business</u> <del>passive business</del> . Based on the information provided, the <u>board of directors denies this</u> application <del>is denied</del> .	The <del>Boardboard</del> of <del>Directors</del> <u>directors</u> of this <del>Mutual Corporation</del> <u>mutual corporation</u> has reviewed the <u>Application</u> <del>application</del> to <u>Conduct</u> <del>conduct</del> a <u>Passive Business</u> <del>passive business</del> . Based on assurances provided by the applicant herein, the <del>Boardboard</del> of <u>Directors</u> <del>gives approval to</del> <u>directors</u> <u>approves</u> this application.
SIGNATURE	SIGNATURE
SIGNATURE	SIGNATURE
SIGNATURE	SIGNATURE
DATE	DATE



## **POLICY REGULATING PASSIVE HOME BUSINESSES**

The governing documents of Third Laguna Hills Mutual and United Laguna Woods Mutual state that members shall use their units as a private dwelling, and for no other purpose. However, both mutuals recognize the need to establish restricted conditions under which a passive business may be conducted within a residential unit, and this policy regulating passive home businesses was adopted by United Laguna Woods Mutual via Resolution U-01-82 on September 11, 2001, and by Third Laguna Hills Mutual via Resolution M3-01-38 on August 21, 2001.

The intent of the restrictions is to preclude the use of the dwelling unit in any manner that creates a nuisance, has an adverse effect on the mutuals' insurance rates, or has a negative impact on surrounding properties. A nuisance or negative impact can result from increased vehicular traffic, pedestrian traffic, noise and parking congestion, as well as other conditions that affect other residents or properties in the surrounding area.

Further, it is the mutuals' intent to prescribe a reasonable standard that allows certain businesses to operate without negatively affecting the community.

### **Limitations of Dwelling Use**

1. The business shall not change the principal character of the dwelling as a residence.
2. The business shall not employ persons, paid or unpaid, who are not bona fide residents of the dwelling.
3. The business shall be conducted only within the dwelling structure interior and shall not operate in, or be conducted upon any common area or limited-use common area, including a garage, patio, balcony or carport.
4. The business shall not display any signage or other evidence of a business inside or on the exterior of the premises.
5. The business operator shall not use the dwelling address in any advertisement or on any business stationery or business cards.
6. The business shall not occupy more than one room within the dwelling, or 25% of the gross floor area, whichever is less.
7. The business shall not produce, store, maintain on the site or use in its operation any hazardous material (other than typical household cleaning materials in small quantities) that can affect the mutuals' insurance rates.
8. No tools, materials or any equipment used in the business may generate smoke, noise, dust, odors or vibration that are atypical of residential property use.
9. A business that uses telephone, computer or mail marketing may not ship, send or otherwise distribute, or receive delivery of business-related goods or merchandise, at the dwelling.
10. Persons conducting home businesses are subject to the regulatory codes and ordinances of the jurisdiction(s) in which the dwelling is located.

Violations of this policy can result in suspension of the use of GRF facilities and voting privileges, and a monetary penalty of up to \$500.

<b>APPLICATION FOR PERMIT TO CONDUCT A PASSIVE BUSINESS IN A MANOR</b>		MUTUAL <input type="checkbox"/> UNITED <input type="checkbox"/> THIRD
RESIDENT NAME	MANOR ADDRESS	
DESCRIBE NATURE OF BUSINESS (SALES, COUNSELING, CONSULTING, ADMINISTRATIVE, ETC.)		
DESCRIBE WHERE AND HOW SERVICES WILL BE PROVIDED (IN CUSTOMER'S HOME, HOME OFFICE, ETC.)		
<b>APPLICANT ACKNOWLEDGMENT</b>		
<p>I am applying for this permit to conduct a business in or from my Laguna Woods Village manor. I understand that the governing rules of my mutual homeowners' association prohibit the conduct of any business, commercial undertaking or other professional activity that can cause a nuisance to other residents or to the community at large.</p> <p>I attest that the business will not cause an increase in vehicular and/or pedestrian traffic, either from deliveries, shipping or otherwise; that the business will not cause excessive noise, parking congestion and other conditions that affect other residents or surrounding areas; and that my manor address will not appear on my business stationery or business cards, or in any advertising that I may use to solicit business.</p> <p>I have read the mutual <b>policy regulating passive home businesses</b> on the reverse side of this application form and agree to comply with all the restrictions and conditions therein.</p>		
APPLICANT SIGNATURE	DATE	

<b>ACTION BY MUTUAL BOARD OF DIRECTORS</b>	
APPLICATION DENIED	APPLICATION APPROVED
The board of directors of this mutual corporation has reviewed the application to conduct a passive business. Based on the information provided, the board of directors denies this application.	The board of directors of this mutual corporation has reviewed the application to conduct a passive business. Based on assurances provided by the applicant herein, the board of directors approves this application.
SIGNATURE	SIGNATURE
SIGNATURE	SIGNATURE
SIGNATURE	SIGNATURE
DATE	DATE



**RESOLUTION 03-24-xx**

**Revised Policy Regulating Passive Home Businesses**

**WHEREAS**, Third Mutual's governing documents state that members shall use their units as a private dwelling, and for no other purpose; and

**WHEREAS**, Third Mutual recognized the need to establish restricted conditions under which a passive business may be conducted, and on August 21, 2001, the Board adopted its Policy Regulating Home Occupations; and

**WHEREAS**, it is necessary to update the current policy by removing any reference to Laguna Woods Mutual No. Fifty, make clarify statements that the Mutual's intent of the policy is to prescribe a reasonable standard that allows certain businesses to operate in a member's unit without negatively affecting the community, and to make other housekeeping changes by making language consistent throughout the policy;

**NOW THEREFORE BE IT RESOLVED**, June 18, 2024, that the Board of Directors of this corporation hereby adopts the revised Policy Regulating Passive Home Businesses as attached to the official meeting minutes of this corporation; and

**RESOLVED FURTHER**, that any violations of said policy can result in suspension of the use of GRF facilities and voting privileges, and a monetary penalty of up to \$500; and

**RESOLVED FURTHER**, that Resolution M3-01-38 adopted August 21, 2001 is hereby superseded and cancelled; and

**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:** May 29, 2024  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Executive Hearings Committee Charter

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### **RECOMMENDATION**

Staff recommends amending the Executive Hearings Committee Charter.

### **BACKGROUND**

The Executive Hearings Committee was established by way of two resolutions and two motions. On December 16, 2008, to the Board establish a Standing Committee for the sole purpose of holding disciplinary hearing matters as the Compliance Division had a backlog of disciplinary cases to bring before the Board (Resolution 03-08-148); the resolution was rescinded by way of a motion on March 17, 2009. However, on January 20, 2015, the same Committee was re-established by way of a motion as cases increased and the need arose.

On February 17, 2015, the Board approved to include Common Area Damage Restoration Hearings at the Executive Hearings Committee (Resolution 03-15-18).

For clarification, the Executive Hearings Committee is an extension of the Board and referred as a “Committee of the Whole”. Committee is Chaired by the President of the Board or 1st Vice President.

On February 23, 2023, the Committee made changes to the charter and tabled the matter till the next meeting.

On March 23, 2023, the Committee reviewed the changes and provided staff further direction.

On May 16, 2023, the Board approved the revised Executive Hearings Committee Charter (Resolution 03-23-50).

### **DISCUSSION**

In October 26, 2023 the Executive Hearings Committee directed staff to use the term Member Requested Hearings for members who request meetings with the board. The Member Requested Hearings would be similar to hearings in which the member would have 10 (ten) minutes to address the board and a total of thirty (30) minutes to address the reason for the requested meeting. The member is excused and the board/committee deliberates and a determination notice is sent within fifteen (15) days from the meeting.

The Executive Hearings Committee Charter includes the addition of Member Requested Hearings as an alternative to a Meet and Confer/Internal Dispute Resolution.

**Executive Hearings Committee Charter**

May 29, 2024

Page 2

**FINANCIAL ANALYSIS**

None.

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

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

**ATTACHMENT(S)**

Attachment 1: Resolution 03-24-XX Executive Hearings Committee Charter – redline

Attachment 2: Resolution 03-24-XX Executive Hearings Committee Charter – clean



~~THIRD LAGUNA HILLS MUTUAL~~

**EXECUTIVE HEARINGS COMMITTEE CHARTER  
RESOLUTION 03-23-5024-XX AMENDED [DATE]**

**WHEREAS**, the Third Laguna Hills Mutual (Third) Board of Directors (Board) recognizes the need to address disciplinary matters with adequate time to review and enforce Third's Governing Documents each month; and

**WHEREAS**, that pursuant to Bylaws, Article 7, Section 7.1, the Board determined to establish the Executive Hearings Committee (Committee) as a standing committee of this Corporation for the purpose of hearing disciplinary hearing matters, as well as for determining responsibilities for damage reimbursement situations; and

**NOW THEREFORE BE IT RESOLVED**, *on this date*, that the Board of Directors of this Corporation hereby amends the Members and Responsibilities information for the Committee as follows:

**I. Committee Members**

1. The Board shall appoint either the Board President or the Board First Vice President as the Committee Chair.
2. The Committee shall consist of 3 Board Directors and 2 alternate Board Directors, all will be voting members appointed by the Board upon recommendation of the Committee Chair.
3. A Committee Member absent from 3 consecutive, regularly scheduled meetings shall no longer qualify for the Committee, unless excused by the Chair.
4. This Committee shall serve at the direction of and at the pleasure of the Board.

**II. Responsibilities**

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

1. The Committee shall, pursuant to Bylaws Article 4, Section 4.5, hold disciplinary hearings on matters submitted to the Committee by the Compliance ~~Department~~Division.
2. The Committee may, pursuant to Bylaws Article 4, Section 4.5.2, take disciplinary action against any Member, Qualifying Resident, Co-occupant, Tenant, and their Guests for breach of the Bylaws, CC&Rs, and other Governing Documents.

3. The Committee shall have full autonomy for the purpose of hearing and acting on Disciplinary Hearing cases.
4. The Committee shall have full autonomy for the purpose of hearing and acting on Common Area Damage Reimbursement cases.

5. The Committee shall have full autonomy for the purpose of hearing and acting on Member Requested Hearing cases as an alternative to Meet and Confers/Internal Dispute Resolution.

5.6. Consult, as appropriate and upon Committee approval, with Third Counsel.

6.7. Function in accordance with the Governing Documents and federal, state, and local laws.

7.8. Perform such additional functions as may be assigned or referred to the Committee by the Board President as well as those that are necessary and prudent to fulfill the Committee's duties and responsibilities.

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

**RESOLVED FURTHER**, Resolution 03-23-50 adopted May 16, 2023 is hereby superseded and cancelled.

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



**EXECUTIVE HEARINGS COMMITTEE CHARTER  
RESOLUTION 03-24-XX AMENDED [DATE]**

**WHEREAS**, the Third Laguna Hills Mutual (Third) Board of Directors (Board) recognizes the need to address disciplinary matters with adequate time to review and enforce Third's Governing Documents each month; and

**WHEREAS**, that pursuant to Bylaws, Article 7, Section 7.1, the Board determined to establish the Executive Hearings Committee (Committee) as a standing committee of this Corporation for the purpose of hearing disciplinary hearing matters, as well as for determining responsibilities for damage reimbursement situations; and

**NOW THEREFORE BE IT RESOLVED**, *on this date*, that the Board of Directors of this Corporation hereby amends the Members and Responsibilities information for the Committee as follows:

**I. Committee Members**

1. The Board shall appoint either the Board President or the Board First Vice President as the Committee Chair.
2. The Committee shall consist of 3 Board Directors and 2 alternate Board Directors, all will be voting members appointed by the Board upon recommendation of the Committee Chair.
3. A Committee Member absent from 3 consecutive, regularly scheduled meetings shall no longer qualify for the Committee, unless excused by the Chair.
4. This Committee shall serve at the direction of and at the pleasure of the Board.

**II. Responsibilities**

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

1. The Committee shall, pursuant to Bylaws Article 4, Section 4.5, hold disciplinary hearings on matters submitted to the Committee by the Compliance Division.
2. The Committee may, pursuant to Bylaws Article 4, Section 4.5.2, take disciplinary action against any Member, Qualifying Resident, Co-occupant, Tenant, and their Guests for breach of the Bylaws, CC&Rs, and other Governing Documents.
3. The Committee shall have full autonomy for the purpose of hearing and acting on Disciplinary Hearing cases.

4. The Committee shall have full autonomy for the purpose of hearing and acting on Common Area Damage Reimbursement cases.
5. The Committee shall have full autonomy for the purpose of hearing and acting on Member Requested Hearing cases an alternative to Meet and Confers/Internal Dispute Resolution.
6. Consult, as appropriate and upon Committee approval, with Third Counsel.
7. Function in accordance with the Governing Documents and federal, state, and local laws.
8. Perform such additional functions as may be assigned or referred to the Committee by the Board President as well as those that are necessary and prudent to fulfill the Committee's duties and responsibilities.
9. Function as an advisory and liaison body to the managing agent in matters pertaining to Governing Document changes/implementation and coordinate these matters with other standing committees having related concerns.

**RESOLVED FURTHER**, Resolution 03-23-50 adopted May 16, 2023 is hereby superseded and cancelled.

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



## STAFF REPORT

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**DATE:** May 29, 2024  
**FOR:** Resident Policy and Compliance Committee  
**SUBJECT:** Rules for Board Meetings

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### **RECOMMENDATION**

Staff recommends amending the Rules for Board Meetings to include Member Requested Hearing and Meet and Confer/Internal Dispute Resolution (IDR).

### **BACKGROUND**

On January 15, 2013, the Board established Rules for Board Meetings to ensure the management of the community's affairs are carried out professionally and in adherence with the provision of the Davis-Stirling Act (Resolution 03-13-04). Since the adoption, the Rules for Board Meetings has been revised three times (Resolution 03-14-04, January 21, 2014, Resolution 03-20-80, November 17, 2020 and Resolution 03-22-134, December 20, 2022).

The Rules for Board Meetings Policy is to provide Directors and Members the rules and expectation for a successful, efficient and orderly Board meeting.

### **DISCUSSION**

Chair Laws addressed with Legal Counsel the creating of a Member Requested Hearing for a member seeking a decision from the Board for an exception to the governing documents or has a request that may not specifically be covered by the governing documents. Additionally, any decision made by the Executive Hearings Committee could be appealed to the full board. The Rules for Board Meetings is updated to include these meetings.

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

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

### **ATTACHMENT(S)**

Attachment 1: Resolution 03-24-XX, Rules for Board Meetings  
Attachment 2: Rules for Board Meetings – Redline  
Attachment 3: Rules for Board Meetings - Clean



**Rules for Board Meetings  
RESOLUTION 03-24-XX**

**WHEREAS**, each Owner Member of Laguna Woods Village has an ongoing interest and right under California law to participate in the governance of their community; and

**WHEREAS**, the Board of Directors of the Third Laguna Hills Mutual has an equal interest and duty under law to ensure that the management of the community's affairs is carried out professionally and in adherence with the provisions of the Davis-Stirling Act; and

**WHEREAS**, the Board of Directors wishes to promote order and regulate meeting time in an even and consistent fashion;

**NOW THEREFORE BE IT RESOLVED**, [DATE], that the Board of Directors of this Corporation hereby approves the attached revised Rules for Board Meetings; and

**RESOLVED FURTHER**, that Resolution 03-22-134 adopted December 20, 2022 is hereby superseded and cancelled; and

**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.





**RULES FOR BOARD MEETINGS**  
**Resolution 03-24-XX; Amended [date]**

**I. INTRODUCTION**

Successful, efficient and orderly Board meetings benefit everyone in the community. Manor owners (“Members”) have the right to observe the open board meetings and are encouraged to attend, but meetings which are disorderly or too long can be discouraging.

These Rules inform both Director and non-Director as to what is expected of all attending Board meetings, and how meetings are conducted. The goal is orderly and efficient meetings, protection of Owners’ right to observe productive deliberations, and enhancement of the governance and the membership experience in Third Laguna Hills Mutual (“Third”).

**II. BOARD MEETINGS**

**A. Regular Board Meetings**

Notice of the date, time and location of regular Board meetings will be provided by posting in the Clubhouse kiosks and the community center bulletin board and on the web site a minimum of four days before the meeting is to take place. Board meetings are open to all Mutual Members to attend and observe. Non-Members may attend only at the discretion of the Board of Directors.

Normally, regular Board meetings are held in the morning on the third Tuesday of each month. However, four days posted advance notice is always given of all open Board meetings except in case of emergency. Regular Board meetings are normally held in the Board Room on the ground floor of the Community Center at 9:30 a.m., in accordance with Civil Code § 4920. Notice of Board Meetings.

**B. Special Meeting or Altering Location, Date or Time**

If a special Board meeting is called or if the location, date or time of a Board meeting is to be changed, all Members will be notified at least four days prior to the meeting by posting in the Clubhouse kiosks and the community center bulletin board and on the web site. In an emergency, the President or any two Directors may call for a Board meeting on shorter notice, in accordance with Civil Code § 4923. Emergency Board Meetings

**C. Attendance**

Members may attend Board meetings, but Executive Session meetings are

closed. **A “Member” is not a tenant, guest, family, or legal counsel of the Member.**

**D. Agendas**

1. **Preparation.** Agendas are prepared by the President<sup>1</sup>, in cooperation with management staff. At least one week prior to a Board meeting, the President will inquire if any Director requests inclusion of an agenda item. The Chair may also call a Board meeting for the purpose of setting the regular Board meeting agenda.
2. **Request for inclusion.** A Director may request an item be included in an agenda, by submitting the action requested and an explanation of the reason for the request. A Director requesting an agenda item is responsible to present that item to the Board with supporting information if the item is included in the agenda.
3. **Rejected agenda items.** The Chair with the assistance of Management Staff shall include a requested item in the agenda unless the item:
  1. Has no suggested action;
  2. Is redundant with an item already on the agenda or was addressed in a Board meeting in the previous three months;
  3. Must be discussed in Executive Session;
  4. Would make the agenda unduly lengthy (and so will be on the next agenda);
  5. Is sent first to a committee for recommendation; or
  - f) Is, based on the advice of legal counsel, proposing action barred by law.
4. **Board request for agenda item.** Notwithstanding the foregoing, if an agenda item is requested in writing or by electronic mail by at least six Directors, the Chair shall include it in the Agenda for the open meeting or the Executive Session meeting, depending upon the item.
5. **Member Request for Agenda Item.**
  - a) A Member may request the President in advance that a topic be added to the agenda, but the President with the assistance of Staff will determine whether a requested topic will be included in the agenda.
  - b) A topic will also be added to the agenda if at least one week prior to the scheduled Board meeting, the Chief Executive Officer (CEO) or Staff receives a petition signed by at least twenty five different Members entitled to vote.
  - c) The requested agenda topic must still meet the standards of Rule IID.3 above.

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<sup>1</sup> Any action to be taken by the President may be taken by the First Vice President or the next officer in order as stated in the By-laws if the President is unable to attend or participate.

- d) A Member who has requested an agenda item which is placed on the agenda (“Requesting Member”), may speak to the item during Open Forum, or at the election of the Chair, may present the topic to the Board immediately before the Board begins its deliberation of the item (assuming there is a Motion from the Board after the Requesting Member speaks). The Requesting Member may speak on the matter for up to five minutes. Only one person may be considered the “Requesting Member” for the purpose of addressing the Board. The Board may by motion give the Requesting Member more time to speak.
6. **Publication, agenda packets.** Agendas will be published at least four days prior to any non-emergency Board meeting. The Board will receive a board packet (also referred to as “agenda package”), prepared by management staff, at least four days prior to the meeting, and may be transmitted electronically upon request. To make the meeting more efficient, Directors should read the board packet prior to arriving at the meeting.
7. **No discussion of matters not disclosed on agenda.** The Board may not discuss subjects which are not on the agenda unless the matter is determined by a majority of the Board to involve an emergency, or unless the matter arose prior to the meeting but after the agenda was published and at least eight Directors concur that the matter requires immediate action.

**Sample agenda.** The following is a typical Agenda:

1. Call Meeting to Order
2. Pledge of Allegiance
3. Approval of the Agenda
4. Approval of the Minutes
5. Report of the Chair
6. Update of VMS Board -
7. Open Forum (Three Minutes per Speaker)
8. Responses to Open Forum Speakers
9. CEO Report
10. Consent Calendar
11. Unfinished business
12. New Business
13. Third Mutual Committee Reports
14. GRF Committee Highlights
15. Future Agenda Items
16. Director’s Comments
17. Recess
18. Adjournment

**E. Committees: Reports, Meetings**

1. If the Bylaws provide for standing committees or if the Board from time to time establishes committees, committee reports may be submitted to the Board prior to the meeting for review. If the committee recommends any Board action, the report should also indicate the reasons it is recommended. If possible, the committee Chair or a Member of the committee should present the report.
2. A committee consisting of six or more Directors, or including at least six Directors in its roster, shall conduct its meetings in the same manner as a Board meeting, with agendas, minutes, Open Forum, and in compliance with all other requirements applicable to Board meetings.
3. A committee consisting of both Directors and non-Directors but which has less than six Directors may, but is not required to, conduct its meetings in the same manner as a Board meeting, but shall prepare and submit a report to the Board prior to the agenda publication, including any recommended action.
4. Any committee reports will be included in the board packets if they are timely submitted. Committee reports which do not contain a request for action will be noted in the minutes as “received.”
5. A committee request for action shall be placed by the Chair or staff on the agenda, so long as it complies with Rule D.3.
6. Directors, upon presentation of a committee report, may ask questions about the report, but may not deliberate about the report unless that subject was timely placed on the agenda for deliberation and possible action in that meeting.

**F. Open Forum**

The Open Meeting Act, Civil Code §§4900-4950, provides that Board meetings are open to Members. A “meeting” under the law is “a congregation of a majority of the Members of the board at the same time and place to hear, discuss, or deliberate upon any item of business that is within the authority of the board.” The Board thus may not exclude Members from attending, absent discipline imposed as provided herein. The only exception is for Executive Session as discussed further below.

1. **Time for Open Forum.** Open Forum will normally occur at the beginning of the Board meeting. The agenda may also provide for a second Open Forum time at the end of the agenda. The Board may by motion re-open Open Forum on a specific agenda item, or reschedule Open Forum within the agenda.

2. **Member's Right to Speak.** Open Forum is a valuable and legally required portion of every open Board meeting. Open Forum is the opportunity for the Member to inform the Board of matters which may not be known.
  - a) During Open Forum, a Member may speak to the Board on any topic not on the agenda. The purpose of Open Forum is to inform the Board of viewpoints or information of which the Board may not be aware regarding Third. Therefore, although a Member may use their time to speak upon any topic of interest to the Member, Members are advised that the Board may not be as attentive to comments on matters outside the Board's jurisdiction.
  - b) At the time designated on the agenda for Open Forum, the Chair shall ask the Members present to raise their hand if they wish to speak in Open Forum or fill out a speaker card. In order to give all Members an opportunity to speak at meetings, and to control meeting length, each Member may speak for a maximum of three minutes. In the event more than ten Members indicate a desire to speak, the time limit per speaker shall be shortened to two minutes per speaker.
  - c) Open Forum is the time for Members to speak and provide additional opinions and viewpoints to the Board, and is not a time for the Board to speak. Directors will listen and not respond or otherwise interrupt a speaker at Open Forum, so long as the speaker is within these Rules and time limits. A response, if any, by a Director or staff to an Open Forum remark or question shall be after the close of Open Forum. The Chair may appoint a Director or Staff-person as timekeeper.
  - d) So long as the Open Forum comments comply with these Rules, neither staff, the Chair, nor other Director shall interrupt the speaker.
  - e) The statements made by Members in Open Forum are not the position of Third, and Third takes no responsibility as to the content of Open Forum comments. At the beginning of Open Forum, the Chair shall remind all attending as to these Rules regarding Open Forum.
  
3. **Open Forum During Agenda Item Discussions.**
  - a) During the Board deliberations of a matter, and when the Chair at the Chair's sole discretion determines there has been sufficient discussion to inform the attendees in the audience of the issue, the Chair will inquire if any Members in the audience wish to speak to the motion at hand.
  - b) If the Chair sees any hands raised indicating a desire to speak or fill out a speaker card, Open Forum will be reopened on the issue, and the Members indicating a desire to speak to the topic may speak for up to three (3) minutes on the specific agenda item.
  - c) Off-topic commentary will not be permitted, but so long as the speaker complies with the Rules, neither the Chair nor any Director will

interject or otherwise interrupt during the speaker's remarks.

- d) The Chair in its sole discretion may reduce the time per speaker to two (2) minutes on an issue, if the Chair deems it necessary to insure that all who wish to speak have the opportunity to do so.
  - e) A Member (or co-Owner of a Member) shall only speak once on a given agenda item.
  - f) Once the Chair determines that all have spoken who wished to speak, or that no one has indicated a desire to speak, the Chair shall announce Open Forum is again closed, and the Board shall resume and conclude its deliberations on the item.
4. **Re-opening of Open Forum.** If an issue on the Agenda is deemed by the Board to require further Membership input, the Board may by majority vote re-open Open Forum, to allow Members to speak to the pending subject. If Open Forum is reopened, Members may speak for up to two minutes each. Upon completion of such Membership input, in compliance with Open Forum Rules, the Board will then close Open Forum and resume deliberating the subject.
  5. **Member Observation of Deliberations.** Except for Open Forum, Members may not speak to the Board, and shall quietly observe Board deliberations except for those in Executive Session. Members do not vote or make motions at Board meetings, as only Directors vote at Board meetings. Applause, boos, or other audible response to Board deliberations or decisions is out of order.
  6. **Addressing the Board During Open Forum.** When speaking, the Member will identify Member's name and Manor, and will stand at the speaker's podium if physically able to stand, and will address the Board, not the audience.

**G. Meeting Conduct**

Directors, Members and anyone else permitted to attend the meeting will conduct themselves in a reasonable manner. The following conduct is strictly prohibited:

1. Profane or obscene language;
2. Slurs involving race, religion, ethnicity, gender, sexual orientation, gender identity, or age;
3. Shouting or yelling;
4. Physical threats, including non-verbal communications such as gestures or using body language in such a way as to intimidate;
5. Pounding on table or throwing items; and
6. All other unreasonable and disruptive behavior which does not allow Members to peacefully observe the proceedings, or which otherwise impedes the ability

of the Board to peacefully conduct its deliberations and the Members to peacefully observe those deliberations.

Directors will also refrain from making comments which:

7. Divulge information from closed sessions;
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9. Maliciously malign any person, business or entity.

To create a positive atmosphere, all persons present will be seated (unless some handicap exists by which they cannot be seated) and will remain seated at all times when others are speaking, except when standing in line to speak for their turn in Open Forum. Neither Directors nor anyone addressing the Board will be allowed to speak while standing or hovering over someone else. All in attendance must behave in a professional and orderly manner. Directors shall refrain from interrupting each other or from making audible "sidebar" remarks while a fellow Director is speaking. Directors shall keep their microphones off except when they are addressing the Board.

#### **H. Violation of Rules**

Anyone (Member or Director) violating these Rules during a meeting may be:

1. First warned by the Chair,
2. Then warned by majority vote of the Board, and
3. Then by majority vote of the Board asked to leave the meeting.

In the event a person refuses to leave after the Board votes to eject the individual, the meeting shall be recessed until such time as security and/or law enforcement can be summoned to assist or until the person voluntarily leaves.

The Board may schedule a disciplinary hearing to determine whether a Member will as a result of violation of these Rules be suspended from attending one or more future Board meetings as well as any other appropriate disciplinary measures.

A non-Member who is permitted to attend but disrupts a Board meeting may be ejected by the Chair or upon majority Board vote without warning.

#### **I. Parliamentary Procedure**

Meetings will generally follow "Robert's Rules of Order." In brief, there should be no discussion on an item unless and until motion is made and there is a second to the motion. A motion is a proposal that the Board takes a stand or takes action on some issue. Only Directors can make motions.

The Resolution or motion recommended by a Committee report shall be considered as a motion and need not have a second for discussion to commence, so long as the recommendation has been stated on the agenda at

least four days in advance of the meeting, absent emergency.

The Chair, normally the President, may call for a motion or, if temporarily passing the gavel, may make a motion. If there is no second to a motion, the issue is dropped. If a motion receives a second, then the Chair will ask for debate and discussion. Fair play, courtesy and cooperative behavior is preferred over strict compliance with Robert's Rules.

**J. Recording of meetings: Minutes**

The proceedings of Board meetings shall not be electronically recorded, except by "Village TV". Any other recording devices (audio, video or photographic) at Board or committee meetings are forbidden. The proceedings of such meetings shall be recorded in the minutes of the meeting. Minutes of Board meetings are prepared by the Secretary or, if the Board directs, by a Recording Secretary who need not be a Director. Minutes shall record actions taken, but shall not record general commentary or statements by Directors, or comments during Open Forum.

**K. Board Deliberations**

1. Directors will deliberate topics only when on an agenda, except for emergency matters<sup>2</sup>, and when a motion has been made and seconded by a Director, Unless a Director is only asking a question, Directors will indicate at the beginning of their remarks if they speak for or against the pending motion.
2. Generally, the motion initiating discussion should be made by the Director requesting the item to be placed on the agenda.
3. Directors shall:
  - a) Cooperate to keep their remarks on the topic of a motion,
  - b) Speak to each other,
  - c) Not personally address the live audience or the television/virtual audience, and
  - d) Avoid repetition of points already made, or repeating their own previous remarks on a motion.
4. If a Director violates the standards set forth in these Rules, the Chair may remind the Director of the standard being violated, and will then request the Director to bring their comments into compliance. In the event a Director continues to violate these Rules, the Board may proceed pursuant to subpart H.II herein.
5. Motions may be amended in at least two ways:
  - a) A motion, after receiving a second, may be amended by a motion,

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<sup>2</sup> Emergency Defined. An emergency is defined as "circumstances that could not have been reasonably foreseen by the board, that require immediate attention and possible action by the board, and that, of necessity, make it impracticable to provide notice." (Civ. Code §4930(d)(1).)



which motion must also receive a second and a majority vote.

- b) A motion may also be amended by a “friendly amendment” in which the author of the original motion consents to a proposed amendment to the motion. If the second also consents, the motion is amended and deliberations continue on the motion as amended.

**L. Board Comments During Meetings**

1. The comments of Directors, staff, or Mutual consultants during Board or Committee Meetings are not comments of the Mutual, and only the speaker’s opinions.
2. The position of the Mutual is only that expressed in Motions or Resolutions which are adopted by the Board of Directors.

**M. Chair**

1. The Chair shall be the President of Third, if present at the meeting, unless the Chair passes the gavel temporarily to the First Vice President. If the First Vice President is unavailable, then the Second Vice President may serve as Chair. If neither the President, First or Second Vice President are in attendance, then the Secretary or Treasurer may serve as Chair.
2. The Chair may discuss and vote on any motion, unless the Chair recuses itself.
3. If the Chair wishes to make a motion, the Chair shall pass the gavel to the First Vice President or next Officer in succession until deliberation of the motion is concluded by a vote on the motion.
4. The Chair shall be entrusted with the orderly progress of the Board’s deliberations. In the event the Chair perceives that deliberations have ceased to move the discussion forward (either because unanimity already exists; debate has become repetitive or otherwise unduly lengthy; positions on a motion have become clear; or because the Board is not ready to decide on the matter), the Chair shall call for a motion to close debate, or a motion to table the matter.
5. The relationship between the Board and Chair should be one of mutual respect. The Board should give respect and deference to the Chair’s leadership in moving deliberations forward, while the Chair should give respect and not request a conclusion to deliberations of a matter if the Board majority wishes to continue deliberation of a topic.
6. Any Director also may move the previous question, which is not debatable, and requires a two-thirds vote to conclude deliberations so that the matter being deliberated may be voted upon.

**III. EXECUTIVE SESSION**

**A. Purpose of Executive Session**

Executive Session meetings allow the Board of Directors to address issues of sensitive nature, which may involve attorney client privilege or other privacy

rights. It is important that all information discussed and disclosed at these sessions remain private.

The Board may meet in Executive Session only on the following subjects:

1. Litigation or threatened litigation.
2. Contract negotiations.
3. Member disciplinary hearings (i.e.: imposing fines or other penalties).
4. Hearings on Mutual reimbursement claims against a Member
5. Member's proposal of a payment plan for delinquent assessments.
6. Member Requested Hearing (i.e. the member wants a decision from the Board for an exception to the governing documents)
7. Meet and Confer/Internal Dispute Resolutions
- ~~6-8.~~ Voting on the decision to foreclose upon an assessment lien.
- ~~7-9.~~ Personnel issues.

Subsequent Board minutes will contain a general note of the actions taken.

**B. Confidentiality Agreement**

To protect Third and its Members, each Director shall annually sign a confidentiality agreement before attending and participating in Executive Session meetings. A Director who refuses to do so will not be permitted to attend Executive Session meetings, and legal counsel will not copy that Director on confidential communications, nor participate in legal advice discussions with that Director present.

**C. Procedure for Setting**

The notice for a meeting which is solely an Executive Session meeting must be posted in the Clubhouse kiosks, community center bulletin board and on the website two days in advance, unless it is an emergency Executive Session meeting.

The notice should state that the only item of business to come before the Board will be held in Executive Session and that no issues will be discussed in open session.

**D. Agenda Packets**

Due to the sensitive nature of the subjects discussed in closed session, Directors will return their Executive Session agenda packets to management staff immediately upon adjournment of the meeting, or when they depart from the meeting, whichever occurs first. The Secretary, Treasurer and Committee Chair and Co-chair may retain the agenda packet. Executive session agenda packets will not be distributed to Directors in electronic form.

**IV. CLOSED SESSION HEARINGS**

The Mutual conducts its disciplinary hearings, ~~and~~ reimbursement claim hearings, Member Requested Hearing and Meet and Confer/Internal Dispute Resolutions in closed session. The following rules are to inform both Member(s) and Directors regarding how these hearings are conducted.

A. Notification

If the Mutual is considering discipline or pursuing a reimbursement claim against a Member, it will first provide written notification to the Member, of a hearing to be held by the Board to consider the matter, at least ten days after the date the notification is sent to the Member. The notification will inform the Member the nature of the alleged violation or reimbursement claim.

If the member submits a written request for Member Requested Hearing with the Mutual. The purpose of a Member Requested Hearing is to allow the member to request an exemption to the governing documents or has a request that may not specifically be covered by the governing documents. The Mutual will send written notification to the Member, of a hearing to be held by the Board to consider the matter.

B. Attendance

A Member being considered for discipline or a reimbursement claim may attend the hearing to address the Board regarding whether the Board should impose discipline or pursue reimbursement. The Member may bring written witness(es) statements. The Member may not bring legal counsel to Executive Hearings Committee meeting only the regular closed session Board meeting. At the discretion of the Chair the alleged party may attend the hearing. The Member being considered for discipline or reimbursement claim may not observe the Board's deliberation of the matter. A Member may provide a written statement as a substitute for personally appearing at the hearing.

A complaining Member may provide a written statement to the Board. The complaining Member will not be permitted to hear the Board's deliberation or the presentation by the Member being considered for discipline.

C. Addressing the Board

A Member being considered for discipline or reimbursement claim may speak to the Board for a maximum of five minutes of uninterrupted time. Then the Board will have five minutes to ask questions for a total of 10 minutes. If a Member brings supporting documentation, it is suggested the Member bring one copy for staff, one copy for Mutual legal counsel, and 11 copies for the Board. If a Member brings supporting witnesses and/or alleged party, an additional five minutes can be added to the Member's time.

Members addressing the Board should be prepared and organized for the hearing, to maximize their allotted time.

The Member Requested Hearing may speak to the Board for a maximum of 10 minutes of uninterrupted time. The Board will have 10 minutes to ask questions. Then the Member and Board will have a 10 minutes discussion on the Member's request for a total time of 30 minutes. If a Member brings supporting documentation, it is suggested the Member bring two copy for staff, and 4 copies for the Board.

D. The Board's Decision

The Board will notify the Member being considered for discipline or reimbursement claim or Member Requested Hearing within fifteen (15) days of the hearing. The Board will not notify other Members of the Board's decision, which shall remain confidential.



**RULES FOR BOARD MEETINGS**  
**Resolution 03-24-XX; Amended [date]**

**I. INTRODUCTION**

Successful, efficient and orderly Board meetings benefit everyone in the community. Manor owners (“Members”) have the right to observe the open board meetings and are encouraged to attend, but meetings which are disorderly or too long can be discouraging.

These Rules inform both Director and non-Director as to what is expected of all attending Board meetings, and how meetings are conducted. The goal is orderly and efficient meetings, protection of Owners’ right to observe productive deliberations, and enhancement of the governance and the membership experience in Third Laguna Hills Mutual (“Third”).

**II. BOARD MEETINGS**

**A. Regular Board Meetings**

Notice of the date, time and location of regular Board meetings will be provided by posting in the Clubhouse kiosks and the community center bulletin board and on the web site a minimum of four days before the meeting is to take place. Board meetings are open to all Mutual Members to attend and observe. Non-Members may attend only at the discretion of the Board of Directors.

Normally, regular Board meetings are held in the morning on the third Tuesday of each month. However, four days posted advance notice is always given of all open Board meetings except in case of emergency. Regular Board meetings are normally held in the Board Room on the ground floor of the Community Center at 9:30 a.m., in accordance with Civil Code § 4920. Notice of Board Meetings.

**B. Special Meeting or Altering Location, Date or Time**

If a special Board meeting is called or if the location, date or time of a Board meeting is to be changed, all Members will be notified at least four days prior to the meeting by posting in the Clubhouse kiosks and the community center bulletin board and on the web site. In an emergency, the President or any two Directors may call for a Board meeting on shorter notice, in accordance with Civil Code § 4923. Emergency Board Meetings

**C. Attendance**

Members may attend Board meetings, but Executive Session meetings are

closed. **A “Member” is not a tenant, guest, family, or legal counsel of the Member.**

**D. Agendas**

1. **Preparation.** Agendas are prepared by the President<sup>1</sup>, in cooperation with management staff. At least one week prior to a Board meeting, the President will inquire if any Director requests inclusion of an agenda item. The Chair may also call a Board meeting for the purpose of setting the regular Board meeting agenda.
2. **Request for inclusion.** A Director may request an item be included in an agenda, by submitting the action requested and an explanation of the reason for the request. A Director requesting an agenda item is responsible to present that item to the Board with supporting information if the item is included in the agenda.
3. **Rejected agenda items.** The Chair with the assistance of Management Staff shall include a requested item in the agenda unless the item:
  1. Has no suggested action;
  2. Is redundant with an item already on the agenda or was addressed in a Board meeting in the previous three months;
  3. Must be discussed in Executive Session;
  4. Would make the agenda unduly lengthy (and so will be on the next agenda);
  5. Is sent first to a committee for recommendation; or
  - f) Is, based on the advice of legal counsel, proposing action barred by law.
4. **Board request for agenda item.** Notwithstanding the foregoing, if an agenda item is requested in writing or by electronic mail by at least six Directors, the Chair shall include it in the Agenda for the open meeting or the Executive Session meeting, depending upon the item.
5. **Member Request for Agenda Item.**
  - a) A Member may request the President in advance that a topic be added to the agenda, but the President with the assistance of Staff will determine whether a requested topic will be included in the agenda.
  - b) A topic will also be added to the agenda if at least one week prior to the scheduled Board meeting, the Chief Executive Officer (CEO) or Staff receives a petition signed by at least twenty five different Members entitled to vote.
  - c) The requested agenda topic must still meet the standards of Rule IID.3 above.

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<sup>1</sup> Any action to be taken by the President may be taken by the First Vice President or the next officer in order as stated in the By-laws if the President is unable to attend or participate.

- d) A Member who has requested an agenda item which is placed on the agenda (“Requesting Member”), may speak to the item during Open Forum, or at the election of the Chair, may present the topic to the Board immediately before the Board begins its deliberation of the item (assuming there is a Motion from the Board after the Requesting Member speaks). The Requesting Member may speak on the matter for up to five minutes. Only one person may be considered the “Requesting Member” for the purpose of addressing the Board. The Board may by motion give the Requesting Member more time to speak.
6. **Publication, agenda packets.** Agendas will be published at least four days prior to any non-emergency Board meeting. The Board will receive a board packet (also referred to as “agenda package”), prepared by management staff, at least four days prior to the meeting, and may be transmitted electronically upon request. To make the meeting more efficient, Directors should read the board packet prior to arriving at the meeting.
7. **No discussion of matters not disclosed on agenda.** The Board may not discuss subjects which are not on the agenda unless the matter is determined by a majority of the Board to involve an emergency, or unless the matter arose prior to the meeting but after the agenda was published and at least eight Directors concur that the matter requires immediate action.

**Sample agenda.** The following is a typical Agenda:

1. Call Meeting to Order
2. Pledge of Allegiance
3. Approval of the Agenda
4. Approval of the Minutes
5. Report of the Chair
6. Update of VMS Board -
7. Open Forum (Three Minutes per Speaker)
8. Responses to Open Forum Speakers
9. CEO Report
10. Consent Calendar
11. Unfinished business
12. New Business
13. Third Mutual Committee Reports
14. GRF Committee Highlights
15. Future Agenda Items
16. Director’s Comments
17. Recess
18. Adjournment

**E. Committees: Reports, Meetings**

1. If the Bylaws provide for standing committees or if the Board from time to time establishes committees, committee reports may be submitted to the Board prior to the meeting for review. If the committee recommends any Board action, the report should also indicate the reasons it is recommended. If possible, the committee Chair or a Member of the committee should present the report.
2. A committee consisting of six or more Directors, or including at least six Directors in its roster, shall conduct its meetings in the same manner as a Board meeting, with agendas, minutes, Open Forum, and in compliance with all other requirements applicable to Board meetings.
3. A committee consisting of both Directors and non-Directors but which has less than six Directors may, but is not required to, conduct its meetings in the same manner as a Board meeting, but shall prepare and submit a report to the Board prior to the agenda publication, including any recommended action.
4. Any committee reports will be included in the board packets if they are timely submitted. Committee reports which do not contain a request for action will be noted in the minutes as “received.”
5. A committee request for action shall be placed by the Chair or staff on the agenda, so long as it complies with Rule D.3.
6. Directors, upon presentation of a committee report, may ask questions about the report, but may not deliberate about the report unless that subject was timely placed on the agenda for deliberation and possible action in that meeting.

**F. Open Forum**

The Open Meeting Act, Civil Code §§4900-4950, provides that Board meetings are open to Members. A “meeting” under the law is “a congregation of a majority of the Members of the board at the same time and place to hear, discuss, or deliberate upon any item of business that is within the authority of the board.” The Board thus may not exclude Members from attending, absent discipline imposed as provided herein. The only exception is for Executive Session as discussed further below.

1. **Time for Open Forum.** Open Forum will normally occur at the beginning of the Board meeting. The agenda may also provide for a second Open Forum time at the end of the agenda. The Board may by motion re-open Open Forum on a specific agenda item, or reschedule Open Forum within the agenda.



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  - a) A motion, after receiving a second, may be amended by a motion, which motion must also receive a second and a majority vote.

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<sup>2</sup> Emergency Defined. An emergency is defined as "circumstances that could not have been reasonably foreseen by the board, that require immediate attention and possible action by the board, and that, of necessity, make it impracticable to provide notice." (Civ. Code §4930(d)(1).)

- b) A motion may also be amended by a “friendly amendment” in which the author of the original motion consents to a proposed amendment to the motion. If the second also consents, the motion is amended and deliberations continue on the motion as amended.

**L. Board Comments During Meetings**

1. The comments of Directors, staff, or Mutual consultants during Board or Committee Meetings are not comments of the Mutual, and only the speaker’s opinions.
2. The position of the Mutual is only that expressed in Motions or Resolutions which are adopted by the Board of Directors.

**M. Chair**

1. The Chair shall be the President of Third, if present at the meeting, unless the Chair passes the gavel temporarily to the First Vice President. If the First Vice President is unavailable, then the Second Vice President may serve as Chair. If neither the President, First or Second Vice President are in attendance, then the Secretary or Treasurer may serve as Chair.
2. The Chair may discuss and vote on any motion, unless the Chair recuses itself.
3. If the Chair wishes to make a motion, the Chair shall pass the gavel to the First Vice President or next Officer in succession until deliberation of the motion is concluded by a vote on the motion.
4. The Chair shall be entrusted with the orderly progress of the Board’s deliberations. In the event the Chair perceives that deliberations have ceased to move the discussion forward (either because unanimity already exists; debate has become repetitive or otherwise unduly lengthy; positions on a motion have become clear; or because the Board is not ready to decide on the matter), the Chair shall call for a motion to close debate, or a motion to table the matter.
5. The relationship between the Board and Chair should be one of mutual respect. The Board should give respect and deference to the Chair’s leadership in moving deliberations forward, while the Chair should give respect and not request a conclusion to deliberations of a matter if the Board majority wishes to continue deliberation of a topic.
6. Any Director also may move the previous question, which is not debatable, and requires a two-thirds vote to conclude deliberations so that the matter being deliberated may be voted upon.

**III. EXECUTIVE SESSION**

**A. Purpose of Executive Session**

Executive Session meetings allow the Board of Directors to address issues of sensitive nature, which may involve attorney client privilege or other privacy rights. It is important that all information discussed and disclosed at these

sessions remain private.

The Board may meet in Executive Session only on the following subjects:

1. Litigation or threatened litigation.
2. Contract negotiations.
3. Member disciplinary hearings (i.e.: imposing fines or other penalties).
4. Hearings on Mutual reimbursement claims against a Member
5. Member's proposal of a payment plan for delinquent assessments.
6. Member Requested Hearing (i.e. the member wants a decision from the Board for an exception to the governing documents)
7. Meet and Confer/Internal Dispute Resolutions
8. Voting on the decision to foreclose upon an assessment lien.
9. Personnel issues.

Subsequent Board minutes will contain a general note of the actions taken.

**B. Confidentiality Agreement**

To protect Third and its Members, each Director shall annually sign a confidentiality agreement before attending and participating in Executive Session meetings. A Director who refuses to do so will not be permitted to attend Executive Session meetings, and legal counsel will not copy that Director on confidential communications, nor participate in legal advice discussions with that Director present.

**C. Procedure for Setting**

The notice for a meeting which is solely an Executive Session meeting must be posted in the Clubhouse kiosks, community center bulletin board and on the website two days in advance, unless it is an emergency Executive Session meeting.

The notice should state that the only item of business to come before the Board will be held in Executive Session and that no issues will be discussed in open session.

**D. Agenda Packets**

Due to the sensitive nature of the subjects discussed in closed session, Directors will return their Executive Session agenda packets to management staff immediately upon adjournment of the meeting, or when they depart from the meeting, whichever occurs first. The Secretary, Treasurer and Committee Chair and Co-chair may retain the agenda packet. Executive session agenda packets will not be distributed to Directors in electronic form.

#### **IV. CLOSED SESSION HEARINGS**

The Mutual conducts its disciplinary hearings, reimbursement claim hearings,

Member Requested Hearing and Meet and Confer/Internal Dispute Resolutions in closed session. The following rules are to inform both Member(s) and Directors regarding how these hearings are conducted.

A. Notification

If the Mutual is considering discipline or pursuing a reimbursement claim against a Member, it will first provide written notification to the Member, of a hearing to be held by the Board to consider the matter, at least ten days after the date the notification is sent to the Member. The notification will inform the Member the nature of the alleged violation or reimbursement claim.

If the member submits a written request for Member Requested Hearing with the Mutual. The purpose of a Member Requested Hearing is to allow the member to request an exemption to the governing documents or has a request that may not specifically be covered by the governing documents. The Mutual will send written notification to the Member, of a hearing to be held by the Board to consider the matter.

B. Attendance

A Member being considered for discipline or a reimbursement claim may attend the hearing to address the Board regarding whether the Board should impose discipline or pursue reimbursement. The Member may bring written witness(es) statements. The Member may not bring legal counsel to Executive Hearings Committee meeting only the regular closed session Board meeting. At the discretion of the Chair the alleged party may attend the hearing. The Member being considered for discipline or reimbursement claim may not observe the Board's deliberation of the matter. A Member may provide a written statement as a substitute for personally appearing at the hearing.

A complaining Member may provide a written statement to the Board. The complaining Member will not be permitted to hear the Board's deliberation or the presentation by the Member being considered for discipline.

C. Addressing the Board

A Member being considered for discipline or reimbursement claim may speak to the Board for a maximum of five minutes of uninterrupted time. Then the Board will have five minutes to ask questions for a total of 10 minutes. If a Member brings supporting documentation, it is suggested the Member bring one copy for staff, one copy for Mutual legal counsel, and 11 copies for the Board. If a Member brings supporting witnesses and/or alleged party, an additional five minutes can be added to the Member's time.

Members addressing the Board should be prepared and organized for the hearing, to maximize their allotted time.

The Member Requested Hearing may speak to the Board for a maximum of 10 minutes of uninterrupted time. The Board will have 10 minutes to ask questions. Then the Member and Board will have a 10 minutes discussion on the Member's request for a total time of 30 minutes. If a Member brings supporting documentation, it is suggested the Member bring two copy for staff, and 4 copies for the Board.

D. The Board's Decision

The Board will notify the Member being considered for discipline or reimbursement claim or Member Requested Hearing within fifteen (15) days of the hearing. The Board will not notify other Members of the Board's decision, which shall remain confidential.