



## **CO-OCCUPANCY POLICY**

Resolution 03-19-115, Adopted November 19, 2019

### **I. Purpose**

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

### **II. Definitions**

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

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

**III. Fees**

See Schedule of Fees.

**IV. Terms and Conditions**

a. General Information

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

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

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

- x. Member(s) shall be responsible for cancelling the Co-occupancy status and returning Co-occupant's ID Card and Vehicle Decal when Co-occupant ceases to reside in the Unit. Use by the Member of a Co-occupant ID Card and/or Vehicle Decal after the termination of residency by the Co-occupant shall be a violation of this Policy and subject to disciplinary action by Third.
- xi. Co-occupant shall not have been convicted of a felony within the last 20 years or a misdemeanor involving moral turpitude within five years immediately preceding the date of application. Approval granted due to false or misleading information on a Co-occupancy Application shall be subject to immediate revocation by Third of the Co-occupant's residency and disciplinary action against the Member in accordance with Third's enforcement policies and procedures.

**V. Procedure**

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

**VI. Enforcement**

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

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

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

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

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