



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

**Tuesday, September 22, 2020 – 9:30 A.M.  
VIRTUAL MEETING  
Laguna Woods Village Community Center  
24351 El Toro Road**

**AGENDA**

- |   |              |
|---|--------------|
| 1. Call to Order                                | Lynn Jarrett |
| 2. Acknowledgment of Media                      | Lynn Jarrett |
| 3. Approval of the Agenda                       | Lynn Jarrett |
| 4. Approval of Meeting Report for July 29, 2020 | Lynn Jarrett |
| 5. Chair's Remarks                              | Lynn Jarrett |
| 6. Member Comments (Items Not on the Agenda)    | Lynn Jarrett |

Laguna Woods Village owner/residents are welcome to participate in committee meetings and submit comments or questions regarding virtual committee meetings using one of two options:

- a. 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.
- b. By calling (949) 268-2020 beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and manor number.

**Reports:**

None

**Items for Discussion and Consideration:**

- |  |                  |
|--|------------------|
| 7. BBQ Rules & Regulations   | Blessilda Wright |
| 8. Qualifications for Lease Authorization Permit/ Lease Cap & Waiting List Rules | Pamela Bashline  |
| 9. Guest Limit   | Blessilda Wright |
| 10. Rules For Board Meetings   | Lynn Jarrett     |

**Items for Future Agendas:**

None

**Concluding Business:**

11. Committee Member Comments
12. Date of Next Meeting – To Be Determined
13. Adjournment

Lynn Jarrett, Chair  
Blessilda Wright, Staff Officer  
Telephone: 597-4254





**OPEN MEETING**

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

Tuesday, July 29, 2020 – 9:30 a.m.

**VIRTUAL MEETING**

Laguna Woods Village Community Center, Board Room – 24351 El Toro Road

**MEMBERS PRESENT:** Lynn Jarrett, Chair, Steve Parsons, Ralph Engdahl, Robert Mutchnick and Reza Karimi

**MEMBERS ABSENT:** None

**ADVISORS PRESENT:** Stuart Hack

**ADVISORS ABSENT:** None

**STAFF PRESENT:** Blessilda Wright, Carlos Rojas, Pamela Bashline, Paul Nguyen, and Debbie Ballesteros

**CALL TO ORDER**

Lynn Jarrett, Chair, called the meeting to order at 9:31 a.m.

**ACKNOWLEDGEMENT OF PRESS**

The Media was not present.

**APPROVAL OF AGENDA**

Director Mutchnick made a motion to approve the agenda as presented. Director Parsons seconded the motion.

By unanimous vote, the motion carried.

**APPROVAL OF MEETING REPORTS**

Director Mutchnick made a motion to approve the June 30, 2020 meeting report as presented. Director Parsons seconded the motion.

By unanimous vote, the motion carried.

**CHAIRMAN'S REMARKS**

Chair Jarrett stated the Designate the Building as Non-Smoking Policy was placed on 28 day review and expects questions from residents at the next regular Third Board Meeting. She also commented that the committee will review the decal limit; a speaker from OCFA is expected to attend the meeting as BBQ Rules needs to be adopted to lower insurance cost; and look into tightening the Guarantor requirements.

## **MEMBER COMMENTS ON NON-AGENDA ITEMS**

None

## **REPORTS**

None

## **ITEMS FOR DISCUSSION AND CONSIDERATION**

### **Parking Rules (Decal Limits)**

The Committee discussed the Parking Rules (Decal Limits). The Committee commented and asked questions.

The Committee directed staff to send this matter to the Parking & Golf Cart Task Force to address change to the decal limit.

### **BBQ Rules & Regulations**

The Committee reviewed and discussed BBQ Rules & Regulations. The Committee commented and asked questions.

The Committee tabled this matter for the next meeting.

Carlos Rojas, Chief of Security, left the meeting at 10:43 a.m.

### **Rules for Board Meetings**

Blessilda Wright, Compliance Supervisor, presented the Rules for Board Meetings. The Committee commented and asked questions.

Director Mutchnick made a motion to approve Rules for Board Meetings with changes. Advisor Hack, second the motion.

By consensus, the motion carried.

### **Guarantors**

Pamela Bashline, Community Services Manager presented Guarantors Policy. The Committee commented and asked questions.

By consensus, the Committee approved increasing the annual income to \$150,000 and forward to the Finance Committee for review and consideration.

### **Financial Requirements (Multiple Units)**

The Committee reviewed and discussed Financial Requirements (Multiple Units) . The Committee commented and asked questions.

The committee took no action.

## **ITEMS FOR FUTURE AGENDAS**

- Lease Cap and Waiting list Rules

- Qualification for Lease Authorization Permit
- Guest Limit

### **CONCLUDING BUSINESS**

#### **Committee Member Comments**

Director Mutchnick stated it was a good meeting.

#### **Date of Next Meeting**

The next meeting is scheduled for Tuesday, August 25, 2020 at 9:30 a.m. as a virtual meeting.

#### **Adjournment**

With no further business before the Committee, the Chair adjourned the meeting at 11:36 a.m.



L J Jarrett (Aug 3, 2020 13:50 PDT)

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Lynn Jarrett, Chair  
Third Laguna Hills Mutual





## STAFF REPORT

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**DATE:** September 22, 2020  
**FOR:** Resident Policy & Compliance Task Force  
**SUBJECT:** Barbeque Grill Rules & Regulations

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### **RECOMMENDATION**

Adopt Barbeque Grill Rules & Regulations.

### **BACKGROUND**

Third Laguna Hills Mutual's ("Third") members are currently directed to follow the guidelines for barbeque grill use and safety provided by the Orange County Fire Authority ("OCFA") and the City of Laguna Woods.

The guidelines include the following:

What is allowed in the Village?

- Electric Grills
- Propane grills with a container capacity no more than 2.5 pounds
- Grills that are stored in a safe manner and do not obstruct walkways

What is *not* allowed?

- Use of grills on balconies and decks
- Use of grills within 10 feet of buildings or combustible material
- Propane grills with a container larger than 2.5 pounds\*
- Use of a grill that creates a nuisance (excessive smoke or odor) to neighboring units.

\* an adapter can be purchased to convert to the smaller tank.

In addition to the above items, please follow the safety tips below when operating a BBQ grill:

- Follow the manufacturer instructions
- Fasten the propane tank securely to the grill
- Place your grill on a level surface so it will not topple over
- Light your grill with the top open
- Supervise the grill when in use and keep everyone away, including pets
- Use long-handled tools especially made for cooking on the grill
- Do not wear a loose apron or loose clothing while grilling, and always wear shoes
- Thoroughly clean grill after each use
- Keep a fire extinguisher nearby
- Always use or store cylinders outdoors in an upright (vertical) position

In the last five years there have been four fires started by barbeque grills; two in the past two months. Only one of the incidents required Third's insurance company to be involved. Since 2011, the Compliance Division has mailed seven disciplinary letters regarding nuisance violations caused by the use of barbeque grills.

## **DISCUSSION**

The purpose to adopt Barbeques Grill Rules & Regulations is to provide guidelines on the use of barbeque grills. It would require members in multi-story units to use grills on common area. This can be a liability for Third if the member leaves the grill unattended during use while in common area.

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

**Reviewed By:** Francis Gomez, Operations Manager  
Dan Yost, Risk Manager

## **ATTACHMENT(S)**

Attachment 1: Resolution 03-20-XX, Barbeque Grill Rules & Regulations

Attachment 2: Barbeque Grill Rules & Regulations





**Barbeque Rules & Regulations**  
**Resolution 03-20-XX; Adopted August XX, 2020**  
**9-1-2020 version**

**I. Purpose**

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

**II. Definitions**

For the purposes of this policy:

- a. Barbeque Grills are devices that cook food by applying heat from below. There are three categories of grills common for residential use:
  - Gas-fueled grills typically use LPG (propane or butane) or natural gas as a fuel source and are known as an "open flame" source.
  - Charcoal grills typically use charcoal briquettes or natural lump charcoal as the fuel source. When burned the charcoal will transform into embers radiating the heat source. This is also known as an "open flame" source.
  - Electric grills typically use an electric element to supply a constant heat source and with no open flames.
- b. Common Area means the area which is available for use by more than one person.
- c. Community Rules are defined as the Articles of Incorporation, Bylaws, the recorded Covenants, Conditions, and Restrictions (CC&Rs); and any rules and regulations adopted by Third.
- d. Any reference to the "Governing Documents" shall, for purposes of this Policy, be deemed a reference to the Community Rules set forth in this definition.
- e. Enclosed Area is defined as an area closed in by roof and contiguous walls or windows, connecting floor to ceiling with appropriate opening for ingress and egress.
- f. Member is defined as any person entitled to membership in Third.
- g. Multi Story-Unit Residential Facility means a building or portion thereof that contains more than one story of dwelling units.
- h. Nuisance reference Nuisance Policy (We should cite the specific reference, resolution # or....)
- i. Private residence is defined as that portion of any Condominium which is not owned in common with other owners.
- j. Combustible material includes materials made of or surfaced with wood, plastic compressed paper or other material that will ignite and burn. These materials shall be considered as combustible even though flameproofed, fire-retardant treated.

**III. General Rules for all Bar-B-Ques**

- a. Hot Bar-B-Cue units may be left in place where used until cool.
- b. Bar-B-Cue units must be used and stored so as not to block walkways.
- c. Bar-B-Que procedures must not cause excessive smoke or offensive odor or be a nuisance to neighboring residents.
- d. Open flame grills (including charcoal fired units-?) are not to be used in multi-story buildings. Only electric grills are permitted in multi-storied buildings.
- e. (Should we allow charcoal fired grills at all, given potential health risks and smoke it emits?) <https://www.thoughtco.com/backyard-barbecues-bad-for-your-health-1203996>

**IV. Rules specific to “open flame” Bar-B-Que units (gas, LPG propane and charcoal)**

- a. Active open flame units (gas, LPG, propane (and charcoal?)) must be located at least 10 feet from combustible material as defined above.
- b. Active open flame units, (including charcoal fired units?) must not be located under roof eaves, combustible patio covers or similar overhead coverings.
- c. Active open flame units (gas, LPG, propane) may not be used in an Enclosed Area.
- d. Spent charcoal and ash must be properly deposited in acceptable trash receptacles but only when thoroughly cooled. No glowing coals. (If we prohibit charcoal grills, this is no longer an issue.)
- e. Gas Bar- B-Que tanks shall contain no more than 15 pounds net weight of propane.

(I realize that this can be a contentious matter since the county code specifies 5-pound cylinders maximum. However, there seems to be a disconnect between the county requirement and actual reality. Amerigas refills the nominal 20-pound tanks (which actually contain net weight of 15 pounds of propane) and which are sold by Home Depot on an exchange basis. These are the tanks all the residential Bar-B-Que units are designed to hold securely. Yes, smaller refillable 5-pound tanks are available but as far as I know only on special order but finding a refill facility may be a problem. These tanks and smaller non-refillable 16-ounce (1-pound) tanks utilized in camping gear such as that made By Coleman and marketed by Home Depot can be can be adapted by adding necessary valves , regulators etc. but I have not seen any ready-made hardware available to mount them physically and securely to the typical home Bar-B-Que units. This would leave mostly inexperienced owners either neglecting this feature or building their own “Rube Goldberg” device. By the way, Amerigas and Home Depot do not deal in refillable tanks less than the nominal 20-pound size. Neither does any other refiller of which I am aware. )

( I spoke with the Amerigas deliveryman at Home Depot, and he referred to their exchange tanks as a “5 gallon” size (a common but incorrect

terminology). I suspect this to be a source of confusion in size designation. 5-gallon in place of 5-pound. The nominal 20-pound tank is only slightly smaller than a 5-gallon gasoline can.)

## **V. Safety Tips**

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

## **VI. Enforcement**

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

The Member is entirely responsible for ensuring that the rules, regulations, and policies are followed by anyone they allow into the community. This includes any Co-occupant, lessee, guest, care provider, vendor, invitee or contractor.

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





## **RESOLUTION 03-20-XX**

### **Barbeque Grill Rules & Regulations**

**WHEREAS**, the Resident Compliance & Policy Committee has recognized the need to adopt a Barbeque Grill Rules & Regulations to set forth guidelines for the use of barbeque grills;

**NOW THEREFORE BE IT RESOLVED**, on XXX, XX, 2020, the Board of Directors of this Corporation hereby adopts the Barbeque Grill Rules & Regulations, as attached to the official minutes of this meeting; and

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





## **Application for Lease Permit Checklist**

\_\_\_Please provide a copy of the executed lease agreement between the Member and Lessee for the current year. (Separate from this application, it is the Member's responsibility to execute a lease agreement, not included within this package, and not provided by Laguna Woods Village Leasing office.)

The information provided must be legible for digital imaging.



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## Lease Authorization Policy Contents

	Page
Section I – Purpose .....	4
Section II – Definitions .....	4
Section III – Fees .....	6
Section IV — Terms and Conditions .....	7
A. General Information .....	7
B. Charges .....	8
C. Assignment of Rents.....	9
D. ID Cards and Privileges .....	10
E. Occupancy.....	10
F. Move In/Move Out and Bulky Items Delivery/Pickup .....	12
G. Alteration, Repairs and Maintenance .....	12
H. Insurance.....	13
I. Rights and Remedies .....	14
J. Enforcement .....	15
K. Exhibit A – Asbestos Disclosure Notice .....	17
L. Exhibit B – Notice of Assignment of Rents .....	19
M. Exhibit C – Lease Authorization Procedure and Application .....	20
N. Contact Information Form & Emergency Notification Record .....	27
O. Declaration Regarding Criminal Record .....	31
P. Declaration of Understanding .....	35

**To view this lease authorization policy and application package online, visit**

[lagunawoodsvillage.com](http://lagunawoodsvillage.com) and click on Neighborhoods→Sales & Leasing→Third Laguna Hills→Lease Policy and Application Package

**Lease Policy**  
**Resolution 03-19-93**  
Adopted September 17, 2019

**I. Purpose**

Third Laguna Hills Mutual (Third) authorizes Members, as defined in the CC&Rs, to lease their Manors. Any lease by a Member automatically transfers the right to use the Community Facilities from the Member to the Lessee (Bylaws Article 3, Section 3.2 and 3.3).

The purpose of this document is to set forth the Lease Policy; this Lease Policy shall be a governing document of Third and shall be enforceable against all Members.

**II. Definitions**

- A. Agent – Individual employed by Village Management Services Inc. (VMS) authorized to act on behalf of Third.
- B. Application – The Lease Authorization form prescribed by Third to apply for approval to lease a Manor (Exhibit C).
- C. Approval – Written authorization to lease a Manor in the Community granted by the Third Board or authorized VMS staff member(s).
- D. Assessment – The monthly charge that Third levies against all Members and their Manors and collects monthly pursuant to its Governing Documents.
- E. Charge – Fee, fine and/or monetary penalty that Third and/or GRF may levy upon a Member pursuant to their Governing Documents.
- F. Community – Laguna Woods Village.
- G. Community Rules – The Articles of Incorporation and Bylaws of Third, the recorded Covenants, Conditions, and Restrictions (CC&Rs) applicable to any Manor; and any rules and regulations adopted by Third and/or GRF. Any reference to the “Governing Documents” shall, for purposes of this Lease Policy, be deemed a reference to the Community Rules set forth in this definition.
- H. Co-occupant – Any person who seeks to reside with a Qualifying Resident who is approved, in advance, in writing, by the Board of Directors for occupancy and who shall be at least 45 years of age unless such person is the spouse or cohabitant.
- I. Golden Rain Foundation (GRF) – The nonprofit mutual benefit corporation organized to manage and maintain the Community Facilities and services for the Community.

- J. Identification (ID) Card – Photo ID card issued by GRF to Members, Co-occupants, Lessees and private live in Caregivers of the Community authorizing use and access to the Community Facilities.
- K. Lease Authorization Office – Located in the Resident Services Department in the Community Center, which ensures that a Lease Application comports with the Governing Documents.
- L. Lease Authorization Extension – Parties to the lease may request an extension of time at the end of the lease authorization period if the original period is shorter than 12 months, subject to the Board of Director’s prior written approval.
- M. Lease Authorization Renewal – Parties to the lease authorization may request a renewal no more than 60 days prior to the end of the 12-month period.
- N. Lessee – Individual who leases a Manor from a Member.
- O. Manor – A residential condominium unit in Third.
- P. Member – A person who has been approved by Third as being entitled to membership in Third and has an appurtenant right of membership in GRF.
- Q. Non-Resident Member – A Member who does not personally reside in the Member’s Manor.
- R. Non-Resident Member Pass – Gate entry pass authorizing a non-resident Member access to the Community for the purpose of inspecting his/her property on an as-needed basis. This pass does not authorize use of or access to the Community Facilities during any lease period.
- S. Owner – Person or persons, partnership or corporation, and the successors and assigns of each of the foregoing, in whom title to a Manor is vested, as shown by the official records of the office of the County Recorder of Orange County, California.
- T. Qualifying Resident – Person who resides in the Manor, is at least 55 years of age and has been approved by the Board of Directors for occupancy in accordance with the provisions of the CC&Rs.

- U. Resident – Person who has been approved by the Board of Directors for occupancy.
- V. Rush – Application submitted fewer than 10 business days before the lease effective start date.
- W. Village Management Services Inc. (VMS) – Managing agent for Third and GRF.

### III. Fees

Following are the fees associated with this Lease Policy that may be required by Third (the following fees may be changed at any time by Third and such change(s) shall not constitute a rule change to this Lease Policy, which requires notice to the Third Members):

<b>THIRD Fees</b>	
Authorization Processing	\$170
Authorization Rush Fee	\$100
Authorization Renewal (see Section II, M)	\$110
Authorization Extension (see Section II. L)	\$70

<b>GRF Fees</b>	
* Additional Occupant Fee (for each person in excess of two [monthly]. Must be paid in advance for the term of the lease.)	\$100
Non-return of:	
▪ ID Card(s)	\$125
▪ Decal(s)	\$125
▪ Pass(es)	\$25

\* General charge due from all residents, whether or not a lease is in place.

#### IV. Terms and Conditions

##### A. General Information

1. Authorization to Lease (Authorization) shall be effective only when approved in advance, in writing by Third and issued in writing by an authorized VMS staff member(s) of Third; the approval of any Lease shall be limited to the term specified herein. The term may not exceed 12 months subject to Article II Section M above. The copy of a pending and fully executed Lease must be provided to Third prior to the Lessee's move-in to the Member's Manor.
2. Renewal of the Authorization to Lease shall require the prior written approval of Third provided that Third shall not be obligated or have any duty to approve such extension or renewal regardless of a Member or Lessee's circumstances.
3. Third shall, to the extent required by law, provide notice of potential asbestos-containing materials used during construction (Exhibit A). Any changes in the notice in Exhibit A as may be required by law or otherwise shall not be deemed a change to this Lease Policy which requires notice to the Members of Third.
4. Laguna Woods Village is an independent-lifestyle and age-restricted senior citizen housing development (as defined by California Civil Code §51.3). No form of health care or assisted living is provided by Third. Each Resident is responsible for his/her own health, safety, care and welfare, subject to the conditions and restrictions regarding care providers from Third Governing Documents and Third's "Care Provider Policy."
5. Appearance of the Community is important, and Residents are required to keep their balconies, patios, walkways and carports free from clutter, trash and debris per the approved Community Rules and Regulations.
6. Third, GRF and VMS are not parties to the terms of a lease between the Member and Lessee, and will not be involved in resolving any disputes between the Member and Lessee; provided, however that if a Member is in violation of the Community Rules or this Lease Policy, or if a Lessee is violating the Community Rules or this Lease Policy, Third shall have all rights and remedies available to it under the Community Rules and this Lease Policy.
7. The Lease Authorization Office will notify the Member of the Approval/Denial status of the application within 10 business days of its written submittal. A rush fee of \$100 will be imposed by Third on any Member requests for expedited services prior to the routine 10 business days of processing. No representation or warranty is made that Third will be able to complete a Rush Authorization approval request in the Members' requested timeframe.

8. Third has adopted a Non-Smoking Policy and is authorized to take disciplinary action against a Member who is in violation of said Policy including but not limited to a Member's Lessee.
9. **The Member is at all times responsible for the acts or omissions of, without limitation, the Member's Lessee, guest, care provider, vendor, invitee or contractor as well as the guests, care providers, invitees or contractors of the Member's Lessee.**

B. Charges

1. Member and Lessee acknowledge that the Member is obligated to pay Charges and Assessments imposed by GRF and/or Third pursuant to this Lease Policy and the Governing Documents. See Section III of this Lease Policy.
2. The Member may incur additional Charges and fees in connection with facilities and services provided by GRF. Some examples are: golf course fee, room reservation fees and cable services upgrade charges. ALL CHARGES, FEES, FINES, AND ASSESSMENTS ARE SUBJECT TO CHANGE AND ANY SUCH CHANGES SHALL NOT BE DEEMED TO BE A CHANGE IN THIS LEASE POLICY WHICH REQUIRES NOTICE TO THE MEMBERS OF THIRD.
3. Payment for chargeable repair services is the responsibility of the Member who must indicate on the Authorization to Lease application whether Lessee may request such services. In any event, the Member shall be responsible for the chargeable repair services.
4. There is a fee collected by the Lease office to review and process any new/extension/renewal applications, which include, but are not limited to analysis of payment and disciplinary history.
5. An authorized and/or designated VMS staff member(s) for the Third Board of Directors assumes responsibility for obtaining approval and issuing Lessee ID Cards.

C. Assignment of Rents

1. If a Member is delinquent in his or her payment of any GRF and/or Third Charges and/or Assessments, as required under the Governing Documents, Member and Lessee each acknowledge and agree that the Member hereby assigns to and confers upon Third, the right to collect and retain the rent payable by the Lessee and to apply the same to any delinquent Charges and Assessments, as well as any late fees, attorneys' fees, or other costs and expenses permissible by law or the Governing Documents that may be incurred or assessed by Third in connection with the delinquent Assessment and/or GRF and/or Third Charges.
2. Member and Lessee acknowledge and agree that, concurrent with notice in writing to the Member, Third shall be entitled to directly receive the rent by delivering to the Lessee at the Manor a Notice of Assignment of Rents (Exhibit B). Upon receipt of such Notice, the Lessee shall directly forward all payments of rent required under the Lease to Third at the address set forth in the Notice until the Lessee shall receive a second notice to the effect that the Lessee may again resume making rental payments directly to the Member. Any changes in the Notice of Assignment of Rents form in Exhibit B shall not be deemed a change to this Lease Policy which requires notice to the Members of Third.
3. To the fullest extent permitted by law, such payments of rent paid directly to Third shall continue until the delinquent Assessments or Charges and any late fees, attorneys' fees, or other collection costs and expenses incurred by the Member are paid in full. In the event that the payment of rent received by Third is in excess of the amounts owed by the Member, then Third shall refund the difference, less any processing fee(s), to the Member within 30 business days of receipt of such rental payment.
4. Member acknowledges and agrees that the Lessee shall not be in breach of the Lease solely as a result of making rental payments directly to Third, and further that the Member shall not take any other action or avail itself of any other remedies against the Lessee under the Lease or otherwise based on the Lessee's direct payment of rent to Third following receipt of a Notice of Assignment of Rents.
5. Member and Lessee acknowledge and agree that Third shall not have any obligation either to the Member or the Lessee to fulfill the duties of the Member or the Lessee under their Lease, nor shall Third have any obligations to any other third party based on its direct receipt of the rent to cover delinquent Assessments or Charges and associated costs and expenses as set forth above. It is specifically agreed that Third is not and will not be assuming any of the responsibility of the Member or the Lessee to fulfill any of the terms, conditions and covenants between the Member and the Lessee

pursuant to the Lease between the Member and the Lessee, and shall not be deemed to be a landlord or party to a landlord-tenant relationship with Member or Lessee for any reason or at any time.

D. ID Cards and Privileges

1. Lessee ID Cards shall be issued for a period not longer than the duration of the Lease Authorization.
2. Lessee ID cards are not issued until all paperwork required pursuant to this Lease Policy is received and the Application has been approved in advance in writing by Third.
3. Lessee ID cards will be available no sooner than seven days prior to the lease start date unless Third approves a Lease under the Rush standards referenced herein under Article IV, Section A(7).
4. Member acknowledges and agrees that the privileges of membership in GRF are granted and assigned to Lessee for the duration of the Authorization to Lease and the Lease itself; and Member hereby surrenders all Resident ID Card(s) and Resident Decal(s) and the right to such privileges while the Authorization and/or Lease is in effect in accordance with the Governing Documents.
5. Lessee may use the facilities and receive the services made available by GRF to all Members. The facilities and services may be modified or discontinued by GRF at any time.
6. At the end of the Lease Authorization period, the Member is required to return all gate entry passes including ID cards, automobile decals, guest passes, business passes and care provider passes in order to avoid a GRF non-return fee. (See Section III, Fees).

E. Occupancy

1. It is highly recommended that Members obtain/perforM both background and credit checks on new Lessees as well as check references provided by the Lessee to protect such Member's interests, given that the Member will be held responsible for the acts and/or omissions of their Lessees that violate Third's Governing Documents.
2. No person, including but not limited to a Lessee, may reside in a Manor without the prior written approval of the Third Board of Directors or VMS authorized staff member(s). Contact Resident Services Department at 949-597-4600 for any change in residency status.



3. An application to reside in a Manor shall be made on the form prescribed by the Third Board pursuant to Article II, Section 1 of the CC&Rs. The current form is attached hereto as Exhibit C. Any changes in such form shall not be deemed a change in this Lease Policy which requires notice to the Members of Third.
4. Manor leases must be for a period not less than 60 days.
5. Any leases longer than 12 months will require a Lease Authorization to be renewed annually and is subject to the terms and conditions set forth herein.
6. The Manor, together with the parking space assigned to such Manor, must be made available to the Lessee during the entire term of the Lease Authorization.
7. Relatives and other guests may stay overnight for a total of 60 days in any 12-month period. Relatives and guests may not stay in a Manor during the absence of the Qualifying Resident or Co-Occupant.
8. Unless otherwise required by law, the maximum number of persons allowed to occupy a Manor is equal to the number of original construction bedrooms plus one; no more than two persons in a one-bedroom Manor; no more than three persons in a two-bedroom Manor, no more than four persons in a three-bedroom Manor. There is an additional monthly GRF fee for each person in excess of two.
9. The Manor shall be used and occupied solely as a private residential dwelling and for no other purpose.
10. No person shall reside in a Manor, other than those listed on the approved Authorization to Lease.
11. No business or commercial venture may be conducted in the Manor.
12. The Member and/or Lessee shall not assign any interest therein and shall not sublet the Manor or any part thereof or any right or privilege appurtenant thereto, pursuant to a formal agreement or otherwise, or permit any other person to occupy or use the premises or any portion thereof. To assure compliance with these provisions and the other Third governing documents, leases shall not be amended to add additional lessees to an approved lease during the approved lease period.

13. No room rental arrangements or subleases shall be permitted and no Member or lessee may advertise for any room rental or rent-sharing agreement (for example only, listed on Craigslist, Next door or any similar website), nor shall any Member or Lessee be permitted to obtain a Lease Authorization Amendment to amend a lease for the purpose of adding a roommate and/or other Lessees during the term of an Authorization to Lease. Third will not approve any Lease Authorization Amendment submitted for the purpose of adding additional persons to a Lease during the term of a Lease Authorization.
14. No Manor or any portion thereof may be used for vacation rentals or advertised for such use (for example only, listed on Airbnb, VRBO or any similar website), nor may any Manor be leased to a corporate housing company, including any nonprofit housing organization.

F. Move In/Move Out and Bulky Items Delivery/Pickup

1. When moving into the Community, Lessee(s) must break down and stack moving boxes next to trash dumpsters or at curbside for routine pickup.
2. The use of an elevator, when moving into or out of a multi-story building, requires the placement of elevator protection pads, which can be requested by calling the Security Department 949-580-1400. Similarly, individuals are required to order elevator protection pads when arranging for delivery or removal of bulky items, such as furniture.
3. Each Member is responsible for any damage caused by his or her movers or deliveries to the elevator, lobby furniture, common area and/or other Third property.
4. No oversized furniture, appliances, non-broken down boxes or other similar items may be discarded outside of the Manor at any time, except to the extent permitted by the Community Rules.

G. Alteration, Repairs and Maintenance

1. Member(s) are required to obtain prior written approval in advance of construction from Third for any structural alterations to the building or landscape changes. Applications may be obtained from the Resident Services Department. Resident Services is located at the Community Center and may be reached at 949-597-4600.

The Member and Lessee(s) understand that the Manor shall not be altered, repaired or changed without prior written authorization of Member and Third. Unless otherwise provided by written agreement, all alterations, improvements and changes that may be required shall be performed either by or under the direction of Third; shall be the property of Member; and shall remain upon and be surrendered with the Manor.

2. Lessee shall authorize Third, Member and/or their respective authorized VMS staff member(s) to enter into and upon the Manor at all reasonable times for the purposes of (a) inspection, (b) responding to emergencies, (c) maintaining the building in which the Manor is situated and (d) making repairs, alterations or additions to any portion of the common areas or said building, including but not limited to the erection of scaffolding, props or other mechanical devices.

Lessee shall not be entitled to any abatement of rent payable by Lessee hereunder or to any rebate of rent to Lessee or damages for any loss of occupation or quiet enjoyment of the premises on account of any such entry by Third. No landlord-tenant relationship is created by way of Third's need to enter a Manor or perform work to any common areas accessible only through a Lessee's Manor.

#### H. Insurance

1. Lessee's personal property is not insured by Third.
2. Renters' insurance is strongly recommended. (See Section I, Rights and Remedies, Item 1, 2 and 3).

I. Rights and Remedies

1. As a material part of the consideration to be rendered to Member under an Authorization to Lease, Lessee hereby waives, to the maximum extent authorized by law, all claims against Member and Third for damages to personal property in, upon or about said Manor and for injuries to persons in, upon or about said premises from any cause arising at any time.
2. Lessee shall, to the fullest extent permissible by law, hold Member, Third, GRF and VMS harmless from any liability on account of any damage or injury to person or personal property arising from the use of the Manor by Lessee arising from the failure of Lessee to keep the Manor in good condition as provided herein or failure to perform or observe any of Lessee's obligations under this Authorization. Third, GRF and VMS shall not be liable to Lessee for any damage caused by any act or negligence of any other occupant of the same building or by any Member or occupant of adjoining or contiguous property. Without limiting the foregoing, the Member shall at all times be responsible for the acts or omissions of his or her Lessee and shall be liable for any damages or financial expenses incurred by Third as a result of the Lessee's use of the Manor or any other portions of the building in which the Manor is located and/or common areas.
3. The Member and Lessee shall be liable for all damages to the Manor, to the building in which the Manor is located and to the Common Areas of the Community, as well as all damage to other occupants thereof caused by the Member's and/or Lessee's misuse or neglect of the premises, equipment, apparatus or appurtenances. The Member and Lessee also shall be liable for all damage or injury done to the Manor, to the building in which the Manor is located or to the Common Areas by any person who may be in or upon the building, the Manor or the Common Areas with the authorization of the Member and/or Lessee. Without limiting the foregoing, the Member shall be primarily liable for all damages, as described in this paragraph, stemming from the acts or omissions of the Lessee.
4. In the event of any total or partial destruction of the Manor during the term of this Authorization from any cause, the Member is solely responsible, to the fullest extent permitted by law, for terminating this Authorization.
5. In the event that the real property upon which the Manor is located or any part thereof shall be acquired by any public body, agency or other entity having the power of eminent domain, whether by voluntary sale, threat of condemnation or by judgment of a court in condemnation proceedings, the Member is

solely responsible, to the extent permitted by law, for terminating this Authorization.

6. In the event of any breach of this Authorization by the Member and/or Lessee, Third shall have the same rights and remedies to enforce this Authorization as are available to Member hereunder, which may be exercised by Third without regard to any exercise thereof by Member. Additionally, Third shall have the same rights to dispossess the Lessee or otherwise act for the Member as may be necessary or appropriate in the event of any breach of the Authorization or the Lessee's failure to vacate following expiration of the Authorization term. Third shall also have the right to bring an unlawful detainer action against the Member and/or Lessee after proper notice has been given as provided in California Civil Code Section 1946 or any successor statute thereto. Nothing contained in this paragraph or otherwise in this Lease Policy shall be deemed to create a landlord-tenant relationship between Third and the Member or Lessee.
7. Any notice to Member, Lessee or Third shall be given by personal service, electronic document notice, or by registered or certified mail addressed to Member: at the address indicated on the Application; to Lessee: at the Manor; and to Third: P.O. Box 2220, Laguna Hills, CA 92654-2220. There is no mail delivery to the street address.
8. The terms and provisions contained herein shall apply to and bind the heirs, successors, personal representatives and assigns of all of the parties hereto.
9. If any legal action or proceeding is commenced by either party or Third to enforce any part of this policy, the prevailing party shall be entitled to recover, in addition to all other relief, reasonable attorney's fees and costs.

J. Enforcement

Third is authorized to take disciplinary action against a Member whose property may be found in violation of the Lease Policy or the Governing Documents. When a complaint is lodged regarding the occurrence of a violation, the Board of Directors has a fiduciary duty to investigate and impose, if appropriate, Member discipline as set forth in the Governing Documents. The Board has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action. The Member and Lessee are entirely responsible for ensuring that the Community Rules and policies are complied with by anyone they allow into the Community. This includes, without limitation, any co-occupant, lessee, guest, care provider, vendor, invitee or contractor. Disciplinary action suspending or revoking a Member's privileges shall apply to the Member's Lessee, his or her Co-Occupants as applicable, and their guest and invitees.

1. The Member and Lessee must read and agree to comply with and be bound by all the Governing Documents and the Community Rules.
2. Nothing contained herein shall relieve Member of the performance of any obligation owed to Third and/or GRF under the Governing Documents.
3. The Member and/or Lessee is/are responsible for any visitor or guest who violates any Community Rules, and for any Charges or Assessments incurred.
4. Lessee shall be responsible to the Member to promptly pay when due, all charges and fees incurred by Lessee, guest or invitee for use of facilities or for services rendered by the Third and/or GRF. Notwithstanding the foregoing, whether or not Lessee complies with the foregoing, a Member shall be solely responsible to Third for any and all costs incurred by Third resulting from a Member's Lease including but not limited to costs incurred solely due to the acts or omissions of a Lessee, their Co-Occupants as applicable, their guests and invitees.



**Exhibit A**  
**Disclosure Notice**

TO: Managing Agent Employees, Contractors Employed by the Laguna Woods Village Associations, Members and Prospective Purchasers of Dwelling Units at Laguna Woods Village, Laguna Woods

FROM: Village Management Services Inc.

SUBJECT: Disclosure Notice: Laguna Woods Village Buildings Constructed With Asbestos-Containing Construction Materials

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Health & Safety Codes 25915.2 and 25915.5 require the Mutual to provide annual notice about the existence of asbestos-containing materials (“ACM”) in non-residential “public” buildings in the Mutual to all employees and contractors performing work within said buildings and to all Members of the Mutual.

In addition, the Mutual is required to disclose to new owners, within 15 days of acquiring title to a Manor, the existence of asbestos-containing material in non-residential “public” buildings within the Mutual.

The Managing Agent for the Associations, which own or manage the buildings at Laguna Woods Village, Laguna Woods for their Members, hereby notifies all its Employees, Contractors and all Mutual Members and Transferees, that some buildings within Laguna Woods Village have been surveyed and found to contain asbestos. The analytical method used to determine asbestos content was polarized light microscopy/dispersion staining. Since the community has an active Asbestos Operations and Maintenance program, testing is ongoing. Because of the high cost to conduct a complete asbestos survey and analysis of all buildings, surveys are conducted only upon repair, remodel, addition to or removal of a building or part of a building suspected to contain asbestos materials, as required by Labor Codes. The Certificates of Analysis for any testing received to date are available to Employees, Contractors, Owners and Tenants and Transferees for review and photocopying from the Laguna Woods Village Human Resources/Safety Office, 24351 El Toro Road, Laguna Woods, CA, between 9 a.m. and 5 p.m., Monday through Friday.

The following buildings in Laguna Woods Village, Laguna Woods were constructed prior to 1979 and thus may contain asbestos in one or more construction materials: All community facilities buildings (with the exception of Clubhouse 7, the Mini Gym at Clubhouse 1, the Broadband Services building, the Laguna Woods Community Center building, the Vehicle Maintenance building and a portion of the Warehouse, all constructed after 1979), including clubhouses and outbuildings, Library, Maintenance Warehouse building, Equestrian Center, gatehouses, Garden Center buildings, all detached laundry buildings and residential buildings Nos. 1 through 5543 inclusive.

At the time most of the buildings in Laguna Woods Village were constructed, asbestos-containing materials met local codes as well as state and federal regulations and were extensively used in *many* building products including but not limited to: ceiling tile, floor tile/linoleum and mastic, textured wall surfaces, sprayed acoustical ceilings, fire doors, structural fireproofing, pipe/boiler insulation, attic insulation, and heating duct material/insulation.

According to the National Cancer Institute and the Environmental Protection Agency, any asbestos in these materials does not present a threat to health so long as the asbestos is not disturbed and does not become airborne.

However, because breathing asbestos has been known in some instances to cause cancer and other forms of lung disease, sanding, scraping, drilling, sawing, crushing, tearing/breaking up, or otherwise disturbing asbestos-containing materials presents a potential health risk. Therefore, you are directed not to perform such tasks in areas with ACM present or suspected unless the area/materials have been tested and found not to contain asbestos or if specifically assigned or contracted to do such work and it is in accordance with all federal, state, and local laws as well as internal guidelines called for in the Asbestos Operations and Maintenance plan and other company safety and environmental policies and procedures.

Managing Agent employees whose work orders require them to construct, repair, maintain or otherwise disturb construction materials that may contain asbestos are hereby directed to follow the current regulations and policies noted above and to wear the required protective equipment, prior to performing such work. Questions concerning instructions and equipment should be directed to the HR/Safety Supervisor at 949-597-4321.

It is illegal to place asbestos materials or debris in Laguna Woods Village trash dumpsters. Such materials must be disposed of separately in accordance with State and County regulations to avoid fines. Contact the HR/Safety Supervisor at 949-597-4321 for details.

If you become aware of any asbestos-containing material becoming damaged or otherwise disturbed, please contact Laguna Woods Village Resident Services at 949-597-4600 or the HR/Safety Supervisor at 949-597-4321.

January 1, 2016

Village Management Services Inc.



**Exhibit B**  
**Notice of Assignment of Rents**



**RE: NOTICE TO LESSEE - ASSIGNMENT OF RENTS**

Dear \_\_\_\_\_:

Pursuant to Section IV (c) of the Lease Policy which you executed on \_\_\_\_\_ as the Lessee(s), with \_\_\_\_\_ as the Lessor, for the premises located in Third Laguna Hills Mutual (TLHM), Dwelling Manor Number \_\_\_\_\_, you are hereby notified that your monthly rental payment should be made directly to Third Laguna Hills Mutual, a California nonprofit mutual benefit corporation, to cover the delinquent assessment payment which your Lessor owes to the Corporation.

**PAYMENT TO TLHM DOES NOT CONSTITUTE A BREACH OF YOUR LEASE AGREEMENT.** Failure to remit the rental fee directly to TLHM may result in TLHM's member disciplinary process and/or loss of privileges.

Until you are notified that you may resume making your monthly payments of rent to the Lessor, **you must make your monthly rent payments to TLHM, commencing with the payment due on \_\_\_\_\_ to the following address:**

Third Laguna Hills Mutual  
Attn: Manor Payment Representative  
PO Box 2220  
Laguna Hills, CA 92654-2220

**Please make your checks payable to Third Laguna Hills Mutual.**

If you have any questions in connection with this Notice, or the method of making your monthly rental payments to the Corporation, please contact the Manor Payments Representative at (949) 597-4221. A pre-addressed envelope is enclosed for your convenience.

Sincerely,

Bryan English  
Accounting Supervisor  
Financial Services Division

cc: Lessor  
Leasing Department



**Exhibit C**  
**Lease Authorization Procedure and Application**

Members applying for approval to lease their unit and each of their prospective Lessees must fill out the application on the following pages in order to obtain the necessary approval from Third for such lease. The steps and required information/documentation that must be provided along with the application are described below.

- A. The member must complete and submit the written Application for Authorization to the Leasing office for board review. The application is available for download at [lagunawoodsvillage.com](http://lagunawoodsvillage.com) or upon request from the Leasing office.
- B. The application and additional documentation must be submitted to the Leasing office for new leases, renewals and extensions.

Required documentation:

- \_\_\_ 1. Lease Authorization Application
- \_\_\_ 2. Check for processing fee made payable to GRF
- \_\_\_ 3. Member's resident ID card (only for initial lease)
- \_\_\_ 4. Copy of proof of age/identity (driver's license, birth certificate or passport) for each Lessee
- \_\_\_ 5. Copy of the executed lease agreement between the Member and Lessee for the current year
- \_\_\_ 6. Contact Information Form and Emergency Notification for each Lessee
- \_\_\_ 7. Declaration Regarding Criminal Record for each Lessee
- \_\_\_ 8. Declaration of Understanding signed by Member(s) and Lessee(s)

- C. The Board or authorized VMS staff member(s) will review the Application for Lease Authorization and approve or deny the request in writing.
- D. Upon receipt of an Application for Lease Authorization for a new, renewal or extension, the Leasing office will research and take into consideration whether the Member and/or Lessee has received notices of rule violations or any outstanding charges and assessments before approval of the application can occur. Extensive history of such events may result in application denial.
- E. The Leasing office will notify the Member of the results within 10 business days subject to the terms and conditions that exist. Rush applications may be delayed if the Leasing office notifies the Member that it requires additional time to review and/or requests additional information from the Member while conducting its review.
- F. The Lease office hours of operation are Monday through Friday, federal holidays excepted, 8 a.m. to 5 p.m., phone number 949-597-4323. Mailing address is P.O. Box 2220, Laguna Hills, CA 92654-2220.

**Exhibit C**  
**Lease Authorization Application**

Unit No: \_\_\_\_\_

**Return completed application to the Leasing office located in Community Center (24351 El Toro Road, Laguna Woods, CA 92637); 949-597-4600**

Manor Information	
Manor Address:	
Carport #:	Space #:
Lease Term Date From:	To:
Member #1 Information	
First Name:	Last Name:
Telephone:	Cell Phone:
Email:	
Mailing Address:	
Member #2 Information	
First Name:	Last Name:
Telephone:	Cell Phone:
Email:	
Mailing Address:	
Agent or Agency	
First Name:	Last Name:
Telephone:	Cell Phone:
Email:	
Mailing Address:	
Reason for Leasing	

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Information for Lessee #1		Lessee #1 ID No. _____
First Name:	Last Name:	
Telephone:	Cell Phone:	
Date of Birth:	SS#:	
Email:		
Occupation:		
Current Monthly Income:	Source of Income:	
Move-in Date:		
Prior Addresses (include information for the past five years/use additional paper if required)		
Present Home Address:		
Length of Time/From:	To:	
Reason for Leaving:		
Previous Home Address:		
Length of Time/From:	To:	
Reason for Leaving:		
Next Previous Home Address:		
Length of Time/From:	To:	
Reason for Leaving:		
Has proposed Lessee #1 been convicted of a felony in the last 20 years?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Has proposed Lessee #1 been convicted of a misdemeanor involving moral turpitude in the last five years?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Information for Lessee #2		Lessee #2 ID No. _____
First Name:	Last Name:	
Telephone:	Cell Phone:	
Date of Birth:	SS#:	
Email:		
Occupation:		
Current Monthly Income:	Source of Income:	
Move-in Date:		
Prior Addresses (Include information for the past 5 years/Use additional paper if required)		
Present Home Address:		
Length of Time/From:	To:	
Reason for Leaving:		
Previous Home Address:		
Length of Time/From:	To:	
Reason for Leaving:		
Next Previous Home Address:		
Length of Time/From:	To:	
Reason for Leaving:		
Has proposed Lessee #2 been convicted of a felony in the last 20 years?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Has proposed Lessee #1 been convicted of a misdemeanor involving moral turpitude in the last five years?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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## Lease Authorization Agreement

The undersigned acknowledges receipt of the Lease Policy and acknowledges that it does not represent any direct or indirect liability on behalf of Third Laguna Hills Mutual (Third), the Golden Rain Foundation of Laguna Woods (GRF) and Village Management Services Inc. (VMS), and each of their respective directors, officers, employees and agents.

Acknowledgment	Initial(s)			
	Member #1	Member #2	Lessee #1	Lessee #2
I have read and received a copy of the Lease Policy and agree to comply.				
I agree to comply with the rules established by this Community.				
Third, GRF and VMS are not parties to the terms of the lease between the Member and Lessee.				
I agree that Third has the right to collect and retain the rent payable and to apply it to any delinquent assessments and charges.				
I understand that falsification of any information related to this application renders this application null and void.				

Does Lessee(s) have authorization to request repairs on behalf of the Member or work for which there is a charge?

☐ Yes ☐ No

Member #1 Name (Print):	Member Signature:	Date:
Member #2 Name (Print):	Member Signature:	Date:
Lessee #1 Name (Print):	Lessee Signature:	Date:
Lessee #2 Name (Print):	Lessee Signature:	Date:

### ACTION BY MUTUAL BOARD OF DIRECTORS

APPLICATION <b>DENIED</b>	APPLICATION <b>APPROVED</b>
The Board of Directors of this Mutual Corporation has reviewed this application. Based on the information provided, the application is <b>denied</b> .	The Board of Directors of this Mutual Corporation has reviewed this application. Based on the information provided, the application is <b>approved</b> .
SIGNATURE	SIGNATURE
SIGNATURE	SIGNATURE
SIGNATURE	SIGNATURE
DATE:	DATE:

Date \_\_\_\_\_

By \_\_\_\_\_  
Authorized Agent

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## CONTACT INFORMATION FORM AND **CODERED** EMERGENCY NOTIFICATION RECORD

Please return completed form to the Laguna Woods Community Center front desk, or by mail to Marketing and Communications, Village Management Services, Inc., 24351 El Toro Road, Laguna Woods, CA 92637.

### ONE INDIVIDUAL PER FORM — PLEASE PRINT ALL INFORMATION

Manor is ... ☐ Leased ☐ Owner occupied ☐ Vacant Date \_\_\_\_\_

#### Your Information

Resident ID	Manor number	Name
Email	Home phone	Cell phone
Non-occupant owner address	City, state, zip	

#### Emergency Contact(s)

Name	Relationship	Home number
Email	Work number	Cell number
Address	City, state, zip	
Name	Relationship	Home number
Email	Work number	Cell number
Address	City, state, zip	

#### Other information

Attorney's name	Phone
Power of Attorney/Trustee's name	Phone
Pet care contact name	Phone
Doctor's name	Phone

#### Special Circumstances, please check the conditions that apply to you:

- ☐ Dementia ☐ Visually Impaired ☐ Hearing Impaired ☐ Non-Ambulatory  
☐ Life-Support System (equipment that requires electricity) ☐ Do you have a caregiver?\*

*\*Do you have an approved caregiver application on file? For assistance contact Resident Services at 949-597-4600.*

Note: California Civil Code Section 4041 requires owners to provide annual written notice to the association of the following. This includes contact information of the legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of an emergency or extended absence from the manor. Emergency contact information may be given to hospital personnel upon request.

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### ONE INDIVIDUAL PER FORM — PLEASE PRINT ALL INFORMATION

Manor is ... ☐ Leased ☐ Owner occupied ☐ Vacant Date \_\_\_\_\_

#### Your Information

Resident ID	Manor number	Name	
Email		Home phone	Cell phone
Non-occupant owner address		City, state, zip	

#### Emergency Contact(s)

Name	Relationship	Home number
Email	Work number	Cell number
Address		City, state, zip
Name	Relationship	Home number
Email	Work number	Cell number
Address		City, state, zip

#### Other information

Attorney's name	Phone
Power of Attorney/Trustee's name	Phone
Pet care contact name	Phone
Doctor's name	Phone

#### Special Circumstances, please check the conditions that apply to you:

- ☐ Dementia    ☐ Visually Impaired    ☐ Hearing Impaired    ☐ Non-Ambulatory  
☐ Life-Support System (equipment that requires electricity)    ☐ Do you have a caregiver?\*

*\*Do you have an approved caregiver application on file? For assistance contact Resident Services at 949-597-4600.*

Note: California Civil Code Section 4041 requires owners to provide annual written notice to the association of the following. This includes contact information of the legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of an emergency or extended absence from the manor. Emergency contact information may be given to hospital personnel upon request.

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## DECLARATION REGARDING CRIMINAL RECORD

Each non-member occupant is required to sign a separate “Declaration Regarding Criminal Record”.

The following representations are made pursuant to Article II, Section 2 (c) of the Covenants, Conditions and Restrictions (CC&Rs) of Third Laguna Hills Mutual.

TO: Third Laguna Hills Mutual

The undersigned hereby states:

- 1. I have not been convicted of a felony within the last twenty years, and/or**
- 2. I have not been convicted of a misdemeanor involving moral turpitude within the last five years.**

Executed on \_\_\_\_\_ at \_\_\_\_\_.  
Date City/State

I understand that falsification or misrepresentation of any information contained herein shall automatically render the Lease Authorization Application null and void.

\_\_\_\_\_  
Lessee Signature

\_\_\_\_\_  
Lessee Name Printed

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The undersigned hereby states:

- 1. I have not been convicted of a felony within the last twenty years, and/or**
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Executed on \_\_\_\_\_ at \_\_\_\_\_.  
Date City/State

I understand that falsification or misrepresentation of any information contained herein shall automatically render the Lease Authorization Application null and void.

\_\_\_\_\_  
Lessee Signature

\_\_\_\_\_  
Lessee Name Printed

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## DECLARATION OF UNDERSTANDING

I have read and understand the Third Laguna Hills Mutual Lease Authorization Policy and agree to comply with its Terms and Conditions. The information provided on the Lease Authorization Application dated \_\_\_\_\_ is true and correct.

---

Member #1 Print Name

---

Date

---

Member #1 Signature

---

Member #2 Print Name

---

Date

---

Member #2 Signature

---

Lessee #1 Print Name

---

Date

---

Lessee #1 Signature

---

Lessee #2 Print Name

---

Date

---

Lessee #2 Signature



**Leasing Cap and Lease Waiting List Policy  
Resolution 03-20-26; Adopted April 23, 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. Notwithstanding the foregoing, in the event a Member eligible to lease their manor following termination of a lease wishes to make alterations to the Member's manor in accordance with Third's Governing Documents which may inhibit their ability to lease the manor within ninety (90) days, the Member may make a written request for an extension of their ninety (90) day eligibility period; provided, however, that such request must be based on the necessary permits having already been granted by the City and Third. The Board may grant such Member's request in its sole and reasonable discretion.

#### **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.





## MEMORANDUM

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To: Resident Policy and Compliance Committee  
From: Blessilda Wright, Compliance Supervisor  
Date: September 22, 2020  
Re: Guest Limit

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Per Third Laguna Hills Mutual Bylaws:

**2.4 Definitions** 2.4.13 Guest- an individual other than a resident, Qualifying Resident, Lessee or Co-occupant, of any age. A Guest may stay in a Manor for sixty (60) days in any twelve-month period at the invitation of the Qualifying Resident or Co-occupant, subject to the limitations on the maximum number of occupants in a Manor.

**4.2.3 Eligibility to Reside in a Manor** section: 4.2.3.2 A Guest may be permitted temporary occupancy for a maximum period of sixty (60) days per twelve month period solely in conjunction with the occupancy by a Qualifying Resident or Co-occupant, and in accordance with the Rules and Regulations adopted by this Corporation from time to time. Any exception requires board approval.







## STAFF REPORT

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**DATE:** September 22, 2020  
**FOR:** Resident Policy & Compliance Committee  
**SUBJECT:** Rules for Board Meetings

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### **RECOMMENDATION**

Adopt the amended Rules for Board Meetings.

### **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). On January 21, 2014, the Board approved revisions for Rules for Board Meetings (Resolution 03-14-04).

The Executive Hearings Committee directed staff to include clarifying language to section IV., Closed Session Hearings, sub-section B., Attendance and sub-section C., Addressing the Board.

On July 29, 2020, the Resident Policy and Compliance Committee approved the amendments to the Rules for Board Meetings.

On August 18, 2020, the Board sent the policy back to the Resident Policy and Compliance Committee for additional corrections.

### **DISCUSSION**

The purpose of the amendment is to provide clarifying language regarding witnesses and reporting party attendance at the hearing; and breakdown of timeframe for the hearing.

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

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

### **ATTACHMENT(S)**

Attachment 1: Resolution 03-20-XX, Rules for Board Meetings

Attachment 2: Rules for Board Meetings

## **RULES FOR BOARD MEETINGS**

**Resolution 03-13-04, adopted January 15, 2013; Resolution 03-14-04, adopted January 21, 2014; and Resolution 03-20-XX; Adopted September XX, 2020**

### **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 Association 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.

#### **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 on the web site. In an emergency, the President or any two Directors may call for a Board meeting on shorter notice.

#### **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:
  - a) Has no suggested action;
  - b) Is redundant with an item already on the agenda or was addressed in a Board meeting in the previous three months;
  - c) Must be discussed in Executive Session;
  - d) Would make the agenda unduly lengthy (and so will be on the next agenda);
  - e) 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 II(D)(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:

- a) Call to Order, Roll Call & Confirmation of Quorum.
- b) Pledge of Allegiance
- c) Welcome
- d) Announcements (including announcements required by these Rules)
- e) Open Forum (see Rule "F" below)
- f) Reading and Approval of Minutes From Previous Meeting
- g) Consent calendar
- h) General Manager Report
- i) Reports (if applicable)
  - 1. President
  - 2. Secretary/Correspondence
  - 3. Treasurer/Financial
  - 4. Special/Committee Reports (further discussion below)
- j) Unfinished business
- k) New Business
- l) Second Open Forum (if any)
- m) 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 solely 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. 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 the Association, 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, 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;
8. Divulge attorney client privileged confidential advice; or
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.
4. 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 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 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, and when a motion has been made and seconded by a Director, except for Committee recommendations, which do not require a motion or second. 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 address the live audience or the television 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 II(H) herein.
5. Motions may be amended in at least two ways:
  - a) A motion, after receiving a second, may be amended by a motion, 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.
3. The Chair of any Board or Committee Open Meeting shall make an announcement at the beginning of the Board or Committee meeting which recites the first two sentences of this section verbatim.

**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, a majority of the Board may elect a temporary 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. Voting on the decision to foreclose upon an assessment lien.
7. 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.

The Confidentiality Agreement shall state substantially as follows:

"I, \_\_\_\_\_(Name), after having been duly elected or appointed as a Director of Third Laguna Hills Mutual, do hereby agree that all information which is disclosed by or to me, orally or in writing, and all discussions held at an Executive Session Meeting of the Board and all attorney advice shall be kept confidential and shall remain confidential, even after I am no longer a Director. I understand that this means that anything I say, hear or see at an Executive Session Meeting may not be discussed with anyone outside of Executive Session.

I further understand that if I do not sign this Confidentiality Agreement or do not honor this Agreement, I will not be permitted to participate in or attend Executive Session Meetings or to receive confidential attorney-client communications. I further understand that I will be held responsible for any damages which result to the Mutual or its individual Members if I violate this agreement."

**C. Procedure for Setting**

The notice for a meeting which is solely an Executive Session meeting must be posted 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. 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 in closed session. The following rules are to inform both members 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.

**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 witnesses statements. The member may not bring legal counsel. The member being considered for discipline or reimbursement claim may not observe ~~any complaining witnesses or~~ 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 ~~or appear at the hearing to present their complaint~~ 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 ten 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, an additional five minutes can be added to the member's time.

~~A member complaining to the Board may address the Board for a maximum of five minutes.~~

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

D. The Board's Decision

The Board will notify the Member being considered for discipline or reimbursement claim 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 03-20-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**, XX XX, 2020, that the Board of Directors of this Corporation hereby approves the attached revised Rules for Board Meetings; and

**RESOLVED FURTHER**, that Resolution 03-14-04 adopted January 21, 2014 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.