



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

**Wednesday, July 29, 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 June 30, 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 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. Parking Rules (Decal Limits) | Blessilda Wright |
| 8. BBQ Rules & Regulations | Blessilda Wright |
| a. Orange County Fire Authority Speaker | Lynne Pivaroff |
| 9. Rules for Board Meetings | Blessilda Wright |
| 10. Guarantors | Pamela Bashline |
| 11. Financial Requirements (Multiple Units) | Pamela Bashline |

Items for Future Agendas:

12. Lease Cap and Waiting list Rules
13. Qualification for Lease Authorization Permit
14. Guest Limit

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



Concluding Business:

- 15. Committee Member Comments
- 16. Date of Next Meeting – To Be Determined
- 17. 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, June 30, 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, 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

Chair Jarrett would like to table Guarantors and add Parking Policy and Guest Restrictions to the agenda.

Director Mutchnick moved to approve the agenda as amended. Director Karimi seconded the motion.

By unanimous vote, the motion carried.

APPROVAL OF MEETING REPORTS

Director Karimi made a motion to approve the May 15, 2020 meeting report as presented. Director Mutchnick seconded the motion.

By unanimous vote, the motion carried.

CHAIRMAN'S REMARKS

Chair Jarrett stated that Guarantors will be added to the next meeting. She also commented that the committee will review current rules and tighten the rules as needed.

MEMBER COMMENTS ON NON-AGENDA ITEMS

None

REPORTS

None

ITEMS FOR DISCUSSION AND CONSIDERATION

Designate Smoke Free Building Policy and Procedure

The Committee discussed the Designate Smoke Free Building Policy & Procedure. The Committee commented and asked questions.

Director Mutchnick made a motion to approve Designate Smoke Free Building Policy & Procedure. Director Parsons seconded the motion.

By unanimous vote, the motion carried.

BBQ Rules & Regulations

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

By consensus, the Committee tabled the matter for the next meeting for additional research. Additionally, the Committee will schedule a special meeting and invite the Orange County Fire Authority.

Guarantors

This item is tabled for the next meeting.

Parking Rules

The Committee discussed the parking rules and process for compliance. This item is tabled for the next meeting.

Guest Limit

The Committee discussed the guest limit rules. This item is tabled for the next meeting.

ITEMS FOR FUTURE AGENDAS

- Rules for Board Meetings
- Lease Cap and Waiting list Rules
- Qualification for Lease Authorization Permit
- Vehicle, Traffic and Parking Rules

CONCLUDING BUSINESS

Committee Member Comments

Director Engdahl stated that he could send out the information he presented regarding BBQ Rules.

Advisor Hack stated that he would like the BBQ rules and regulations to be reviewed sooner than later so he can advise the Garden Villa Association.

Date of Next Meeting

The next meeting is scheduled for Wednesday, July, 29, 2020 at 9:30 a.m. as a virtual meeting.

Adjournment

With no further business before the Committee, the Chair adjourned the meeting at 10:50 a.m.


Lynn Jarrett (Jul 14, 2020 11:58 PDT)

Lynn Jarrett, Chair
Third Laguna Hills Mutual

MEMORANDUM

To: Resident Policy and Compliance Committee
 From: Blessilda Wright, Compliance Supervisor
 Date: July 29, 2020
 Re: Types of Parking Decals

California Registration



California Disabled Person Handicapped License Plate



or



GRF – Decal



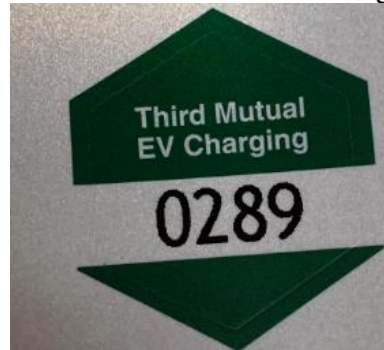
GRF – RFID



Laguna Woods Village – Golf Cart



Third – Electric Vehicle Charging



Third – Golf Cart Charging





Vehicle, Traffic, and Parking Rules

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

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

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1 **PREFACE**

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

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

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

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

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

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

The MEMBER is responsible for any violation occurring in their ASSIGNED PARKING.

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

2 DEFINITIONS

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

2.1 ABANDONED VEHICLE

A MOTOR VEHICLE having either of the following attributes:

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

2.2 ASSIGNED PARKING

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

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

2.3 BOARD

The Board of Directors or its delegated Committee.

2.4 BICYCLE

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

- A motorized bicycle is classified as a MOTOR VEHICLE, not a BICYCLE.

2.5 COMMERCIAL VEHICLE

A vehicle displaying any of the following attributes:

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

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

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

- Used, specially equipped, or advertised for commercial purposes.

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

EXCEPTIONS:

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

2.6 EMPLOYEE

A person who is employed by the managing agent.

2.7 GRF

The Golden Rain Foundation of Laguna Woods.

2.8 GOLF CART

A MOTOR VEHICLE having all of the following attributes:

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

2.9 GOLF CAR

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

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

2.10 GUEST

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

2.11 GUEST PARKING

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

2.12 LOW SPEED VEHICLE (LSV)

See GOLF CAR.

2.13 IN LAGUNA WOODS VILLAGE

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

2.14 IN THIRD

Any real property governed by THIRD.

2.15 INOPERABLE VEHICLE

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

- Does not show current, government issued license and registration for on-street operation.
- Is government registered with a classification of non-operational, or for a use other than on-street.

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

EXCEPTION:

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

2.16 MANOR

A dwelling unit IN LAGUNA WOODS VILLAGE.

2.17 MEMBER

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

2.18 MOTOR TRUCK

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

2.19 MOTOR VEHICLE

A vehicle that is self-propelled.

EXCEPTIONS:

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

2.20 NEIGHBORHOOD ELECTRIC VEHICLE (NEV)

See GOLF CAR.

2.21 NON-RESIDENT

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

2.22 NON-RESIDENT VEHICLE

Any vehicle not registered as a RESIDENT VEHICLE with GRF.

2.23 PICKUP TRUCK

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

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

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

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

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

2.24 PEDESTRIAN

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

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

2.25 RECREATIONAL VEHICLE (RV)

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

2.26 RESERVED PARKING

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

2.27 RESIDENT

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

2.28 RESIDENT VEHICLE

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

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

2.29 SAFELIST

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

2.30 SPONSOR

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

OR,

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

2.31 UNASSIGNED PARKING

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

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

2.32 UNAUTHORIZED VEHICLE

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

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

2.33 VISITOR PARKING

See GUEST PARKING.

3 BOARD AUTHORITY and ENFORCEMENT

3.1 BOARD AUTHORITY

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

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

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

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

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

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

3.1.1 MEMBER

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

3.1.2 RESIDENT

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

3.1.3 NON-RESIDENT

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

3.1.4 SPONSOR OF A GUEST

If a GUEST fails to pay a fine or comply with other disciplinary requirements determined by the BOARD, responsibility transfers to the RESIDENT SPONSOR who authorized

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

3.1.5 ON-DUTY EMPLOYEE

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

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

3.1.6 OFF DUTY EMPLOYEE

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

3.2 SECURITY SERVICES DEPARTMENT ENFORCEMENT

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

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

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

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

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

3.3.1 TRAFFIC HEARING NOTICE

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

3.3.2 TRAFFIC HEARING

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

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

After each hearing, the Committee will render its decision.

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

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

3.3.3 TRAFFIC SCHOOL

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

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

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

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

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

3.3.4 FINES

THIRD adopts the fine structure of GRF for traffic violations. Fines are set by the latest GRF schedule.

3.4 NOTICE OF VIOLATION PROCESSING – ON DUTY EMPLOYEES

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

4 TOWING POLICY

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

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

4.1 IMMEDIATE TOW AWAY

4.1.1 SECURITY SERVICES DEPARTMENT TOWING

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

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

4.1.2 RESIDENT'S PRIVATE TOWING

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

No vehicle may be parked in any ASSIGNED PARKING location without that controlling RESIDENT'S **written** permission.

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

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

4.2 TOW AWAY AFTER 96 HOURS NOTICE

4.2.1 NON-RESIDENT VEHICLE IN ASSIGNED PARKING

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

- Receiving specific direction from the BOARD.
- Requesting compliance to correct the violation or remove the vehicle from the Village.
- Compliance is not made within **96 hours** of written notification.

4.2.2 NON-RESIDENT VEHICLE IN OTHER THAN ASSIGNED PARKING

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

- Requesting compliance to correct the violation or remove the vehicle from the Village.
- Compliance is not made within **96 hours** of written notification.

4.2.3 RESIDENT VEHICLE IN ANY LOCATION

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

- Receiving specific authorization from the BOARD.
- Requesting compliance to correct the violation or remove the vehicle from the Village.

- Compliance is not made within 96 hours of written notification.

5 LICENSE AND REGISTRATION REQUIREMENTS

5.1 DRIVERS LICENSE REQUIRED

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

EXCEPTIONS:

- GOLF CART

5.2 VEHICLE REGISTRATION REQUIRED

Every MOTOR VEHICLE in THIRD is required to display current on-street license plate and registration, and the person in control thereof must present current registration documentation to any member of the Security Services Department upon request.

EXCEPTIONS:

- GOLF CART

5.3 AUTHORIZED RESIDENT VEHICLE TYPES

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

5.4 GRF VEHICLE DECALS

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

5.5 Resident Vehicle Decal Limit

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

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

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

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

6 RULES FOR DRIVING

6.1 STAY ON PAVEMENT

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

EXCEPTIONS:

Certain specific and limited exceptions are detailed in

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

6.2 TRAFFIC CONTROL DEVICES

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

6.3 SPEED LIMITS

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

Vehicles may not exceed the posted speed limit.

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

6.4 STOP SIGNS

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

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

Drivers must always make a full and complete stop.

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

6.5 RIGHT OF WAY

6.5.1 Emergency Vehicles

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

6.5.2 Pedestrians

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

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

6.5.3 Side Road

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

6.5.4 Stop Sign

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

6.5.5 Travel Lanes

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

6.5.6 Turns

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

6.6 WIRELESS COMMUNICATIONS

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

Drivers may not use a wireless device to write, send or read communications, or view images.

6.7 SEAT BELTS

Drivers must wear a seat belt when driving.

Adult passengers must wear seat belts.

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

6.8 USE OF LIGHTS

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

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

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

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

7 RULES FOR PARKING

7.1 VEHICLES PROHIBITED

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

7.2 ASSIGNED PARKING

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

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

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

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

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

7.3 GENERAL PARKING RULES

7.3.1 Park Safely

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

7.3.2 Fire Hydrant

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

7.3.3 Sidewalk

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

7.3.4 Off Pavement

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

EXCEPTIONS:

Certain specific and limited exceptions are detailed in

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

7.3.5 Curb or Parking Stall

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

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

7.3.6 Inoperative Vehicle

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

7.3.7 Abandoned Vehicle

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

7.3.8 Unauthorized Vehicle

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

7.4 TIME LIMITED PARKING

7.4.1 ASSIGNED PARKING

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

- A vehicle that appears INOPERABLE or ABANDONED is subject to tow-away at vehicle owner's expense. See Section 2 - Definitions, and Section 4 - Towing Policy.

7.4.2 UNASSIGNED PARKING

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

- Red zone: No stopping, standing or parking.

EXCEPTIONS:

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

Examples: moving or delivery truck.

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

EXCEPTION:

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

EXCEPTION:

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

7.5 RESIDENT'S EXTENDED ABSENCE PARKING

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

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

7.6 CONTRACTOR and SERVICE VEHICLE PARKING

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

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

EXCEPTIONS:

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

7.7 OVERNIGHT PARKING PERMITS

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

7.8 RECREATIONAL VEHICLES (RV) RESTRICTED

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

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

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

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

EXCEPTION:

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

7.9 FOR SALE SIGNS

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

7.10 ADVERTISING

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

EXCEPTIONS:

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

7.11 REPAIRS

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

7.12 WASHING

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

7.13 PLUG IN ELECTRIC VEHICLES (PEV)

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

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

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

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

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

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



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

signifies the PEV is to outlets in the THIRD

UNATTENDED EXTENSION CORDS

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

Electrical use charges shall be computed in the following manner:

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

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

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

7.14 EXTENSION CORDS

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

7.15 FINES

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

8 SPECIAL RULES FOR GOLF CARTS and GOLF CARS

8.1 GOLF CART

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

8.1.1 DRIVERS LICENSE

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

8.1.2 MINIMUM AGE

A NON-RESIDENT driving a GOLF CART must be both

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

8.1.3 VEHICLE REGISTRATION

No government vehicle registration is required.

8.1.4 LIGHTS

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

8.1.5 STAY ON PAVEMENT

Driving off pavement is prohibited.

EXCEPTION:

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

8.1.6 SIDEWALKS AND PATIOS

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

8.1.7 CART PATHS

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

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

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

8.2 GOLF CAR

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

8.2.1 CART PATHS

May be driven on a paved cart path.

On a cart path the driver must:

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

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

9 SPECIAL RULES FOR BICYCLES (NON-MOTORIZED)

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

9.1 STAY ON PAVEMENT

BICYCLES may not be ridden off pavement.

9.2 SIDEWALKS

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

EXCEPTION:

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

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

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

9.3 LIGHTS

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

9.4 PARKING

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

Bicycles must be parked utilizing parking racks where provided.

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

10 SPECIAL RULES FOR PEDESTRIANS

10.1 SIDEWALKS

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

EXCEPTIONS:

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

When upon any roadway, PEDESTRIANS must:

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

10.2 SKATEBOARDS

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

EXCEPTION:

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

11 SPECIAL RULES FOR MANAGING AGENT

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

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

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

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

12 RULES FOR REPORTING COLLISIONS

12.1 INJURY TO A PERSON

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

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

12.2 NO INJURY TO A PERSON

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

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

BBQ SAFETY



A BBQ that is too close to items that can burn is a fire hazard. Here are a few tips to help you stay safe and avoid a grilling fire.



If you smell gas while cooking, immediately get away from the grill and call the fire department. Do not move the grill.



**Orange County
Fire Authority**

(714) 573-6200
ocfa.org



Grilling Safety Tips

- Propane and charcoal BBQ grills should be used outdoors only.
- Grills should be placed a safe distance from the home, deck railings, tables, overhanging branches, and areas where people gather.
- Keep children and pets at least three feet away from the grill area.
- Keep your grill clean by removing grease or fat buildup from the grates and in the trays below the grill.
- Never leave a heated grill, lighter, or matches unattended.

Charcoal Grills

- If you use starter fluid, use only charcoal starter fluid. Never add charcoal fluid or any other flammable liquids to the fire while cooking.
- When you are finished grilling, let the coals completely cool (for about 48 hours) before disposing in a metal container.

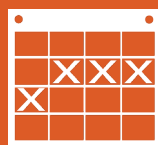
Propane Grills

- Check the gas tank hose for leaks before grilling.
- If your grill has a gas leak, get the grill serviced by a professional before using it again. If a leak occurs while grilling, call the fire department.
- If the flame goes out, turn the grill and gas off and wait at least 5 minutes before re-lighting it.

ON AVERAGE, THERE ARE 10,200 GRILLING FIRES PER YEAR



89%
started by gas grills



57%
occur May-Aug



160
injuries per year



\$123 MILLION
property damage

Agenda Item 8



How the California Fire Code of 2019 May Affect Your Grilling Plans in 2020

The 2019 California Fire Code will restrict the use of BBQ grills in apartments and other residential buildings in 2020. Learn about your fire-safe options [here](#).





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Outdoor grilling means good eating—but California’s concerns about the environment and fire safety have led lawmakers to enact controversial rules

Fires caused by barbecue grills are not unique to California, but the Golden State has seen some major fires with grills as the point of origin. And when they happen in apartment complexes, the potential for property damage, disruption of housing, and injury or death is severe:

- A 2012 fire in Hayward, California—not far from San Francisco—[left](#) nine people temporarily without a home and caused over \$100,000 in damage. A mother left the grill unattended while watching her children, and the fire got out of control, according to a fire official.
- A San Diego, California apartment building was severely [damaged](#) and a family’s cat killed just two years ago. A witness reported that a gas grill on a second-story porch exploded.
- Another propane explosion related to BBQ grilling, this time in Aurora, Colorado, [displaced](#) 30 people when the tank “exploded and set the roof on fire,” according to fire officials.

Roughly seven in 10 American households have at least one grill (or outdoor, open-flame cooking device). And the National Fire Protection Association (NFPA) [reports](#) that more than 10,000 grill fires start in homes every year—with most incidents peaking in July. So, how have recent editions of the California Fire Code tried to tackle this problem in 2018 and 2019—and what does it mean for grilling in 2020?

For those retrofitting apartment buildings to be a little more grill-friendly—or others readying themselves for safe outdoor cooking—our [residential fire sprinklers](#), [sprinkler components and accessories](#), and [fire extinguishers](#) may come in handy.

The California Fire Code of 2016 restricted the use of BBQ grills in 2018, and the new 2019 edition impacts apartment dwellers in 2020

In apartment buildings, including condominiums and townhouses, fires in one unit can quickly spread to another. As a result, the California Fire Code—in section 308.1.4 on “Open-flame cooking devices”—restricts what kind of grilling is allowed in or near them.

Both the [2016](#) and the [2019](#) versions of the code have the same restrictions, with the latter edition [taking](#) effect in 2020.

The 2019 California Fire Code restricts BBQ grill use—and the use of any open-flame cooking device—in the following ways:

- Open-flame cooking devices can't be operated on “combustible balconies.” Wooden decks and similar structures can easily catch and spread fire, making them risky places to operate a BBQ grill.
- At least 10 feet of clearance is required between active grills and “combustible construction.” Many apartment balconies or porches are very small, so getting more than 10 feet away from a wall clad in wood or vinyl siding is often impossible.
- The 2016 and 2019 versions of California Fire Code do allow grilling in “one- and two-family dwellings,” as well as structures “where buildings, balconies and decks are protected by an automatic sprinkler system.”
- One type of open-flame device is acceptable around combustible construction or balconies: propane (“LP-gas”) grills with especially small tanks. Those tanks may have a “water capacity” no greater than 2 1/2 pounds. The water capacity [measures](#) how much water, in pounds, the container could hold. But, in short, these tanks are of the small, portable variety used with camping gear.



The tiny tank on the right might be acceptable—but even the small tank on the left is too large under the California Fire Code. Source: [MotoCampers](#)

To sum up: sprinklered balconies in apartment buildings, along with single-family dwellings and duplexes, appear to be exempted from California Fire Code's BBQ grill rules (both under the 2016 and 2019 editions). However, local governments or lease agreements may not allow grilling even when state code permits it—and some common interpretations of these rules are even more restrictive.

California began to restrict outdoor grilling as early as the 1990s for environmental and fire safety reasons

In October of 1990, the South Coast Air Quality Management District (AQMD)—an agency tasked with [managing](#) air pollution in one of the most densely-populated regions of California (and the United States)—[outlawed](#) the sale of charcoal lighter fluid. The ban also took charcoal soaked with lighter fluid (or similar accelerants) off the shelves.

These restrictions didn't directly tackle the use of gas grills, electric grills, or other outdoor cooking devices. Nor did they ultimately stop consumers from buying lighter fluid: later, the AQMD adopted a rule [allowing](#) retailers to sell reformulated versions. But the rules did give a preview of the heated debates to follow.

In January of 2008, California passed laws limiting or eliminating outdoor grilling on apartment balconies and porches. According to an article from the Bay Area-based *Mercury News*, these new rules [left](#) many apartment dwellers frustrated. Faced with modest penalties (a warning for first-time offenders and a \$500 fine or misdemeanor charges later), some rebelled: "Let them fine me," said a resident interviewed by the *Mercury News*. "They're going to have to break my door down to get [my grill]."

It's unclear how often the law is enforced. When the ban first passed, officials explained that it's up to neighbors to complain—and left to firefighters to issue citations. And years later, the residents of cities like Laguna Woods have [balked](#) at efforts to apply those restrictions. But with the backing of fire officials and leading safety organizations like the NFPA, cities as varied as [Seattle](#) and [New York](#) have placed tighter restrictions on grill use.



This charred townhouse embodies the worries driving grill bans: an unattended grill displaced nine people in Hayward, California. Source: [CBS SF BayArea](#)

To keep cooking, Californians must adapt their buildings and/or their choice of grilling equipment

Cities—and not the state of California itself—[give](#) the force of law to the California Fire Codes. But that’s not saying much: state law only [allows](#) cities to make state laws stricter, or to modify codes “to address a local geologic, topographic, or climatic condition.” **The statewide grilling rules discussed earlier are the bare minimum. Local laws may be even more restrictive.**

As such, anyone living in an apartment should consult their landlord and authority having jurisdiction (AHJ) before grilling. That AHJ [may be local building code authorities, fire departments, or other organizations](#) tasked with interpreting and enforcing fire code.

California Fire Code appears to have relaxed slightly on the subject of larger gas-powered grills. The 2007 edition didn’t even [permit](#) them to be stored on combustible balconies or near combustible construction—whether or not fire sprinklers are installed. Later editions seem to treat them just like charcoal grills, however, prohibiting only their use near unprotected combustible construction.

That said, some jurisdictions **may still [prohibit](#) both the storage and use of larger gas grills** in these circumstances. And additional rules may prohibit transporting larger propane containers through most stairways, making the use of gas grills impossible above ground-level.

Electric grills don't qualify as an open-flame device and, as such, are acceptable under these rules. But that doesn't mean that no regulations (or commonsense practices) apply. Users should make sure that extension cords are [rated](#) for the amperage being drawn and suitable for outdoor use. Fire officials also recommend [using](#) only equipment that's listed—meaning certified and tested—and properly installed.

Grill safely wherever you are with some commonsense precautions

Grill somewhere else if you can't grill safely and legally on your balcony

For those who love to grill—and are shopping for an apartment complex—look for a home that provides an outdoor common area suitable for grilling and entertaining. If designed properly, this satisfies the requirements of the California Fire Code and allows the use of any accepted type of BBQ grill. Public parks may also provide grilling areas. When using shared equipment, make sure grilling surfaces are clean and [check](#) on the condition of gas tanks and lines before use.



*This apartment complex provides a safe location **and** a high-end gas grill. Source: [NFPA](#)*

Grilling equipment, apartment-friendly or not, is not without risks

As mentioned in some of the stories above, tank explosions and gas leaks can occur with any size or type of LP-gas system. Always use gas grills in areas with plenty of ventilation, and [test](#) grills for leaks at least once per season. Don't forget to take refillable tanks to a certified professional for refills. While refillable 1 lb. tanks do exist, many are DOT 39 cylinders. These are [designed](#) for one use only and **should never be**

refilled, as this video from the Pipeline and Hazardous Materials Safety Administration explains: https://www.youtube.com/embed/g2_GhyAw3vM

Charcoal grills also require care in handling. Use only approved types of lighter fluid and never spray it on an existing fire—this will cause a dangerous flare-up. NFPA [adds](#) that charcoal should be left in the grill until “completely cool,” and that debris should be placed in a metal container.

Electric grills are not designed to be an “open-flame cooking device,” which is why they’re often permitted in situations where other grills aren’t, but that doesn’t mean they can’t start a grease fire like any other cooking surface. As mentioned earlier, make sure extension cords are outdoor-grade and rated for the amperage being drawn by the grill. Watch the grill whenever it’s in operation.

Regular cleanings are essential, even for “safe” electric grills. This one, pictured right, caught fire when the grease from some hamburgers. Source: [Reddit](#)



Keep fire safety equipment handy when grilling

As with all cooking operations, [fire safety should be top-of-mind when grilling](#). In many cases, simply closing the lid can starve a barbecue fire of oxygen. Additionally, keeping [fire extinguishers](#) close by could make the difference between a ruined dinner and a real disaster. Be sure to understand the [different types of fire extinguishers available for different kinds of fires](#). A dry chemical ABC fire extinguisher works well against some flammable liquids, as well as fires in solid materials and electrical equipment. Be aware, though, that they will not be effective for fires involving deep grease. For those fires, a wet chemical (Class K) extinguisher is needed. [Fire blankets are also an option for fighting grease fires or smothering flames on someone’s clothing](#).



A [5 lb. dry chemical ABC fire extinguisher](#) may be more than enough to tackle some out-of-control grill fires.

Grilling is more restricted than it used to be, but you can still do it legally and safely in many cases

Since 2008, the California Fire Code has greatly restricted the use of BBQ grills, and those restrictions have remained much the same in the edition taking effect in 2020. While many people understandably chafe against these rules, the risk to life and property from grilling on apartment balconies is real.

Municipal laws, local AHJs, and apartment managers may embrace more restrictive rules. Those who live in apartments may have few grilling choices—if they are allowed to grill at all. Further, older buildings with combustible balconies and outer walls that lack sprinkler systems don't leave residents with many options. Grilling in an apartment complex common area or at a park may be the safest option.

If you're a property manager considering residential fire sprinkler systems—whether for new construction, retrofit, or maintenance of existing systems—QRFS has the [parts and installation tools you need](#).

If you're a weekend griller looking to grill safely, take a look at [our ABC dry chemical extinguishers](#), which can safely stop many grill fires.

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This blog was originally posted at

<https://www.qrfs.com/blog/291-how-the-california-fire-code-of-2019-may-affect-your-grilling-plans-in-2020>

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QRFS Headquarters

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Ashland, VA 23005

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STAFF REPORT

DATE: July 29, 2020
FOR: Resident Policy & Compliance Task Force
SUBJECT: Barbeque Grill Rules & Regulations

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: Barbeque Grill Rules & Regulations

Attachment 2: Resolution 03-20-XX, Barbeque Grill Rules & Regulations



Barbeque Rules & Regulations
Resolution 03-20-XX; Adopted August XX, 2020

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 apply heat from below. There are three categories of grills:
 - a. gas-fueled grill typically use propane or butane or natural gas as a fuel source
 - b. Charcoal grill typically use charcoal briquettes or natural lump charcoal as the fuel source. When burned the charcoal will transform into embers radiating the heat source
 - c. electric grill typically use an electric element to supply a constant heat source and 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. Any reference to the "Governing Documents" shall, for purposes of this Policy, be deemed a reference to the Community Rules set forth in this definition.
- d. Enclosed is defined as an area closed in by a roof and contiguous walls or windows, connected floor to ceiling with appropriate opening or ingress and egress.
- e. Member is defined as any person entitled to membership in Third.
- f. Multi-unit residential facility means a building or portion thereof that contains more than one dwelling unit.
- g. Nuisance reference Nuisance Policy
- h. Private residence is defined as that portion of any Condominium which is not owned in common with other owners.

III. Conditions

Permitted in Third:

- a. Electric Grills
- b. Propane grill with a container capacity no more than 5 pounds
- c. Grills are stored in a safe manner and do not obstruct walkways
- d. Use of grills outside of 10 feet of building or combustible material
- e. Charcoal grill only permitted in detached units and 10 feet from unit or combustible material

- f. After barbequing, the barbecue may be left in place overnight to allow the appliance to cool down.

Not Permitted in Third:

- a. Use of grills on balconies and decks
- b. Use of grills within 10 feet of building or combustible material
- c. Propane grills with containers larger than 5 pounds (adapter can be purchased to convert to smaller tank)
- d. Use of grill that creates a nuisance (excessive smoke or odor) to neighboring units.

IV. Safety Tips

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

v. Enforcement

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

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

A complaint may be registered with the Compliance Department by calling 949-268-CALL or 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.



STAFF REPORT

DATE: July 29, 2020
FOR: Resident Policy & Compliance Committee
SUBJECT: Rules for Board Meetings

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 is 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.

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: Rules for Board Meetings

Attachment 2: Resolution 03-20-XX, Rules for Board Meetings

RULES FOR BOARD MEETINGS
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 **1**, 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.

1 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, September 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.



STAFF REPORT

DATE: July 29, 2020
FOR: Resident Policy and Compliance Committee
SUBJECT: Guarantors

RECOMMENDATION

Receive and file report.

BACKGROUND

Article 4 of the Bylaws, Section 4.2.2, Financial Qualification Assistance, provides that “In the event the person or persons seeking to become a Mutual Member are unable to satisfy the aforesaid financial requirements, the corporation may approve the person for Membership if another financially qualified person enters into an agreement with this corporation to become financially responsible for the expenses associated with such Membership and that other person meets the financial requirements established by the corporation from time to time.”

Similarly, Article II of the Covenants, Conditions and Restrictions (CC&Rs), Section 5(b) affirms “In the event the person or persons seeking to reside in the Condominium as Residents (other than lessees) are unable to satisfy the required average monthly income level, the Board may approve the application for residency if a financially responsible person who is other than one of the persons seeking to reside in the Condominium (including, but not limited to, a non-resident Owner of the Condominium) either enters into a contract with the Mutual in acceptable form and content to the Board by which such financially responsible person or persons seeking to reside in the Condominium, or presents an alternative arrangement satisfactory to the Board to assure payment of the average monthly housing expense. The Board is authorized by resolution adopted by a majority of the members of the Board to increase, decrease or otherwise modify the fixed dollar amounts set forth in this subsection 5(b) from time to time.”

The terms and conditions applicable to Guarantors were most recently codified and adopted by Resolution 03-18-131 on August 21, 2018.

DISCUSSION

In recent weeks, there have been several instances wherein financially unqualified individuals have sought the approval to purchase with a Guarantor. In one instance, a current Member who owns two condominiums and is herself a Guarantor for a third unit, petitioned the Board to waive the stepped up income and asset requirements so that she could purchase a smaller unit for a family member. After the purchase, she proposes to sell one unit. In another instance, a financially unqualified applicant was advised to obtain a Guarantor. He did, but as

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it turned out, the Guarantor already owns two units in Third Mutual. Scenarios such as these cause concern as to Guarantors potentially being over-extended in Laguna Woods Village.

Third Mutual requires that Guarantors submit proof that their primary residence is located in California; that Guarantors execute the "Assessment/Charges Guarantor Obligation Form" (ATT 1); that Guarantors verify net worth equal to the purchase price plus \$200,000; that Guarantors verify annual income is greater than or equal to the sum of the total of the unit's annual mortgage payment plus \$80,000 per year; and that Guarantors provide a full credit report.

Guarantors may be denied for, without limitation any of the following reasons: failure to submit all of the documentation required for consideration; is subject to a bankruptcy proceeding that is pending or has not been discharged; has had any foreclosure or short sale of owned property; has any outstanding balances, collection accounts or judgments owed; has a credit score lower than 680; resides outside California or banks at an institution outside California; already guarantees one or more units within Laguna Woods Village; provides false or misleading information to the Board or for any other reasonable grounds that call into question a Guarantor's financial ability or fitness to serve in this capacity on an Applicant's behalf.

"Any reasonable grounds" as identified above may need to be further clarified to disclose that ownership of any separate interest or leasehold interest in Laguna Woods Village would disqualify a potential Guarantor. Once established as a Guarantor, a person may not subsequently make his own purchase in Laguna Woods Village. This has the potential to decrease the number of buyers insignificantly.

FINANCIAL ANALYSIS

None.

Prepared By: Pamela Bashline, Community Services Manager

Reviewed By: Blessilda Wright, Compliance Supervisor

ATTACHMENT(S)

Attachment 1 – Assessment/Charges Guarantor Obligation Form



EXHIBIT “A”

THIRD LAGUNA HILLS MUTUAL A California Non-Profit Mutual Benefit Corporation (the “Mutual”)

ASSESSMENT/CHARGES GUARANTOR OBLIGATION FORM

A. The Parties

Owner(s): _____ (collectively, the “Owner”)
Property Address: _____ (the “Property”)
Guarantor: _____ (“Guarantor”)

B. Guarantee Payment. Guarantor hereby guarantees unconditionally to the Mutual and the Mutual's agents as follows:

1. Guarantor guarantees unconditionally to be jointly and severally responsible for/liable for all Charges related and charged to the Owner's assessment account.
2. Guarantor guarantees unconditionally to promptly pay for all HOA assessments, regular or special, compliance assessments, reimbursable assessments, chargeable services etc., late charges, interest, costs, trustee fees, attorney fees, or any other amount charged by the Mutual to the HOA assessment account for the Property, including fines, after a noticed hearing before the Board, reimbursement assessments, special assessments, chargeable services etc. (collectively, the “Charges”).

C. Waiver of Right to Demand Enforcement. Because the Guarantor is jointly and severally liable for the Charges, Guarantor guarantees unconditionally to waive any right to require the Mutual or the Mutual's agents to proceed against the Owner for any default occurring under the Governing Documents before seeking to enforce this Assessment/Charges Guarantor Obligation Form.

D. Broad Interpretation. This Assessment/Charges Guarantor Obligation Form shall be construed as a general, absolute, and unconditional Guaranty of payment and shall continue in perpetuity and said guarantees shall apply to all amounts charged by the Mutual to the Owner's account during the time which the Owner is a title/record owner of the Property. If any of the provisions of this Assessment/Charges Guarantor Obligation Form shall be determined to be invalid or unenforceable under applicable law, such provision shall, insofar as possible, be construed or applied in such manner as will permit enforcement.

E. Enforcement.

1. The Mutual may enforce this Assessment/Charges Guarantor Obligation Form without being obligated to resort first to any security or any other remedy against the Owner, and



Guarantor hereby waives any notice of default and/or any right to cure same and there shall be no presentment or dishonor hereunder.

2. This Assessment/Charges Guarantor Obligation Form is general and shall inure to, and may be relied upon and enforced by, any successor or assign of the Mutual.
3. This Assessment/Charges Guarantor Obligation Form shall be governed by the laws of the State of California and the parties specifically agree that any legal action brought under this Assessment/Charges Guarantor Obligation Form or any underlying lease shall be brought only in Orange County, California, which Court is agreed to have jurisdiction over the parties.
4. The Parties waive the right to a jury trial in any such legal action.
5. If the Guarantor breaches this Assessment/Charges Guarantor Obligation Form, the Mutual shall be entitled to a full award of attorney fees, costs and expenses relative to any enforcement efforts taken, including any litigation pursued to enforce this Assessment/Charges Guarantor Obligation Form. Guarantor agrees to pay the Mutual's actual attorney fees, costs, and expenses in the enforcement of the Governing Documents and this Assessment/Charges Guarantor Obligation Form, whether before the lawsuit/proceeding is filed, after the lawsuit/proceeding is filed, or in any and all trial and appellate tribunals, whether suit be brought or not, if, after default, counsel shall be employed by the Mutual.
6. All amounts due to the Mutual hereunder shall bear interest at the highest rate allowed by law from the date of default.

- F. Modification.** Alteration, Modification or Revocation of this Assessment/Charges Guarantor Obligation Form is not permitted unless otherwise agreed to and signed by the Parties in writing.
- G. No Strict Performance Required.** Failure of the Mutual to insist upon strict performance or observance of any of the terms of the Governing Documents or to exercise any right held by the Mutual will not diminish the enforceability of this Assessment/Charges Guarantor Obligation Form. Guarantor agrees that the foregoing obligations shall in no way be terminated, affected, or impaired by reason of any action which the Mutual may take, or fail to take against the Owner, or by reason of any waiver of, or failure to enforce, any of the rights or remedies to the Mutual in the Governing Documents and all amendments thereto.
- H. Binding on Successors.** The obligations of Guarantor shall be binding upon Guarantor and his/her/their successors and assigns.
- I. Effective Immediately Upon Signature.** Guarantor fully understands this Assessment/Charges Guarantor Obligation Form is neither a reference, credit check, nor application, that the Mutual has relied on Guarantor's representations and warranties contained herein and it is fully effective upon Guarantor's signature.



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

By:_____

Dated:_____

Print Name:_____

Address:_____

Phone Number:_____

E-Mail:_____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, before me, _____, a Notary Public in and for the State of California, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the forgoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

Additional
information for
Guarantors is
found in
Agenda Item 11
Page 4-7



RESOLUTION 03-18-131
Guidelines For Financial Qualifications

WHEREAS, Third Laguna Hills Mutual (“Mutual”), acting through its Board of Directors (“Board”), previously adopted operating rules concerning financial qualifications pursuant to the following Board resolutions:

1. Administrative Guidelines for Financial Qualification (Res. No. 03-05-17);
2. Financial Guarantor (Res. No. M3-91-38); and
3. Financial Qualifications Policy (Res. No. 03-16-95).

WHEREAS, the forgoing operating rules are collectively referred to herein as the “Financial Resolutions”.

WHEREAS, it is in the Mutual’s best interests to protect and preserve its financial integrity, ensure consistency among the provisions of its governing documents (including without limitation, the Financial Resolutions), and promote the uniform application of the provisions of said governing documents.

NOW, THEREFORE BE IT RESOLVED, on August 21, 2018, that the Board hereby adopts, and the Financial Resolutions are hereby superseded by, the Guidelines for Financial Qualifications set forth below.

GUIDELINES FOR FINANCIAL QUALIFICATIONS

The governing documents of Third Laguna Hills Mutual (“Mutual”) require each person seeking to acquire an ownership interest in a unit (“Applicant”) to obtain the prior written approval of the Mutual’s Board of Directors (“Board”) before doing so. As a condition to obtaining such approval, each Applicant must provide to the Board documentation that conclusively establishes that Applicant satisfies certain financial requirements as set forth in the Mutual’s governing documents (“Application”). For the purposes of determining whether an Application will be approved or denied, the Board has adopted these Guidelines for Financial Qualifications (“Guidelines”), which shall remain in effect until such time as these Guidelines may be changed, modified, or amended by a duly adopted Board resolution.

I. General Application Requirements.

- a. As a condition of approval, each Applicant must submit to the Mutual an Application with **all** of the following documentation provided in a form satisfactory to the Board:
 1. A federal income tax return for the most recent year that is signed, dated, and includes Schedules A, B and E, as applicable, as well as any other financial verification documents requested by the Board. By way of example, but without limitation, other verification documents may be required if any Applicant derives income from a business owned by the Applicant (personally or through a legal entity), in which case the applicable business tax schedule and profit and loss statement may also be required.



2. Net worth verification pursuant to Section II of these Guidelines.
 3. Income verification pursuant to Section III of these Guidelines.
 4. A completed Financial Statement and Credit Information form.
 5. Verification of the Applicant's identity, which must be a natural person, or a designated individual acting on behalf of a corporation, LLC or Trust.
 6. If the Applicant desires to have a Guarantor to enable the Applicant to Qualify to purchase a unit (as defined below), all documents required pursuant to Section IV of these Guidelines shall also apply to the Guarantor.
 7. If the Applicant desires to purchase more than one (1) unit or already owns at least one (1) unit at the Mutual, all documents required pursuant to Section IV of these Guidelines shall be required for each unit application.
- b. The Board may deny any Application that does not include **all** of the documentation required herein, in a form consistent with these Guidelines and satisfactory to the Board, except as otherwise required by law.
 - c. Any Application (including, without limitation, any document submitted in connection with said Application) that contains false or misleading information will be denied. If an Application was approved and it is later determined that such Application contained false or misleading information and if escrow had not closed by the time such discovery was made the Board may immediately withdraw its approval without the Mutual suffering any liability whatsoever. If escrow, as referenced immediately above, has already closed when the discovery of the false and misleading documentation is discovered, the Applicant will be deemed an owner, not in good standing and will, after a noticed hearing before the Board, be denied the owner's amenity rights, held by an owner in the Mutual, unless such rights are suspended by the Board of Directors.
 - d. Notwithstanding anything to the contrary contained herein, if more than one (1) Applicant will acquire an ownership interest or reside in any single unit, such Applicants' income and net worth may, in the Board's sole reasonable discretion, be calculated collectively.

II. Net Worth Requirements.

- a. As a condition of approval, each Applicant shall submit satisfactory verification of net worth that is greater than or equal to the *sum* of the purchase price of the unit *plus* one hundred twenty-five thousand dollars (\$125,000) in acceptable assets.
- b. When computing net worth for the purposes of this Section, acceptable assets shall be limited to those assets that are considered, in the Board's sole discretion, to be liquid,



marketable or income producing. Examples of acceptable assets include, without limitation, the following:

1. Equity in residential and income real estate.
 2. Savings accounts in banks and credit unions.
 3. Cash value life insurance.
 4. Certificates of deposit and money market accounts.
 5. IRA, SEP, 401(k), Profit Sharing and Keogh accounts.
 6. Federal, state, or municipal government bonds.
 7. U.S. traded investments (e.g., NYSE, Amex, OTC, Nasdaq, etc.) valued at current market prices.
 8. Mortgages and promissory notes; provided that the interest in such mortgages or promissory notes is reported on the Applicant's tax return.
- c. When computing net worth for the purposes of this Section, acceptable assets will **not** include, without limitation, the following:
1. Equity in mobile homes, recreational vehicles, boats, trailers, airplanes, automobiles, or other vehicles of any kind.
 2. Vacant or undeveloped real estate.
 3. Artwork, jewelry, or other collectibles (e.g., coins, dolls, stamps, etc.).
 4. Term life insurance.
 5. Annuity funds that cannot be withdrawn in lump sum.
 6. Anticipated bequests, devises or inheritances.
 7. Mortgages and promissory notes where the interest in such mortgages or promissory notes is **not** reported on the Applicant's tax return.

III. **Income Requirements.**

- a. As a condition of approval, each Applicant shall submit satisfactory verification of annual income that is greater than or equal to the *sum* of the total of the unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year.



- b. Traditional retirement account assets (e.g., 401K, ERISA, IRA, Profit Sharing, etc.) will be considered as a source of annual income in accordance with this subsection. For the purposes of the income verification requirement pursuant to subsection (a) above, the portion of an Applicant's traditional retirement account assets attributable to said Applicant's annual income shall be deemed to be the greater of the following:
 - 1. The mandatory annual distributions for the Applicant's retirement accounts; **or**
 - 2. The total amount of the Applicant's retirement accounts *multiplied* by eighty percent (80%), and then *dividing* this product by twenty-five (25) years, as follows:

$$\text{Attributable Income} = (\text{Total Retirement Account Assets} \times 80\%) \div 25$$
- c. Examples of acceptable income verifications include, without limitation, the following:
 - 1. Federal tax returns from the most recent year.
 - 2. W-2 forms or paycheck stubs.
 - 3. Bank, credit union, or investment account statements.
 - 4. Letters from bankers with verifiable first-hand knowledge of the Applicant's finances.
 - 5. Notices of annuities and social security payments.
 - 6. Credit reports.
- d. Examples of **unacceptable** income verifications include, without limitation, the following:
 - 1. Letters from employers, accountants, enrolled agents, investment counselors, or attorneys.
 - 2. Any income not reported on federal income tax returns.

IV. **Guarantors.**

- a. In the event any Applicant is unable to satisfy the financial requirements set forth in the Mutual's governing documents (including, without limitation, these Guidelines), the Board may permit said Applicant to have a financial guarantor in accordance with this Section IV ("Guarantor").
- b. Each Applicant supported by a Guarantor shall submit proof that their primary residence is located in California, USA and satisfactory verification of a net worth of at least one hundred twenty-five thousand dollars (\$125,000) in acceptable assets, notwithstanding



the requirements of Section II and Section III of these Guidelines.

- c. Each Guarantor shall enter into an agreement with the Mutual to become financially responsible, jointly and severally, for all expenses associated with the Applicant's ownership, residency and/or membership at the Mutual ("Assessment/Charges Guarantor Obligation Form"). A Assessment/Charges Guarantor Obligation Form is attached hereto as Exhibit "A" and incorporated in its entirety herein by this reference as if fully set forth in these Guidelines.
- d. Each Guarantor shall submit **all** of the following documentation in a form satisfactory to the Board:
 - 1. A fully executed and completed Assessment/Charges Guarantor Obligation Form.
 - 2. Proof that the Guarantor's primary residence is located in California, USA.
 - 3. Verification of net worth equal to the *sum* of the purchase price of the unit *plus* two hundred thousand dollars (\$200,000) in acceptable assets.
 - 4. Verification that the Guarantor's annual income is greater than or equal to the *sum* of the total of the unit's annual mortgage payment *plus* eighty-thousand dollars (\$80,000) per year.
 - 5. A credit report.
- e. The Board may withhold its approval of any Guarantor for, without limitation, any the following reasons:
 - 1. A Guarantor or Applicant fails to provide **all** of the documentation as required by subsection (d), above, in a form consistent with these Guidelines and satisfactory to the Board.
 - 2. A Guarantor is subject to a bankruptcy proceeding that is pending or has not been discharged.
 - 3. Any foreclosure or short sale of any property owned by the Guarantor.
 - 4. Any outstanding balances, collection accounts, or judgments owed by the Guarantor.
 - 5. A Guarantor's credit score is lower than 680.
 - 6. A Guarantor resides in a primary residence outside of the State of California.
 - 7. A Guarantor's bank is located outside of the State of California.



8. A Guarantor already guarantees (1) one or more units within Laguna Woods Village.
 9. A Guarantor provides any false or misleading information to the Board.
 10. Any other reasonable grounds that call into question a Guarantor's financial ability or fitness to serve in this capacity on an Applicant's behalf.
- f. Each Guarantor's assurances shall only apply to the Applicant(s) and unit expressly identified on the Assessment/Charges Guarantor Obligation Form. No Guarantor's assurances may be transferred to any other Applicant or unit.

V. **Multiple Units.** As a condition of approval, any Applicant who desires to purchase more than one (1) unit or already owns at least one (1) unit at Third Laguna Hills Mutual, Laguna Woods Mutual No. Fifty or United Laguna Woods Mutual shall submit satisfactory verification of annual income and net worth requirements pursuant to this Section V.

- a. **Net Worth Requirements.** The Applicant shall submit satisfactory verification of net worth that is greater than or equal to the *sum* of the purchase price for each unit *plus* one hundred twenty-five thousand dollars (\$125,000) in acceptable assets per unit, as follows:

Unit 1: purchase price for Unit 1 + \$125,000

Unit 2: purchase price for Unit 1 + \$125,000 +
purchase price for Unit 2 + \$125,000

Unit 3: purchase price for Unit 1 + \$125,000 +
purchase price for Unit 2 + \$125,000 +
purchase price for Unit 3 + \$125,000

- b. **Income Requirements.** The Applicant shall submit satisfactory verification of annual income as follows:

1. Annual Income that is greater than or equal to the *sum* of the following: the total of the first unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year *plus* the total of the second unit's annual mortgage payment *plus* forty-five thousand dollars (\$45,000) per year *plus* an additional twenty-two thousand five hundred dollars (\$22,500).
2. For each additional unit, the annual income requirement shall be calculated consistent with subsection (b)(1), above – that is, the additional unit's annual mortgage payment *plus* an additional twenty-two thousand five hundred dollars (\$22,500) over the previous annual income requirement, as follows:



Unit 1: annual mortgage payment + \$45,000

Unit 2: annual mortgage payment on Unit 1 + \$45,000 +
annual mortgage payment on Unit 2 + \$45,000 + \$22,500

Unit 3: annual mortgage payment on Unit 1 + \$45,000 +
annual mortgage payment on Unit 2 + \$45,000 + \$22,500 +
annual mortgage payment on Unit 2 + \$45,000 + \$22,500 + \$22,500

July Initial Notification

30-Day notification to comply with Civil Code §4360 has been satisfied.