



OPEN MEETING

REGULAR MEETING OF THE UNITED LAGUNA WOODS MUTUAL
GOVERNING DOCUMENTS REVIEW COMMITTEE

Thursday, April 20, 2023 – 1:30 P.M.
BOARD ROOM/VIRTUAL MEETING
Laguna Woods Village Community Center

NOTICE & AGENDA

- | | |
|--|------------------|
| 1. Call to Order | Maggie Blackwell |
| 2. Approval of the Agenda | Maggie Blackwell |
| 3. Approval of Report: | Maggie Blackwell |
| a. March 16, 2023 | |
| 4. Chair's Remarks | Maggie Blackwell |
| 5. Member Comments (Items Not on the Agenda) | |
| 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. Join the Committee meeting via Zoom at: https://us06web.zoom.us/j/99710468599 or by dialing 669-900-6833 Access Code: 997 1046 8599 | |

Items for Discussion and Consideration:

- | | |
|---|-----------------|
| 6. a. Sublease Room Rental Policy | Pamela Bashline |
| b. Accommodations for Disabled Residents (Discussion) | Jacob Huanosto |
| c. Policy for Committee Meeting Rules | Jacob Huanosto |

Concluding Business:

7. Committee Member Comments
8. Future Agenda Items
9. Adjournment

***A quorum of the United Board, or more, may be present at the meeting.**

Maggie Blackwell, Chair
Jacob M. Huanosto, Interim Staff Officer
(949) 268-4207



OPEN MEETING

**REGULAR MEETING OF THE UNITED LAGUNA WOODS MUTUAL
GOVERNING DOCUMENTS REVIEW COMMITTEE**

Thursday, March 16, 2023 – 1:30 P.M.
BOARD ROOM/ VIRTUAL MEETING

Laguna Woods Village Community Center 24351
El Toro Road, Laguna Woods, CA 92637

MEMBERS PRESENT: Maggie Blackwell – Chair, Diane Casey and Sue Quam (entered the meeting at 9:46 a.m.)

MEMBERS ABSENT: None

ADVISORS PRESENT: Juanita Skillman, Mary Stone and Dick Rader

ADVISORS ABSENT: None

STAFF PRESENT: Jacob Huanosto, Ruby Rojas and Jeff Spies

CALL TO ORDER

Maggie Blackwell, Chair, called the meeting to order at 1:35 p.m.

APPROVAL OF THE AGENDA

Chair Blackwell made a motion to table discussion items: 3-Year Lease Expiration Restrictions and Subletting Rules and approve the agenda with changes.

Without objection, the agenda was approved with changes.

APPROVAL OF MEETING REPORTS

Chair Blackwell made a motion to approve both the January 19, 2023 and February 16, 2023 meeting reports.

without objection, the minutes for January 19, 2023 and February 16, 2023 were approved.

CHAIR'S REMARKS

Chair Blackwell thanked both the Committee and staff for attending the meeting.

MEMBER COMMENTS

Members provided comments for the committee to address multiple topics.

ITEMS FOR DISCUSSION AND CONSIDERATION

Stock Certificate Correction

Mr. Jeff Spies, Community Services Supervisor presented the Stock Certificate Correction. The Committee members made comments and asked questions. The Committee elected to make minor changes to the Stock Certificate.

The Committee directed staff to Include verbiage stating that the stock certificate evidences membership in United Laguna Woods Mutual and the Golden Rain Foundation. The committee further instructed staff to clarify that the vice president and assistant secretary should be ex officio.

Without objection, the motion passed.

Mr. Jeff Spies left the meeting at 2:09 p.m.

Accommodations for Disabled Residents

Mr. Jacob Huanosto, Compliance Coordinator, provided an overview of the matter and brought forward correspondence from United Mutual legal counsel: Mr. Jeff Beaumont, Esq.

Director Casey made a motion to request further assistance from legal counsel to create the policy as a Governing Document. Director Quam seconded the motion. The committee reconsidered their decision and elected to bring the matter back as a future agenda item.

CONCLUDING BUSINESS:

Committee Member Comments

None.

Future Agenda Items

- Accommodations for disabled Residents
- Loans in Laguna Woods Village
- Policy for Committee Meetings Rules

Date of Next Meeting

The next meeting is scheduled for Thursday, April 20, 2023 at 1:30 p.m. in the Board Room.

Adjournment

With no further business before the Committee, Chair Blackwell adjourned the meeting at 2:30 p.m.

MABlackwell

MABlackwell (Mar 31, 2023 16:09 PDT)

Maggie Blackwell, Chair

Signature:

Email: ruby.rojas@vmsinc.org



STAFF REPORT

DATE: April 20, 2023
FOR: United Governing Documents Review Committee
SUBJECT: Sublease/Room Rental Policy and Application

RECOMMENDATION

Approve the Sublease/Room Rental Policy and Application to properly align with Civil Code § 4739 of the Davis-Stirling Act and supersede and cancel Resolution 01-21-11 that adopted the current Sublease Permit Policy and Qualifiers for Subleasing Units.

BACKGROUND

On February 9, 2021, by way of Resolution 01-21-11, the Board revised its Sublease Permit Policy and Qualifiers for Subleasing Units to comport with Assembly Bill 3182 which restricted community associations' enforcement of rental restrictions deemed to be unreasonable. Since adoption of the current Sublease Permit Policy and Qualifiers, the law changed once again affecting common interest developments and the leasing of a separate interest. The Board of Directors authorized staff to work with legal counsel to update its current Sublease Permit Policy and Application to comport with the new law.

DISCUSSION

While Assembly Bill 3182 prohibited short-term leases for thirty (30) days or less and limited the total number of leased homes in the community to no less than twenty-five percent (25%), Civil Code § 4739 further limits community associations' ability to restrict rentals, by allowing owners to take on room renters, so long as the owner resides in the unit.

Civil Code § 4739, which became effective on January 1, 2023, states that a community association cannot prohibit an owner(s) living in their owner-occupied unit from renting out a portion of their unit so long as the rental is for more than a 30-day period, thus compelling the Mutual to allow for more leases/rentals though this time in owner-occupied units.

However, in connection with this new law, no room rental will count towards the Mutual's current 25% rental cap and the Mutual cannot limit the number of room rentals within the community, so long as the owner continues to reside in the unit with the renter.

FINANCIAL ANALYSIS

None.

Prepared By: Patty Kurzet, Membership Services Coordinator

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

ATTACHMENT(S)

ATT 1 – Redlined Proposed Sublease/Room Rental Policy and Application
ATT 2 – Clean Proposed Sublease/Room Rental Policy and Application



Resolution 01-23-xxx
Sublease / Room Rental Policy and Application

WHEREAS, Civil Code § 4739 of the Davis-Stirling Act, effective January 1, 2023, prevents a community association, through its governing documents, from prohibiting an owner of a separate interest to rent or lease out a portion of the unit to a tenant for more than 30-days if the owner also resides in the unit;

WHEREAS, the United Mutual Board recognizes the need to amend its Sublease Permit Policy and Qualifiers Application Packet and adopt a Sublease / Room Rental Policy and Application to align with the new law;

NOW THEREFORE BE IT RESOLVED, June xx, 2023, that the Board of Directors of this Corporation hereby approves and adopts the **Sublease / Room Rental Policy and Application**, as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution 01-21-11 adopted February 9, 2021 and its Exhibit A - Qualifiers for Subleasing Units are hereby superseded in its entirety 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.



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To view this Sublease/Room Rental Policy and Application package online, visit lagunawoodsvillage.com and click on Neighborhoods/Sales & Leasing/United Laguna Woods/United Sublease/Room Rental Policy and Application

Sublease / Room Rental Policy and Application
Resolution 01-23-xxx
 Adopted xxxxxxxx

I. Purpose

United Laguna Woods Mutual (United) authorizes Members, as defined in the Bylaws and referenced in the Occupancy Agreement, to sublease their ~~Units~~~~Manors~~. Effective January 1, 2023, California Civil Code § 4739 further authorizes Resident Members to rent a room in the Unit for a minimum of 30-days. Any sublease by a Non-Resident Member automatically transfers the right to use the ~~c~~Community ~~f~~Facilities from the Member to the Sublessee.

The purpose of this document is to set forth the Sublease / Room Rental Policy & Application which shall be a governing document of United and shall be enforceable against all Members.

II. Definitions

~~For purposes of this Sublease / Room Rental Policy, the definitions set forth below shall apply. To the extent any term is capitalized herein but not defined, the definition set forth in United's Bylaws and/or Occupancy Agreement shall apply.~~

A. Agent – Individual employed by Village Management Services Inc. (VMS) authorized to act on behalf of United.

B. Application – The Sublease / Room Rental Application: ~~United Mutual Laguna Woods Mutual Co-operative form form~~ (also known as “Sublease/Room Rental” after ~~A~~approval of ~~the~~ Application) prescribed by United to apply for ~~A~~approval to sublease a ~~Unit~~~~Manor~~ or rent a room in a ~~Resident Member occupied Unit~~~~Manor~~.

C. Approval – Written authorization to sublease the Unit or rent a room in a ~~Unit~~ ~~Manor~~ granted by the United Board or authorized VMS staff member(s).

D. Assessment – The monthly charge that United levies against all Members and their ~~Unit~~~~Manors~~ and collects monthly pursuant to its Governing Documents.

~~E. Board of Directors – (also known as “United Board of Directors”, “Board”, “United Board”) – United's elected volunteer officials responsible for all operations of the association and ensures that the Governing Documents are followed and enforced.~~

~~E.F.~~ Charge – Fee, fine and/or monetary penalty that United and/or GRF may levy upon a Member pursuant to their Governing Documents.

~~F.G.~~ Community – Laguna Woods Village.

~~G.H. GRF Community Rules – The Articles of Incorporation, Bylaws of GRF, United, the Occupancy Agreement (any addendums); and any rules and regulations adopted by United and/or GRF. Any reference to the “Governing Documents” shall, for purposes of this Sublease / Room Rental Policy, be deemed a reference to the Community Rules set forth in this definition.~~

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Commented [KP1]: We propose that the “Community Rules” definition be changed/separated from “Governing Documents” to just include GRF’s Bylaws and rules and regulations, and when referring to “Governing Documents” such reference would include all of United’s Articles, Bylaws, Occupancy Agreement and any rules and regulations – see “Governing Documents” definition.

If you are ok with this, should the term be changed to “GRF Governing Documents” or something like that, instead of “Community Rules”?

Commented [BT2R1]: I've changed the term to "GRF Community Rules" to reflect the difference between United's Governing Documents and GRF's governing documents, rules and regulations, etc.

H.I. Co-occupant – Any person who seeks to reside with a Qualifying Resident who is approved, in advance, in writing, by the Board of Directors for occupancy and who shall be at least 45 years of age unless such person is the spouse or cohabitant of –a Qualifying Resident, or as otherwise defined by the Bylaws. The Co-occupant will be recognized as a renter when either the landlord-tenant relationship exists or rent money is exchanged, and the Member resides in the Unit.

H.J. Development – The property and all buildings, structures, utilities, common areas, units, and other improvements located thereon, and all appurtenances thereto, which are intended to create a stock cooperative as described by applicable law.

K. Golden Rain Foundation (GRF) – The nonprofit mutual benefit corporation organized to manage and maintain the community facilities and services for the Community.

J.L. Governing Documents - The Articles of Incorporation, Bylaws of United, the Occupancy Agreement (any addendums); and any rules and regulations adopted by United.

K.M. Identification (ID) Card – Photo ID card issued by GRF to Members, Co-occupants, Sublessees, and Renters of the Community authorizing use and access to the community facilities.

L.N. Lease/Rental Office – Located in the Resident Services Department in the Laguna Woods Village Community Center, which ensures that a Sublease / Room Rental Application comports with the Governing Documents.

M.O. Member – (also known as “Shareholder” or “Sublessor”) - A Shareholder who has been approved by United as being entitled to membership in United and has an appurtenant right of membership in GRF.

N.P. Non-Resident Member – A Member who does not personally reside in the Member's UnitManor.

O.Q. Non-Resident Member Pass – Gate entry pass authorizing a Non-Resident Member access into the Community for the purpose of inspecting his/her property on an as needed basis. This pass does not authorize use of or access to the cCommunity fFacilities during any sublease period.

P.R. Occupancy Agreement – the agreement between United and its Members under the terms of which the Members are entitled to enjoy possession of their respective Units and the use of the facilities owned by GRF.

Q.S. Qualifying Resident – Person who resides in the UnitManor. is at least 55 years of age and has been approved by the Board of Directors for membership and occupancy in accordance with the provisions of the Bylaws.

R.T. Renter - a qualifying individual who rents a room in the Resident –Member's UnitManor when the Member also resides in the UnitManor.

S.U. Resident – Person who has been approved by the Board of Directors for occupancy.

V. Resident –Member – A Member who personally resides in the Member's UnitManor.

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Commented [KP3]: We propose that the “Governing Documents” definitions should refer to all of United’s Articles, Bylaws, Occupancy Agreement and any rules and regulations, and not include GRF documents.

Commented [BT4R3]: I agree, see comment above.

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~~T.W.~~ RFID – Radio Frequency Identification tag placed on a Member's vehicle to gain access into the Community via the automated gate system.

~~U.X.~~ Rush – Application submitted fewer than 10 business days before the approved Sublease-/Room Rental effective start date.

~~V.Y.~~ Shareholder – A Qualifying Resident approved by the Corporation to exclusively occupy a Unit and to whom a Stock and/or Membership Certificate of the Corporation has been issued.

~~W.Z.~~ Sublessee - Any person or persons who subleases a Unit from a Non-Resident Member for such period of time and on such forms as authorized by the Board of Directors, as shall be permitted by the Governing Documents~~Rules and Regulations~~ adopted by the Board of Directors from time to time.

~~X.AA.~~ Sublease / Room Rental Extension – Parties to the Sublease-/Room Rental may request an extension of time at the end of the Sublease-/Room Rental period if the original period is shorter than 12 months, subject to the Board of Director's prior written approval.

BB. Sublease / Room Rental Policy – This policy that sets forth the rules, regulations and procedures that governs the subleasing a Unit or renting a room in a Unit.

~~Y.CC.~~ Sublease / Room Rental Renewal – Parties to the Sublease-/Room Rental may request a renewal no more than 60 days prior to the end of the 12-month period.

~~Z.DD.~~ Unit (also known as "Manor") – a dwelling unit owned by United, and the Members' separate interest; specifically, the exclusive right to occupy a specific portion of the real property within the Development.

~~AA.EE.~~ United Laguna Woods Mutual (also known as "Corporation", ~~or~~ "United", ~~or~~ "Mutual") - The nonprofit mutual benefit corporation organized to provide housing to its Members on a mutual nonprofit basis.

~~BB.FF.~~ Village Management Services Inc. (VMS) – Managing agent for United and GRF.

III. Fees

~~Members~~~~The Member applying to sublease out their Unit or rent a room in of the Resident Member occupied Unit shall pay is required to pay certain~~ fees associated with the review, processing, and Approval of the Sublease / Room Rental Application. The fees shall be set forth in the fee schedule which will be distributed by the Mutual annually with the Annual Policy Statement. ~~with this Sublease / Room Rental Policy that may be required by United. (the following fees may be changed at any time by United and such change(s) shall not constitute a rule change to this Sublease / Room Rental Policy, which requires notice to the United Members):~~

UNITED Fees	
Sublease/Room Rental Application Processing	\$160
Sublease/Room Rental Application Renewal	\$160
Sublease/Room Rental Application Rush	\$100

Commented [KP5]: I added this definition since it is in caps and referenced throughout the document

Commented [BT6R5]: It is not necessary to have as this term defined as it is the name of the Policy, however, there I see no issue with including it for ease of review.

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Commented [BT7]: Civil Code section 5850(a)-(b) provides: "If an association adopts or has adopted a policy imposing any monetary penalty, including any fee, on any association member for a violation of the governing documents, including any monetary penalty relating to the activities of a guest or tenant of the member, the board shall adopt and distribute to each member, in the annual policy statement prepared pursuant to Section 5310, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents. (b) Any new or revised monetary penalty that is adopted after complying with subdivision (a) may be included in a supplement that is delivered to the members individually, pursuant to Section 4040."

Sublease/Room Rental Application Extension-	\$60
* Additional Occupant Fee (for each person in excess of two- (monthly). Must be paid in advance for the term of the sublease / room rental)-	\$50

GRF Fees	
* Additional Occupant Fee (for each person in excess of two- (monthly). Must be paid in advance for the term of the sublease / room rental)-	\$100
Non-return of: Sublessee/Renter ID Card(s)-	\$25
Non-return of: RFID(s) and automobile decal(s)	\$125

~~* General charge due from all residents, whether or not a sublease / room rental is in place and/or whether the additional person is a live-in care provider.~~

XXXIX. IV. Terms and Conditions

A. General Information

1. Authorization to sublease or rent a room shall be effective only when approved in advance, in writing by United or by an authorized VMS staff member(s) of United; the Approval of any sublease or room rental shall be limited to the terms specified herein.
2. The term of a sublease or room rental may not be less than 30 days, nor may the term of a sublease or room rental exceed 12 months, subject to a Sublease / Room Rental Renewal. Consent to one Subleasing/Room Rental shall not obligate the Corporation to consent to any other Subleasing/Room Rental. The cap on total units is twenty five percent (25%) or 1,581 units.
3. AThe copy of a separate pending and/or fully executed sublease / room rental agreement between parties must be provided to United prior to the Sublessee's or Renter's move-in to the Member's Unit/Manor.
4. No Member may sublease the Unit if delinquent in carrying charges or assessments at the time of the proposed/intended sublease, except with Board approval and subject to an assignment of rents (as set forth in Resolutions U-91-73 and U-01-10 and referenced herein under Article IV, Section C).
5. Renewal of the Sublease/Room Rental to continue to sublease or rent shall require the prior written Approval of United provided that United shall not be obligated or have any duty to approve such extension or renewal regardless of a Member, Sublessee's or Renter's circumstances unless required by law. If Member chooses to use a realtor to renew or extend the Sublease/Room Rental Policy, all commissions payable to a realtor shall be the Members' obligation.
6. United shall, to the extent required by law, provide notice of potential asbestos-containing materials used during construction (Exhibit A). Any changes in the notice in Exhibit A as may be required by law or otherwise shall not be deemed a change to this Sublease / Room Rental Policy which requires notice to the

Commented [BT8]: The recent change in the law regarding rental restrictions is still an unsettled area of law. Therefore, a maximum lease term may be subject to challenge, but defensible where there is an option to renew the sublease as set forth herein, especially if this rule is based on administrative concerns.

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Commented [KP9]: Did we decide to remove this paragraph and rescind U-91-73 and U-01-10 that refer to Assignment of Rents when accounts are delinquent before and during the term of the sublease. Section C speaks to the Assignment of Rents??

Commented [BT10R9]: We should keep the assignment of rents and referenced policies.

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Commented [BT11]: This may also be subject to challenge.

Civil Code Section 4741(a) provides:

"An owner of a separate interest in a common interest development shall not be subject to a provision in a governing document or an amendment to a governing document that prohibits, has the effect of prohibiting, or unreasonably restricts the rental or leasing of any of the separate interests, accessory dwelling units, or junior accessory dwelling units in that common interest development to a renter, lessee, or tenant."

Note that the Occupancy Agreement provides for an assignment of rents.

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Members of United.

7. Laguna Woods Village is an independent-lifestyle and age-restricted senior citizen housing development (as defined by California Civil Code §51.3). No form of health care or assisted living is provided by United. Each Resident is responsible for his/her own health, safety, care and welfare, subject to the conditions and restrictions regarding care providers from United's Governing Documents and United's "Care Provider Policy."
8. All Sublessees and Renters shall meet the age requirements for occupancy and residency as required and established under United's Governing Documents and California Civil Code §51.3 (and any successor statute).
9. Appearance of the Community is important, and Residents are required to keep their balconies, patios, walkways and carports free from clutter, trash and debris per the approved Governing Documents-Community Rules_and Regulations.
10. United, GRF and VMS are not parties to the terms of a sublease or room rental agreement between the Member and Sublessee or Renter, and will not be involved in resolving any disputes between the Member and Sublessee or Renter; provided, however that if a Member is in violation of the Governing Documents or, including, but not limited to the Community Rules or this Sublease / Room Rental Policy, or if a Sublessee or Renter is violating the Governing Documents, including, but not limited to the Community Rules or this Sublease / Room Rental Policy, United shall have all rights and remedies available to it under the Governing Documents, including, but not limited to the GRF Community Rules and this Sublease / Room Rental Policy.
11. All sublease/room rental agreement terms between Member and Sublessee pertaining to rent amounts, payment of rents (other than the assignment of rents), fees, repair costs and commissions, or any other sublease stipulations are a matter of concern for the Member and Sublessee, and neither United, GRF, nor VMS shall be responsible for any terms therein.
12. The Lease/Rental Office will notify the Member of the approval/denial status of the Application within 10 business days of its written submittal. A rush fee ~~of \$100~~ will be imposed by United on any Member requests for expedited services prior to the routine 10 business days of processing. No representation or warranty is made that United will be able to complete a Rush authorization approval request in the Members' requested timeframe.
13. United has adopted a Non-Smoking Policy and is authorized to take disciplinary action against a Member who is in violation of said Policy. United may take disciplinary action against a Member for violation of the Non-Smoking Policy by including but not limited to a Member's Sublessee or Renter.
14. The Member is at all times responsible for the acts or omissions of, without limitation, the Member's Sublessee, Renter, guest, care provider, vendor, invitee or contractor as well as the guests, care providers, invitees or contractors of the Member's Sublessee / Renter.
15. ~~No Member shall own more than one membership/unit in United, and/or being identified as the "Member" under more than one Occupancy Agreement, at any one time, except as provided for and subject to certain conditions under United's~~

Commented [KP12]: If we are separating the definitions of "Community Rules" as GRF rules and "Governing Documents" as United rules, then I don't think the revisions in this paragraph will apply, since United can't enforce GRF rules. However, United can reach out to GRF to assist in disciplinary action.

~~Interim Dual Ownership Agreement (as provided in Resolutions U-02-164, 01-10-222 and 01-03-147), including but not limited to the requirements that (i) a member may not sublease a unit listed for sale during any permitted period of dual ownership, (ii) the member must reasonably proceed to sell the unit listed for sale within six (6) months from the member's signing of the Interim Dual Ownership Agreement, (iii) the Board is prohibited from approving any individual member's request for an Interim Dual Ownership Agreement more frequently than one (1) time in any two (2) year period and (iv) with respect to dual ownership, both trustees and beneficiaries under any trust having any ownership interest in a unit/membership shall be considered a member with respect to such unit/membership.~~

~~17.15.~~

nited is billed directly from the tax assessor and the Shareholder/Member reimburses the Mutual through the monthly assessments. Members of United are cautioned to prepare for property tax increases in monthly assessments.

B. Charges

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

C. Assignment of Rents

1. If a Member is delinquent in his or her payment of any GRF and/or United Charges and/or Assessments, as required under the Governing Documents ~~and GRF Community Rules~~, Member, Sublessee and Renter each acknowledge and agree that the Member hereby assigns to and confers upon United, the right,

U

Commented [KP13]: I removed the all caps sentence since we aren't including the actual fees in this Policy.

Commented [BT14R13]: Agree this sentence should be removed.

Commented [KP15]:

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Commented [KP16]: Jeff, I think you were ok with keeping this sentence.

Commented [BT17R16]: I agree.

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Commented [BT18]: This is unclear.

Commented [KP19]: We added the word "Board"

but not the obligation, to collect and retain the rent payable by the Sublessee or Renter and to apply the same to any delinquent Charges and Assessments, as well as any late fees, attorneys' fees, or other costs and expenses permissible by law or the Governing Documents that may be incurred or assessed by United in connection with the delinquent Assessment and/or GRF and/or United Charges. GRF and/or United may collect rent directly from a Member's Sublessee or Renter to satisfy a Member's debt for delinquent United Charges and/or Assessments.

2. Member, Sublessee, and Renter acknowledge and agree that, concurrent with notice in writing to the Member, United shall be entitled to directly receive the rent by delivering to the Sublessee / Renter at the Unit Manor a "Notice to Sublessee / Renter - Assignment of Rents" ("~~Notice of Assignments~~ of Rents") (Exhibit B). Upon receipt of such "Notice", the Sublessee / Renter shall directly forward all payments of rent required under the sublease/room rental agreement between parties to United at the address set forth in the "Notice" until the Sublessee / Renter receives a second notice to the effect that the Sublessee / Renter may again resume making rental payments directly to the Member. Any changes in the Notice of Assignment of Rents form in Exhibit B shall not be deemed a change to this Sublease / Room Rental Policy which requires notice to the Members of United.
3. To the fullest extent permitted by law, such payments of rent paid directly to United shall continue until the delinquent monthly Assessments and Charges and any late fees, attorneys' fees, or other collection costs and expenses incurred by the Member are paid in full. In the event that the payment of rent received by United is in excess of the amounts owed by the Member, then United shall refund the difference, less any processing fee(s), to the Member within 30 business days of receipt of such rental payment.
4. Member acknowledges and agrees that the Sublessee / Renter shall not be in breach of the sublease/room rental agreement between parties solely as a result of making rental payments directly to United, and further that the Member shall not take any other action or avail itself of any other remedies against the Sublessee / Renter under the sublease/room rental agreement or otherwise based on the Sublessee's / Renter's direct payment of rent to United following receipt of a Notice of Assignment of Rents.
5. Member and Sublessee or Renter acknowledge and agree that United shall not have any obligation either to the Member or the Sublessee or Renter to fulfill the duties of the Member or the Sublessee or Renter under their sublease/rental agreement, nor shall United have any obligations to any other third-party based on its direct receipt of the rent to cover delinquent monthly Assessments or Charges and associated costs and expenses as set forth above. It is specifically agreed that United is not and will not be assuming any of the responsibility of the Member or the Sublessee or Renter to fulfill any of the terms, conditions and covenants between the Member and the Sublessee or Renter pursuant to the sublease between the Member and the Sublessee or Renter, and shall not be deemed to be a landlord or party to a landlord-tenant relationship with Member or Sublessee or Renter for any reason or at any time.

D. ID Cards and Privileges

1. Sublessee or Renter ID Cards shall be issued for a period not longer than the duration of the Sublease/Room Rental or a 12-month period, whichever is shorter, and may be eligible for renewal upon extension or renewal of the

Commented [BT20]: Note that courts have held a homeowners association does have some duties to its members analogous to the duties of a landlord. However, I have no objections to including this language here.

Sublease-/Room Rental.

2. Sublessee or Renter ID cards are not issued until all paperwork required pursuant to the Sublease-/Room Rental Policy is received and the Application has been approved in advance in writing by United.
3. Sublessee or Renter ID cards and resident RFIDs will be available no sooner than seven days prior to the parties' sublease/rental start date unless United approves a Sublease / Rental Application agreement under the Rush standards referenced herein under Article IV, Section A (12).
4. A "Waiver of Liability" form must be executed by the Member and Sublessee/ Renter if access to and into the Community prior to the sublease/rental start date is required.
5. Member acknowledges and agrees that the privileges of membership in GRF are granted and assigned to Sublessee / Renter for the duration of the Sublease/Room Rental or the parties' sublease/rental agreement itself; and Non-Resident Member, while subleasing the Unit, hereby surrenders all Resident ID Card(s) and Resident Decal(s) and RFID(s) when they execute the Sublease-/Room Rental Application giving up the right to such privileges while the sublease is in effect in accordance with the Governing Documents. Upon surrender of the card, decal and RFID, the Member is given a Non-Resident Member Pass that provides the Member access to the Community for the limited purpose of accessing and inspecting the subleased premises. This pass does not permit use of or access to the community facilities.
6. Sublessees and Renters may use the GRF facilities and receive the services made available by GRF to all Members. The facilities and services may be modified or discontinued by GRF at any time. The Sublessee of a Member's Unit, or room renter, at all times, shall comply with any and all rules, prohibitions and/or restrictions established by GRF with respect to the use of GRF's common amenities and facilities.
7. At the end of the Sublease/Room Rental period, the Member is required to return all gate entry passes including ID cards, automobile decals, RFIDs, guest passes, business passes and care provider passes in order to avoid a GRF non-return fee, unless an extension is granted. (See Section III, Fees).

Commented [BT21]: Suggest defining this term.

Commented [KP22]: We defined RFID

E. Occupancy

1. ~~It is required~~ highly recommended that Members obtain/perfor m both background and credit checks on new Sublessees or Renters as well as check references provided by the Sublessee or Renter to protect such Member's interests, given that the Member will be held responsible for the acts and/or omissions of their Sublessees / Renters who violate United's and GRF's Governing Documents. United shall have no liability with respect to any background check obtained/performed or failure to conduct a background check.
2. No person, including but not limited to a Sublessee or Renter, may reside in a Unit Manor without the prior written approval of the United Board of Directors or VMS authorized staff member(s). Contact Resident Services Department at 949-597-4600 for any change in residency status.

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3. Sublessee shall not assign a Sublease/Room Rental or any interest therein and shall not sublet the Unit or any part thereof or any right or privilege appurtenant thereto or permit any other person to occupy or use the premises or any portion thereof without prior written consent of Sublessor and Mutual. A consent to one assignment, subleasing, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subleasing, occupation or use by any other person. Any such assignment or subleasing without such consent shall be void and, at the option of the Mutual and/or Sublessor, shall constitute a breach of the Sublease/Room Rental. The interest of Sublessee in a Sublease/Room Rental shall not be assignable by operation of law without written consent of the Mutual.
4. An application to reside in a ~~Unit Manor~~ shall be made on the form prescribed by the United Board pursuant to this Sublease /_Room Rental Policy and attached hereto as Exhibit D. Any changes in such form shall not be deemed a change in this Sublease /_Room Rental Policy which requires notice to the Members of United.
5. ~~Unit Manor~~ subleases or rentals must be for a period not less than 30 days.
6. Any subleases or rentals longer than 12 months will require a Sublease-/Room Rental ~~Application~~ to be renewed annually and is subject to the terms and conditions set forth herein.
7. The ~~Unit Manor~~, together with the parking space assigned to such ~~Unit Manor~~, must be made available to the Sublessee during the entire term of the Sublease, except that the Member is not required to make the assigned parking space available in the instance of an approved room rental.
8. Relatives and other guests may stay overnight for a total of 60 days in any 12-month period. Relatives and guests may not stay in a ~~Unit Manor~~ during the absence of the Qualifying Resident or Co-Occupant.
9. Unless otherwise required by law, the maximum number of persons allowed to occupy a ~~Unit Manor~~ is equal to the number of original construction bedrooms plus one; no more than ~~two-two~~ three persons in a one-bedroom ~~Unit Manor~~, and no more than three persons in a two-bedroom ~~Unit Manor~~. There are additional monthly GRF and United Laguna Woods Mutual fees for each person in excess of two.
10. The ~~Unit Manor~~ shall be used and occupied solely as a private residential dwelling and for no other purpose.
11. Only a Member of United named under an Occupancy Agreement has the right to sublease their entire Unit, and no person shall reside in a ~~Unit Manor~~, other than those listed on the approved Sublease-/Room Rental.
12. No business or commercial venture may be conducted in the ~~Unit Manor~~.
13. ~~Unless required by law, such as Civil Code § 4739, no room rental arrangement or sublease shall be permitted and no~~ Member or Sublessee/Renter or Sublessee/Renter may advertise for any room rental or rent-sharing agreement (for example only, listed on Airbnb, VRBO, Craigslist, Nextdoor or any similar website), unless the sublease/room rental between parties satisfies all other

Commented [KP23]: I don't think the Sublessee or Renter can advertise for a room rental. Perhaps remove "Sublessee / Renter"?

Commented [BT24R23]: I suggest keeping "Sublessee/Renter" because although it is unlikely, it is possible that a Sublessee or Renter could seek to sublease through one of these websites, it not unheard of for a sublessee to sublease for a portion of their stay. We want to be clear that no room rental or room-sharing agreements are permitted by Member or Sublessees/Renters.

~~Community~~the requirements of the Governing Documents for United and GRF, including, but not limited to, the requirement of a thirty (30) day minimum lease term. ~~United will not approve any submitted amendment to a Sublease / Room Rental for the purpose of adding additional persons to a sublease or room rental during the term of a Sublease / Room Rental.~~

0. ~~No Unit Manor~~ or any portion thereof may be used for vacation rentals or advertised for such use for a period of less than 30 days in any print media (such as newspapers, magazines, local bulletin boards, etc.) and/or on any website (including without limitation Airbnb, VRBO, social media, listing service or any similar website). ~~nor may any Manor be leased to a corporate housing company, including any nonprofit housing organization.~~

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Commented [BT25]: This deleted portion is subject to challenge per Civil Code Section 4741 as cited above.

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

- When moving into the Community and disposing of boxes, Sublessee(s) or Renter(s) must break down and stack moving boxes next to trash dumpsters or at curbside for routine pickup.
- The use of an elevator, when moving into or out of a multi-story building, requires the placement of elevator protection pads, which can be requested, free of charge, by calling the Security Department 949-580-1400 the day of the move in/move out date. Similarly, individuals are required to order elevator protection pads when arranging for delivery or removal of bulky items, such as furniture.
- ~~Please be advised that there are weight and volume restrictions. Call Resident Services at 949-597-4600 to arrange to have excessive moving material hauled away as a chargeable service.~~ When moving out of the Community, the Sublessee or Renterseller is responsible for hauling away excessive materials/furniture. Bulky items are collected on a weekly basis free of charge. CR&R should be called at 949-625-6735 to know when the pick-up service is offered and for information as to what can or cannot be hauled away.
- Each Member is responsible for any damage caused by his or her movers or deliveries to the elevator, lobby furniture, common area and/or other United property.
- No oversized furniture, appliances, non-broken-down boxes or other similar items may be discarded outside of the Unit Manor at any time, except to the extent permitted by the Governing Documents, including, but not limited to the GRF Community Rules and this Sublease / Room Rental Policy. Community Rules.

Commented [BT26]: Does staff provide at the residents expense or is the resident required to provide the pad?

Commented [BT27]: Clarify whether these restrictions are generally or specifically for the elevator/trash.

Commented [KP28]: I re-organized this paragraph. I removed "seller" since this is a leasing/renting policy

I.G. Alterations, Repairs and Maintenance

- Member(s) are required to obtain prior written approval in advance of construction from United for any proposed internal and external structural alterations, additions, improvements and modifications to the Unit or any landscape changes. Applications may be obtained from the Resident Services Department located at the Community Center and may be reached at 949-597-4600.

The Member and Sublessee(s)/Renter(s) understand that the Unit Manor shall not be altered, repaired or changed without prior written authorization of Member and United. Unless otherwise provided by written agreement, all alterations, improvements and changes that may be required shall be performed

either by or under the direction of United; shall be the property of Member; and shall remain upon and be surrendered with the Unit Manor. Only applications submitted by the Member will be considered by the Board, Sublessees / Renters shall not have the right to submit an application for structural alterations.

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

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

J.H. Insurance

1. Sublessee's or Renter's personal property is not insured by United.
2. Renters' insurance is strongly recommended. (See Section I, Rights and Remedies, Item 1, 2 and 3 below).

K.I. Rights and Remedies

1. As a material part of the consideration to be rendered to Member under a Sublease/Room Rental, Sublessee or Renter hereby waives, to the maximum extent authorized by law, all claims against ~~Member and~~ United for damages to personal property in, upon or about said Unit Manor and for injuries to persons in, upon or about said premises from any cause arising at anytime.
2. Sublessee or Renter shall, to the fullest extent permissible by law, hold Member, United, GRF and VMS harmless from any liability on account of any damage or injury to person or personal property arising from the use of the Unit Manor by Sublessee or Renter arising from the failure of Sublessee or Renter to keep the Unit Manor in good condition as provided herein or failure to perform or observe any of Sublessee's or Renter's obligations under this policy. United, GRF and VMS shall not be liable to Sublessee or Renter for any damage caused by any act or negligence of any other person, including, but not limited to, any occupant of the same building or by any Member or occupant of adjoining or contiguous property. Without limiting the foregoing, the Member shall at all times be responsible for the acts or omissions of his or her Sublessee or Renter and shall be liable for any damages or financial expenses incurred by United as a result of the Sublessee's or Renter's use of the Unit Manor or any other portions of the building in which the Unit Manor is located and/or common areas.
3. The Member and Sublessee or Renter shall be liable for all damages and injuries done to the Unit Manor, to the building in which the Unit Manor is located, and to the common areas of the Community, as well as all damage or injury to other occupants thereof caused by the Member's and/or Sublessee's or Renter's misuse or neglect of the premises, equipment, apparatus or

appurtenances. The Member and Sublessee or Renter also shall be liable for all damage or injury done to the Unit Manor, to the building in which the Unit Manor is located or to the common areas by any person who may be in or upon the building, the Unit Manor or the common areas with the authorization of the Member and/or Sublessee or Renter. Without limiting the foregoing, the Member shall be primarily liable for all damages, as described in this paragraph, stemming from the acts or omissions of the Sublessee or Renter.

4. In the event of any total or partial destruction of the Unit Manor during the term of the Sublease-/Room Rental from any cause, ~~either Mutual or Member United~~, to the extent permitted by law, may terminate the Sublease-/Room Rental by written notice to Sublessee/_Renter and without liability to Sublessee/_Renter ~~except that Member shall refund any rent which may have been paid in advance by Sublessee/Renter for any period subsequent to the date of any such termination.~~
5. In the event that the real property upon which the Unit Manor is located or any part thereof shall be acquired by any public body, agency or other entity having the power of eminent domain, whether by voluntary sale, threat of condemnation or by judgment of a court in condemnation proceedings, ~~either Mutual or Member United~~, to the extent permitted by law, may terminate ~~this~~ Sublease-/Room Rental upon written notice to Sublessee/_Renter and without liability to Sublessee/_Renter. ~~except that Member shall refund any rent which may have been paid in advance by Sublessee/Renter for any period subsequent to the date of any such termination.~~
5. In the event of any breach of ~~this~~ Sublease-/Room Rental Policy by the Member and/or Sublessee or Renter, United shall have the same rights and remedies to enforce ~~this~~ Sublease-/Room Rental as are available to Member hereunder, which may be exercised by United without regard to any exercise thereof by Member ~~and without liability either to Member or Sublessee/_Renter arising out of or relating to exercise of such rights and remedies by United.~~ Additionally, United shall have the same rights to dispossess the Sublessee or Renter or otherwise act for the Member as may be necessary or appropriate in the event of any breach of the Sublease-/Room Rental or the Sublessee's or Renter's failure to vacate following expiration of the Sublease-/Room Rental term ~~or upon termination of the Member's membership~~. United shall also have the right to bring an unlawful detainer action against the Member and/or Sublessee or Renter after proper notice has been given as provided in California Civil Code Section 1946 or any successor statute thereto. Nothing contained in this paragraph or otherwise in this Sublease/_Room Rental Policy shall be deemed to create a landlord-tenant relationship between United and ~~the Member or~~ Sublessee or Renter.
7. Any notice required under this policy to Member, Sublessee or United shall be given by personal service, or by registered or certified mail addressed to Member: at the address indicated on the Application; to Sublessee: at the Unit Manor; and to United: P.O. Box 2220, Laguna Hills, CA 92654-2220. There is no mail delivery to the street address.
8. The terms and provisions contained herein shall apply to and bind the heirs, successors, personal representatives and assigns of all of the parties hereto.

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9. If any legal action or proceeding is commenced by either party or United to enforce any part of this policy and/or Sublease / Room Rental, the prevailing party shall be entitled to recover, in addition to all other relief, reasonable attorney's fees and costs.

L.J. Enforcement

United is authorized to take disciplinary action against a Member whose property may be found in violation of this Sublease / Room Rental Policy or the Governing Documents. When a complaint is lodged regarding the occurrence of a violation, the Board of Directors has a fiduciary duty to investigate and impose, if appropriate, Member discipline as set forth in the Governing Documents. The Board has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action. The Member and Sublessee or Renter are entirely responsible for ensuring that the Governing Documents, including, but not limited to the GRF Community Rules, and this Sublease / Room Rental Policy are complied with by anyone they allow into the Community. This includes, without limitation, any Co-Occupant, Sublessee, Renter, guest, care provider, vendor, invitee or contractor. Disciplinary action suspending or revoking a Member's privileges shall apply and extend to the Member's Sublessee or Renter, his or her Co-Occupants as applicable, and their guest and invitees.

2-1.

he Member and Sublessee or Renter must read and agree to comply with and be bound by all the Governing Documents, the GRF Community Rules, and the Terms and Conditions of this Sublease / Room Rental Policy.

3-2.

othing contained herein shall relieve Member of the performance of any obligation owed to United and/or GRF under the Governing Documents.

4-3.

he Member and/or Sublessee / Renter is/are responsible for any visitor or guest who violates any Governing Documents, the GRF Community Rules, and the Terms and Conditions of this Sublease / Room Rental Policy Community Rules, and for any Charges or Assessments incurred.

5-4.

Sublessee or Renter shall be responsible to the Member to promptly pay when due, all charges and fees incurred by Sublessee or Renter, guest or invitee for use of facilities or for services rendered by ~~the~~ United and/or GRF. Notwithstanding the foregoing, whether or not Sublessee or Renter complies with the foregoing, a Member shall be solely responsible to United for any and all costs incurred by United resulting from a Member's sublease/rental including but not limited to costs incurred solely due to the acts or omissions of a Sublessee or Renter, their Co-Occupants as applicable, their guests and invitees.

6-5.

The Member shall give United a non-exclusive grant to enforce United's governing documents against the Members' Sublessee / Renter if the Member fails to gain the Sublessee's / Renter's compliance, including but not limited to the ability of United to evict the Sublessee / Renter under an unlawful detainer action.

K. Eviction by United.

Subject to Section M below, in the event that any Sublessee or Renter fails to honor the provisions of any Governing Document resulting in a nuisance or damage to the

Commented [KP29]: Jeff, do you think these paragraphs 1-5 are redundant and mentioned elsewhere in the policy?

Commented [BT30R29]: These paragraphs are not redundant because they set forth clear guidelines for enforcement. I recommend keeping these paragraphs.

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Common Area or to any property, United shall be entitled to take such corrective action as it deems necessary or appropriate under the circumstances, which may include initiation of an action against the Member to compel the Member to evict the Sublessee or Renter, or initiation of an eviction proceeding directly against the Sublessee or Renter in accordance with Section M below, or the imposition of disciplinary fines and penalties against the Member and/or Sublessee / Renter as described herein.

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1. United's right to maintain an eviction action hereunder is derived from applicable law, including without limitation Civil Code Sections 954, 1457 et seq., and 5980, and shall only arise if the Sublessee or Renter's conduct causes damage to or destruction of Common Areas or the property, or constitutes a nuisance or unreasonable interference with the quiet enjoyment of other residents, or if such Sublessee or Renter has occupied the premises without United's permission and consent or without a written lease agreement as required by this Sublease / Rental Policy. Whether or not such right is stated in any lease or rental agreement, every Member automatically grants to United the right to determine a default under the Governing Documents, which may result in terminating the tenancy and evicting the Sublessee or Renter.

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2. In any action, whether for injunctive relief, eviction, damages, or a combination thereof, brought because of any alleged breach or default of any provision of the Governing Documents, the court may award to the prevailing party in any such action such attorneys' fees and other costs as the court deems just and reasonable. If United is the prevailing party in any such action, either directly against the Sublessee or Renter or against the Member, the Member shall be responsible for all costs thereof, including reasonable attorney's fees as awarded by the court, and shall reimburse United upon demand for the entire amount of such costs. If the Member refuses to make such reimbursement, the sums shall be levied as a special assessment.

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L. Discipline-

Subject to Section M below, in the event that any Sublessee or Renter fails to honor the provisions of any Governing Document, United may, but shall not be obligated to, take such corrective action as it deems necessary or appropriate under the circumstances, which may include, but is not limited to suspension of the Sublessee or Renter's privileges to use any recreational common facilities, or the imposition of fines and penalties against the Member or Sublessee / Renter. Any Sublessee or Renter charged with a violation of the Governing Documents is entitled to the same notice and hearing rights to which the Member is entitled as provided in Section M below. Every Member shall be responsible for assuring his or her Sublessee or Renter's compliance with the Governing Documents.

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M. Due Process Requirements for Disciplinary Action

-Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to the Development or to preserve the rights of quiet enjoyment of other residents, United shall have no right to initiate disciplinary action against a Member or Sublessee or Renter on account of the misconduct of the Sublessee or Renter unless and until the following conditions have been satisfied:

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1. The Member has received written notice from the Board, VMS or authorized representative detailing the nature of the Sublessee or Renter alleged infraction or misconduct and advising the Member of his or her right to a hearing on the matter. Such written notice shall be deemed satisfied by sending it to the Member's address, as it appears in United's records.

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2. The Member has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing, not less than ten (10) days from the date of the notice.

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3. The Member has failed to prevent or correct the Sublessee or Renter's objectionable actions or misconduct or has failed to evict the Sublessee or Renter.

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M.N. Time is Essence; Waiver

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Time is of the essence under this Sublease./Room Rental Policy. The waiver by Member, Mutual or either of them, of any breach of any term, covenant or condition of this Sublease./Room Rental Policy shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of same of any other rent shall not be construed to be a waiver of any breach by Sublessee of any term, covenant or condition of this Sublease./Room Rental Policy. The remedies given herein to Member and to Corporation shall be cumulative and the exercise of any one remedy by Member or by the Mutual shall not prohibit exercise of any other remedy available.

Commented [KP31]: Jeff, is this "Time is Essence" paragraph necessary? If so can it be simplified?

Commented [BT32R31]: This paragraph is necessary, time is of the essence sentence ensures that all parties act with urgency in regards to this Policy. The waiver portion of this paragraph is necessary to protect all parties involved in the event that either party fails to enforce a provision of this Policy, this section ensures that no rights or remedies are waived.

Commented [KP33]:

Commented [KP34]: Jeff, is this "Subordination" paragraph necessary? If so can it be simplified?

N.O. Subordination

This Sublease./Room Rental Policy is subject and subordinate to the Governing Documents and to any and all covenants, conditions, restrictions, underlying leases, occupancy agreements, mortgages or deeds of trust which may now affect the real property of which the premises form a part, or the underlying leases or occupancy agreements, and to all renewals, modifications, consolidations, replacements and extensions thereof. It is further agreed that this Sublease./Room Rental Policy may, at the option of Member and the lender, if any, be made subordinate to any covenants, conditions, restrictions, underlying leases, occupancy agreements, mortgages or deeds of trust which may hereafter affect the real property of which the subleased Unit form a part or affect the underlying leases or occupancy agreements. Sublessee or its successors in interest shall execute and deliver upon the demand of Sublessor or Mutual any and all instruments desired by Member or Mutual subordinating this Sublease./Room Rental Policy in the manner requested by Member or Mutual to such covenants, conditions, restrictions, occupancy agreement, mortgage or deed of trust. Mutual is hereby irrevocably appointed and authorized as agent and attorney-in-fact of Sublessee to execute all such subordination instruments in the event Sublessee fails to execute said instruments within five days after notice from Member or Mutual demanding the execution thereof. Said notice may be given in the manner provided herein for giving notice.

Commented [BT35R34]: Yes this paragraph is necessary as it ensures the hierarchy of documents and requires that this Policy be subordinate to all other governing documents. I recommend keeping this paragraph as is.

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O. Liability for Damages

~~As a material part of the consideration to be rendered to Member under this Sublease/Room Rental, Sublessee hereby waives, to the maximum extent permitted by law, all claims against Member and Mutual for damages to personal property in, upon or about said Unit and for injuries to persons in, upon or about said premises from any cause arising at any time. Sublessee shall hold Member, the Mutual, GRF, and VMS harmless from any liability on account of any damage or injury to person or personal property arising from the use of the Unit by Sublessee arising from the failure of Sublessee to keep the Unit in good condition as provided herein or failure to perform or observe any of Sublessee's obligations under this policy. Neither Member, the Mutual, GRF, nor VMS shall be liable to Sublessee for any damage caused by any act or negligence of any other occupant of the same.~~

Commented [KP36]: I removed this section because language is mentioned under I – Rights and Remedies

building or by any Member or occupant of adjoining or contiguous property.
~~Sublessee shall pay for all damages to the Unit and to the building in which the Unit is located, as well as all damage to other occupants thereof caused by Sublessee's misuse or neglect of the premises, equipment, apparatus or appurtenances. All damage or injury done to the Unit or to the building in which the Unit is located by Sublessee or by any person who may be in or upon the building or the Unit with the consent of Sublessee shall be paid for by Sublessee.~~

DRAFT



EXHIBIT A

Notice

To: Employees, contractors employed by the Laguna Woods Village associations, members and prospective purchasers of dwelling units at Laguna Woods Village, Laguna Woods

From: Village Management Services Inc.

Subject: Disclosure notice: Laguna Woods Village buildings constructed with asbestos-containing construction materials

Health & Safety Code 25915.2 and 25915.5 require the mutual to provide annual notice about the existence of asbestos-containing materials (ACM) in nonresidential public buildings in the mutual to all employees and contractors performing work within said buildings, and to all members of the mutual.

In addition, the mutual is required to disclose to new owners, within 15 days of acquiring title to a unit, the existence of asbestos-containing material in nonresidential public buildings within the mutual.

Village Management Services Inc., as employer, and as agent, for the associations that own or manage the buildings at Laguna Woods Village, Laguna Woods, for their members, hereby notifies all its employees, contractors and all mutual members and transferees, that some buildings within Laguna Woods Village have been surveyed and found to contain asbestos.

The analytical method used to determine asbestos content was polarized light microscopy/dispersion staining. Since the community has an active asbestos operations and maintenance program, testing is ongoing. Because of the high cost to conduct a complete asbestos survey and analysis of all buildings, surveys are conducted only upon repair, remodel, addition to or removal of a building or part of a building suspected to contain asbestos materials, as required by labor codes. The certificates of analysis for any testing received to date are available to employees, contractors, owners and tenants and transferees for review and photocopying from the Laguna Woods Village Human Resources/Safety Office, 24351 El Toro Road, Laguna Woods, CA., between 9 a.m. and 5:00 p.m., Monday through Friday.

The following buildings in Laguna Woods Village, Laguna Woods, were constructed prior to 1979 and thus *may* contain asbestos in one or more construction materials: All community facilities buildings (with the exception of Clubhouse 7, the mini-gym at Clubhouse 1, the broadband services building, the Laguna Woods Village Community Center, the vehicle maintenance building, and a portion of the warehouse—all constructed after 1979), including clubhouses and outbuildings, library, maintenance warehouse building, stables, gatehouses,

garden center buildings, all detached laundry buildings and residential buildings numbers 1 through 5543 inclusive.

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

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

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

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

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

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

January 1, 2016

Village Management Services Inc.

Commented [KP37]:

THIS IS A SAMPLE OF THE LETTER WHICH WILL BE SENT TO THE SUBLESSEE/RENTER IF
SUBLESSOR BECOMES DELINQUENT IN PAYMENT OF MONTHLY HOMEOWNER'S
ASSESSMENT PAYMENTS

EXHIBIT B

RE: NOTICE TO SUBLESSEE / RENTER - ASSIGNMENT OF RENTS

Dear

Pursuant to IV (C) of the Terms and Conditions to the Sublease / Room Rental Policy (or Sublease / Room Rental Extension or Renewal Application) which you executed on _____ as the Sublessee/Renter, with _____ as the Sublessor, for the premises located in United Laguna Woods Mutual, Unit Number _____, you are hereby notified that your monthly rental payment should be made directly to the Golden Rain Foundation, a California nonprofit corporation (hereinafter the "Corporation"), to cover the delinquent assessment payment which your Sublessor owes to the Corporation.

Until you are notified that you may resume making your monthly payments of rent to the Sublessor, you should make your monthly rent payments, commencing with the payment due on _____ to the following address:

VMS, Inc.
Post Office Box
2220 Laguna
Hills, CA 92654-
2220

Attn: Unit Payment Representative

Please make your checks payable to Golden Rain Foundation (or GRF). Please be sure to mail to the P.O. Box address. Do NOT mail to the VMS street address.

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

Sincerely,

Bryan English Accounting Supervisor Financial Services Division

cc: Sublessor
Leasing Department

Sent by Certified Mail

P.O. Box 2220, Laguna Hills, CA 92654

Commented [KP38]: Do we need to include this sample Assignment of Rents Notice in this Sublease/Rental Policy? If not, then any reference to Exhibit B should be removed.

Commented [BT39R38]: It is not required to include the sample Assignment of Rents Notice, however, it doesn't hurt to include this sample as an exhibit so the parties understand want an Assignment of Rents Notice looks like.

Commented [KP40]:

Commented [KP41]:

Commented [BT42]: United?

Commented [BT43]: See comment above.

EXHIBIT C
Sublessor Authorization for Maintenance Services Work

Unit No. _____

**Sublease/Room
Rental Term**

From: _____

To: _____

Dear United Laguna Woods Mutual Sublessor:

In order for your Mutual Corporation to provide the timeliest service, we request that you complete this authorization form to assist us when repair services are requested for your Unit.

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Repair services may be requested from the Mutual or an outside repair firm. Please be advised all fees for chargeable repair services performed by the Mutual are the responsibility of the Sublessor/Renter and will be billed to the Sublessor. Collection of charges from the Sublessee/Renter is the responsibility of the Sublessor. Services billed directly to the Sublessee include cable TV and high-speed internet.

Failure to complete this form will result in denial of service in response to Sublessee requests.

Is the Sublessee/Renter authorized to request repairs on behalf of the member or other work for which there is a charge? (Please note that the member is responsible for all charges incurred by the Sublessee/Renter.) ☐ Yes ☐ No

NOTE: In case of an emergency, e.g., water heater leak, refrigerator out, furnace out, lock-out, plumbing stoppage, the Mutual will perform the repair upon request of the Sublessee/Renter without prior Sublessor approval.

=====

SUBLESSOR/SUBLESSEE/RENTER ACKNOWLEDGMENT

I understand the billing policy stated above and request that this information be kept on file during the sublease/rental period. I will submit a written request for any change to the above information by mailing such request to the Laguna Woods Village, Attn: Leasing/Rental Office, P.O. Box 2220, Laguna Hills, CA 92654 -2220.

1. Sublessor(s)

1 Name (Print)	Signature	Date
2 Name (Print)	Signature	Date

Sublessee(s)/Renter(s)

1 Name (Print)	Signature	Date
2 Name (Print)	Signature	Date

Exhibit D

Sublease / Room Rental Application

Members applying for Aapproval to sublease their Unit or rent a room in their Unit must, together with each of their prospective Sublessee(s)/_Renter(s), fill out the Aapplication on the following pages in order to obtain the necessary Aapproval from United for such Sublease/Room Rental. The steps and required information/documentation that must be provided along with the application are described below.

- A. The member must complete and submit the written Sublease/_Room Rental Application to the Lease/Rental Office for board review. The application is available for download at lagunawoodsvillage.com or upon request from the Lease/Rental Office.
- B. The application and additional documentation must be submitted to the Lease/Rental Office for new leases, renewals and extensions.
- C. All information provided must be legible for digital imaging.

Required documentation:

- ____ 1. Completed Sublease / Room Rental Application (renewal or extension)
- ____ 2. Check for processing fee made payable to GRF (~~see Section III Fees above~~)
- ____ 3. Member(s) resident ID card(s) (only for initial sublease), except in the instance of a room rental.
- ____ 4. Copy of proof of age/identity (driver's license, birth certificate or passport) for each Sublessee or Renter
- ____ 5. Copy of the sublease/room rental agreement between Member and Sublessee or Renter for the current year. (~~Separate from this application!~~, ~~it~~ is the Member's responsibility to provide United with a copy of the sublease/room rental agreement with Sublessee or Renter. Such rental agreement is not included within this application package, and is not provided by the Laguna Woods Village Leasing/Rental Office.)
- ____ 6. Credit Report with FICO Score from Experian, TransUnion or Equifax
- ____ 7. A Nationwide Background Check – Examples:

www.tenantbackgroundsearch.com
www.american-apartment-owners-association.org www.rentspree.com

(Note: The above examples are not all-inclusive. This list is strictly for informational purposes. Some nationwide background checks include the credit report with FICO score.)

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Commented [KP44]: Yes, this is required for all occupants in United.

Commented [BT45]: Unless this is required for all occupants, remove or indicate this is optional.

____ 8. Executed Sublessor Authorization for Maintenance Services Work form

- D. The Board or authorized VMS staff member(s) will review the Sublease / Room Rental Application and approve or deny the request in writing.
- E. Upon receipt of a Sublease / Room Rental Application for a new, renewal or extension, the Lease/~~Rental~~ Office will research and take into consideration whether the Member and/or Sublessee has received notices of rule violations or any outstanding charges and assessments before ~~A~~approval of the application can occur. If there are any outstanding charges and assessments, the Lease/Rental Office will request payment and/or refer the matter to the Finance Department who may will issue a notice as set forth in Exhibit B for assignment of rents. Extensive history of such events, complaints, violations, member disciplinary action may result in application denial. Extensive history of such events may result in application denial.
- F. The Lease/~~Rental~~ Office will notify the Member of the results within 10 business days subject to the terms and conditions that exist. ~~Rush A~~pplications, including, without limitation, Rush aApplications, may be delayed if the Leasing/~~Rental~~ Office notifies the Member that it requires additional time to review and/or requests additional information from the Member while conducting its review.
- G. The Sublease / Room Rental Application will be emailed to the Member or his/her agent once approved by the ~~B~~oard of ~~D~~irectors. The Member is responsible for providing a copy of the Sublease / Room Rental Policy and Application to the Sublessee / Renter.
- H. The Lease/~~Rental~~ Office hours of operation are Monday through Friday, except federal holidays, 8:00 a.m. – 5:00 p.m.

Telephone: 949-597- 4323

Email: Leasing@vmsinc.org

Physical Address:

Laguna Woods Village Community Center 24351 El Toro Road
Laguna Woods, CA 92637

Mailing Address:

Laguna Woods Village Attn: Leasing/~~Rental~~ Office
P.O. Box 2220 Laguna Hills, CA 92654

Note: *There is no mail delivery to the physical address.*

Commented [BT46]: United cannot prohibit renting/leasing. (Civil Code § 4741.)

Sublease / Room Rental Application:
United ~~Mutual Co-operative~~ Laguna Woods Mutual

Unit No: _____

Return completed application to the Leasing/~~Rental~~ Office located in Community Center at 24351 El Toro Road, Laguna Woods, CA 92637; phone 949-597-4600; email leasing@vmsinc.org.

The Sublease/-Room Rental is subject to the terms and provisions of the [Sublease / Room Rental Policy & Application General Conditions attached incorporated herein by reference](#) and made a part hereof and shall be effective when approved by the Mutual.

Unit/Member Information	
Unit/Member Address:	
Carport #:	Space #:
Lease Term Date From:	To:
Member #1 Information	
First Name:	Last Name:
Telephone:	Cell Phone:
Email:	
Mailing Address:	
Member #2 Information	
First Name:	Last Name:
Telephone:	Cell Phone:
Email:	
Mailing Address:	
Agent or Agency	
First Name:	Last Name:
Telephone:	Cell Phone:
Email:	
Mailing Address:	
Reason for Subleasing a Unit or Renting a Room in the Unit	

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Commented [BT48R47]: It is not necessary to know the reason for subleasing or renting.

Information for Sublessee/Renter #1		Sublessee/Renter #1 ID No. _____	
First Name:	Last Name:		
Telephone:	Cell Phone:		
Date of Birth:	SS#:		
Email:			
Move-in Date:			
Present Home Address:			
Prior Address:			
Length of Time/From:	To:		
Has proposed Sublessee/Renter #1 been convicted of a felony in the last 20 years? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Has proposed Sublessee/Renter #1 been convicted of a misdemeanor involving moral turpitude in the last five years? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Information for Sublessee/Renter #2		Sublessee/Renter #2 ID No. _____	
First Name:	Last Name:		
Telephone:	Cell Phone:		
Date of Birth:	SS#:		
Email:			
Move-in Date:			
Present Home Address:			
Prior Address:			
Length of Time/From:	To:		
Has proposed Sublessee/Renter #2 been convicted of a felony in the last 20 years? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Has proposed Sublessee/Renter #2 been convicted of a misdemeanor involving moral turpitude in the last five years? <input type="checkbox"/> Yes <input type="checkbox"/> No			

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Sublease / Room Rental Policy and Agreement

The undersigned acknowledges receipt of the Sublease / Room Rental Policy and acknowledges that it does not represent any direct or indirect liability on behalf of United Laguna Woods Mutual (United), the Golden Rain Foundation of Laguna Woods (GRF) and Village Management Services Inc. (VMS), and each of their respective directors, officers, employees and agents. By executing this Sublease / Room Rental Application, all parties hereby agree to abide by the Sublease / Room Rental and Terms and Conditions of the Policy, if approved by the ~~B~~Board of ~~D~~irectors.

Acknowledgment	Initial(s)			
	Member #1	Member #2	Sublessee / Renter #1	Sublessee / Renter #2
I have read and received a copy of the Sublease/Room Rental Policy and agree to comply with its Terms and Conditions.				
I agree to comply with the rules established by this Community.				
United, GRF and VMS are not, jointly or severally, parties to the terms of the sublease/room rental between the Member and Sublessee/Renter.				
I agree that United has the right to collect and retain the rent payable and to apply it to any delinquent assessments and charges.				
I understand that falsification of any information related to this application renders this application null and void.				
Does Sublessee/Renter have authorization to request repairs on behalf of the Member or work for which there is a charge? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Member #1 Name (Print):	Member Signature:		Date:	
Member #2 Name (Print):	Member Signature:		Date:	
Sublessee/Renter #1 Name (Print):	Sublessee/Renter #2 Name (Print):		Date:	
Sublessee/Renter #1 Name (Print):	Sublessee/Renter #2 Name (Print):		Date:	
ACTION BY MUTUAL BOARD OF DIRECTORS				
SUBLEASE / ROOM RENTAL APPLICATION DENIED		SUBLEASE / ROOM RENTAL APPLICATION APPROVED		
The Board of Directors of this Mutual Corporation has reviewed this application. Based on the information provided, the application is denied .		The Board of Directors of this Mutual Corporation has reviewed this application. Based on the information provided, the application is approved .		
SIGNATURE		SIGNATURE		
SIGNATURE		SIGNATURE		
SIGNATURE		SIGNATURE		
DATE:		DATE:		

Commented [BT49]: Note, United cannot prohibit or effectively prohibit the rental of the Unit or a room within the Unit.

Date _____

By _____
Authorized Agent



When you get approved, please set this up.

If We Can't Reach You, We Can't Notify You.

When seconds count, you can count on...



CodeRED is the community notification system used to call, text and/or email Laguna Woods Village Residents with time-sensitive and/or emergency information. This system is separate from the regular email information you may be receiving from the Communications Department, and requires a specific, unique enrollment.

Laguna Woods Village Security and Disaster Preparedness Task Force encourage you to take a few minutes to ensure we have accurate contact information for you so you are informed in the event of an emergency or threat to the Village. Safety is a two-way street. Be sure to register today to receive the information you need, when it matters, regarding events such as:

- Critical Power Outages
- Earthquake Emergency Procedures
- Evacuation
- Gate or Road Closures
- Safety Threats
- Fire

Please complete the form online through the Laguna Woods Village website. Go to www.lagunawoodsvillage.com, and look for the CodeRED icon at the top left of the home page.

You can be assured that all information provided for your CodeRED notification is confidential and will only be used to contact you in the case of an emergency.

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



Resolution 01-23-xxx
Sublease / Room Rental Policy and Application

WHEREAS, Civil Code § 4739 of the Davis-Stirling Act, effective January 1, 2023, prevents a community association, through its governing documents, from prohibiting an owner of a separate interest to rent or lease out a portion of the unit to a tenant for more than 30-days if the owner also resides in the unit;

WHEREAS, the United Mutual Board recognizes the need to amend its Sublease Permit Policy and Qualifiers Application Packet and adopt a Sublease / Room Rental Policy and Application to align with the new law;

NOW THEREFORE BE IT RESOLVED, June xx, 2023, that the Board of Directors of this Corporation hereby approves and adopts the **Sublease / Room Rental Policy and Application**, as attached to the official minutes of this meeting; and

RESOLVED FURTHER, that Resolution 01-21-11 adopted February 9, 2021 and its Exhibit A - Qualifiers for Subleasing Units are hereby superseded in its entirety 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.



Sublease/Room Rental Policy and Application Contents

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To view this Sublease/Room Rental Policy and Application package online, visit lagunawoodsvillage.com and click on Neighborhoods/Sales & Leasing/United Laguna Woods/United Sublease/Room Rental Policy and Application

Sublease / Room Rental Policy & Application
Resolution 01-23-xxx
 Adopted xxxxxxxx

I. Purpose

United Laguna Woods Mutual (United) authorizes Members, as defined in the Bylaws and referenced in the Occupancy Agreement, to sublease their Units. Effective January 1, 2023, California Civil Code § 4739 further authorizes Resident Members to rent a room in the Unit for a minimum of 30-days. Any sublease by a Non-Resident Member automatically transfers the right to use the community facilities from the Member to the Sublessee.

The purpose of this document is to set forth the Sublease / Room Rental Policy & Application which shall be a governing document of United and shall be enforceable against all Members.

II. Definitions

For purposes of this Sublease / Room Rental Policy, the definitions set forth below shall apply. To the extent any term is capitalized herein but not defined, the definition set forth in United's Bylaws and/or Occupancy Agreement shall apply.

- A. Agent – Individual employed by Village Management Services Inc. (VMS) authorized to act on behalf of United.
- B. Application – The Sublease / Room Rental Application form (also known as “Sublease/Room Rental” after Approval of the Application) prescribed by United to apply for Approval to sublease a Unit or rent a room in a Resident Member occupied Unit.
- C. Approval – Written authorization to sublease the Unit or rent a room in a Unit granted by the United Board or authorized VMS staff member(s).
- D. Assessment – The monthly charge that United levies against all Members and their Units and collects monthly pursuant to its Governing Documents.
- E. Board of Directors – (also known as “United Board of Directors”, “Board”, “United Board”) – United's elected volunteer officials responsible for all operations of the association and ensures that the Governing Documents are followed and enforced.
- F. Charge – Fee, fine and/or monetary penalty that United and/or GRF may levy upon a Member pursuant to their Governing Documents.
- G. Community – Laguna Woods Village.
- H. GRF Community Rules – The Articles of Incorporation, Bylaws of GRF, and any rules and regulations adopted by GRF.
- I. Co-occupant – Any person who seeks to reside with a Qualifying Resident who is approved, in advance, in writing, by the Board of Directors for occupancy and who shall be at least 45 years of age unless such person is the spouse or cohabitant of a Qualifying Resident, or as otherwise defined by the Bylaws. The Co-occupant will be

recognized as a renter when either the landlord-tenant relationship exists or rent money is exchanged, and the Member resides in the Unit.

- J. Development – The property and all buildings, structures, utilities, common areas, units, and other improvements located thereon, and all appurtenances thereto, which are intended to create a stock cooperative as described by applicable law.
- K. Golden Rain Foundation (GRF) – The nonprofit mutual benefit corporation organized to manage and maintain the community facilities and services for the Community.
- L. Governing Documents - The Articles of Incorporation, Bylaws of United, the Occupancy Agreement (any addendums); and any rules and regulations adopted by United.
- M. Identification (ID) Card – Photo ID card issued by GRF to Members, Co-occupants, Sublessees, and Renters of the Community authorizing use and access to the community facilities.
- N. Lease/Rental Office – Located in the Resident Services Department in the Laguna Woods Village Community Center, which ensures that a Sublease / Room Rental Application comports with the Governing Documents.
- O. Member – (also known as “Shareholder” or “Sublessor”) - A Shareholder who has been approved by United as being entitled to membership in United and has an appurtenant right of membership in GRF.
- P. Non-Resident Member – A Member who does not personally reside in the Member’s Unit.
- Q. Non-Resident Member Pass – Gate entry pass authorizing a Non-Resident Member access into the Community for the purpose of inspecting his/her property on an as needed basis. This pass does not authorize use of or access to the community facilities during any sublease period.
- R. Occupancy Agreement – the agreement between United and its Members under the terms of which the Members are entitled to enjoy possession of their respective Units and the use of the facilities owned by GRF.
- S. Qualifying Resident – Person who resides in the Unit, is at least 55 years of age and has been approved by the Board of Directors for membership and occupancy in accordance with the provisions of the Bylaws.
- T. Renter - a qualifying individual who rents a room in the Resident Member’s Unit when the Member also resides in the Unit.
- U. Resident – Person who has been approved by the Board of Directors for occupancy.
- V. Resident Member – A Member who personally resides in the Member’s Unit.
- W. RFID – Radio Frequency Identification tag placed on a Member’s vehicle to gain access into the Community via the automated gate system.
- X. Rush – Application submitted fewer than 10 business days before the approved Sublease/Room Rental effective start date.

- Y. Shareholder – A Qualifying Resident approved by the Corporation to exclusively occupy a Unit and to whom a Stock and/or Membership Certificate of the Corporation has been issued.
- Z. Sublessee - Any person or persons who subleases a Unit from a Non-Resident Member for such period of time and on such forms as authorized by the Board of Directors, as shall be permitted by the Governing Documents adopted by the Board of Directors from time to time.
- AA. Sublease / Room Rental Extension – Parties to the Sublease/Room Rental may request an extension of time at the end of the Sublease/Room Rental period if the original period is shorter than 12 months, subject to the Board of Director's prior written approval.
- BB. Sublease / Room Rental Policy – This policy that sets forth the rules, regulations and procedures that governs the subleasing a Unit or renting a room in a Unit.
- CC. Sublease / Room Rental Renewal – Parties to the Sublease/Room Rental may request a renewal no more than 60 days prior to the end of the 12-month period.
- DD. Unit (also known as "Manor") – a dwelling unit owned by United, and the Members' separate interest; specifically, the exclusive right to occupy a specific portion of the real property within the Development.
- EE. United Laguna Woods Mutual (also known as "Corporation", "United", or "Mutual") - The nonprofit mutual benefit corporation organized to provide housing to its Members on a mutual nonprofit basis.
- FF. Village Management Services Inc. (VMS) – Managing agent for United and GRF.

III. Fees

Members applying to sublease their Unit or rent a room in the Resident Member occupied Unit shall pay fees associated with the review, processing, and Approval of the Sublease / Room Rental Application. The fees shall be set forth in the fee schedule which will be distributed by the Mutual annually with the Annual Policy Statement.

IV. Terms and Conditions

A. General Information

1. Authorization to sublease or rent a room shall be effective only when approved in advance, in writing by United or by an authorized VMS staff member(s) of United; the Approval of any sublease or room rental shall be limited to the terms specified herein.
2. The term of a sublease or room rental may not be less than 30 days, nor may the term of a sublease or room rental exceed 12 months, subject to a Sublease / Room Rental Renewal. Consent to one Subleasing/Room Rental shall not obligate the Corporation to consent to any other Subleasing/Room Rental. The cap on total units is twenty five percent (25%) or 1,581 units.
3. A copy of a separate pending sublease / room rental agreement between parties must be provided to United prior to the Sublessee's or Renter's move-in to the Member's Unit.

4. No Member may sublease the Unit if delinquent in carrying charges or assessments at the time of the proposed/intended sublease, except with Board approval and subject to an assignment of rents (as set forth in Resolutions U-91-73 and U-01-10 and referenced herein under Article IV, Section C).
5. Renewal of the Sublease/Room Rental to continue to sublease or rent shall require the prior written Approval of United provided that United shall not be obligated or have any duty to approve such extension or renewal regardless of a Member, Sublessee's or Renter's circumstances unless required by law. If Member chooses to use a realtor to renew or extend the Sublease/Room Rental, all commissions payable to a realtor shall be the Members' obligation.
6. United shall, to the extent required by law, provide notice of potential asbestos-containing materials used during construction (Exhibit A). Any changes in the notice in Exhibit A as may be required by law or otherwise shall not be deemed a change to this Sublease / Room Rental Policy which requires notice to the Members of United.
7. Laguna Woods Village is an independent-lifestyle and age-restricted senior citizen housing development (as defined by California Civil Code §51.3). No form of health care or assisted living is provided by United. Each Resident is responsible for his/her own health, safety, care and welfare, subject to the conditions and restrictions regarding care providers from United's Governing Documents and United's "Care Provider Policy."
8. All Sublessees and Renters shall meet the age requirements for occupancy and residency as required and established under United's Governing Documents and California Civil Code §51.3 (and any successor statute).
9. Appearance of the Community is important, and Residents are required to keep their balconies, patios, walkways and carports free from clutter, trash and debris per the approved Governing Documents.
10. United, GRF and VMS are not parties to the terms of a sublease or room rental agreement between the Member and Sublessee or Renter, and will not be involved in resolving any disputes between the Member and Sublessee or Renter; provided, however that if a Member is in violation of the Governing Documents or this Sublease / Room Rental Policy, or if a Sublessee or Renter is violating the Governing Documents or this Sublease / Room Rental Policy, United shall have all rights and remedies available to it under the Governing Documents, including, but not limited to the GRF Community Rules and this Sublease / Room Rental Policy.
11. All sublease/room rental agreement terms between Member and Sublessee pertaining to rent amounts, payment of rents (other than the assignment of rents), fees, repair costs and commissions, or any other sublease stipulations are a matter of concern for the Member and Sublessee, and neither United, GRF, nor VMS shall be responsible for any terms therein.
12. The Lease/Rental Office will notify the Member of the approval/denial status of the Application within 10 business days of its written submittal. A rush fee will be imposed by United on any Member requests for expedited services prior to the routine 10 business days of processing. No representation or warranty is

made that United will be able to complete a Rush authorization approval request in the Members' requested timeframe.

13. United has adopted a Non-Smoking Policy and is authorized to take disciplinary action against a Member who is in violation of said Policy. United may take disciplinary action against a Member for violation of the Non-Smoking Policy by a Member's Sublessee or Renter.
14. The Member is at all times responsible for the acts or omissions of, without limitation, the Member's Sublessee, Renter, guest, care provider, vendor, invitee or contractor as well as the guests, care providers, invitees or contractors of the Member's Sublessee / Renter.

B. Charges

1. Member, Sublessee and Renter acknowledge that the Member is obligated to pay Charges and Assessments imposed by United Mutual and/or GRF pursuant to this Sublease / Room Rental Policy and the Governing Documents.
2. The Member, Sublessee or Renter may incur additional Charges and fees in connection with facilities and services provided by GRF. Some examples are: golf course fee, room reservation fees and cable services upgrade charges.
3. Sublessee / Renter shall be responsible to promptly pay when due, all charges and fees incurred by Sublessee / Renter, guest or invitee for use of facilities or for services rendered by the Mutual or GRF.
4. Payment for chargeable repair services is the responsibility of the Member who must indicate on the Sublessor Authorization for Maintenance Services Work form (Exhibit C) as to whether the Sublessee / Renter may request such services. In any event, the Member shall be responsible for the chargeable repair services.
5. There is a fee collected by the Lease/Rental Office to review and process any new/extension/renewal applications, which include, but are not limited to analysis of payment and disciplinary history. (See Section III of this Sublease / Room Rental Policy).
6. An authorized and/or designated VMS staff member(s) for the United Board of Directors assumes responsibility for obtaining Board Approval and issuing Sublessee or Renter ID Cards.

C. Assignment of Rents

1. If a Member is delinquent in his or her payment of any GRF and/or United Charges and/or Assessments, as required under the Governing Documents and GRF Community Rules, Member, Sublessee and Renter each acknowledge and agree that the Member hereby assigns to and confers upon United, the right, but not the obligation, to collect and retain the rent payable by the Sublessee or Renter and to apply the same to any delinquent Charges and Assessments, as well as any late fees, attorneys' fees, or other costs and expenses permissible by law or the Governing Documents that may be incurred or assessed by United in connection with the delinquent Assessment and/or GRF and/or United Charges. GRF and/or United may collect rent directly from a Member's Sublessee or Renter to satisfy a Member's debt for delinquent United Charges and/or Assessments.

2. Member, Sublessee, and Renter acknowledge and agree that, concurrent with notice in writing to the Member, United shall be entitled to directly receive the rent by delivering to the Sublessee / Renter at the Unit a "Notice to Sublessee / Renter - Assignment of Rents" ("Notice of Assignment of Rents") (Exhibit B). Upon receipt of such "Notice", the Sublessee / Renter shall directly forward all payments of rent required under the sublease/room rental agreement between parties to United at the address set forth in the "Notice" until the Sublessee / Renter receives a second notice to the effect that the Sublessee / Renter may again resume making rental payments directly to the Member. Any changes in the Notice of Assignment of Rents form in Exhibit B shall not be deemed a change to this Sublease / Room Rental Policy which requires notice to the Members of United.
3. To the fullest extent permitted by law, such payments of rent paid directly to United shall continue until the delinquent monthly Assessments and Charges and any late fees, attorneys' fees, or other collection costs and expenses incurred by the Member are paid in full. In the event that the payment of rent received by United is in excess of the amounts owed by the Member, then United shall refund the difference, less any processing fee(s), to the Member within 30 business days of receipt of such rental payment.
4. Member acknowledges and agrees that the Sublessee / Renter shall not be in breach of the sublease/room rental agreement between parties solely as a result of making rental payments directly to United, and further that the Member shall not take any other action or avail itself of any other remedies against the Sublessee / Renter under the sublease/room rental agreement or otherwise based on the Sublessee's / Renter's direct payment of rent to United following receipt of a Notice of Assignment of Rents.
5. Member and Sublessee or Renter acknowledge and agree that United shall not have any obligation either to the Member or the Sublessee or Renter to fulfill the duties of the Member or the Sublessee or Renter under their sublease/rental agreement, nor shall United have any obligations to any other third-party based on its direct receipt of the rent to cover delinquent monthly Assessments or Charges and associated costs and expenses as set forth above. It is specifically agreed that United is not and will not be assuming any of the responsibility of the Member or the Sublessee or Renter to fulfill any of the terms, conditions and covenants between the Member and the Sublessee or Renter pursuant to the sublease between the Member and the Sublessee or Renter, and shall not be deemed to be a landlord or party to a landlord-tenant relationship with Member or Sublessee or Renter for any reason or at any time.

D. ID Cards and Privileges

1. Sublessee or Renter ID Cards shall be issued for a period not longer than the duration of the Sublease/Room Rental or a 12-month period, whichever is shorter, and may be eligible for renewal upon extension or renewal of the Sublease/Room Rental.
2. Sublessee or Renter ID cards are not issued until all paperwork required pursuant to the Sublease / Room Rental Policy is received and the Application has been approved in advance in writing by United.
3. Sublessee or Renter ID cards and resident RFIDs will be available no sooner

than seven days prior to the parties' sublease/rental start date unless United approves a Sublease / Rental Application under the Rush standards referenced herein under Article IV, Section A (12).

4. A "Waiver of Liability" form must be executed by the Member and Sublessee / Renter if access to and into the Community prior to the sublease/rental start date is required.
5. Member acknowledges and agrees that the privileges of membership in GRF are granted and assigned to Sublessee / Renter for the duration of the Sublease/Room Rental or the parties' sublease/rental agreement itself; and Non-Resident Member, while subleasing the Unit, hereby surrenders all Resident ID Card(s) and Resident Decal(s) and RFID(s) when they execute the Sublease / Room Rental Application giving up the right to such privileges while the sublease is in effect in accordance with the Governing Documents. Upon surrender of the card, decal and RFID, the Member is given a Non-Resident Member Pass that provides the Member access to the Community for the limited purpose of accessing and inspecting the subleased premises. This pass does not permit use of or access to the community facilities.
6. Sublessees and Renters may use the GRF facilities and receive the services made available by GRF to all Members. The facilities and services may be modified or discontinued by GRF at any time. The Sublessee of a Member's Unit, or room renter, at all times, shall comply with any and all rules, prohibitions and/or restrictions established by GRF with respect to the use of GRF's common amenities and facilities.
7. At the end of the Sublease/Room Rental period, the Member is required to return all gate entry passes including ID cards, automobile decals, RFIDs, guest passes, business passes and care provider passes in order to avoid a GRF non-return fee, unless an extension is granted. (See Section III, Fees).

E. Occupancy

1. It is required that Members obtain/perform both background and credit checks on new Sublessees or Renters as well as check references provided by the Sublessee or Renter to protect such Member's interests, given that the Member will be held responsible for the acts and/or omissions of their Sublessees / Renters who violate United's and GRF's Governing Documents. United shall have no liability with respect to any background check obtained/performed or failure to conduct a background check.
2. No person, including but not limited to a Sublessee or Renter, may reside in a Unit without the prior written approval of the United Board of Directors or VMS authorized staff member(s). Contact Resident Services Department at 949-597-4600 for any change in residency status.
3. Sublessee shall not assign a Sublease/Room Rental or any interest therein and shall not sublet the Unit or any part thereof or any right or privilege appurtenant thereto or permit any other person to occupy or use the premises or any portion thereof without prior written consent of Sublessor and Mutual. A consent to one assignment, subleasing, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subleasing, occupation or use by any other person. Any such assignment or subleasing without such consent shall be void and, at the option of the Mutual and/or Sublessor, shall

constitute a breach of the Sublease/Room Rental. The interest of Sublessee in a Sublease/Room Rental shall not be assignable by operation of law without written consent of the Mutual.

4. An application to reside in a Unit shall be made on the form prescribed by the United Board pursuant to this Sublease / Room Rental Policy and attached hereto as Exhibit D. Any changes in such form shall not be deemed a change in this Sublease / Room Rental Policy which requires notice to the Members of United.
5. Unit subleases or rentals must be for a period not less than 30 days.
6. Any subleases or rentals longer than 12 months will require a Sublease/Room Rental to be renewed annually and is subject to the terms and conditions set forth herein.
7. The Unit, together with the parking space assigned to such Unit, must be made available to the Sublessee during the entire term of the Sublease, except that the Member is not required to make the assigned parking space available in the instance of an approved room rental.
8. Relatives and other guests may stay overnight for a total of 60 days in any 12-month period. Relatives and guests may not stay in a Unit during the absence of the Qualifying Resident or Co-Occupant.
9. Unless otherwise required by law, the maximum number of persons allowed to occupy a Unit is equal to the number of original construction bedrooms plus one; no more than two persons in a one-bedroom Unit, and no more than three persons in a two-bedroom Unit. There are additional monthly GRF and United Laguna Woods Mutual fees for each person in excess of two.
10. The Unit shall be used and occupied solely as a private residential dwelling and for no other purpose.
11. Only a Member of United named under an Occupancy Agreement has the right to sublease their entire Unit, and no person shall reside in a Unit, other than those listed on the approved Sublease/Room Rental.
12. No business or commercial venture may be conducted in the Unit.
13. No Member or Sublessee / Renter may advertise for any room rental or rent-sharing agreement (for example only, listed on Airbnb, VRBO, Craigslist, Nextdoor or any similar website), unless the sublease/room rental between parties satisfies the requirements of the Governing Documents for United and GRF, including, but not limited to, the requirement of a thirty (30) day minimum sublease term.
14. No Unit or any portion thereof may be used for vacation rentals or advertised for such use for a period of less than 30 days in any print media (such as newspapers, magazines, local bulletin boards, etc.) and/or on any website (including without limitation Airbnb, VRBO, social media, listing service or any similar website).

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

1. When moving into the Community and disposing of boxes, Sublessee(s) or Renter(s) must break down and stack moving boxes next to trash dumpsters or at curbside for routine pickup.
2. The use of an elevator, when moving into or out of a multi-story building, requires the placement of elevator protection pads, which can be requested, free of charge, by calling the Security Department 949-580-1400 the day of the move in/move out date. Similarly, individuals are required to order elevator protection pads when arranging for delivery or removal of bulky items, such as furniture.
3. When moving out of the Community, the Sublessee or Renter is responsible for hauling away excessive materials/furniture. Bulky items are collected on a weekly basis free of charge. CR&R should be called at 949-625-6735 to know when the pick-up service is offered and for information as to what can or cannot be hauled away.
4. Each Member is responsible for any damage caused by his or her movers or deliveries to the elevator, lobby furniture, common area and/or other United property.
5. No oversized furniture, appliances, non-broken-down boxes or other similar items may be discarded outside of the Unit at any time, except to the extent permitted by the Governing Documents, including, but not limited to the GRF Community Rules and this Sublease / Room Rental Policy.

G. Alterations, Repairs and Maintenance

1. Member(s) are required to obtain prior written approval in advance of construction from United for any proposed internal and external structural alterations, additions, improvements and modifications to the Unit or any landscape changes. Applications may be obtained from the Resident Services Department located at the Community Center and may be reached at 949-597-4600.

The Member and Sublessee(s)/Renter(s) understand that the Unit shall not be altered, repaired or changed without prior written authorization of Member and United. Unless otherwise provided by written agreement, all alterations, improvements and changes that may be required shall be performed either by or under the direction of United; shall be the property of Member; and shall remain upon and be surrendered with the Unit. Only applications submitted by the Member will be considered by the Board, Sublessees / Renters shall not have the right to submit an application for structural alterations.

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

Sublessee/Renter shall not be entitled to any abatement of rent payable by Sublessee/Renter hereunder or to any rebate of rent to Sublessee/Renter, or damages, for any loss of occupation or quiet enjoyment of the premises on

account of any such entry by United or Member. No landlord-tenant relationship is created by way of United's need to enter a Unit or perform work to any common areas accessible through a Sublessee / Renter occupied Unit.

H. Insurance

1. Sublessee's or Renter's personal property is not insured by United.
2. Renters' insurance is strongly recommended. (See Section I, Rights and Remedies, Item 1, 2 and 3 below).

I. Rights and Remedies

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

permitted by law, may terminate the Sublease/Room Rental upon written notice to Sublessee / Renter and without liability to Sublessee / Renter.

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

J. Enforcement

United is authorized to take disciplinary action against a Member whose property may be found in violation of this Sublease / Room Rental Policy or the Governing Documents. When a complaint is lodged regarding the occurrence of a violation, the Board of Directors has a fiduciary duty to investigate and impose, if appropriate, Member discipline as set forth in the Governing Documents. The Board has the authority to impose monetary fines, suspend Member privileges, and/or bring forth legal action. The Member and Sublessee or Renter are entirely responsible for ensuring that the Governing Documents, including, but not limited to the GRF Community Rules, and this Sublease / Room Rental Policy are complied with by anyone they allow into the Community. This includes, without limitation, any Co-Occupant, Sublessee, Renter, guest, care provider, vendor, invitee or contractor. Disciplinary action suspending or revoking a Member's privileges shall apply and extend to the Member's Sublessee or Renter, his or her Co-Occupants as applicable, and their guest and invitees.

1. The Member and Sublessee or Renter must read and agree to comply with and be bound by all the Governing Documents, the Community Rules, and the Terms and Conditions of this Sublease / Room Rental Policy.

2. Nothing contained herein shall relieve Member of the performance of any obligation owed to United and/or GRF under the Governing Documents.
 3. The Member and/or Sublessee / Renter is/are responsible for any visitor or guest who violates any Governing Documents, the GRF Community Rules, and the Terms and Conditions of this Sublease / Room Rental Policy, and for any Charges or Assessments incurred.
 4. Sublessee or Renter shall be responsible to the Member to promptly pay when due, all charges and fees incurred by Sublessee or Renter, guest or invitee for use of facilities or for services rendered by United and/or GRF. Notwithstanding the foregoing, whether or not Sublessee or Renter complies with the foregoing, a Member shall be solely responsible to United for any and all costs incurred by United resulting from a Member's sublease/rental including but not limited to costs incurred solely due to the acts or omissions of a Sublessee or Renter, their Co-Occupants as applicable, their guests and invitees.
 5. The Member shall give United a non-exclusive grant to enforce United's governing documents against the Members' Sublessee / Renter if the Member fails to gain the Sublessee's / Renter's compliance, including but not limited to the ability of United to evict the Sublessee / Renter under an unlawful detainer action.
- K. Eviction by United
- Subject to Section M below, in the event that any Sublessee or Renter fails to honor the provisions of any Governing Document resulting in a nuisance or damage to the Common Area or to any property, United shall be entitled to take such corrective action as it deems necessary or appropriate under the circumstances, which may include initiation of an action against the Member to compel the Member to evict the Sublessee or Renter, or initiation of an eviction proceeding directly against the Sublessee or Renter in accordance with Section M below, or the imposition of disciplinary fines and penalties against the Member and/or Sublessee / Renter as described herein.
1. United's right to maintain an eviction action hereunder is derived from applicable law, including without limitation Civil Code Sections 954, 1457 et seq., and 5980, and shall only arise if the Sublessee or Renter's conduct causes damage to or destruction of Common Areas or the property, or constitutes a nuisance or unreasonable interference with the quiet enjoyment of other residents, or if such Sublessee or Renter has occupied the premises without United's permission and consent or without a written lease agreement as required by this Sublease / Rental Policy. Whether or not such right is stated in any lease or rental agreement, every Member automatically grants to United the right to determine a default under the Governing Documents, which may result in terminating the tenancy and evicting the Sublessee or Renter.
 2. In any action, whether for injunctive relief, eviction, damages, or a combination thereof, brought because of any alleged breach or default of any provision of the Governing Documents, the court may award to the prevailing party in any such action such attorneys' fees and other costs as the court deems just and reasonable. If United is the prevailing party in any such action, either directly against the Sublessee or Renter or against the Member, the Member shall be responsible for all costs thereof, including reasonable attorney's fees as awarded by the court, and shall reimburse United upon demand for the entire amount of such costs. If the Member refuses to make such reimbursement, the sums shall

be levied as a special assessment.

L. Discipline

Subject to Section M below, in the event that any Sublessee or Renter fails to honor the provisions of any Governing Document, United may, but shall not be obligated to, take such corrective action as it deems necessary or appropriate under the circumstances, which may include, but is not limited to suspension of the Sublessee or Renter's privileges to use any recreational common facilities, or the imposition of fines and penalties against the Member or Sublessee / Renter. Any Sublessee or Renter charged with a violation of the Governing Documents is entitled to the same notice and hearing rights to which the Member is entitled as provided in Section M below. Every Member shall be responsible for assuring his or her Sublessee or Renter's compliance with the Governing Documents.

M. Due Process Requirements for Disciplinary Action

Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to the Development or to preserve the rights of quiet enjoyment of other residents, United shall have no right to initiate disciplinary action against a Member or Sublessee or Renter on account of the misconduct of the Sublessee or Renter unless and until the following conditions have been satisfied:

1. The Member has received written notice from the Board, VMS or authorized representative detailing the nature of the Sublessee or Renter alleged infraction or misconduct and advising the Member of his or her right to a hearing on the matter. Such written notice shall be deemed satisfied by sending it to the Member's address, as it appears in United's records.
2. The Member has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing, not less than ten (10) days from the date of the notice.
3. The Member has failed to prevent or correct the Sublessee or Renter's objectionable actions or misconduct or has failed to evict the Sublessee or Renter.

N. Time is Essence; Waiver

Time is of the essence under this Sublease / Room Rental Policy. The waiver by Member, Mutual or either of them, of any breach of any term, covenant or condition of this Sublease / Room Rental Policy shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of same of any other rent shall not be construed to be a waiver of any breach by Sublessee of any term, covenant or condition of this Sublease / Room Rental Policy. The remedies given herein to Member and to Corporation shall be cumulative and the exercise of any one remedy by Member or by the Mutual shall not prohibit exercise of any other remedy available.

O. Subordination

This Sublease / Room Rental Policy is subject and subordinate to the Governing Documents and to any and all covenants, conditions, restrictions, underlying leases, occupancy agreements, mortgages or deeds of trust which may now affect the real property of which the premises form a part, or the underlying leases or occupancy agreements, and to all renewals, modifications, consolidations, replacements and extensions thereof. It is further agreed that this Sublease / Room Rental Policy may, at the option of Member and the lender, if any, be made subordinate to any covenants, conditions, restrictions, underlying leases, occupancy agreements, mortgages or

deeds of trust which may hereafter affect the real property of which the subleased Unit form a part or affect the underlying leases or occupancy agreements. Sublessee or its successors in interest shall execute and deliver upon the demand of Sublessor or Mutual any and all instruments desired by Member or Mutual subordinating this Sublease / Room Rental Policy in the manner requested by Member or Mutual to such covenants, conditions, restrictions, occupancy agreement, mortgage or deed of trust. Mutual is hereby irrevocably appointed and authorized as agent and attorney-in-fact of Sublessee to execute all such subordination instruments in the event Sublessee fails to execute said instruments within five days after notice from Member or Mutual demanding the execution thereof. Said notice may be given in the manner provided herein for giving notice.

- END -

DRAFT



EXHIBIT A

Notice

To: Employees, contractors employed by the Laguna Woods Village associations, members and prospective purchasers of dwelling units at Laguna Woods Village, Laguna Woods

From: Village Management Services Inc.

Subject: Disclosure notice: Laguna Woods Village buildings constructed with asbestos-containing construction materials

Health & Safety Code 25915.2 and 25915.5 require the mutual to provide annual notice about the existence of asbestos-containing materials (ACM) in nonresidential public buildings in the mutual to all employees and contractors performing work within said buildings, and to all members of the mutual.

In addition, the mutual is required to disclose to new owners, within 15 days of acquiring title to a unit, the existence of asbestos-containing material in nonresidential public buildings within the mutual.

Village Management Services Inc., as employer, and as agent, for the associations that own or manage the buildings at Laguna Woods Village, Laguna Woods, for their members, hereby notifies all its employees, contractors and all mutual members and transferees, that some buildings within Laguna Woods Village have been surveyed and found to contain asbestos.

The analytical method used to determine asbestos content was polarized light microscopy/dispersion staining. Since the community has an active asbestos operations and maintenance program, testing is ongoing. Because of the high cost to conduct a complete asbestos survey and analysis of all buildings, surveys are conducted only upon repair, remodel, addition to or removal of a building or part of a building suspected to contain asbestos materials, as required by labor codes. The certificates of analysis for any testing received to date are available to employees, contractors, owners and tenants and transferees for review and photocopying from the Laguna Woods Village Human Resources/Safety Office, 24351 El Toro Road, Laguna Woods, CA., between 9 a.m. and 5:00 p.m., Monday through Friday.

The following buildings in Laguna Woods Village, Laguna Woods, were constructed prior to 1979 and thus *may* contain asbestos in one or more construction materials: All community facilities buildings (with the exception of Clubhouse 7, the mini-gym at Clubhouse 1, the broadband services building, the Laguna Woods Village Community Center, the vehicle maintenance building, and a portion of the warehouse—all constructed after 1979), including clubhouses and outbuildings, library, maintenance warehouse building, stables, gatehouses,

garden center buildings, all detached laundry buildings and residential buildings numbers 1 through 5543 inclusive.

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

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

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

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

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

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

Village Management Services Inc.

**THIS IS A SAMPLE OF THE LETTER WHICH WILL BE SENT TO THE SUBLESSEE/RENTER IF
SUBLESSOR BECOMES DELINQUENT IN PAYMENT OF MONTHLY HOMEOWNER'S
ASSESSMENT PAYMENTS**

EXHIBIT B

RE: NOTICE TO SUBLESSEE / RENTER - ASSIGNMENT OF RENTS

Dear

Pursuant to IV (C) of the Terms and Conditions to the Sublease / Room Rental Policy (or Sublease / Room Rental Extension or Renewal Application) which you executed on _____ as the Sublessee/Renter, with _____ as the Sublessor, for the premises located in United Laguna Woods Mutual, Unit Number _____, you are hereby notified that your monthly rental payment should be made directly to the Golden Rain Foundation, a California nonprofit corporation (hereinafter the "Corporation"), to cover the delinquent assessment payment which your Sublessor owes to the Corporation.

Until you are notified that you may resume making your monthly payments of rent to the Sublessor, you should make your monthly rent payments, commencing with the payment due on _____ to the following address:

VMS, Inc.
Post Office Box
2220 Laguna
Hills, CA 92654-
2220

Attn: Unit Payment Representative

**Please make your checks payable to Golden Rain Foundation (or GRF).
Please be sure to mail to the P.O. Box address. Do NOT mail to the
VMS street address.**

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

Sincerely,

Bryan English Accounting Supervisor Financial Services Division

cc: Sublessor
Leasing Department

Sent by Certified Mail

P.O. Box 2220, Laguna Hills, CA 92654

EXHIBIT C
Sublessor Authorization for Maintenance Services Work

Unit No.

Sublease/Room
Rental Term

From: _____

To: _____

Dear United Laguna Woods Mutual Sublessor:

In order for your Mutual Corporation to provide the timeliest service, we request that you complete this authorization form to assist us when repair services are requested for your Unit.

Repair services may be requested from the Mutual or an outside repair firm. Please be advised all fees for chargeable repair services performed by the Mutual are the responsibility of the Sublessor/Renter and will be billed to the Sublessor. Collection of charges from the Sublessee/Renter is the responsibility of the Sublessor. Services billed directly to the Sublessee include cable TV and high-speed internet.

Failure to complete this form will result in denial of service in response to Sublessee requests.

Is the Sublessee/Renter authorized to request repairs on behalf of the member or other work for which there is a charge? (Please note that the member is responsible for all charges incurred by the Sublessee/Renter.) ☐ Yes ☐ No

NOTE: In case of an emergency, e.g., water heater leak, refrigerator out, furnace out, lock-out, plumbing stoppage, the Mutual will perform the repair upon request of the Sublessee/Renter without prior Sublessor approval.

=====

SUBLESSOR/SUBLESSEE/RENTER ACKNOWLEDGMENT

I understand the billing policy stated above and request that this information be kept on file during the sublease/rental period. I will submit a written request for any change to the above information by mailing such request to the Laguna Woods Village, Attn: Leasing/Rental Office, P.O. Box 2220, Laguna Hills, CA 92654 -2220.

1. Sublessor(s)

1 Name (Print)	Signature	Date
2 Name (Print)	Signature	Date

Sublessee(s)/Renter(s)

1 Name (Print)	Signature	Date
2 Name (Print)	Signature	Date

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DRAFT

Exhibit D**Sublease / Room Rental Application**

Members applying for Approval to sublease their Unit or rent a room in their Unit must, together with each of their prospective Sublessee(s) / Renter(s), fill out the Application on the following pages in order to obtain the necessary Approval from United for such Sublease/Room Rental. The steps and required information/documentation that must be provided along with the application are described below.

- A. The member must complete and submit the written Sublease / Room Rental Application to the Lease/Rental Office for board review. The application is available for download at lagunawoodsvillage.com or upon request from the Lease/Rental Office.
- B. The application and additional documentation must be submitted to the Lease/Rental Office for new leases, renewals and extensions.
- C. All information provided must be legible for digital imaging.

Required documentation:

- _____ 1. Completed Sublease / Room Rental Application (renewal or extension)
- _____ 2. Check for processing fee made payable to GRF
- _____ 3. Member(s) resident ID card(s) (only for initial sublease), except in the instance of a room rental.
- _____ 4. Copy of proof of age/identity (driver's license, birth certificate or passport) for each Sublessee or Renter
- _____ 5. Copy of the sublease/room rental agreement between Member and Sublessee or Renter for the current year. (It is the Member's responsibility to provide United with a copy of the sublease/room rental agreement with Sublessee or Renter. Such rental agreement is not included within this application package, and is not provided by the Laguna Woods Village Leasing/Rental Office.)
- _____ 6. Credit Report with FICO Score from Experian, TransUnion or Equifax
- _____ 7. A Nationwide Background Check – Examples:

www.tenantbackgroundsearch.com
www.american-apartment-owners-association.org www.rentspree.com

(Note: The above examples are not all-inclusive. This list is strictly for informational purposes. Some nationwide background checks include the credit report with FICO score.)

____ 8. Executed Sublessor Authorization for Maintenance Services Work form

- D. The Board or authorized VMS staff member(s) will review the Sublease / Room Rental Application and approve or deny the request in writing.
- E. Upon receipt of a Sublease / Room Rental Application for a new, renewal or extension, the Lease/Rental Office will research and take into consideration whether the Member and/or Sublessee has received notices of rule violations or any outstanding charges and assessments before Approval of the application can occur. If there are any outstanding charges and assessments, the Lease/Rental Office will request payment and/or refer the matter to the Finance Department who may issue a notice as set forth in Exhibit B for assignment of rents. Extensive history of such events, complaints, violations, member disciplinary action may result in application denial.
- F. The Lease/Rental Office will notify the Member of the results within 10 business days subject to the terms and conditions that exist. Applications, including, without limitation, Rush applications, may be delayed if the Leasing/Rental Office notifies the Member that it requires additional time to review and/or requests additional information from the Member while conducting its review.
- G. The Sublease / Room Rental Application will be emailed to the Member or his/her agent once approved by the Board of Directors. The Member is responsible for providing a copy of the Sublease / Room Rental Policy and Application to the Sublessee / Renter.
- H. The Lease/Rental Office hours of operation are Monday through Friday, except federal holidays, 8:00 a.m. – 5:00 p.m.

Telephone: 949-597- 4323

Email: Leasing@vmsinc.org

Physical Address:

Laguna Woods Village Community Center 24351 El Toro Road
Laguna Woods, CA 92637

Mailing Address:

Laguna Woods Village Attn: Leasing/Rental Office
P.O. Box 2220 Laguna Hills, CA 92654

Note: There is no mail delivery to the physical address.

**Sublease / Room Rental Application:
United Laguna Woods Mutual**

Unit No: _____

Return completed application to the Leasing/Rental Office located in Community Center at 24351 El Toro Road, Laguna Woods, CA 92637; phone 949-597-4600; email leasing@vmsinc.org.

The Sublease/Room Rental is subject to the terms and provisions of the Sublease / Room Rental Policy & Application incorporated herein by reference and made a part hereof and shall be effective when approved by the Mutual.

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

Information for Sublessee/Renter #1	Sublessee/Renter #1 ID No. _____
First Name:	Last Name:
Telephone:	Cell Phone:
Date of Birth:	SS#:
Email:	

Move-in Date:	
Present Home Address:	
Prior Address:	
Length of Time/From:	To:
Has proposed Sublessee/Renter #1 been convicted of a felony in the last 20 years? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Has proposed Sublessee/Renter #1 been convicted of a misdemeanor involving moral turpitude in the last five years? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Information for Sublessee/Renter #2 Sublessee/Renter #2 ID No. _____	
First Name:	Last Name:
Telephone:	Cell Phone:
Date of Birth:	SS#:
Email:	
Move-in Date:	
Present Home Address:	
Prior Address:	
Length of Time/From:	To:
Has proposed Sublessee/Renter #2 been convicted of a felony in the last 20 years? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Has proposed Sublessee/Renter #2 been convicted of a misdemeanor involving moral turpitude in the last five years? <input type="checkbox"/> Yes <input type="checkbox"/> No	

Sublease / Room Rental Policy and Agreement

The undersigned acknowledges receipt of the Sublease / Room Rental Policy and acknowledges that it does not represent any direct or indirect liability on behalf of United Laguna Woods Mutual (United), the Golden Rain Foundation of Laguna Woods (GRF) and Village Management Services Inc. (VMS), and each of their respective directors, officers, employees and agents. By executing this Sublease / Room Rental Application, all parties hereby agree to abide by the Sublease / Room Rental and Terms and Conditions of the Policy, if approved by the Board of Directors.

Acknowledgment	Initial(s)			
	Member #1	Member #2	Sublessee / Renter #1	Sublessee / Renter #2
I have read and received a copy of the Sublease/Room Rental Policy and agree to comply with its Terms and Conditions.				
I agree to comply with the rules established by this Community.				
United, GRF and VMS are not, jointly or severally, parties to the terms of the sublease/room rental between the Member and Sublessee/Renter.				
I agree that United has the right to collect and retain the rent payable and to apply it to any delinquent assessments and charges.				
I understand that falsification of any information related to this application renders this application null and void.				

Does Sublessee/Renter have authorization to request repairs on behalf of the Member or work for which there is a charge? ☐ Yes ☐ No

Member #1 Name (Print):	Member Signature:	Date:
Member #2 Name (Print):	Member Signature:	Date:
Sublessee/Renter #1 Name (Print):	Sublessee/Renter #2 Name (Print):	Date:
Sublessee/Renter #1 Name (Print):	Sublessee/Renter #2 Name (Print):	Date:

ACTION BY MUTUAL BOARD OF DIRECTORS

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

Date _____

By _____
Authorized Agent



When you get approved, please set this up.

If We Can't Reach You, We Can't Notify You.

When seconds count, you can count on...



CodeRED is the community notification system used to call, text and/or email Laguna Woods Village Residents with time-sensitive and/or emergency information. This system is separate from the regular email information you may be receiving from the Communications Department, and requires a specific, unique enrollment.

Laguna Woods Village Security and Disaster Preparedness Task Force encourage you to take a few minutes to ensure we have accurate contact information for you so you are informed in the event of an emergency or threat to the Village. Safety is a two-way street. Be sure to register today to receive the information you need, when it matters, regarding events such as:

- Critical Power Outages
- Earthquake Emergency Procedures
- Evacuation
- Gate or Road Closures
- Safety Threats
- Fire

Please complete the form online through the Laguna Woods Village website. Go to www.lagunawoodsvillage.com, and look for the CodeRED icon at the top left of the home page.

You can be assured that all information provided for your CodeRED notification is confidential and will only be used to contact you in the case of an emergency.

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



STAFF REPORT

DATE: April 20, 2023
FOR: Board of Directors
SUBJECT: Policy for Committee Meeting Rules

RECOMMENDATION

Staff is asking for direction on any revisions, changes or corrections to Resolution 01-11-228

BACKGROUND

The Governing Documents Review Committee is tasked to review policy and processes for consistency, clarity and efficiency.

On December 13, 2011, the Board adopted Resolution 01-11-228, Open Meeting Act Protocol and Procedures.

DISCUSSION

The Committee would like to discuss and consider making revisions, changes or corrections to Resolution 01-11-228 relating to Roberts' Rules of Order, agenda creation and rules, opening discussions, directing staff, reporting to board, reporting to residents, etc. The purpose of Resolution 01-11-228 is to establish guidelines, protocol and procedures to conduct Board/Association business in accordance with the Open Meeting Act.

FINANCIAL ANALYSIS

None.

Prepared By: Jacob M Huanosto, Compliance Coordinator

Reviewed By: Blessilda Wright, Compliance Supervisor

ATTACHMENT(S)

Attachment 1 – Resolution 01-11-228, Open Meeting Act Protocol and Procedures
Attachment 2 – Third Mutual Rules for Board Meetings 03-22-134



RESOLUTION 01-11-228

WHEREAS, effective January 1, 2012, changes to Civil Code Section 1363.05 (Open Meeting Act - "OMA") eliminates the Board's ability to take some actions without a meeting of the Board; and

WHEREAS, the OMA provides there are penalties of up to \$500 per Board violation, plus fees and costs, for non-compliance of the OMA if a Member brings a lawsuit against United Mutual for same; and

WHEREAS, per the advice of United's legal counsel, the Board should follow certain guidelines to prevent liability exposure to United Mutual and individual volunteer Board members;

NOW THEREFORE BE IT RESOLVED, December 13, 2011, that the Board of Directors of this Corporation hereby adopts the following guidelines, protocol and procedures to conduct Board/Association business in accordance with the OMA:

1. All general session open Board meetings (where a majority of Board members will be in attendance) shall be noticed with an agenda which shall be posted in the common area at least 4 days before the meeting; executive session meeting agendas and notices shall be posted in the common area at least 2 days before the meeting, except for emergency executive session meetings.
2. Any subject matter or item of business that is within the authority of the Board, which has been placed on a Board agenda, cannot be discussed, deliberated or acted on outside a noticed Board meeting, which includes, without limitation, electronic communications.
3. Informal meetings such as "coffees" among Members and Directors are allowed so long as the subject of discussion is not a Board agenda meeting topic that is to be addressed at the next noticed meeting of the Board.
4. Board members shall not take action by way of unanimous written consent, except for emergencies, so long as the vote of the Board is unanimous.
5. No Board meeting shall be held via email or by other electronic communication unless the meeting is for emergency purposes, the Board agrees to the meeting by unanimous written consent, the vote of the Board is unanimous and such written consent shall be filed with the minutes of the meeting of the Board.
6. At least one Board member must be physically present at the location specified in the Board meeting notice for teleconference meetings, except for emergency meetings as set forth in Item No. 5 above.

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



RULES FOR BOARD MEETINGS
Resolution 03-22-134; Adopted
December 20, 2022

I. INTRODUCTION

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

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

II. BOARD MEETINGS

A. Regular Board Meetings

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

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

B. Special Meeting or Altering Location, Date or Time

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

C. Attendance

Members may attend Board meetings, but Executive Session meetings are

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

D. Agendas

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

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:

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

17. Recess

18. Adjournment

E. Committees: Reports, Meetings

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

F. Open Forum

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

1. **Time for Open Forum.** Open Forum will normally occur at the beginning of the Board meeting. The agenda may also provide for a second Open Forum

time at the end of the agenda. The Board may by motion re-open Open Forum on a specific agenda item, or reschedule Open Forum within the agenda.

2. **Member's Right to Speak.** Open Forum is a valuable and legally required portion of every open Board meeting. Open Forum is the opportunity for the Member to inform the Board of matters which may not be known.

- a) During Open Forum, a Member may speak to the Board on any topic not on the agenda. The purpose of Open Forum is to inform the Board of viewpoints or information of which the Board may not be aware regarding Third. Therefore, although a Member may use their time to speak upon any topic of interest to the Member, Members are advised that the Board may not be as attentive to comments on matters outside the Board's jurisdiction.
- b) At the time designated on the agenda for Open Forum, the Chair shall ask the Members present to raise their hand if they wish to speak in Open Forum or fill out a speaker card. In order to give all Members an opportunity to speak at meetings, and to control meeting length, each Member may speak for a maximum of three minutes. In the event more than ten Members indicate a desire to speak, the time limit per speaker shall be shortened to two minutes per speaker.
- c) Open Forum is the time for Members to speak and provide additional opinions and viewpoints to the Board, and is not a time for the Board to speak. Directors will listen and not respond or otherwise interrupt a speaker at Open Forum, so long as the speaker is within these Rules and time limits. A response, if any, by a Director or staff to an Open Forum remark or question shall be after the close of Open Forum. The Chair may appoint a Director or Staff-person as timekeeper.
- d) So long as the Open Forum comments comply with these Rules, neither staff, the Chair, nor other Director shall interrupt the speaker.
- e) The statements made by Members in Open Forum are not the position of Third, and Third takes no responsibility as to the content of Open Forum comments. At the beginning of Open Forum, the Chair shall remind all attending as to these Rules regarding Open Forum.

3. **Open Forum During Agenda Item Discussions.**

- a) During the Board deliberations of a matter, and when the Chair at the Chair's sole discretion determines there has been sufficient discussion to inform the attendees in the audience of the issue, the Chair will inquire if any Members in the audience wish to speak to the motion at hand.
- b) If the Chair sees any hands raised indicating a desire to speak or fill out a speaker card, Open Forum will be reopened on the issue, and the Members indicating a desire to speak to the topic may speak for up to three (3) minutes on

- the specific agenda item.
- c) Off-topic commentary will not be permitted, but so long as the speaker complies with the Rules, neither the Chair nor any Director will interject or otherwise interrupt during the speaker's remarks.
 - d) The Chair in its sole discretion may reduce the time per speaker to two (2) minutes on an issue, if the Chair deems it necessary to insure that all who wish to speak have the opportunity to do so.
 - e) A Member (or co-Owner of a Member) shall only speak once on a given agenda item.
 - f) Once the Chair determines that all have spoken who wished to speak, or that no one has indicated a desire to speak, the Chair shall announce Open Forum is again closed, and the Board shall resume and conclude its deliberations on the item.
4. **Re-opening of Open Forum.** If an issue on the Agenda is deemed by the Board to require further Membership input, the Board may by majority vote re- open Open Forum, to allow Members to speak to the pending subject. If Open Forum is reopened, Members may speak for up to two minutes each. Upon completion of such Membership input, in compliance with Open Forum Rules, the Board will then close Open Forum and resume deliberating the subject.
5. **Member Observation of Deliberations.** Except for Open Forum, Members may not speak to the Board, and shall quietly observe Board deliberations except for those in Executive Session. Members do not vote or make motions at Board meetings, as only Directors vote at Board meetings. Applause, boos, or other audible response to Board deliberations or decisions is out of order.
6. **Addressing the Board During Open Forum.** When speaking, the Member will identify Member's name and Manor, and will stand at the speaker's podium if physically able to stand, and will address the Board, not the audience.

G. Meeting Conduct

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

- 1. Profane or obscene language;
- 2. Slurs involving race, religion, ethnicity, gender, sexual orientation, gender identity, or age;
- 3. Shouting or yelling;
- 4. Physical threats, including non-verbal communications such as gestures or using body language in such a way as to intimidate;

5. Pounding on table or throwing items; and
6. All other unreasonable and disruptive behavior which does not allow Members to peacefully observe the proceedings, or which otherwise impedes the ability of the Board to peacefully conduct its deliberations and the Members to peacefully observe those deliberations.

Directors will also refrain from making comments which:

7. Divulge information from closed sessions;
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.

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

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

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

I. Parliamentary Procedure

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

The Resolution or motion recommended by a Committee report shall be considered as a motion and need not have a second for discussion to commence, so long as the recommendation has been stated on the agenda at least four days in advance of the meeting, absent emergency.

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

J. Recording of meetings: Minutes

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

K. Board Deliberations

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

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

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.

M. Chair

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

C. Procedure for Setting

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

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

D. Agenda Packets

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

IV. CLOSED SESSION HEARINGS

The Mutual conducts its disciplinary hearings and reimbursement claim hearings in closed session. The following rules are to inform both Member(s) and Directors regarding how these hearings are conducted.

A. Notification

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

B. Attendance

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

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

C. Addressing the Board

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

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

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.