



OPEN MEETING

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

Thursday, April 18, 2024 – 1:30 P.M.  
Board Room/Virtual Meeting  
Laguna Woods Village Community Center

**AGENDA NOTICE**

1. Call to Order Maggie Blackwell
2. Approval of Agenda Maggie Blackwell
3. Approval of Reports: Maggie Blackwell
  - a. February 15, 2024
4. Chair's Remarks Maggie Blackwell
5. Member Comments - *At this time Only United Members may address the Committee regarding items not on the agenda and within the jurisdiction of this Committee. The Committee reserves the right to limit the total amount of time allotted for Member Comments to thirty-minutes. Each individual has no longer than three-minutes. A Member may speak only once during the Member Comments. Speakers may not give their time to other people, no audio or video recording by attendees and no rude or threatening comments.*

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

- a. Via email to [meeting@vmsinc.org](mailto:meeting@vmsinc.org) any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and manor number must be included.
- b. 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. United Subleasing, Resale and Transfer Fees Pamela Bashline
7. United Mutual Financial Qualifications Pamela Bashline

**Concluding Business:**

8. Committee Member Comments

9. Future Agenda Items – *All matters listed under Future Agenda Items are items for a future Committee meeting. No action will be taken by the Committee on these agenda items at this meeting.*
- a. Review of Operating Rules Guidebook Adjournment
  - b. Revised Committee Charter
  - c. Elections

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

Maggie Blackwell, Chair  
Francis Gomez, Staff Officer  
(949) 268-4207



## **OPEN MEETING**

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

Thursday, February 15, 2024 – 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, Anthony Liberatore and Nancy Carlson

**MEMBER ABSENT:** None.

**ADVISORS PRESENT:** Dick Rader, Mary Stone and Juanita Skillman

**ADVISORS ABSENT:** None.

**STAFF PRESENT:** Francis Gomez, Pamela Bashline and Ruby Rojas

#### **CALL TO ORDER**

Maggie Blackwell, Chair, called the meeting to order at 1:31 p.m.

#### **APPROVAL OF THE AGENDA**

Director Carlson made a motion to approve the agenda. Director Liberatore seconded the motion.

By unanimous consent, the motion passed.

#### **APPROVAL OF REPORTS**

The Committee reviewed the report for January 18, 2024.

Without objection, the report for January 18, 2024 was approved as presented.

#### **CHAIR'S REMARKS**

Chair Blackwell welcomed Director Liberatore to the Committee and thanked Director Vidya Kale for her service on the Committee.

#### **MEMBER COMMENTS**

A member relayed concerns regarding the lack of barbecue rules and Advisor Stone requested additional information in the minutes.

## **ITEMS FOR DISCUSSION**

### **Schedule of Monetary Penalties**

Ms. Francis Gomez, Operations Manager, presented the Schedule of Monetary Penalties for the Committee to consider and review. The Committee discussed and elected to make minor changes to the document.

Director Carlson made a motion to increase the “Alteration” Type-Fee to a maximum of one-thousand dollars per event, the motion was withdrawn.

Director Carlson made a motion to edit the title of “Type of Violation” to stipulate “per event”. Chair Blackwell seconded the motion.

By unanimous consent, the motion passed.

### **Committee Charter**

**The Committee reviewed and discussed the Committee Charter.** The Committee discussed and elected to make minor changes to the document.

By unanimous consent, the motion passed.

The Committee directed staff to review and update the Committee Charter and present at the next meeting.

## **Concluding Business**

### **Committee Member Comments**

Director Liberatore relayed his dislike of the word “charter” in the title of the United Mutual Committee Charter, questioning its use. Chair Blackwell expressed the premise of the Committee is to create new rules and regulations to protect members health, welfare and safety. Advisor Rader reminded the Committee to relay the matter of accessing Governing Documents to the Media and Communications Committee for review.

### **Future Agenda Items**

- a. Review of Operating Rules Guidebook

### **Date of Next Meeting**

The next meeting is scheduled for Thursday, March 15, 2024 at 1:30 p.m. in the Board Room.

### **Adjournment**

With no further business, Chair Blackwell adjourned the meeting at 2:39 p.m.

*MABlackwell*

MABlackwell (Mar 4, 2024 13:27 PST)

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Maggie Blackwell, Chair



## STAFF REPORT

**DATE:** April 18, 2024  
**FOR:** United Governing Documents Review Committee  
**SUBJECT:** Ratify United Fees Pertaining to Subleasing, Resales and Membership Transfers

### **RECOMMENDATION**

Staff recommends the Board ratify its fees associated with processing all sublease/lodger, resales and trust/transfer applications to align with current practices and to place all fees in one resolution. Staff also recommends one additional fee of \$280 to be charged for the recording of the Memorandum of Occupancy Agreements and Memorandum of Termination of Occupancy Agreements for all non-escrow membership transfers.

### **BACKGROUND**

The fees currently charged for processing all United Mutual sublease/lodger, resales, and membership trust/transfer applications are as follows:

<b>United Sublease Permit / Lodger Room Rental Fees</b>	
Administration Processing Fees	\$160
Application Rush Fee	\$100
Application Renewal Fee	\$160
Application Extension Fee (if the original agreement is less than 12 months)	\$60
<b>United Resale Fees</b>	
Administration Fee (GRF Resolution G-00-58)	\$350
Additional Fee for Recording of Memorandums for Cash Sales	\$280
Escrow Cancellation (GRF Resolution G-90-07)	\$112
<b>United Trust Transfer Fees</b>	
Membership Certificate non-escrow transfer fee	\$50

### **DISCUSSION**

The above-mentioned fees have been in place for several years and are currently included in their associated policies, but have not been officially approved by way of resolutions, with the exception of the sublease permit application processing fee of \$160 (ATT 1); however, the fees were indirectly approved when the board approved the policies. When legal counsel assisted in drafting United's Lodger Policy in 2023 he indicated to staff that he didn't recommend that the fees be a part of the policy in the event the fees needed to be increased in the future. Therefore, only the resolution would be revised and not the entire policy.

While some fees cannot be historically traced as to how they came about, there are some fees mentioned below that can be explained.

- The current resale administration fee of \$350 was adopted by GRF in 2000 by way of Resolution G-00-58 (ATT 2), but since GRF doesn't have any involvement with mutual resales, United should adopt or ratify its own resale administration fee.
- The current escrow cancellation fee of \$112 that United charges was also adopted by GRF in 1990 by way of Resolution G-90-07 (ATT 3), and as mentioned above, United should adopt or ratify its own escrow cancellation fee.
- During the resale process, Memorandums of Occupancy Agreement and Memorandums of Termination of Occupancy Agreement are recorded with the County Recorder's office to provide public evidence of the buyer's occupancy rights and seller's intent to leave the corporation. On January 1, 2018, Government Code §17388.1 (formerly SB 2) mandated that county recorders charge \$75 per transaction of certain real estate documents. As a result, United currently charges \$280 for recording the Memorandums directly with the County via their SECURE system for all cash sales. The break down in costs include \$75 + \$7 for the first page + \$3 per extra page so depending on the number of pages, the total recording fees per Memorandum will range between \$91 - \$109. The \$280 fee includes an offset toward administrative staff costs.

In addition to Staff's recommendation that the Board ratify the above-mentioned fees, Staff also recommends, as part of the ongoing efforts to ensure proper documentation and compliance within our organization, that the board approves charging \$280 to record executed Memorandum of Occupancy Agreements and Memorandum of Termination of Occupancy Agreements for all non-escrow membership transfers.

### **FINANCIAL ANALYSIS**

It is anticipated that if the additional fee of \$280 is approved for the recording of the Memorandum of Occupancy Agreements and Memorandum of Termination of Occupancy Agreements for all non-escrow membership transfers, the revenue to the mutual will increase by approximately \$78,680 based on an estimated 281 recordings a year.

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

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

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

ATT 1 - United Resolution 01-13-138  
ATT 2 - GRF Resolution G-00-58  
ATT 3 - GRF Resolution G-90-07  
ATT 4 - Resolution 01-24-XX

**RESOLUTION 01-13-138**

Reduce Sublease Permit Administration Fee from \$300 to \$160

**WHEREAS**, there are identifiable costs related to processing sub-lease permits; and

**WHEREAS**, there are identifiable costs related to move-ins including Security control; and

**WHEREAS**, in order to provide better oversight for the sub-leasing process and help cover Community costs associated with tracking approved move-in and approved move-out dates, the Board of Directors established a \$300 sub-lease permit administration fee; and

**WHEREAS**, the Board of Directors of this Corporation wishes to reduce the fee;

**NOW THEREFORE BE IT RESOLVED**, July 23, 2013, that the Board of Directors hereby reduces the sub-lease permit administration fee from \$300 to \$160 to be effective September 1, 2013; and

**RESOLVED FURTHER**, that the Managing Agent is instructed to inform the realty community of the revised fees; and

**RESOLVED FURTHER**, that Resolution 01-12-91, adopted May 8, 2012 is hereby superseded and cancelled;

**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.

**RESOLUTION G-00-58**

Administrative Transfer Fee for Resale Packages

**WHEREAS**, the Board of Directors of this Corporation adopted Resolution G-84-122 on December 4, 1984, which established an administrative transfer fee of \$250; and

**WHEREAS**, on October 5, 1993, the Board of Directors adopted Resolution G-93-106, which approved a schedule of fees and increased the administrative transfer fee to \$300;

**NOW THEREFORE BE IT RESOLVED**, July 5, 2000 that the Board of Directors of this Corporation hereby increases the Administrative Transfer Fee from \$300 to \$350, effective January 1, 2001, for all escrows opened on or after that date; and

**RESOLVED FURTHER**, that this increase shall be reflected in the schedule of fees, which is adopted with the annual Business Plan; 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; and

**RESOLVED FURTHER**, that Resolution G-93-106, adopted October 5, 1993 is hereby superseded and canceled.



**RESOLUTION G-90-7**  
Adopted February 6, 1990

\$112 Escrow Cancellation Fee

**WHEREAS**, it has been determined that the current \$10 escrow cancellation fee is not sufficient to recover actual administration costs which are approximately \$112 per escrow cancelled;

**NOW THEREFORE BE IT RESOLVED**, that the escrow cancellation fee shall be \$112; said fees shall apply to all escrows received in the Business Services Department on or after February 19, 1990, that subsequently are cancelled; and

**RESOLVED FURTHER**, that the attached 1990 Fee Schedule effective January 1, 1990, is hereby approved and amended to include the \$112 escrow cancellation fee and;

**RESOLVED**, Resolution G-89-114, adopted on November 7, 1989, is hereby cancelled; and

**RESOLVED FURTHER**, that the managing agent is hereby authorized to advise all escrow and realty offices of this fee change.

**RESOLUTION 01-24-xx**

**WHEREAS**, the Community Services Division collects fees when processing resale packages, non-escrow membership transfers, and subleasing and lodger applications; and

**WHEREAS**, the processing fees have been in place for several years and are currently included in their associated policies, but not been officially approved by way of resolutions; and

**WHEREAS**, all Community Services fees established by the board should be identified in one resolution and placed on the website to provide transparency and improve communications;

**NOW THEREFORE BE IT RESOLVED**, June 11, 2024, that the Board of Directors of this corporation hereby ratifies and adopts the following fee schedule related to processing all resale packages, non-escrow membership transfers and subleasing/lodger applications:

<b>United Sublease Permit / Lodger Room Rental Fees</b>	
Administration Processing Fees	\$160
Application Rush Fee	\$100
Application Renewal Fee	\$160
Application Extension Fee (if the original agreement is less than 12 months)	\$60
<b>United Resale Fees</b>	
Administration Fee	\$350
Additional Fee for Recording of Memorandums for Cash Sales	\$280
Escrow Cancellation	\$112
<b>United Trust / Transfer Fees</b>	
Membership Certificate Non-Escrow Transfer	\$50
Recording of Memorandums ( <b>NEW</b> )	\$280

**RESOLVED FURTHER**, that Resolution 01-13-138 is hereby superseded and cancelled; and

**RESOLVED FURTHER**, that the fee schedule shall be placed on the website; and

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

**MAY INITIAL NOTIFICATION:** Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.

Financial Qualifications Policy Resolution 01-21-60  
Adopted September 14, 2021  
– Resolution Attached

I. Purpose

The purpose of this policy is to set forth guidelines by United Laguna Woods Mutual (United) necessary to protect the financial integrity of the corporation.

II. Definitions

- A. Shareholder - individual approved by the Board of Directors as a Member of the corporation. Also known as Member.
- B. Applicant – individual seeking approval by the Board of Directors as a member of the corporation.
- C. Financial Statement/Credit Information form – United’s document to be completed by Applicant which summarizes age, income and asset qualifications being considered by the Board of Directors in keeping with the membership application process.
- D. Asset – a resource with economic value that an individual or business owns or controls with the expectation of future benefit; must be liquid, marketable or income producing.
- E. Equity – total assets minus total liabilities.
- F. Annuity funds – a long-term investment that is issued by an insurance company and is designed to help protect an individual from the risk of outliving one’s income.
- G. Community property – property acquired during the marriage by either spouse is presumed to be owned by each spouse equally.
- H. Guarantor – individual who meets United’s financial qualifications and guarantees to pay for the Member’s debt and/or obligations if the Member defaults or fails to pay a debt and/or obligation to United; guarantor may guarantee only one unit within the Village.
- I. Personal Unconditional Continuing Guaranty and Security Agreement -
- J. Guaranty “contract” between prospective member and qualified individual whereby guarantor is responsible to pay any debt or obligation owed by the Member to United in the event of a failure by Member to pay same; non-revocable by guarantor.
- K. Indebtedness – includes the monthly carrying Charge payable by the Member to United, including all assessments, fines or other monetary charges levied in the name of United.

- L. Carrying Charges – monthly assessments estimated by United to meet its annual expenses, including but not limited to operating expenses, management and administration, property taxes, insurance, utilities, reserves, and repair and maintenance.
- M. Uniform Commercial Code (UCC) filing – provides for the filing of certain financing statements and other lien documents. Filing with the Secretary of State's office serves to perfect a security interest in named collateral and establish priority in case of debtor default or bankruptcy.
- N. Interim Dual Membership Agreement – a “contract” between a Member and United which allows the Member to temporarily own two co-ops.
- O. Community Rules – the Articles of Incorporation and Bylaws of United, the Occupancy Agreement, and any rules and regulations adopted by United. Any reference to the “Governing Documents” shall, for purposes of this Policy, be deemed a reference to the Community Rules set forth in this definition.
- P. Member – any person entitled to membership in United.

### III. Conditions

All applicants shall submit the most recent year's federal income tax return, signed and dated, including Schedules A and B, in addition to other verification documents. If income is derived from an owned business, the appropriate business tax schedules and a profit and loss statement are required.

Where there is more than one prospective Shareholder, income and assets can be calculated collectively, if each is eligible and intends to reside.

Membership applicants to United are required to submit a completed Financial Statement/Credit Information form, together with satisfactory verification of identity, income and assets.

#### A. ASSET REQUIREMENT

The prospective Shareholder shall submit satisfactory verification of assets equal to the purchase price of the Unit plus \$125,000. NOTE: Applicants who own multiple properties must demonstrate total assets exceeding total mortgage obligations. Prospective transferees (i.e., outside escrow) are required to demonstrate a minimum asset base of \$125,000 only.

1. Acceptable assets will be those that are considered to be liquid, marketable or income producing. Only aged accounts (180 days) will be considered. Acceptable assets include, among others:
  - a. Equity in U.S. residential property
  - b. Savings accounts in U.S. financial institutions

- c. Cash value life insurance
  - d. Certificates of deposit, money market accounts in U.S. financial institutions
  - e. IRA, SEP, 401(k) and Keogh accounts
  - f. US, state or municipal government bonds - valued at current market prices
  - g. American traded investments (NYSE, Amex, OTC, NASDAQ, etc.) valued at current market prices
  - h. Mortgages and promissory notes, provided that interest is reported on the applicant's tax return
  - i. Equity in U.S. income producing real estate
2. Excluded from consideration are the following, among others:
- a. Mobile Homes
  - b. Recreational vehicles, boats and trailers
  - c. Vacant land
  - d. Automobiles
  - e. Artwork, jewelry, furs and collections such as coins, dolls, stamps and other similar items
  - f. Term life insurance
  - g. Annuity funds and retirement accounts, which cannot be withdrawn in lump sum
  - h. Anticipated bequests or inheritances
  - i. Promissory Notes whose income is not reported on the prospective transferee tax return
  - j. Community property

## B. INCOME REQUIREMENTS

- 1. Prospective Shareholders shall submit from a recognized Credit Reporting Agency (e.g. Equifax, TransUnion, Experian) a full credit report if FICO score is less than 700 or FICO score is 700 or higher with an outside mortgage. Submit a credit summary report if FICO score is 700 or higher without an outside mortgage. These reports must be dated within 60 days prior to the application submittal.
- 2. Prospective Shareholders and transferees must provide satisfactory verification of income of at least \$40,000 per year at the time of purchase.
- 3. Traditional retirement account assets (e.g., 401K, ERISA, IRA, Profit

Sharing, etc.) will be considered as a source of annual income in accordance with this subsection. For the purposes of the income verification requirement pursuant to subsection (a) above, the portion of an Applicant's traditional retirement account assets attributable to said Applicant's annual income shall be deemed to be the greater of the following:

- a. The mandatory annual distributions for the Applicant's retirement accounts; or
- b. The total amount of the Applicant's retirement accounts *multiplied* by eighty percent (80%), and then *dividing* this product by twenty-five (25) years, as follows:

$$\text{Attributable Income} = (\text{Total Retirement Account Assets} \times 80\%) \div 25$$

Traditional retirement accounts may not concurrently satisfy both the income and asset side of the qualification requirements. Only traditional retirement accounts may be calculated to generate "attributable income".

4. Acceptable verifications include, among others:
  - a. The most recent Federal Tax returns. If tax returns are not yet filed or applicant is filing an extension for the last calendar year returns, provide a copy of extension filing and supporting W-2s and/or 1099s.
  - b. W - 2 Forms or paycheck stubs
  - c. Bank, credit union or investment account statements
  - d. Letters from bankers
  - e. Notices of annuities and Social Security payments
  - f. Pensions
  - g. Trust income
  - h. Disability income
  - i. Residential / commercial property rental income
  - j. Out of state employment income and/or its continuance after re-locating to California must be explained by a letter addressed to the board.
5. Unacceptable income verifications include, among others:
  - a. Letters from employers, accountants, bookkeepers and attorneys
  - b. Income not reported on Federal income tax returns
  - c. Funds held outside US borders

### C. GUARANTORS

United will permit the prospective shareholder who does not meet the financial requirements to have a guarantor.

1. The guarantor shall provide satisfactory verification of annual income of at least \$90,000 and marketable or income producing assets of at least \$250,000 plus the manor purchase price.
2. Shareholder financial requirements for the occupying shareholder(s) when they have a guarantor:
  - a. Minimum annual income of \$24,000
  - b. Minimum verifiable liquid, marketable and/or income producing assets of at least \$75,000 plus the manor purchase price.
3. The income and assets of the guarantor are not a substitute for the minimum income and assets needed by the prospective shareholder(s) occupant(s).
4. In addition to these requirements, the guarantor shall be required, as set forth herein (Exhibit A) to identify assets from which the financial obligation may be satisfied and authorize UCC financing statements to be filed.
5. Guarantor and assets must be located in California.
6. A guarantor may only guarantee one unit in the Village.

### D. ~~D.~~ OWNERSHIP OF MULTIPLE MEMBERSHIPS

1. United does not permit ownership of more than one cooperative Membership, except under an interim dual Membership agreement which is issued for six months.
2. United recognizes Third Mutual's multiple unit owner requirements for persons desiring to own in both mutuals. Therefore, Shareholders who wish to purchase an additional unit in Third Mutual or vice versa, must satisfy Third Mutual's stepped-up financial requirements.
3. Current members of one Mutual who wish to purchase in another Mutual are required to meet the financial requirements of the Mutual in which they are purchasing.

### E. FINANCIAL QUALIFICATION WAIVERS

1. ~~Shareholders who purchase a replacement Unit in United Mutual -do~~

not have to re-qualify financially for Membership, if there is no change to the Membership vesting and the dual interim agreement is in effect.

1.

~~2.1. Current members of one Mutual who wish to purchase in another Mutual are required to meet the financial requirements of the Mutual in which they are purchasing.~~



3.2. A former member may obtain a waiver of financial qualifications if the replacement Membership is purchased within 90 days of the closing of the sale of the previously owned Membership, and vesting in the new Unit is exactly the same as the vesting in the Unit previously owned.

#### F. DISCRETIONARY AUTHORITY

United Board of Directors may, but is not obligated to, deny or approve applications for Membership based on the conditions herein. The Board of Directors, exercising prudent business judgement, may also deny or approve, in its sole and absolute discretion, applications based on other material factors, such as, but not limited to, history of bankruptcy, excess liabilities, or history of non-compliance as a member in United, GRF, or other Mutuals in Laguna Woods Village.

#### G. MEMBERSHIP

Membership in United is created, and starts, with the later occurring of the following:

1. Written approval of Membership by the United Board of Directors;
2. Issuance of a Membership Stock Certificate;
3. The signing of an Occupancy Agreement; and
4. Upon close of escrow.

Upon Membership approval the Occupancy Agreement entitles the Member to occupy the Unit for three years, which is automatically renewed for three-year terms per Article 4 of the Occupancy Agreement, unless terminated by transfer or United's non-renewal or termination by the Board of Directors.

#### IV. Procedure

Applicants must complete and submit all required forms and verification documents to the escrow firm handling the sales transaction. The required forms and verification documents include:

- The Membership Application with age and identity verification for each person on title;
- Most recent signed tax returns for each person on title;



- Responsibility Agreement for Nonstandard Landscape;
- Responsibility Agreement for Alterations;
- Memorandum of Occupancy Agreement signed by each applicant;
- Golden Rain Foundation Trust Facility Fee form;
- Promissory Note;
- Financial Statement and Credit Information (income and asset verification for each person on title);
- Residency Restrictions acknowledgement;
- Occupancy Agreement signed by each proposed applicant;
- Addendum to Occupancy agreement – Trustee Membership if applicable;
- Interim Dual Membership Agreement if applicable;
- Original Membership Certificate or Lost Instrument bond or Lender Payoff Demand; and
- Application for Co-occupancy Permit if applicable.

If a Guarantor is applying, the proposed Guarantor must also submit the most recent signed tax returns, Financial Statement and Credit Information (income and asset verification for each guarantor), Personal Unconditional Continuing Guaranty and Security Agreement (Exhibits A and B).

Upon receipt of the above documents and those required of seller and escrow firm, staff reviews documentation to ensure it is complete and evaluates the financial verifications in light of the corporation's membership requirements. A staff report recommending approval or denial of the applicant is prepared and attached to the membership packet for the Board's consideration and action.



## EXHIBIT A

### Personal Unconditional Continuing Guaranty and Security Agreement

#### The Parties

Member(s): \_\_\_\_\_ (collectively, the "Member")

Property Address: \_\_\_\_\_ (the "Property")

Guarantor: \_\_\_\_\_ ("Guarantor")

This Personal Unconditional Continuing Guaranty and Security Agreement (hereinafter "Guaranty") is made this \_\_\_\_\_ day of \_\_\_\_\_, by the undersigned, individually, jointly and severally if more than one (hereinafter individually and collectively the "Guarantor"), whose address(es) appear below their signatures hereon, to and for the benefit of: \_\_\_\_\_ ("Member") and United Laguna Woods Mutual, a California nonprofit mutual benefit corporation (hereinafter "United" or "Corporation").

For purposes of this Guaranty, "Guarantor" is the undersigned who guarantees to pay for the Member's debt and/or obligations if Member should default or otherwise fail to pay a debt and/or obligation(s) to United.

The undersigned Guarantor may only guarantee one unit in the Village. For purposes of this Guaranty, Village means United Laguna Woods, Third Laguna Hills, and The Towers. Guarantor warrants and represents it has not and will not guarantee another unit in the Village.

In consideration of the mutual covenants and agreements herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor warrants to, and covenants with, United as follows:

#### 1. Personal Unconditional Continuing Guaranty

Guarantor, individually, jointly and severally, unconditionally and absolutely guarantees the due and punctual payment of the Indebtedness, as hereinafter defined (without deduction for any claim, setoff or counterclaim of Guarantor, or for the loss of contribution of a co-guarantor, if any) of Member to United, on demand in lawful money of the United States. The term "Indebtedness" is used herein in its most comprehensive sense and includes the Monthly Carrying Charge payable by the Member to United, all assessments, fines or other monetary charges levied in the name of United pursuant to the applicable Occupancy Agreement, Bylaws or other governing documents of United, and California law, all as now existing or as may be hereafter amended, any and all advances, debts, obligations and liabilities of Member or any one or more of them, now or hereafter made, incurred or created, whether voluntary or involuntary, and however arising, whenever due, and whether absolute



or contingent, liquidated or unliquidated, determined or undetermined, and whether Member may be liable individually or jointly with others, or whether recovery upon such Indebtedness may be or hereafter become barred by any statute of limitations, or whether such Indebtedness may be or hereafter becomes otherwise unenforceable.

The obligation of Guarantor is a primary, continuing and unconditional obligation of payment and performance. This Guaranty shall be effective regardless of the solvency or insolvency of Guarantor at any time or the subsequent incorporation, reorganization, merger or consolidation of Guarantor, or any other change in composition, nature, personnel, ownership or location of Guarantor. This Guaranty is non-revocable by Guarantor.

Guarantor shall at all times satisfy the minimum financial requirements required by United, which financial requirements may be amended by United's Board of Directors from time to time.

The obligations of Guarantor herein cannot be assigned or transferred in any manner whatever, directly or indirectly, by operation of law or otherwise, without the prior written consent of United, which consent may be withheld in any circumstances. However, Guarantor agrees that this Guaranty shall inure to the benefit of and may be enforced by United and by any subsequent holder or assigned of any and all of the Indebtedness and shall be binding upon and enforceable against Guarantor and Guarantor's executors, administrators, legal representatives, successors and assigns.

The obligations hereunder are joint and several, and independent of the obligations of Member. A separate action or actions may be brought and prosecuted by Corporation against Guarantor whether action is brought against Member or whether Member be joined in any such action or actions; and Guarantor waives the benefit of any statute of limitations affecting their liability hereunder or the enforcement thereof.

Guarantor authorizes Corporation, without notice or demand and without affecting Guarantor's liability hereunder, from time to time to (a) renew, compromise, extend, accelerate, or otherwise change the time for payment of, or otherwise change the terms of the Indebtedness or any part thereof, including increasing or decreasing the rate of interest thereon; (b) take and hold security for the payment of this guaranty or the Indebtedness guaranteed, and exchange, enforce, waive and release any such security; (c) apply such security and direct the order or manner of sale thereof as Corporation in its discretion may determine; and (d) release or substitute any one or more of the endorsers or Guarantor. Corporation may, without notice, assign this Guaranty in whole or part. Without limiting the foregoing, Guarantor hereby waives the rights and benefits under California Civil Code ("CC") Section 2819, and agrees that Guarantor's liability shall continue even if Corporation allows any Indebtedness of Members in any respect or Corporation's remedies or rights against Member are in any way impaired or suspended without United's consent.

Guarantor waives any right to require Corporation to (a) proceed against Member; (b) proceed against or exhaust any security held from Member; or (c) pursue any other remedy



in Corporation's power whatsoever. Guarantor waives any defense arising by reason of any disability or other defense of Member or by reason of the cessation from any cause whatsoever of the liability of Members. Until all Indebtedness of Members to Corporation shall have been paid in full, even though such indebtedness is in excess of Guarantor's liability hereunder, Guarantor shall have no right of subrogation, and waives any right to enforce any remedy which Corporation now has or may hereafter have against Member, and waives any benefit of, and any right to participate in any security now or hereafter held by United. Guarantor waives diligence and all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty and of the existence, creation, or incurring of new and additional Indebtedness. Notwithstanding, Guarantor will receive copies, at the discretion of United or upon Guarantor's written request, of Member's late payment notices.

Guarantor agrees to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by Corporation in the enforcement of this Guaranty or any attempts to collect any of the obligations of Member whether or not Corporation files suit against Member and Guarantor.

In all cases where there is but a single Member or a single Guarantor, then all words used herein in the plural shall be deemed to have been used in the singular where the context and construction so require; and when there is more than one Member named herein, or when this Guaranty is executed by more than one Guarantor, the word "Members" and the word "Guarantors" respectively shall mean all and any one or more of them.

All obligations of Guarantor shall be performed at Laguna Woods, California. At all times herein, Guarantor's primary residence and/or, if an entity, place of business, filing, registration or incorporation shall be in the State of California, and Guarantor's assets shall also be located in California. United may, from time to time, change or modify any obligation between Member and United in any manner it may deem fit and such change shall not affect the liability of Guarantor in any manner. Guarantor further waives all right to require United to proceed against the Member or any other person, firm or corporation, or to pursue any other remedy available to United. All rights of United herein or otherwise shall be cumulative and no exercise, delay in exercising, or omission to exercise any right of United shall be deemed a waiver and every right of this Corporation may be exercised repeatedly. Any and all property of the undersigned, whether community or separate or otherwise, may be applied to the payment of any obligation arising hereunder.

## **2. Security Interest; Financial Information**

Guarantor hereby grants to United a continuing first priority security interest in and to all Guarantor's assets set forth on the attached Exhibit B ("Secured Collateral"). Guarantor authorizes United to cause UCC financing statements to be filed, UCC financing statement amendments and UCC financing statement continuation statements with respect to the Secured Collateral. The collateral in which a security interest is hereby granted includes all of the rights, titles, and interests of Guarantor in



and to the Secured Collateral.

Guarantor hereby authorizes United to cause at any time and from time to time filing in any filing office in any jurisdiction any initial financing statements and/or any amendments thereto required to perfect or continue the perfection in the security interests granted hereby, including financing statements that: (a) indicate the Secured Collateral as being of an equal or lesser scope or with greater detail and (b) provide any other information required by Part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Guarantor is an organization, the type of organization and any organizational identification number issued to Guarantor. Guarantor hereby authorizes United at any time and from time to time to correct or complete, or to cause to be corrected or completed, any financing statements, continuation statements or other such documents as have been filed naming Guarantor as debtor and United as secured party. United is hereby authorized to give notice to any creditor or any other person as may be necessary or desirable under applicable laws to evidence, protect, perfect, or enforce the security interest granted to United in the Secured Collateral.

United may on an annual basis verify Guarantor's financial information provided to United pursuant to this Guaranty.

### **3. Requirement of Guaranty**

Guarantor is executing and delivering this Guaranty in order to induce United to enter into an Occupancy Agreement with and accept an application for Membership from Member. Guarantor acknowledges, agrees, represents and warrants that Guarantor benefits from same and that such benefit is sufficient consideration for the entry of Guarantor into this Guaranty.



IN WITNESS WHEREOF, this Guaranty has been duly executed and delivered as of the date first written above.

**Guarantor**

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

Phone Number: \_\_\_\_\_ E-Mail: \_\_\_\_\_

**Guarantor**

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

Phone Number: \_\_\_\_\_ E-Mail: \_\_\_\_\_

**Accepted**

**United Laguna Woods Mutual**

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**United Laguna Woods Mutual**

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_



**Exhibit A**  
**Secured Collateral**

<b>Asset(s) Asset location in California (i.e., Bank account, Bank Account Number, Name of bank; or Real property, Real property address)</b>	<b>Guarantor Name</b>	<b>Ownership Interest</b>





**RESOLUTION 01-21-60**  
**Financial Qualifications Policy**

**WHEREAS**, United Laguna Woods Mutual ("United") is formed to provide housing to its Members on a mutual nonprofit basis;

**WHEREAS**, United is authorized to adopt, amend or repeal necessary or desirable rules and regulations, through its Board of Directors, to carry out the purposes of this Corporation;

**WHEREAS**, United reaffirms its position that guarantors are not a substitute for prospective shareholders and further affirms that guarantors do not have an ownership interest in the membership;

**WHEREAS**, United desires to clarify its asset requirement for prospective shareholders who require a guarantor to satisfy the financial requirements;

**NOW THEREFORE BE IT RESOLVED**, September 14, 2021, that the Board of Directors of this Corporation hereby amends the Financial Requirements for Members with Guarantor section of the Financial Qualification Policy as attached to the official meeting minutes of this meeting; and

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