



OPEN MEETING

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

Thursday, January 20, 2022 – 1:30 P.M.
VIRTUAL MEETING
Laguna Woods Village Community Center

NOTICE & AGENDA

- | | |
|--|------------------|
| 1. Call to Order | Maggie Blackwell |
| 2. Acknowledgment of Media | Maggie Blackwell |
| 3. Approval of the Agenda | Maggie Blackwell |
| 4. Approval of the Report from December 16, 2021 | Maggie Blackwell |
| 5. Chair's Remarks | Maggie Blackwell |
| 6. 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 | |
| 7. Response to Member Comments | |

Reports:

None

Items for Discussion and Consideration:

- | | |
|-----------------------------------|-----------------|
| 8. Membership Transfer Procedures | Pamela Bashline |
|-----------------------------------|-----------------|

Concluding Business:

- 9. Committee Member Comments
- 10. Future Agenda Items
- 11. Date of next meeting: February 17, 2022
- 12. Adjournment

Maggie Blackwell, Interim-Chair
Francis Gomez, Staff Officer
(949) 268-2570



OPEN MEETING

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

Thursday, December 16, 2021 – 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 Diane Casey

MEMBERS ABSENT: Pat English

ADVISORS PRESENT: Juanita Skillman and Dick Rader

ADVISORS ABSENT: Bevan Strom and Mary Stone

STAFF PRESENT: Francis Gomez, Paul Nguyen, and Pamela Bashline

CALL TO ORDER

Maggie Blackwell, Chair, called the meeting to order at 1:33 p.m.

ACKNOWLEDGEMENT OF PRESS

The Media was not present.

APPROVAL OF THE AGENDA

Director Liberatore made a motion to approve the agenda as presented.

Without objection the agenda was approved as presented.

APPROVAL OF MEETING REPORTS

Director Liberatore made a motion to approve the meeting report from the November 18, 2021 meeting. Interim-Chair Blackwell seconded the motion.

Without objection the motion carried

CHAIR'S REMARKS

Chair Blackwell commented that she is looking for ways for the United Board to better supervise the residents, promote the governing documents and better understanding of them. Chair Blackwell further commented that items will be considered as they come up. Chair Blackwell also reviewed the Charter with the Committee.

MEMBER COMMENTS ON NON-AGENDA ITEMS

None

RESPONSE TO MEMBER COMMENTS ON NON-AGENDA ITEMS

None

REPORTS

None

ITEMS FOR DISCUSSION AND CONSIDERATION

Aim: Monitor Unit Appearance to Protect Re-Sales and Property Values

Chair Blackwell presented Aim: Monitor Unit Appearance to Protect Re-Sales and Property Values. The Committee members made comments and asked questions.

The Committee discussed and made the following changes to the Occupancy Agreement, and Clutter Policy:

Occupancy Agreement Article 15. Compliance with Regulations:

The Member shall preserve and promote the cooperative ownership principles on which the Corporation and the Foundation have been founded, abide by the articles of incorporation, bylaws, rules and regulations of the Corporation and of the Foundation and any amendments thereto now or hereafter in force and by ~~its~~ acts of cooperation with other members, bring about for ~~itself~~ and ~~its~~ fellow members a high standard in home and community conditions.

Clutter Policy, Conditions, Section 5:

Items that constitute a nuisance to one's neighbors should not be placed in common areas or Exclusive Use Common Areas. Examples are intrusive wind chimes, food and water, which will attract birds, insects, and other animals or any objects which are offensive or objectionable. (City of Laguna Woods Municipal Code Section 5.20.070) Residents are encouraged to resolve amicably differences or disputes involving such items.

Director Liberatore made a motion to make these changes and forward the matter to legal counsel for review and approval. Without objection the motion passed.

CONCLUDING BUSINESS:

Committee Member Comments

Director Liberatore stated that some terms are subjective and can be unfair in their interpretations.

Director Casey stated that they're a lot of things to discuss normally.

Chair Blackwell stated that HOAs were formed to protect property value. She hopes that legislature did not revoke the interest.

Future Agenda Items

None

Date of Next Meeting

The next meeting is scheduled for Thursday, January 20, 2022 at 1:30 p.m. in the Board Room.

Adjournment

With no further business before the Committee, the Chair adjourned the meeting at 1:54 p.m.

Maggie Blackwell

Maggie Blackwell (Dec 30, 2021 19:16 PST)

Maggie Blackwell, Chair
United Laguna Woods Mutual



STAFF REPORT

DATE: January 20, 2022
FOR: Governing Documents Review Committee
SUBJECT: Clarification of Membership Transfer Procedures

RECOMMENDATION

Staff recommends the Board of Directors refer the subject of non-escrow membership transfers to the Governing Documents Committee for review and consideration.

BACKGROUND

United Laguna Hills Mutual, now United Laguna Woods Mutual (United), was incorporated on November 21, 1975. At that time, a blanket HUD loan was obtained by the developer of Leisure World in order to build the project. The loan, memorialized by a Regulatory Agreement, dictated certain terms and conditions by which United could operate. Various iterations of United Bylaws, most recently August 2, 2017 (ATT 1), reflect the same language with respect to Article III, Section 6 Transfer of Memberships. "*Memberships shall not be transferable except as provided herein (a) death of a member with no surviving member, (b) option of corporation to purchase, (c) procedure where corporation does not exercise option, and (d) market value.*" In short, outside of a bona fide escrow transaction, memberships shall be transferable only upon the death of a member with no surviving member.

DISCUSSION

Historically, however, non-escrow transfers outside the narrow parameters outlined above have occurred. Members have been permitted to add members, remove members and vest memberships in revocable trusts. Non-escrow member transfers do not benefit from manor inspections at the time membership changes. Memorandums of occupancy and termination of occupancy are not recorded as are escrow transactions and, therefore, the chain of ownership custody is not documented and buyers desiring title insurance are sometimes challenged to obtain it. Staff requests the Committee's direction to recognize which type of non-escrow transfers would be reasonable in today's market.

FINANCIAL ANALYSIS

The financial impacts are to be evaluated.

Prepared By: Pamela Bashline, Community Services Manager

Reviewed By: Siobhan Foster, COO

ATTACHMENT(S)

ATT 1 – Bylaws, Article III, Section 6, Transfer of Memberships

Attachment 1

UNITED LAGUNA WOODS MUTUAL

A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION

**AMENDED
AND
RESTATED
BYLAWS
(August 2, 2017)**

IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, NATIONAL ORIGIN, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.1 OF THE GOVERNMENT CODE. **LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.**

In the event the person or persons seeking to become a Member are unable to satisfy the established financial requirements, the Corporation may, but is not obligated to, approve the person for Membership if a Guarantor enters into an agreement provided by the Corporation to become financially responsible for the expenses associated with such Membership and that Guarantor meets the financial requirements established by the Corporation from time to time.

SECTION 2. PERSONS ELIGIBLE TO RESIDE IN A UNIT

A person may reside in a Unit as a Qualifying Resident or a Co-Occupant. No person shall be approved as a Co-Occupant unless another person with whom he or she seeks to reside has been approved as a Qualifying Resident. No person, except a temporary guest pursuant to Section 3 below, may reside in a Unit without the prior written approval of the Corporation. A guest may be permitted temporary occupancy in accordance with Section 3 below, and in accordance with the Rules and Regulations of the Corporation.

The number of persons seeking to reside in the same Unit shall not exceed the maximum permissible number permitted by the Rules and Regulations of the Corporation.

SECTION 3. GUEST OCCUPANCY

Guest occupancy is permitted for a maximum period of 60 days per year, per guest, solely in conjunction with the occupancy by a Qualifying Resident or Co-Occupant.

SECTION 4. MEMBERSHIP APPLICATIONS

Application for Membership shall be presented on a form prescribed by the Corporation. All such applications shall be considered by the Board of Directors. In the case of an applicant Trust, the trustee must execute, or have executed, an Occupancy Agreement (together with any applicable addendum) in a form prescribed by the Corporation covering a specific Unit. The Board of Directors shall have full power and authority to define and identify an approved Trust for the purposes of the Membership application and such decisions shall be within the sole discretion of the Board.

SECTION 5. MEMBERSHIPS

The authorized number of Memberships of the Corporation is 6,323.

SECTION 6. TRANSFER OF MEMBERSHIPS

Memberships shall not be transferable except as provided herein.

- (a) Death of Member with No Surviving Member. If, upon death of a Member leaving no surviving Member, a Membership in the Corporation passes by last will and testament, intestate succession or trust bequest, the legatee or distributee, if approved by the Corporation, may become a Member of the Corporation, if otherwise eligible as provided herein, by assuming the obligations of Membership in a manner satisfactory to the Corporation, and within three (3) months after the Member's death by paying all amounts due the Corporation. If a Member should die and the obligation of the Occupancy Agreement is not so assumed in accordance with the foregoing, then the Corporation shall have an option to purchase the Membership from the deceased Member's estate in the manner provided in paragraph (b) of this section. Written notice of the death shall be equivalent to notice of intention to leave the Corporation. If the Corporation does not exercise said option, the provisions of paragraph (c) of this section shall be applicable. The references to Member in paragraphs (c) and (d) include the personal representative of a deceased Member.
- (b) Option of Corporation to Purchase. A Member desiring to leave the Corporation shall notify the Corporation of such intention in writing and the Corporation, for a period of thirty (30) days after written notification, shall have an option, but not the obligation, to purchase the Membership, together with all of the Member's rights with respect to the Unit, at an amount determined by the

Corporation as representing the market value thereof, less any amounts due from the Member to the Corporation under the Occupancy Agreement, and less the cost or estimated cost of all deferred maintenance, including cleaning, painting, redecorating, floor finishing and such repairs and replacements as the Corporation may deem necessary to place the Unit in suitable condition for another occupant. The purchase of the Membership by the Corporation shall immediately terminate a Member's rights and the Member shall relinquish their Membership Certificate and vacate the premises forthwith.

- (c) Procedure Where Corporation Does Not Exercise Option. If the Corporation should waive its right to purchase the Membership under the foregoing option, in writing, or if the Corporation should fail to exercise such option within the thirty (30) day period, the Member may sell his Membership to any person who has been duly approved by the Corporation as a Member. The Corporation, in approving a proposed transferee, shall not act contrary to any applicable federal, state, or local law or regulation prohibiting discrimination based on race, color, creed, disability, gender, sexual identity or any other legally protected class. When the transferee has been approved for Membership and has executed the prescribed Occupancy Agreement, the retiring Member shall be released of obligations under the Occupancy Agreement, provided all amounts due the Corporation have been paid.
- (d) Market Value. If the Corporation elects to purchase a Membership, the term "market value" means the amount which the Member would have received upon the sale of the Membership to the proposed transferee or, in the absence of a proposed transferee, the appraised value as determined by one or more qualified real estate appraisers, less:
 - (i) Any real estate, broker's, or other commissions or fees including reasonable attorney's fees;
 - (ii) Any recording and related costs of transfer;
 - (iii) Any costs of such repairs and replacements as are deemed necessary by the Corporation to place the Unit in suitable condition for occupancy;
 - (iv) Any amounts due from the Member to the Corporation and/or to the Golden Rain Foundation of Laguna Woods.

SECTION 7. MEMBERSHIP CERTIFICATES

The Corporation shall issue a Certificate of Membership upon admission to Membership. In the event a Membership is owned by two or more persons, a single certificate shall be issued in the name of all. Any or all of the signatures of officers on the certificate may be a facsimile.

SECTION 8. LOST, STOLEN OR DESTROYED CERTIFICATES

The Corporation may issue a replacement Membership Certificate to the person claiming the Membership certificate to be lost, stolen or destroyed. The Corporation shall require a bond sufficient to indemnify it against any claim that may be made against it (including any expense or liability) on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

ARTICLE IV

DISPUTE RESOLUTION, DISCIPLINE AND TERMINATION OF MEMBERSHIP

SECTION 1. DISPUTE RESOLUTION

It is the intent of this Corporation to resolve disagreements and misunderstandings with Mutual Members, Qualifying Residents, Co-Occupants, Sub-Lessees, and their guests by conferences, hearings, internal dispute resolution (Civil Code Sections 5900-5920) and discussions in a non-adversarial, cooperative

