



OPEN MEETING

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

Thursday, June 17, 2021 – 1:30 P.M.
VIRTUAL MEETING
Laguna Woods Village Community Center

NOTICE & AGENDA

- | | |
|--|-----------------|
| 1. Call to Order | Elsie Addington |
| 2. Acknowledgment of Media | Elsie Addington |
| 3. Approval of the Agenda | Elsie Addington |
| 4. Approval of the Report from May 20, 2021 | Elsie Addington |
| 5. Chair's Remarks | Elsie Addington |
| 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 three options: | |
| a. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and manor number must be included. | |
| b. By calling (949) 268-2020 beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and manor number. | |
| c. Join the Zoom meeting at: https://us06web.zoom.us/j/99710468599 | |

7. Response to Member Comments

Reports:

- | | |
|--|-----------------|
| 8. Review Financial Requirements for Members | Pamela Bashline |
|--|-----------------|

Items for Discussion and Consideration:

- | | |
|---|---------|
| 9. Status of 2021 Committee Goals | Various |
| a. Operating Rules Guidebook | |
| b. Active Resolutions Accessible on the Website | |
| c. Resolutions prior to 2006 | |
| d. Director SOP | |
| e. Tighten Sublease Requirements | |
| f. One Page Explanation of Resident Procedures | |

Concluding Business:

- | |
|---|
| 10. Committee Member Comments |
| 11. Future Agenda Items |
| a. Director SOP |
| b. Tighten Subleasing Requirements |
| c. One Page Explanation of Resident Procedure |

12. Date of next meeting: July 15, 2021

13. Adjournment

Elsie Addington, Chair
Francis Gomez, Staff Officer
(949) 268-2570



OPEN MEETING

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

Thursday, May 20, 2021 – 1:30 p.m.
VIRTUAL MEETING

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

MEMBERS PRESENT: Chair - Elsie Addington, Sue Margolis, Reza Bastani, and Diane Casey

MEMBERS ABSENT: None

ADVISORS PRESENT: Dick Rader, Juanita Skillman, Bevan Strom and Mary Stone

ADVISORS ABSENT: None

STAFF PRESENT: Francis Gomez, Pamela Bashline and Blessilda Wright

CALL TO ORDER

Chair Addington called the meeting to order at 1:30 p.m.

ACKNOWLEDGEMENT OF PRESS

The media was not present.

APPROVAL OF THE AGENDA

President Margolis made a motion to approve the agenda as amended by adding Discuss and Consider Assembly Bill 3182 (AB3182).

Without objection the motion carried.

APPROVAL OF MEETING REPORTS

President Margolis made a motion to approve the meeting report from the April 15, 2021 meeting.

Without objection the motion carried.

CHAIR'S REMARKS

Chair Addington welcomed back Pamela Bashline, Community Services Manager; expressed her excitement of the work that staff and the Committee have been doing in accomplishing the goals for 2021. Chair Addington also stated that sales are going well and staff is working hard to clear the backlog. Chair Addington discussed that the Financial Qualifications Policy will be fine tuned to align with changes to AB3182 requirements.

MEMBER COMMENTS ON NON-AGENDA ITEMS

Advisor Stone made a comment that there has been discussion about the Supplemental Property Taxes. The issue is caused due to buyers being unaware of the additional property tax costs. Advisor Stone suggested that to avoid the issue the Board may implements at Supplemental Property Tax deposit to cover the additional tax cost. The Committee discussed the matter further.

Without objection the Committee tabled the matter.

RESPONSE TO MEMBER COMMENTS ON NON-AGENDA ITEMS

President Margolis responded that United is looking into having the property tax bill sent directly to the owners by the county.

Chair Addington requested an update regarding Mr. Alhadeff of manor 2045-O Via Mariposa East comment about the Lost Instrument Bond to replace a Membership Certificate. President Margolis responded that staff is responding to Mr. Alhadeff about the matter.

REPORTS

Review Financial Requirements for Members

Ms. Bashline presented the Financial Requirements for Members. The Committee members made comments and asked questions.

No further action was taken.

Subletting Conditionally Permitted

Ms. Bashline presented the Subletting Conditionally Permitted. The Committee members made comments and asked questions.

President Margolis made a motion to make the following amendments:

1. Change the word in the hearing of Section 7 of the Occupancy Agreement to be "Conditionally Permitted"
2. Bold "without prior written consent"
3. Change "shall" to "may"

Director Bastani seconded the motion.

Without objection, the motion carried.

ITEMS FOR DISCUSSION AND CONSIDERATION

Goals for 2021:

The Committee discussed the Project Log included in the agenda packet that outlines the Goals for 2021. The Committee members made comments and asked questions.

No further action was taken.

Assembly Bill 3182

President Margolis discussed that the governing documents need to align with AB3182. The Committee members made comments and asked questions.

President Margolis made a motion to direct United's Legal Counsel to review United's governing documents and recommend changes to align with AB3182 and hold changes until September 2021 for further action.

By a vote of 2-1-0, the motion passed (Director Bastani opposed).

Committee Member Comments

Advisor Skillman stated it was a good meeting.

Advisor Stone stated it was nice to have Ms. Bashline back.

Advisor Rader commented on the Social Media Policy that Third Laguna Hills Mutual adopted.

Future Agenda Items

- Director SOP
- Tighten Subleasing Requirements
- One Page Explanation of Resident Procedure
- Leasing (Use power point from Cash presentation)

Date of Next Meeting

The next meeting is scheduled for Thursday, June 17, 2021 at 1:30 p.m. via virtual meeting.

Adjournment

With no further business before the Committee, the Chair adjournment the meeting at 4:21 p.m.

Elsie Addington

[Elsie Addington \(Jun 7, 2021 13:18 PDT\)](#)

Elsie Addington, Chair



MEMORANDUM

To: Governing Documents Review Committee
From: Pamela Bashline, Community Services Manager
Date: May 20, 2021
Re: Financial Requirements for Members

On February 18, 2021, the Governing Documents Review Committee discussed a list of goals for the coming year which includes review of the resales process in general and financial guidelines for members in particular. The list of suggestions below has been prepared by Chair Addington in order to begin discussion; the items are not prioritized and other ideas are most welcome.

I have responded briefly to the listed items and look forward to further discussions.

1. Current income should be just that. We need something besides last year's tax return after a certain point. Staff is currently obtaining current income statements (paystubs, 2020 1099s, etc.) but the last return filed for many people was ~~2919~~ 2019, due to COVID disruption.
Please see Financial Qualifications Page 4, section 4a.
2. Some way to address self-employed people in particular who don't work out of the home, when the money from their business is a significant part of their qualifying income. For instance, a dry cleaner's shop in New Jersey. Similarly, an IT job in Memphis, especially if the applicant is under 62.
Please see Financial Qualifications Page 4, section 4j.
3. More emphasis in the instructions to the applicant/escrow company re: liquidity. Qualifying assets must be liquid to the extent they counted for qualifying assets.
Please see Financial Qualification Page 3, section 2g.
4. Whether we need to revise the policy whereby purchasers of a second, replacement manor, if in good financial standing with VMS, don't have to qualify again to purchase. There is some concern that such residents may not have the wherewithal to support their financial obligations in the new manor.
Pamela to address in more detail.
5. There has been a question whether United should impose a requirement for a minimum FICO score in order to buy a stock share. Rumor had it that Third has such a minimum, but they don't - Community Services has informed me that GUARANTORS in Third need a minimum FICO score, but not applicants for membership. (FICO scores are, in both mutuals, to be considered before approval.)
Pamela to address in more detail.

6. Some directors would like more information about applicants' mortgages included in the Staff Report. The concern is that the properties securing the mortgages may have fallen in value, so that if they were distressed, the applicant's resources may be stretched too thin.

Please see Financial Qualifications Page 2, section A1a question—How much to off set?



**Financial Qualifications Policy
Resolution 01-20-63
Adopted October 13, 2020**

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 - 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.
- J.** 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.



- K.** 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.
- L.** 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.
- M.** Interim Dual Membership Agreement – a “contract” between a Member and United which allows the Member to temporarily own two co-ops.
- N.** 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.
- O.** 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. 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 [How/how much to off set? The asset requirement is purchase price +\\$125,000](#)



- 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 and FICO score 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 filing an extension for 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 of directors

Formatted: Font color: Red

Formatted: Indent: Left: 1.85", Hanging: 0.25", No bullets or numbering

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 \$75,000 at the close of escrow**
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. OWNERSHIP OF MULTIPLE MEMBERSHIPS

United does not permit ownership of more than one cooperative Membership, except under an interim dual Membership agreement which is issued for six months.

E. FINANCIAL QUALIFICATION WAIVERS

1. Shareholders who purchase a replacement Unit 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.

2. 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. 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 B
Secured Collateral

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

United Laguna Woods Mutual
Governing Documents Review Committee
Goals 2021

#	Name	Description	Status	Estimated Date of Completion	Responsibility
1	Operating Rules Guidebook	Make documentation supportable and easy to use/locate.	Changes requested by the Committee have been escalated to the appropriate Department as these are changes to the website and not the guidebook.	On-Going	Staff - F. Gomez
2	Active Resolution Accessible on the Website	Review active resolutions and make sure they are accessible on the web; ensure deleted or otherwise inoperable resolutions are deleted from the active files and put in the appropriate archive.	Resolutions after 2006 are on the website presently. Staff is in the process of reviewing resolutions prior to 2006.	July 2021	Staff – F. Gomez
3	Resolution prior to 2006	Make Resolutions prior to 2006 available on the website.	Staff is in the process of reviewing approximately 3,500 resolutions dated prior to 2006 and make them available on the website; and review and update resolutions as needed.	July 2021	Staff - F. Gomez
4	Director Standard Operating Procedures (SOP)	Review current SOPs for directors and revise as needed.	<ul style="list-style-type: none"> a. Committee Chair Guidelines b. Officers – M. Stone c. Finance/Treasures – D. Casey and A. Asgari d. Budget – S. Margolis e. Corrective Action Request (CAR) Form – TBD f. Corporate Members – J. Skillman 	Committee Chair Guidelines - Completed	Committee Members – S. Margolis, J. Skillman, and M. Stone
5	Tighten Sublease Requirements	Review financial qualifications for members and/or streamline the resale application process where applicable.	<ul style="list-style-type: none"> a. On March 18, 2021, the Committee made changes to the membership 	In Progress	Staff – P. Bashline

	<p>application and documentation requirements.</p> <p>b. On May 20, 2021, the Committee will review Financial Qualifications Policy</p>
6	<p>One Page Explanation of Resident Procedures</p> <p>Create simplified, one-page explanations of applicable rules to go in residents' resale packages, leasing packages, etc., such as the percent resolution on subleasing and the like-for-like permit-less alterations IF it becomes permanent. Applicable resolutions should be referenced but not spelled out.</p>