



## Resale Package

This package contains all documents required for transacting a resale in United Laguna Woods Mutual (United). United is a cooperative where each shareholder/member is granted the right to occupy a specific unit under the terms of each Occupancy Agreement together with ownership of one share in the cooperative. The resale process differs from a condominium, and this package is to assist you in the process.

This package contains key information that the seller, potential buyer and real estate/escrow company should know. To ease the process, a document checklist has been created for each.

Before you get started, ensure that the potential buyer meets the qualifications to own a share of stock and reside in United. The prospective buyer must meet the following requirements:

- Age restriction (be at least 55 years of age);
- Financial qualifications:
  - Assets equal to the purchase price of the unit plus \$125,000;
  - Income of at least \$40,000 per year at the time of purchase (for more information refer to the financial qualifications policy); and
- You may not own or be listed on more than one certificate.

If all of the above conditions are met, proceed with familiarizing yourself with the key definitions in this package and submit the required documents for review by the United Board of Directors (board). **Only completed form submittals shall be accepted. Failure to provide accurate contact information can delay the process.** The information escrow provides must be legible for digital imaging.

If you require additional information or assistance, contact a membership counselor at email [SalesRequirements@vmsinc.org](mailto:SalesRequirements@vmsinc.org) or 949-268-2011.

The resale packages are processed by Community Services. Normal business hours of operation are Monday through Friday, 8 a.m. to 5 p.m.



**Occupancy Agreement** – The agreement between United and its shareholder/member, respectively, under the terms of which said shareholder/members are entitled to enjoy possession of their respective units and the use of facilities owned by United and GRF.

**Qualifying Resident** – Any person who is at least 55 years of age and who has been approved by the board of directors for occupancy of a unit.

**Seller** - Individual(s) named on a membership certificate or an estate representative who intends to dispose of the United share of stock.

**Staff** – Employees of the managing agent authorized to act on behalf of United.

**Sublessee(s)** – A person who subleases a unit from a shareholder/member and approved by the board of directors.

**United** – A nonprofit cooperative housing corporation that owns and manages all real property within the original 21 cooperative mutuals.

**Unit** – A cooperative dwelling owned by United Mutual; specifically, the exclusive rights to occupy a specific portion of real property with the development.

**Vehicle decals** – Identifying marker, supplied by GRF, for Resident access and parking within the Community other than by guests or contractors.

**Fees**

The following fees are associated with the resale of the share of stock:

Administration fee	\$350
First Inspection fee	\$360
Re-Inspection (if required)	\$60
Final Inspection (if required)	\$110
Escrow cancellation	\$112
GRF facilities fee	\$7,500
Additional fee for Recording of Memorandums for cash sale	\$280
Failure to surrender ID cards	\$125



Unit number
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**Shareholder/Membership Application**  
Please print using black ink or type

List names exactly as they will appear on Membership Certificate and Occupancy Agreement.

Appl. No.	Title	Last name	First name, middle	For business use only
1	<input type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Mrs.			
2	<input type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Miss <input type="checkbox"/> Mrs.			

Appl. No.	Date of birth	Marital status	To Reside <input type="checkbox"/>	Tax responsibility**	Age verification attached	Social security number
1		<input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced	Not Reside <input type="checkbox"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
	Home phone		Mobile phone		Email	

\* If No, provide outside address:

2		<input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
	Home phone		Mobile phone		Email	

\* If No, provide outside address:

\*\* Enter a checkmark for the party responsible for income tax reporting. Only one party may be responsible – this is required by federal law.

**Emergency notification**

Name	Relationship	Mobile and/or home phone number.

**Acknowledgements and affirmations**

As a buyer, I have received an inspection report prepared by the mutual for the manor which I am purchasing that identifies any alterations that have been made by previous owners; I agree that I will be responsible for the care and maintenance of any alterations made previously or that I may make in the future. As a transferee, I agree that I will be responsible for the care and maintenance of any alterations made previously, as well as any alterations that I may make in the future.

As a member of the mutual, I agree that I will be responsible for the monthly homeowner's assessment payments, and I will comply with all the governing rules of the mutual and Golden Rain Foundation. I have received the notice informing me of the possible existence of asbestos in certain buildings.

\*\*\* Member is aware of and agrees to pay to the mutual an additional sum each month for each occupant of the unit in excess of two, at the rate prescribed by the mutual and GRF. A schedule of fees is available upon request and is subject to change annually. Additional fee is added to the member's account. Initial: \_\_\_\_\_

I swear, under penalty of perjury, that the information provided in this application is true and correct.

1. Name (print)	Signature	Date
2. Name (print)	Signature	Date

Read attached membership and occupancy requirements.



## United Mutual Membership and Occupancy Requirements

All prospective members and occupants are required to meet age restrictions as defined by federal and state statutes and in accordance with United Occupancy Agreement and bylaws. Please attach copies of appropriate documents which verify applicant's age—these may include a passport, a driver's license and a birth certificate or baptismal certificate.

### Member

A shareholder who has been approved for membership by the board and entered into the corporate records. When the membership is vested in a trust, the trustee is considered the member.

In order to reside, the shareholders must be 55 years of age or older; any other co-occupants who reside must be at least 45 years of age, except a spouse who may be any age. Adult disabled children may reside under certain conditions (Section 51.3 of the California Civil Code).

Shareholders in good standing are entitled to one vote in mutual elections.

Prospective shareholder members must sign Occupancy Agreements, including the general terms and conditions attachment.

### Co-occupants

Nonmembers who reside with the approval of the United Mutual Board of Directors.

Note: Care providers are not permitted to use the community facilities, except when it is directly related to providing necessary support to the member or an approved resident. A care provider ID card will be issued and must be worn at all times.

Nonmembers may be co-occupants only if they reside with the member or are sublessees of the member.

Co-occupants may reside upon the approval of an application for co-occupancy by United Mutual's Board of Directors and which must be executed by all shareholder members.

### Occupancy limits

The maximum number of persons who may occupy a unit is equal to the number of original construction bedrooms, plus one.

### Unit assessments

Monthly assessments provide for the occupancy of no more than two persons. An additional monthly assessment is charged for the third occupant.

### Identification cards

Resident identification cards are issued to all approved residents of the community. Cards are the property of GRF and must be returned at the termination of residency or before requesting the final demand to avoid additional charges for not returning ID cards. Replacements will be issued subject to the schedule of fees.

Buyer Initial Here: \_\_\_\_\_

Buyer Initial Here: \_\_\_\_\_



**Golden Rain Foundation Trust Facilities Fee**



Unit number
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As trustee of the Golden Rain Foundation (GRF) of Laguna Hills Trust, the GRF Board of Directors is required to preserve and protect the recreational and other amenities available to all residents of Laguna Woods Village. Effective January 1, 2022, all purchases of a separate interest in Third Laguna Hills Mutual (condo), United Laguna Woods Mutual (cooperative) and Mutual Fifty (condo) must include collection of a trust facilities fee in the amount of \$7,500 per transaction as an obligation of the purchaser when the sales price is \$150,000 or higher, and \$3,000 when the sales price is less than \$150,000.

Choose one option of payment below.

**Payment option 1:**  I/we agree to pay at the time of closing of escrow the trust facilities fee in the amount of \$7,500 when the sales price is equal to or higher than \$150,000, and \$3,000 when the sales price is less than \$150,000.

**Payment option 2:**  I/we agree to pay over a period not to exceed seven years (84 months) the trust facilities fee in the amount of \$7,500 plus additional fees that result in a total principal amount of \$7,800 plus interest at 12 percent per annum, or \$3,000 resulting in a total principal amount of \$3,300 if the sales price is less than \$150,000.

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

\* If payment option 2 is selected, the first owner/member name must reflect the person to whom the billing statement for the trust facilities fee will be mailed.



**Promissory Note**  
Rev 11/6/18

Principal amount: \$7,800

Unit number: \_\_\_\_\_

Principal amount with interest: \$11,566.17

Date: \_\_\_\_\_

**Recitals**

For value received, the undersigned payor(s), \_\_\_\_\_, promises to pay to the order of Golden Rain Foundation of Laguna Woods, a California nonprofit mutual benefit corporation (payee), at 24351 El Toro Road, Laguna Woods, CA 92637, Attention: Accounts Receivable (or through a direct debit or similar ACH debit, if available), at the times and on the terms specified in this promissory note, the sum of \$7,800 (principal), together with interest thereon at the rate of 12 percent per annum (but in any event not to exceed the maximum rate permitted by law), as payment of \$7,500 facilities fee, and one-time origination fee of \$300, plus interest, all fully amortized over the seven-year term, as further set forth below.

Payor(s) acknowledges that payor(s) has been given the opportunity to pay \$7,500 facilities fee all at once at the time of transfer, and so to avoid paying the interest and the nonrefundable origination fee, but that payor(s) has instead elected to enter into the seven-year payment plan, as authorized by California law, and to pay in accordance with all terms and conditions in this note.

1. **Promise to pay.** The principal and interest shall be amortized over a period of seven years, and all due and payable in seven years, with 84 consecutive monthly payments of \$137.69. The first monthly payment shall be made on \_\_\_\_\_, 20\_\_\_\_, and subsequent monthly payments shall be paid on or before the first day of each succeeding calendar month.
2. **Late charge.** Payor(s) agrees that in the event that any payment due hereunder is in default for more than 10 days, it would be extremely difficult to fix the actual damages resulting to payee. Therefore, payor(s) agrees to pay to payee the sum of \$10 upon each such default, as liquidated damages and not as a penalty, to compensate the payee for the expenses of administering the default.
3. **Prepayment.** The payor(s) of this note may, at their option, repay the amount due in whole prior to maturity date without penalty. Repayment of principal in its entirety prior to maturity date shall eliminate future interest and will fulfill the debt obligation. Payments received in excess of monthly note installment shall be applied to future note installments and not an accelerated reduction of principal.

*Promissory Note continued on the next page*



**Promissory Note Continued**

4. **Acceleration.** The holder of this note may, at its option, accelerate the maturity of all payments to become due hereunder upon the occurrence of any of the following events, in which event the unpaid balance of this note shall become immediately due and payable without demand, presentment or notice, all of which are hereby expressly waived, and the holder may pursue collection through small claims court or initiate any other appropriate legal proceeding to collect the outstanding amount owed under this note:
  - (a) Failure to make any two consecutive payments when due, (b) insolvency of payor(s), or filing by or against payor(s) of a petition of bankruptcy, either voluntary or involuntary, (c) if payor(s) sells his or her unit, or if payor(s) dies, then the remaining outstanding balance of principal hereunder at that time shall be due and payable in one lump sum and upon such payment, this note shall be deemed paid in full.
  
5. **Release.** In consideration of full payment by the payor(s), as set out in the terms of the promissory note hereof, the holder of this note will furnish the payor(s), at the request of the payor(s), a written release of promissory note acknowledging the fulfillment of their debt obligation.
  
6. **Attorney's fees; governing law.** In the event of any controversy or dispute arising from non-payment this Note, the prevailing party shall be entitled to recover from the non-prevailing party or parties reasonable expenses including, without limitation, attorneys' fees and costs actually incurred. This note shall be governed by and construed in accordance with, and all disputes hereunder shall be governed by, the internal laws of the State of California. This Note shall be binding on the payor(s) successors and assigns.

In witness whereof, payor(s) has executed this note as of the date first written above.

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



## Financial Statement and Credit Information

Please type or print using black ink

Unit number: \_\_\_\_\_

The corporation may elect to obtain applicant's credit history from a national credit reporting bureau. In accordance with the bylaws, and Occupancy Agreement, as applicable to cooperative membership, I/We provide the following information:						
Applicant name	Age	Social security number	Marital status: <input type="checkbox"/> Married <input type="checkbox"/> Single			
1.			<input type="checkbox"/> Divorced <input type="checkbox"/> Widowed			
2.			Marital status: <input type="checkbox"/> Married <input type="checkbox"/> Single			
			<input type="checkbox"/> Divorced <input type="checkbox"/> Widowed			
Present address, city	State	Zip	<input type="checkbox"/> Own <input type="checkbox"/> Rent	Years	Monthly payment	
1.						
2.			<input type="checkbox"/> Own <input type="checkbox"/> Rent			
<b>Purchase information</b>						
1. Purchase	\$	6. Financing? <input type="checkbox"/> Yes <input type="checkbox"/> No				
2. Down payment	--	6a. Lender's name				
3. Loan amount	--	6b. Monthly loan payment				
4. Balance due at close of escrow	\$	7. Minimum monthly assessment				
5. Balance to be paid from: <input type="checkbox"/> Sale of home <input type="checkbox"/> Assets <input type="checkbox"/> Other		8. Total monthly payment				
<b>Annual income after purchase of stock certificate for unit – attach verifications</b>						
	Applicant 1	Applicant 2	Total			
A. Salary and wages	\$	\$	\$			
B. Social security/SSI						
C. Pension 1						
D. Pension 2						
E. Rental income (net)						
F. Annuities/IRAs						
G. Dividends and interest						
H. Trust deeds – interest earned						
I. Private business **						
J. Trust income						
K. Disability compensation						
L. Other						
Totals	\$	\$	\$			
** Note: An applicant who derives principal income from a personal business must attach a current balance sheet and operating statement.						



### Financial Assets

Please provide verification of annual income and assets with this form. You must submit copies of a current, signed federal income tax return; and copies of recent bank statements, investment statements, paycheck stubs or any other documentation which will verify the information you have provided in this financial statement.

<b>Life insurance</b>	Premiums/Year	Total in force	Policy loans		Net cash value
			\$		\$
<b>Bank accounts</b>	Bank name	Address/Branch	Account number	Account type	Account balance
	a.				\$
	b.				\$
<b>Residential property</b>	Address	City, State	Annual payments	Balance owing	Estimated equity
	a.		\$	\$	\$
<b>Income property</b>	Address	City, State	Net income/Year	Balance owing	Estimated equity
	a.		\$	\$	\$
<b>Stocks, bonds</b>	Companies, shares, (attach schedule if necessary)				Market value
					\$
<b>Certificates of deposit</b>	Institutions (attach schedule if necessary)				Market value
					\$
<b>Government bonds</b>	Issuing agency (attach schedule if needed)				Maturity value
					\$
<b>Other assets</b>	Attach schedule				Market value
					\$
Total asset value					\$
Less: Purchase price					\$
Net asset value after purchase					\$

I (we) swear, under penalty of perjury, that the information provided in this financial statement and the supporting documents are true.

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



Financial Qualifications Policy Resolution 01-24-60  
Adopted June 11, 2024

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.
- P. Third Laguna Hills Mutual (also known as “Third Mutual”) – a California nonprofit mutual benefit corporation formed to manage, operate and maintain condominium housing at Laguna Woods Village, Laguna Woods, California for its mutual members.
- Q. Laguna Woods Mutual No. Fifty – a California nonprofit mutual benefit corporation formed to manage, operate and maintain condominium housing at Laguna Woods Village, Laguna Woods, California for its mutual members.

### 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 relocating 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. 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. As a condition of approval, any applicant who desires to purchase more than one (1) unit or already owns at least one (1) unit in Third Mutual or Laguna Woods Mutual No. Fifty shall submit satisfactory verification of annual income and net worth requirements. Therefore, members who wish to purchase an additional unit in United Mutual must separately satisfy Third Mutual's stepped-up income/asset requirements, as now established or as may be amended in the future.
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.
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.



UNITED LAGUNA WOODS  
MUTUAL

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: \_\_\_\_\_





## ANNUAL INSURANCE DISCLOSURE AND POLICY SUMMARY - October 1, 2024

### PROPERTY INSURANCE (Renewed on 6-1-24)

Blanket property insurance for fire and special form with Lloyd's of London and various other insurance companies insures residential, common and community buildings and business property owned by the Mutual (no coverage for improvements, alterations, additions or other member or tenant property).

Policy Limit: \$225,000,000 per occurrence

Deductible: \$100,000 per occurrence

Key Exclusions: Earthquake, landslide, (and others)

### COMMERCIAL GENERAL LIABILITY INSURANCE

The commercial general liability insurance for the Housing Mutuals and Golden Rain Foundation (GRF) is with Philadelphia Insurance Companies, insuring against liability arising out of the ownership and use of common areas.

Policy Limits: \$1,000,000 per occurrence  
\$2,000,000 aggregate

Deductible: \$5,000

There is also an Umbrella Liability policy with Great American and AXA XL Insurance Company.

Policy Limit: \$25,000,000 per occurrence

Deductible: Excess over General Liability insurance policy

### CRIME/FIDELITY INSURANCE

United Mutual & GRF have a crime/fidelity policy with Beazley and Berkley Insurance.

Policy limits: \$20,000,000 Employee Theft, Computer & Fund Transfer Fraud  
\$5,000,000 Theft, Robbery & Depositor Forgery

Deductible: \$25,000

### EARTHQUAKE INSURANCE

United Laguna Woods Mutual has a Difference in Conditions insurance policy with Westchester Insurance Company for earthquake insurance on residential and common area buildings.

Policy limit: \$5,000,000      Deductible for earthquake: 15% of the building value, \$50,000 minimum

GRF has a Difference In Conditions (DIC) insurance policy with QBE Specialty and Trisura Specialty Insurance Companies including earthquake and flood for GRF facilities such as clubhouses, streets and the cable system.

Policy limit: \$15,000,000  
Deductible for flood: \$50,000

Deductible: \$25,000 per occurrence except earthquake and flood  
Deductible for earthquake: 5% of the building value, \$50,000 minimum

This summary of the Association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association member may, upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

The total amount of insurance was discussed with the insurance broker and the Board followed their guidance.

### For questions regarding proof of insurance coverage have your escrow company or trust contact:

AJ Gallagher Insurance Services (Property, Crime and Earthquake): Email: [Southwest.InterimCerts.GGBUS@ajg.com](mailto:Southwest.InterimCerts.GGBUS@ajg.com)  
(All requests for certificates must be sent via email and cannot be fulfilled over the phone. Standard turnaround time for issuance is within 24 hours and any request that is indicated as a "Rush" in the subject line is fulfilled same day if received by 12:00 p.m. PST. Requests should have "United Laguna Woods Mutual" in the subject line)



If you have questions about the Mutual's insurance policies, please call Risk Management 949-597-4202

The following insurance information should be discussed with your personal insurance agent.

**THE INSURANCE CARRIED BY UNITED MUTUAL AND GRF DOES NOT COVER YOUR PERSONAL LIABILITY OR ITEMS THAT ARE YOUR PERSONAL RESPONSIBILITY** such as additions and alterations, personal property, or loss of use. **MEMBERS SHOULD PURCHASE "CONDOMINIUM OWNERS" (HO-6) INSURANCE POLICY** to protect against unexpected expense in the event a loss occurs. This is also a requirement for many lenders. Please remind tenants/lessees that they should purchase "renters" insurance for their personal liability, personal property, and loss of use.

**SOME\* ITEMS YOU SHOULD CONSIDER WHEN REVIEWING YOUR OWN PERSONAL INSURANCE:**

- ◆ **Members are responsible for damage to improvements, alterations and additions** (custom built-ins, wall or window coverings, wood or other upgraded floor coverings, heat pumps, air conditioners, patio or balcony enclosures, etc.) whether they were installed by you or previous members or residents. These should be insured as unit owners building items. **Repair of damage to such items, or other member or tenant property, including personal property, from a loss, such as a plumbing failure in your manor or an adjacent manor, is the responsibility of the member or tenant.** The Mutual's property insurer does not accept claims for damage to such items.
- ◆ **Members are responsible for damage to Mutual property** caused by the Members' misuse or neglect, by additions or alterations, or by guests or lessees. If the damage is your responsibility, United Mutual can charge you for the repairs (Occupancy Agreement-Article 5 & 11). If the repair costs exceed the deductible on the Mutual's insurance, currently \$100,000, a claim will be submitted to the Mutual's property insurer. In such cases, both the Mutual and its property insurer reserve the right to charge the Member to recover the costs, including the Mutual's deductible. Your own insurance may help cover your obligations, although some homeowner's insurance companies will not cover the Mutual's deductible. Consult with your agent about your insurer's practices and increasing your policy limits accordingly.
- ◆ **Personal Property/Contents insurance** for items such as appliances, furniture, clothing, household goods and for special property like jewelry, coins, artwork, antiques, furs, silver and collectibles.
- ◆ **Personal Liability insurance** for your actions and responsibilities both inside and outside your manor. Everyone should have liability insurance to protect their equity and retirement savings.
- ◆ **Loss of Use or Additional Living Expense insurance** if your manor/building is damaged and cannot be lived in until repaired, in accordance with the Davis-Stirling Act Civil Code §4775(b) members, residents and lessees are responsible for paying to live elsewhere while work is done. Monthly assessments must still be paid during this time.
- ◆ **Loss Assessment insurance** to protect against a special assessment from your Mutual for damage. While there has not yet been this type of assessment in Laguna Woods Village, we are required to tell you that there is this possibility. (Show your agent/broker the limits listed in this disclosure.)
- ◆ **Earthquake and/or Flood insurance** for additions, alterations, personal property and loss of use.
- ◆ **Earthquake Loss Assessment insurance** to protect against a special assessment from the Mutual for damage caused by an earthquake.
- ◆ **Automobile insurance** on your car, truck, van, motorcycle or motor home.
- ◆ **Liability and Physical Damage insurance** for your golf cart.

**Please report building damage to:**

Resident Services (Monday-Friday, 8:00 AM to 5:00 PM)  
Resident Services e-mail address:

phone: (949) 597-4600

[residentservices@vmsinc.org](mailto:residentservices@vmsinc.org)

**After business hours, or to report personal injury, please call:**

Security Dispatch: phone: (949) 580-1400

**In an emergency: CALL 911**

\* The above list is not exhaustive. Please discuss insurance questions with your agent or broker.



**Residency Restrictions  
Important Information – Please Read Carefully  
Member Must Read and Initial**

Unit number: \_\_\_\_\_

Please note the following residency restrictions, including but not limited to:

**Initial(s)**

 

Laguna Woods Village is an independent-lifestyle and age-restricted community (as defined by California Civil Code §51.3) that does not provide any form of healthcare or assisted living. Each resident is responsible for his/her own care and welfare.

 

HO6 insurance coverage is highly recommended in order to cover improvements and alterations inside and outside the unit, personal property, liability coverage, loss of use, and loss assessment coverage, that are not covered by United Mutual's insurance policy, which would be the responsibility of the Member.

 

Appearance of the community is important, and residents are required to keep their balconies, patios, walkways and carports free from clutter.

 

When moving into the community, residents are required to break down and stack moving boxes next to trash dumpsters for routine pickup. Please be advised that there are weight and volume restrictions. Call CR&R at 949-625-6735 to arrange to have excessive moving material hauled away as a chargeable service. When moving out of the community, the seller is responsible for hauling away excessive materials/furniture.

 

Members are required to check with the Manor Alterations Department before making any internal and external alteration, including any landscaping. Alterations are prohibited without prior review and consent. Contact Manor Alterations at 949-597-4616 or [alterations@vmsinc.org](mailto:alterations@vmsinc.org). Contractors' trash must not be put into community dumpsters.

 

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 resident's home during the absence of the resident.

 

Board approval is required for all persons wishing to reside in the community. Contact Community Services at 949-268-2393 before any change in residency status.

 

The maximum number of persons allowed to occupy a unit is equal to the number of original construction bedrooms plus one. There are additional monthly fees for more than two occupants.

 

Units may not be sublet for more than 12 months and not less than 30 days.

 

United is billed directly from the tax assessor and the shareholder/member reimburses the mutual through monthly assessments. Members of United are cautioned to prepare for property tax increases in monthly assessments.

I/We, the undersigned, have read the above and agree to comply with the rules of this community.

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



## **Key File Program**

Resident Services maintains keys to units within the Community for the convenience of Laguna Woods Village residents. Participation in the key file program is completely voluntary and is not a requirement, but it is highly recommended. \*Keys and keyless codes maintained in this program are secured. Shareholders/Members file manor keys or keyless manor entry codes with Resident Services to ensure the following.

1. In the event of an emergency during a resident's absence, authorized personnel may gain access to a unit to perform necessary repairs.
2. Residing member(s) can obtain their unit keys or keyless entry codes to gain unit access if/when the need arises, such as if they have misplaced or otherwise cannot locate their keys.

**To submit keys or keyless unit entry codes for the key file program, please visit:**

**Laguna Woods Village Community Center  
Resident Services Division  
24351 El Toro Road  
Laguna Woods, CA 92637**

\*Alternatively, leave a key and/or entry codes with a trusted neighbor and inform Village Security.



## Instructions for Trustee Shareholder Membership

The following instructions identify the documents and forms that are required to issue shareholder membership certificates to trustees:

1. A letter addressed to United Laguna Woods Mutual from a lawyer, certified public accountant or enrolled agent expressing an opinion that the current beneficiary of the trust is treated as the owner under the provisions of Section 671 *et seq.*, of the Internal Revenue Code of 1986 (or any successive provision.)

An example would be: "I have reviewed the terms and conditions of the Doe Family Trust, dated January 2, 2006, and conclude that John and Mary Doe are now treated as owners of the **Doe Family Trust under the provisions of Section 671 *et seq.* of the Internal Revenue Code of 1986.**" (The bolded words must be included in this letter.)

If the mutual shareholder is having his/her lawyer prepare this letter, he/she may also request the letter to include a specific description of the manner in which the certificate should be issued. An example would be: "John Doe and his successors in trust as trustees of the Doe Family Trust, dated January 2, 2006."

2. A standard **Occupancy Agreement** and the **addendum** attached to this set of instructions each signed by the trustee and the current beneficiary of the trust. (The person identified as the owner in the tax opinion described in item No. 1 (above) must be the same person identified as current beneficiary in the addendum to the Occupancy Agreement.)



UNITED LAGUNA WOODS  
MUTUAL

**Occupancy Agreement**

**Parties**

The parties to this agreement are United Laguna Woods Mutual, a California nonprofit mutual benefit corporation (hereinafter referred to as the "corporation" and \_\_\_\_\_ (hereinafter referred to as the "member").

**Recitals**

1. The corporation owns and operates a cooperative housing project of Laguna Woods Village, in the City of Laguna Woods, and the County of Orange, State of California, with the intent that its members shall have the right to occupy the dwelling units thereof under the terms and conditions hereinafter set forth.
2. The member is the owner and holder of one membership of the corporation, Series \_\_\_\_\_ and of one membership of Golden Rain Foundation of Laguna Woods, a California nonprofit mutual benefit corporation (hereinafter referred to as the "foundation").

**Terms**

In consideration of the mutual promises contained herein, the parties hereby agree as follows:

1. The corporation hereby lets to the member and the member hereby hires from the corporation that a certain dwelling unit located at Laguna Woods Village described as \_\_\_\_\_, Laguna Woods, California, including carport number \_\_\_\_\_, to have and to hold said dwelling unit unto the member, his personal representatives and authorized assigns, subject to the terms and conditions set forth herein, in the articles of incorporation, bylaws, rules and regulations of the corporation, now or hereafter in effect, and the general conditions attached hereto and also recorded as part of Instrument No. 2013000284997 in the official records in the Office of the County Recorder of the County of Orange, State of California (the "general conditions"), and made a part hereof for a term of three years. The term of this Occupancy Agreement is renewable automatically for successive three-year periods under the terms and conditions of Article 4 of the general conditions.
2. Until further notice from the corporation, the monthly assessment for the above-described dwelling unit shall be \$ \_\_\_\_\_ per month.
3. The term of this Occupancy Agreement begins at 12:01 a.m. on \_\_\_\_\_, 20\_\_\_\_.  
Executed on \_\_\_\_\_, 20\_\_\_\_ at Laguna Woods, California.

\_\_\_\_\_  
Member

\_\_\_\_\_  
Member

If this Occupancy Agreement is being executed by a trustee as the member, the current beneficiary of the trust must be an occupant of the dwelling unit and, by executing this Occupancy Agreement in the space provided below, it agrees as follows:

I agree to be bound by and act in accordance with all provisions of this Occupancy Agreement as if I was the member, and upon demand by the corporation, I agree to fulfill all obligations of the member under this Occupancy Agreement.

\_\_\_\_\_  
Beneficiary

\_\_\_\_\_  
Beneficiary

United Laguna Woods Mutual,  
a California nonprofit mutual benefit corporation,  
by

\_\_\_\_\_  
Authorized agent

**General Conditions** pages must accompany the signed Occupancy Agreement when submitting paperwork to United Mutual.



UNITED LAGUNA WOODS  
M U T U A L

## General Conditions

### Article 1. Monthly Carrying Charges

During the term of this Occupancy Agreement, the Member shall pay to the Corporation a monthly sum referred to as "Carrying Charges," equal to one-twelfth of the Member's proportionate share of the sum required by the Corporation, as estimated by its Board of Directors, to meet its annual expenses, including but not limited to the following items:

- a) The cost of all operating expenses and services furnished by or at the expense of the Corporation, including charges by the Foundation for facilities and services furnished by the Foundation.
- b) The cost of necessary management and administration.
- c) The amount of all taxes and assessments levied against the property of the Corporation for which it is required to pay.
- d) The cost of fire and extended coverage insurance and such other insurance as the Corporation may effect or as may be required by any mortgage on any of the Corporation's assets.
- e) The cost of furnishing water, gas, electricity, garbage and trash collection, master TV antenna service and other utilities, to the extent furnished by the Corporation.
- f) All reserves established by the Corporation, including the general operating reserve and the reserve for replacements.
- g) The estimated cost of repairs, maintenance and replacements of property to be made by the Corporation.
- h) The amount of principal, interest and other required payments on any mortgage on any of the Corporation's assets, including mortgage insurance premiums, if any.
- i) Any other expenses of the Corporation approved by the Board of Directors, including the payment of operating deficiencies, if any, for prior periods.

The Board of Directors of the Corporation shall determine the Carrying Charges from time to time. Said sums shall be estimated on an annual basis and divided by the number of months remaining in the then current fiscal year but in no event shall the member be charged more than his proportionate share thereof as determined by the Board of Directors. That amount of the Carrying Charges required for payment on the principle of any mortgage on any assets of the Corporation or any other capital expenditures shall be credited upon the books of the Corporation to the "Paid-In Surplus" account as a capital contribution by the members of the Corporation. Until further notice from the Corporation, the monthly Carrying Charges for the dwelling unit shall be the amount set forth in paragraph 2 of this Occupancy Agreement.

### Article 2. Payment of Carrying Charges

Upon commencement of the term of this Occupancy Agreement, the Member shall make a payment on account of

Carrying Charges for the remainder of the calendar month, the amount of which shall be the portion of the Carrying Charges for one month prorated on the basis of the number of days of occupancy. Thereafter, Carrying Charges shall be paid in advance not later than the first day of each calendar month. Carrying Charges shall be paid to the Corporation or its authorized representative at such place and in such manner as the Corporation shall determine from time to time.

### Article 3. Excess Carrying Charges

If for any fiscal year of the Mutual during the term of this Occupancy Agreement, the income of the Mutual exceeds expenses (including reserves) for the same fiscal year, Member agrees that he or she shall not, by reason of such occurrence, be entitled, and hereby waives any right, to receive a refund or credit of all or any portion of the Carrying Charges previously paid by Member in such fiscal year. Member further agrees that all or any portion of the amount assessed and collected by the Mutual in excess of the amount required to meet the anticipated expenses (including reserves) of the Mutual shall be applied by the Board of Directors of the Mutual, in its sole discretion, to reduce the anticipated expenses (including reserves) of the Mutual as determined by the Board of Directors for the next succeeding fiscal year of the Mutual.

### Article 4. Member's Option to Renew

The term of this Occupancy Agreement shall be extended and renewed from time to time by and the parties hereto for further periods of three years each from the expiration of the initial term herein granted, upon the same covenants and agreements as herein contained unless: (1) this Occupancy Agreement is sooner terminated by the Corporation in accordance with the terms hereof, or (2)(a) notice of the Member's election not to renew shall have been given to the Corporation in writing at least four months prior to the expiration of the then current term, and (b) the Member shall have on or before the expiration of said term (i) endorsed its membership for transfer in blank and deposited same with the Corporation, and (ii) met all its obligations and paid all amounts due under this Occupancy Agreement up to the time of said expiration, and (iii) vacated the dwelling unit and all other premises of the Corporation, leaving them in good state of repair. Upon compliance with provisions (a) and (b) of this Article, the Member shall have no further liability under this Occupancy Agreement and shall be entitled to no payment from the Corporation.

### Article 5. Use of Premises

Subject to this Article 5, the Member shall use the dwelling unit covered by this Occupancy Agreement as a private dwelling for those authorized to occupy it by the Corporation and for no other purpose, and the authorized occupants of the dwelling unit may enjoy the use, in common with the other members of the Corporation, of all facilities of the Corporation so long as the Member continues to own the aforesaid membership of the



## GENERAL CONDITIONS continued

Corporation uses its dwelling unit as a private dwelling for authorized occupants and abides by the terms of this Occupancy Agreement. The Member shall not permit or suffer anything to be done or kept in or about the dwelling unit or other premises of the Corporation which will increase the rate of insurance on any building or other property of the Corporation or on the contents thereof or which will obstruct or interfere with the rights of other members of the Corporation or annoy them by unreasonable noises or otherwise nor will it commit or permit any nuisance in or about the dwelling unit or other premises of the Corporation or commit or suffer any immoral or illegal act to be committed thereon. The Member shall comply with all of the requirements of governmental authorities with respect to the dwelling unit and all other premises of the Corporation. If by reason of the occupancy or use of the dwelling unit or any other building of the Corporation by the Member the rate of insurance on any building or other property of the Corporation shall be increased, the Member shall become personally liable for the additional insurance premiums. The Member shall not permit any person to occupy the dwelling unit (except as a guest) without the prior written consent of the Corporation. A guest of a member may occupy the dwelling unit for no more than 60 days (whether or not consecutive) in any year. The Member acknowledges and agrees that Laguna Woods Village is a senior citizen housing development and, therefore, that residency in the dwelling unit is restricted to persons 55 years of age or older and to certain other qualified permanent residents. The Member agrees to reside in, occupy and use the dwelling unit in conformity with the age restrictions sanctioned by California Civil Code Section 51.3, as hereafter amended, and any successor statute thereto. Any occupancy, for any duration, of the dwelling unit by a person other than a Member, and visitation by third parties with any Member or non-Member occupant of a dwelling unit, shall be upon all terms and conditions set forth in this Occupancy Agreement, in the articles, bylaws, rules and regulations of the Corporation and the Foundation in effect from time to time, without limiting the generality of the foregoing, any non-Member occupant of a dwelling unit, and all third-party visitors of Members or non-Member occupants of a dwelling unit, derives any right to use and enjoy the dwelling unit and the facilities and other property of the Corporation and the Foundation solely as a guest or invitee of the Member and shall be subject to all rules, regulations, penalties and assessments applicable to the Member. Notwithstanding any liability of any non-Member occupant of a dwelling unit or of any guest or invitee of any Member or non-Member occupant of a dwelling unit, the Member shall be fully responsible for, and hereby indemnifies and holds the Corporation and the Foundation harmless from, the conduct of, and any and all losses to or demands upon the Corporation resulting from the acts of omissions of, any non-Member occupant of a dwelling unit and all guests and invitees of the Member or the non-Member occupant of the Member's dwelling unit.

### Article 6. Member's Right to Peaceable Possession

In return for the Member's continued fulfillment of the terms and conditions of this Occupancy Agreement, the Member may have and enjoy for his sole use and benefit the dwelling unit hereinabove described, after obtaining occupancy. If the Member for any reason shall cease to be an occupant of the dwelling unit other than during occupancy by a non-Member occupant approved by the Corporation in writing, the Member shall surrender to the Corporation possession thereof.

### Article 7. Subletting Conditionally Permitted

The Member shall not assign this Occupancy Agreement or sublet this dwelling unit **without the prior written consent of the Corporation**. Rents under any sublease may be assigned to the Corporation, the sublease shall be delivered to the Corporation and the Corporation shall be empowered to collect rents and apply the rents in reduction of sums due from time to time under this Occupancy Agreement. The sublease shall be in a form acceptable to the Corporation, shall require the subtenant to abide by the terms of the Occupancy Agreement during his sub tenancy, and shall give the Corporation an irrevocable power to dispossess or otherwise act for the sub lessor in case of default under the sublease. As more particularly set forth in Article 5, above, the Member shall continue to be liable for all obligations hereunder and shall be responsible to the Corporation for the conduct of his sublease notwithstanding the fact that the Member may have sublet the dwelling unit with the consent of the Corporation. Consent to one subletting shall not obligate the Corporation to consent to any other subletting.

### Article 8. Transfer, Pledges

Neither this Occupancy Agreement nor any right contained therein may be transferred or assigned except in the same manner as may now or hereafter be provided for the transfer or assignment of memberships in the bylaws of the Corporation. Similarly, neither this Occupancy Agreement, nor any right contained herein, nor the membership of the Member in the Corporation, or the Member's membership certificate may be assigned or pledged by the Member as security for the repayment of any indebtedness of the Member without the prior written consent of the Corporation. Consent by the Corporation to any such assignment or pledge shall not be deemed or construed to be consent by the Corporation to any future or successive assignments or pledges. The Member agrees that any such consent by the Corporation to any such assignment or pledge shall be upon terms and subject to all conditions set forth in any agreement (a "Recognition Agreement") entered into by and between the Corporation and the assignee or pledgee of the Member prior to or concurrently with such assignment or pledge. Without limiting or modifying the foregoing, the Member specifically acknowledges and agrees that a Recognition Agreement may provide for the payment by the Corporation to the Member's assignee or pledgee of certain sums which otherwise would be payable by the Corporation to the Member.



## GENERAL CONDITONS continued

### Article 9. Management, Taxes and Insurance

The Corporation shall provide necessary management, operation and administration; pay or provide for the payment of all taxes or assessments levied against assets of the Corporation, procure and pay or provide for the payment of fire insurance, extended coverage and other insurance as required by any mortgage on property of the Corporation and such other insurance as the Corporation may deem advisable. The Corporation shall not provide insurance on the Member's interest in the dwelling unit or on the Member's personal property. The Member shall reimburse the Corporation for the portion of real property taxes and assessments attributable to the Member's dwelling unit.

### Article 10. Utilities

The Corporation shall provide electricity for exterior use, water for exterior and interior use, sewage disposal, garbage and trash collection and master TV antenna service. The cost of such services shall be included in the Carrying Charges. Electricity for interior use shall be individually metered and billed by Southern California Edison Company or any successor utility and paid directly by the Member.

### Article 11. Repairs

- (a) By Member. Subject to the terms of any Recognition Agreement, the Member agrees to repair and maintain the dwelling unit at the Member's own expense as follows:
- 1) Any repairs or maintenance necessitated by the Member's own negligence or misuse; and
  - 2) Any redecoration of the interior of the dwelling unit; and
  - 3) Any repairs or maintenance on any air conditioner installed in the dwelling unit; and
  - 4) Any maintenance, repairs and replacements of appliances within the interior of the dwelling unit (including, but not limited to, refrigerators, cook tops, hoods and ovens), and any cabinet modifications/alterations and other upgrades related to the installation of those appliances, that are designated as the responsibility of the Member under the Corporation's "Appliance Policies" adopted on March 11, 2003, as may be amended from time to time; and
  - 5) Any repairs or maintenance of all fixtures and other items within the interior surfaces of the perimeter walls, floors and ceilings of the dwelling unit that are designated as the responsibility of the Member under the Corporation's "Summary of Chargeable Maintenance Services" adopted on June 12, 2007, as may be amended from time to time; and
  - 6) Any repairs or maintenance of alterations and additions made by the Member (or any predecessor of the Member) in the interior or exterior of the dwelling unit, as described in Article 12 of this Occupancy Agreement.

(b) By Corporation. The Corporation shall provide and pay for all necessary repairs, maintenance and replacements, except as specified in clause (a) of this Article, including but not limited to unaltered kitchen and bath floors and countertops. The officers and agents of the Corporation shall have the right to enter the dwelling unit of the Member in order to effect necessary repairs, maintenance, and replacements, and to authorize entrance for such purposes by employees of any contractor, utility company, municipal agency, or others, at any reasonable hour of the day and in the event of emergency at any time.

(c) Right of Corporation to make repairs at Member's expense.

In case the Member shall fail to effect the repairs, maintenance or replacements specified in clause (a) of this Article in a manner satisfactory to the Corporation and pay for same, the Corporation may do so on behalf of the Member, and upon demand by the Corporation the Member shall reimburse the Corporation promptly upon receipt of a bill for same.

(d) Payment by Member. The Member shall pay the Corporation for any maintenance, repairs, replacements or other services specified in clause (a) of this Article which are the obligation of the Member to provide, where such maintenance, repairs, replacements or other services are rendered by the Corporation at the request of the Member. The Member agrees to make such payment promptly upon receipt of a bill for same from the Corporation.

### Article 12. Alterations and Additions

The Member shall not make any structural alterations to the interior or exterior of the dwelling unit or to any pipes, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements, or fixtures from the dwelling unit without prior written consent of the Corporation. The Member shall not install or use in the dwelling unit, any air conditioning equipment, washing machine, clothes dryer, electric heater, or power tools without prior written consent of the Corporation. The Member shall remove any such equipment promptly upon request of the Corporation.

Any alterations, additions, fixtures or improvements installed by the Member or any predecessor of the Member, whether within or without the dwelling unit, shall be repaired or maintained by the Member at its own expense and in a manner satisfactory to the Corporation. If the Member should fail to do so, such repairs or maintenance may be performed by the Corporation and upon demand by the Corporation, the Member shall reimburse the Corporation therefor forthwith.

### Article 13. Membership in the Foundation

Prior to occupancy of the dwelling unit, the Member shall become a resident member of the Foundation and shall pay such dues, assessments, fees and charges now or hereafter determined by its Board of Directors. The extent and nature of facilities and services provided by the Foundation, the fees and charges therefor, and the persons to whom available shall be determined by the Foundation from time to time.



## GENERAL CONDITIONS continued

### Article 14. Default by Member

If at any time after the happening of any of the events specified in clauses (a) to (h) of this Article, the Corporation shall give to the Member a notice that its rights under this Occupancy Agreement will expire at a date not less than ten (10) days thereafter, all of the Member's rights under this Occupancy Agreement will expire on the date so fixed in such notice, unless in the meantime the default has been cured in a manner deemed satisfactory by the Corporation, it being the intention of the parties hereto to create hereby conditional limitations, and it shall thereupon be lawful for the Corporation to re-enter the dwelling unit and to remove all persons and personal property therefrom, either by summary dispossession proceedings or by suitable action or proceeding at law or in equity or by any other proceedings which may apply to the eviction of tenants, and to repossess the dwelling unit in its former state:

- a) If at any time during the term of this Occupancy Agreement the Member shall cease to be the owner and legal holder of a membership in the Corporation unless the Corporation gives its consent in writing to a transfer or assignment under which Member has a right to continue possession.
- b) If the Member attempts to transfer, assign or pledge this Occupancy Agreement in a manner inconsistent with the provisions of the bylaws or this Occupancy Agreement.
- c) If at any time during the term of this Occupancy Agreement the Member shall be declared bankrupt under the laws of the United States.
- d) If at any time during the term of this Occupancy Agreement a receiver of the Member's property shall be appointed under the laws of the United States or of any State.
- e) If at any time during the term of this Occupancy Agreement the Member shall make a general assignment for the benefit of creditors.
- f) If at any time during the terms of this Occupancy Agreement the membership in the Corporation owned by the Member shall be duly levied upon and sold under the process of any Court.
- g) If the Member shall fail to pay any sum due pursuant to the provisions of this Occupancy Agreement.
- h) If the Member, any non-Member occupant of the dwelling unit or any guest or invitee of the Member or such non-Member occupant of the dwelling unit, shall default in the performance of any of their respective obligations under this Occupancy Agreement.

The Member hereby expressly waives any and all right of redemption in case it shall be dispossessed by judgment of any Court; the words "enter," "re-enter" and "re-entry", as used in this Occupancy Agreement, are not restricted to their technical legal meaning and in the event of a breach or threatened breach by the Member, any non-Member occupant of the dwelling unit, or any guest or invitee of the Member or such non-Member occupant of the dwelling unit, of any of the covenants or provisions of this Occupancy Agreement; the Corporation shall have the right of injunction and the right to

invoke any remedy allowed by law or in equity as if re-entry, summary proceedings, and other remedies were not herein provided for.

The Member expressly agrees that there exists under this Occupancy Agreement a landlord-tenant relationship and that in the event of a breach or threatened breach of any covenant or provision of this Occupancy Agreement by the Member, or non-Member occupant of the dwelling unit, or any guest or invitee of the Member or such non-Member occupant of the dwelling unit, there shall be available to the Corporation such legal remedy or remedies as are available to a landlord under the laws of the State of California for the breach or threatened breach by a tenant of any provision of a lease or rental agreement. The Member hereby waives any and all notices and demands for possession as provided by the laws of the State of California.

### 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.

### Article 16. Effect of Fire Loss

In the event of loss or damage by fire or other casualty to the dwelling unit without the fault or negligence of the Member, the Corporation shall determine whether to restore the damaged premises and shall further determine, in the event such premises shall not be restored, the amount which shall be paid to the Member to redeem the membership of the Member and to reimburse the Member for such loss as it may have sustained. If, under such circumstances, the Corporation elects to restore the premises, Carrying Charges shall not abate, wholly or partially, unless otherwise determined by the Corporation. If the Corporation elects not to restore the premises, the Carrying Charges shall cease from the date of such loss or damage.

### Article 17. Inspection of Dwelling Unit

Representatives of any mortgagee holding a mortgage on the property of the Corporation occupied by the Member, the officers and agents of the Corporation, and with the approval of the Corporation, the employees of any contractor, utility company, municipal agency or others, shall have the right to enter the dwelling unit of the Member and make inspection thereof at any reasonable hour and at any time in case of emergency involving danger to life or property, regardless whether such potential danger actually exists.

### Article 18. Subordination

The cooperative housing project, of which the dwelling unit is a part, was constructed with the assistance of a mortgage loan made by a private lending institution. This Occupancy Agreement and all rights, privileges and benefits hereunder are and shall be



**GENERAL CONDITIONS continued**

at all times subject to, subordinate and inferior to the lien of a first mortgage or deed of trust and the accompanying documents executed to secure the principal sum, to any and all modifications, extensions and renewals of such loans, to any mortgage or deed of trust made in replacement of such mortgage or deed of trust and to such additional loans or advances as may thereafter be made by or borrowed from the beneficiary, its successors or assigns, together with interest thereon, and to any mortgages or deeds of trust, consolidation agreements and other accompanying documents given to secure any such additional loan or advances which may at any time hereafter be placed on the real property of the Corporation, or any part thereof. The Member hereby agrees to execute, at the Corporation's request and expense, any instrument which the Corporation or any lender may deem necessary or desirable to effect the subordination of this Occupancy Agreement to any such mortgage or deed of trust, and the Member hereby appoints the Corporation and each and every officer thereof, and any future officer, such Member's attorney-in-fact during the term hereof to execute any such instrument on behalf of the Member. The Member hereby expressly waives any and all notices of default and notices of foreclosure of said mortgage and deed of trust which may be required by law. In the event a waiver of such notices is not legally valid, the Member hereby designates the Corporation as its agent to receive and accept such notices on the Member's behalf.

**Article 19. Notices**

Whenever the provisions of law, the bylaws of the Corporation or this Occupancy Agreement require notice to be given to either party hereto, such notice may be given in writing by depositing the same in the United States mail, in a postpaid, sealed envelope addressed to the person to whom the notice is to be given, at his or her address as the same appears in the books of the Corporation and the time of mailing shall be deemed to be the time of the giving of such notice.

**Article 20. Fiscal Reports**

The Corporation shall furnish to the Member a review of the financial statement of the Corporation in accordance with the provisions of applicable law.

**Article 21. Representations**

No representations, other than those contained in this Occupancy Agreement, shall be binding upon the Corporation.

**Article 22. Rights and Remedies**

The rights and remedies available to the Corporation in the event of any breach of this Occupancy Agreement by the Member, any non-Member occupant of the dwelling unit, or occupant of the dwelling unit, or any guest or invitee of the Member or such non-Member occupant of the dwelling unit, whether provided by this Occupancy Agreement or by law, are cumulative. The exercise of any such right or remedy shall not be deemed to be a waiver of the same right or remedy for the

same or any other breach by the Member. The failure to exercise any right or remedy available to the Corporation for any breach of this Occupancy Agreement by the Member shall not be deemed to be a waiver of any of its rights or remedies in the event of any other breach by the Member.

**Article 23. Late Charges and Attorney's Fees**

The Member covenants and agrees that, in addition to the other sums that have become or will become due pursuant to the terms of this Occupancy Agreement, the Member shall pay to the Corporation a late charge in an amount determined by the Corporation, reasonable costs of collection and interest at a rate determined by the Corporation for each payment of Carrying Charges or part thereof not paid within 15 days after the date payment is due.

If the Member shall default in making payments of any sum payable to the Corporation or if the Member, any non-Member occupant of the dwelling unit, or any guest or invitee of the Member or such non-Member occupant of the dwelling unit defaults in the performance of any of their respective obligations under this Occupancy Agreement, and the Corporation has obtained the services of an attorney with respect to any such default, the Member shall pay to the Corporation any costs or fees involved, including reasonable attorney's fees, notwithstanding the fact that a suit has not yet been instituted. In case a suit is instituted, the Member shall also pay costs of suit in addition to the aforesaid costs and fees.

**Article 24. Successor, Assignees, Etc.**

Subject to the limitations on assignments, transfers, pledges and subletting set forth elsewhere herein, the provisions of this Occupancy Agreement shall be binding on the successors, assignees, heirs and personal representatives of the Member.

**Article 25. Amendments**

This Occupancy Agreement may not be amended or modified without the prior written consent of the Corporation and shall not be enforceable unless in the form of a written instrument executed by the party against whom enforcement is sought. Member acknowledges and agrees that the Corporation may condition its consent to any amendment or modification upon the Corporation's receipt of a written consent to the change from any assignee or pledgee of the Member, regardless whether that consent is required by the terms of any Recognition Agreement.



## Addendum to Occupancy Agreement – Trustee Membership

<b>1. Identification</b>	
Unit number: _____	
Date of Occupancy Agreement: _____	Date of declaration of trust or order establishing trust: _____
Trustee member*: _____	
Current beneficiary*: _____	

<b>2. Modification of recital</b>
A. The current beneficiary has a bona fide intention to reside in the described dwelling unit and the trustee has a bona fide intention to permit that residency.

<b>3. Modification of general conditions</b>
A. The current beneficiary guarantees the performance of all obligations of the trustee member and agrees to abide by all of the provisions of the general conditions of the Occupancy Agreement as if the current beneficiary were the member.
B. Only the person treated as the beneficial owner of the trust for federal income tax purposes under Section 671 <i>et seq.</i> of the Internal Revenue Code of 1954 (or any successive provision) and approved for membership and such persons as would be permitted to reside in the unit if title were held by that beneficial owner will be permitted to reside in the unit.
C. Within a reasonable time after the trust ceases to be one of which the Current Beneficiary or any other person approved for membership is treated as the beneficial owner of the trust for income tax purposes under Section 671 <i>et seq.</i> of the Internal Revenue Code of 1954 (or any successive provision), the Trustee shall transfer the membership either to an individual approved for membership or to the trustee of a qualified trust.

_____	_____
Current beneficiary	Trustee
_____	_____
Current beneficiary	Trustee
_____	
Date	

\*If more than one trustee member or more than one beneficiary, then each must sign the addendum.



## Interim Dual Membership Agreement

This interim dual membership agreement (agreement) is executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between United Laguna Woods Mutual (United), a California nonprofit mutual benefit corporation and \_\_\_\_\_ (purchaser) with reference to the following facts:

- A. Purchaser is the owner of one membership in United and has executed an Occupancy Agreement with United in connection with such ownership. Under the terms of the Occupancy Agreement, purchaser has the exclusive right to occupy certain premises owned by United and commonly described as \_\_\_\_\_ Laguna Woods, California (first unit and first membership).
- B. Purchaser desires to purchase a second membership in United and execute a second Occupancy Agreement with United, thereby permitting purchaser to occupy certain other premises owned by United and commonly described as \_\_\_\_\_, Laguna Woods, California (the second unit and the second membership). **Duration of this agreement shall be six months from the date of this agreement, subject to renewal at the board's discretion.**
- C. In reliance upon the covenants and representations of purchaser hereinafter set forth, United consents to purchaser's purchase of a second membership in United, execution of a second Occupancy Agreement with United, and occupancy of a second unit while still the owner of the first membership, subject to the following terms and conditions:
1. Purchaser shall pay all amounts due or which hereafter become due on each membership shall continue throughout the entire duration of purchaser's ownership of such memberships. If the Occupancy Agreement related to any such membership terminates for any reason whatsoever prior to purchaser's sale of that membership, then purchaser shall not be obligated to pay any amounts that become due on such membership after the termination of the related Occupancy Agreement.
  2. Purchaser represents and warrants that he has undertaken, or will undertake immediately, all reasonable efforts to sell the first membership, including but not limited to offering the first unit for sale. Purchaser further represents and warrants that the first membership and right to occupy the first unit is presently offered for sale at an asking price of \_\_\_\_\_ dollars (\$\_\_\_\_\_), which purchaser believes is a fair and reasonable asking price for the first unit, and that purchaser shall not remove the first unit from the resale market.
  3. Purchaser is solely responsible for the resale of both memberships and the rights to occupy both units. No representation, guarantee or assurance has been made to the purchaser by the Golden Rain Foundation of Laguna Woods, United or any agent, representative, attorney or employee regarding the sale of the membership or occupancy rights.
  4. Purchaser shall not make or file, or cause to be made or filed, any claim or action against the Golden Rain Foundation of Laguna Woods, or any agent, representative, attorney or employee, arising out of, connected with or incidental to purchaser's failure to obtain a suitable purchaser for either membership or right to occupy either unit.
  5. This agreement is only between United and the purchaser, and is solely intended to establish the additional rights, duties and obligations of United and purchaser for the limited time period during which Purchaser owns two memberships and the right to occupy the first unit and the second unit. Nothing in this agreement shall operate to relieve or in any way affect the obligation of any real estate broker, whether presently existing or hereafter arising, to perform its obligations under any listing agreement with purchaser for the sale of the first membership or right to occupy the first unit.
  6. Purchaser acknowledges and agrees that: (a) purchaser is prohibited from owning more than one membership and the right to occupy more than one unit, except under certain limited circumstances which are not applicable to this transaction; (b) purchaser's permission to own more than one membership and the right to occupy more than one unit is granted by United to purchaser under this agreement only for a limited duration as an accommodation to purchaser; (c) nothing in this agreement shall be construed as a waiver or modification or



any kind whatsoever of the general prohibition against purchaser's ownership of more than one membership and the right to occupy more than one unit; and (d) purchaser shall sell or otherwise dispose of one of the memberships within six months.

- 7. This agreement shall be treated as an addendum to the Occupancy Agreement executed by purchaser in connection with purchaser's purchase of the second membership. Any failure to comply with this agreement shall constitute a breach of the Occupancy Agreement.
- 8. Nothing in this agreement shall be construed to allow purchaser to sublet either unit.
- 9. Purchaser is hereby aware of the corporation policy that limits the execution of an interim dual membership agreement to one in any two-year period.
- 10. Purchaser shall provide a copy of this agreement to all present and future licensed real estate broker(s) with whom purchaser has listed, or lists, either membership immediately upon listing such membership and occupancy right with such broker.

In witness whereof, the parties to this agreement has executed this agreement on the day and year first above written.

**Purchaser**

**United Laguna Woods Mutual, a California  
nonprofit mutual benefit corporation**

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name printed

\_\_\_\_\_  
Name printed – board director or authorized agent

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name printed



Recording requested by and when recorded mail to:

United Laguna Woods Mutual  
PO Box 2220  
Laguna Woods, CA 92654 - 2220

This space for recorder use only

**Memorandum of Occupancy Agreement**

This Memorandum of Occupancy Agreement is made as of \_\_\_\_\_, \_\_\_\_\_ by and between United Laguna Woods Mutual (United), a California nonprofit mutual benefit corporation and \_\_\_\_\_ (member).

The property with which this Memorandum of Occupancy Agreement is concerned is that certain real property located in the City of Laguna Woods, County of Orange, and State of California, commonly known as \_\_\_\_\_ and unit \_\_\_\_\_, building \_\_\_\_\_ as set forth in the exhibit \_\_\_\_\_ to that certain Memorandum of Occupancy Agreement recorded in the Official Records of Orange County, California, on May 10, 2013, as Instrument No. 2013000284997, which is a cooperative apartment (unit) in the community commonly known as Laguna Woods Village. See legal description.

By an unrecorded document entitled Occupancy Agreement dated \_\_\_\_\_, 20\_\_\_\_, United leases the unit to member for an initial term of three years beginning on  the date of recordation of the Memorandum of Occupancy Agreement recorded as Instrument No. \_\_\_\_\_,  the date of the Occupancy Agreement, which term could be automatically renewed for successive terms of three years as provided in Article 4 of the Occupancy Agreement.

This Memorandum of Occupancy Agreement is subject to the conditions, covenants and provisions, including those pertaining to the assessments, limitations on use, construction of improvements and transfer of any interest in the leasehold estate or portions thereof, provided in the Occupancy Agreement.

In witness whereof, United and member have executed this Memorandum of Occupancy Agreement as of the date set forth above.

Member(s)

United Laguna Woods Mutual - Owner  
By:

Signature

Signature

Name printed

Name printed -- authorized agent

Signature

Name printed



UNITED LAGUNA WOODS  
MUTUAL

**Acknowledgement**

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

State of California )  
County of Orange )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally

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

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**Acknowledgement**

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

State of California )  
County of Orange )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally

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

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature \_\_\_\_\_ (Seal)



## Subordination Agreement

Unit number: \_\_\_\_\_

Date of recognition agreement: \_\_\_\_\_

Name of lender: \_\_\_\_\_

### Acknowledgement by borrower:

I have received a copy of that recognition agreement between United Laguna Woods Mutual and the lender, and I specifically consent to subordinate my rights under my Occupancy Agreement and the bylaws of United Laguna Woods Mutual to those of the lender set forth in that document. By way of illustration (and not to the exclusion of other rights), I agree that the lender's consent may be required to transfer my unit and that lender may be entitled to receive money I otherwise would receive from the proceeds of sale or in the event of redemption or surrender of my membership, casualty, loss or condemnation.

### Lender may need notification when unit is sublet.

Date: \_\_\_\_\_

Borrower: \_\_\_\_\_

Borrower: \_\_\_\_\_

Borrower: \_\_\_\_\_

For office use only

Lender ID number: \_\_\_\_\_



UNITED LAGUNA WOODS  
MUTUAL

Application for Co-occupancy Permit

Unit address

Attach Verification of Valid Age: Driver's License / Passport / Birth Certificate						
1.	Last name	First name	MI	Social Security No.	Birthdate	Office use only
	Home phone	Mobile phone	Email			
	Marital Status	<input type="checkbox"/> Married <input type="checkbox"/> Divorced	<input type="checkbox"/> Widowed <input type="checkbox"/> Separated	<input type="checkbox"/> Single	If under 45 years of age, indicate if spouse/registered domestic partner <input type="checkbox"/> or if applicant is a disabled child / grandchild <input type="checkbox"/>	

2.	Last name	First name	MI	Social Security No.	Birthdate	Office use only
	Home phone	Mobile phone	Email			
	Marital Status	<input type="checkbox"/> Married <input type="checkbox"/> Divorced	<input type="checkbox"/> Widowed <input type="checkbox"/> Separated	<input type="checkbox"/> Single	If under 45 years of age, indicate if spouse/registered domestic partner <input type="checkbox"/> or if applicant is a disabled child / grandchild <input type="checkbox"/>	

Applicant relationship to member	Previous address	City	State	Zip
In case of emergency, notify	Relationship to applicant	Address	Telephone #	

Member/Co-occupant Acknowledgements

We hereby apply for approval of the applicant to reside in the unit identified above as an occupant and affirm that the information provided herein is accurate to the best of our knowledge. We have read the terms and conditions for such occupancy on the reverse side of this application and agree to be bound by the terms therein. We have received a copy of the notice informing us of the possible existence of asbestos in certain buildings.

We swear, under penalty of perjury, that there will not be a landlord-tenant relationship between shareholder and occupant, and that **no rents will be paid or collected during the duration of applicant's occupancy**, unless a lease is executed through the Laguna Woods Village leasing office.

\*\* All members and Co-occupants must initial and agree to the "no rents paid or collected" statement above: \_\_\_\_\_

Member Acknowledgment of Additional Occupant Fee and Occupancy Cancellation

- Member is aware of and agrees to pay to the mutual an additional sum each month for each occupant of the unit in excess of two, at the rate prescribed by the mutual and GRF. A schedule of fees is available upon request and is subject to change annually. Additional fee is added to the member's account. All Members must Initial: \_\_\_\_\_
- Member is responsible for notifying Laguna Woods Village when additional occupant(s) have moved out of the unit and for returning additional occupant(s) ID card to avoid charges to the account. All Members must Initial: \_\_\_\_\_

1. Co-occupant name (print)	Signature	Date	
2. Co-occupant name (print)	Signature	Date	
3. Member name (print)	Signature	Date	To reside? <input type="checkbox"/> Yes <input type="checkbox"/> No
4. Member name (print)	Signature	Date	To reside? <input type="checkbox"/> Yes <input type="checkbox"/> No

Community Services Division Use Only

Floorplan \_\_\_\_\_ No. bedrooms \_\_\_\_\_ No. of persons residing if permit is approved \_\_\_\_\_

ID card fees to be collected: \$ \_\_\_\_\_ Exempt (spouse/domestic partner status verified)

If applicant is under 55 years of age, indicate if qualifying resident has been verified.  Yes  No  N/A

Does the approval of this application exceed the number of persons permitted to occupy this unit?  Yes  No

Verified by: \_\_\_\_\_ Member's phone number \_\_\_\_\_

## Application for Co-occupancy Permit – Page 2

### Primary rules governing occupancy – United Laguna Woods Mutual

The parties to this agreement are the mutual corporation, hereinafter referred to as "the mutual"; the member(s), hereinafter referred to as "shareholder," and whose signature appears on the reverse side of this application; and the applicant(s) for occupancy, hereinafter referred to as "co-occupant," and whose signature appears on the reverse side of this application. In consideration of their mutual undertakings, and by executing this application, the parties hereto agree as follows:

1. Co-occupant(s) shall be entitled to occupy the unit indicated on the reverse side of this application.
2. Co-occupant(s) and shareholder(s) affirm their intent that the co-occupant will reside in this unit and that occupant is 45 years of age or older, or is the spouse or registered domestic partner of the qualifying resident, or is a disabled child/grandchild.
3. Non-shareholders may reside only if they are approved to co-occupy (and meet the requirements of Section 2 above), and reside with a qualifying member who is at least 55 years of age.
4. Co-occupant(s) shall be entitled to the use and enjoyment of the facilities and services provided by the Golden Rain Foundation on the same basis as shareholders of the foundation, but will have neither ownership nor voting rights in the foundation or any mutual.
5. Shareholder shall be responsible for the conduct and deportment of the co-occupant.
6. Co-occupant shall be subject to the same rules, regulations and restrictions (and of the Occupancy Agreement in United Mutual) that are applicable to the shareholder, except with respect to payment of carrying charges. If co-occupant ever shall become the legal or equitable owner of the membership, co-occupant will apply for membership in the mutual (and will execute an Occupancy Agreement in United Mutual) in the form generally used by the mutual and will pay all amounts due pursuant to the Occupancy Agreement.
7. Shareholder and co-occupant shall be equally responsible for payment of any charges incurred by co-occupant in respect to service provided by Golden Rain Foundation or the mutual.
8. Shareholder agrees to pay to the mutual an additional sum each month for each occupant of the unit in excess of two, at the rate prescribed by the mutual and/or GRF.
9. Shareholders shall be responsible for canceling the co-occupancy status and returning co-occupant's ID card when co-occupant ceases to reside in the unit.
10. Any party may terminate this agreement at any time upon 30 days written notice to the other parties to this agreement.
11. In order to induce the mutual to execute this agreement, the other parties agree that they have no rights against the mutual as a direct or indirect result of the execution of this agreement, and in the event that there are any expenses incurred by the mutual to enforce the terms of this agreement, or to remove or take other action, or to defend any action relative to shareholder or co-occupant, as a direct or indirect result of this agreement, shareholder and co-occupant agree to hold the mutual harmless from and to pay all costs or expenses incurred by the mutual, including, but not limited to, attorney's fees, court costs or related expenses.
12. Co-occupant(s) affirm that they have not been convicted of a felony within the past 20 years, or a misdemeanor involving moral turpitude within the past five years.
13. Guests may stay a maximum of 60 days per year, and **only while the qualifying senior resident is in residence.**

### Notice to shareholders and applicants

Approval of this application by the mutual, in and of itself, does not confer any right on the co-occupant other than the revocable right to occupy the unit named on the reverse of this form. As indicated, both shareholder and the mutual generally have the right to terminate occupant status at any time, without cause, provided, however, that Section 51.3 of the California Civil Code may be interpreted to inhibit this right of termination in certain circumstances.

## Disclosure notice: Asbestos-containing construction materials



# Laguna Woods Village<sup>SM</sup>

## 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

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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 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.

*Disclosure notice: Asbestos-containing construction materials continued on next page*

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.