

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NINE
ADMINISTRATION BUILDING CONFERENCE ROOM
December 11, 2017
(Meeting begins at 9:30 a.m.)

CALL TO ORDER / PLEDGE OF ALLEGIANCE

ROLL CALL

SHAREHOLDER(S') COMMENTS (2-3 minutes per shareholder)

INTRODUCTION OF STAFF:

Mr. Dodero, GRF Representative
Ms. Hopkins, Mutual Administration Director
Mr. Van Horn, Building Inspector
Ms. Day, Recording Secretary

APPROVAL OF MINUTES: **Regular Meeting November 13, 2017**
Correction to Special (Agenda) Meeting of October 25, 2017 (page 2)

BUILDING INSPECTOR'S REPORT (pages 3-4) Mr. Van Horn

MUTUAL ADMINISTRATION DIRECTOR'S REPORT Ms. Hopkins

GRF REPRESENTATIVE'S REPORT Mr. Dodero

CORRESPONDENCE Mrs. Dodero

CHIEF FINANCIAL OFFICER'S REPORT Mrs. Turner

PHYSICAL PROPERTY REPORT Mr. Croft

DIRECTORS' COMMENTS Directors

UNFINISHED BUSINESS –

- a. Discuss tree trimming bids Mr. Van Horn
- b. Discuss amending Policy 7510.09 – Eligibility Requirements (pages 5-8) Mr. Croft

NEW BUSINESS –

- a. Present information gathered on washers and dryers Mrs. Turner/Ms. McCown
- b. Discuss Mutual owned landscape care Mrs. Turner

(STAFF BREAK (TIME TO BE DETERMINED BY PRESIDENT – 15 MINUTES))

SHAREHOLDER(S') COMMENTS (2-3 minutes per shareholder)

ADJOURNMENT

EXECUTIVE SESSION (legal, member issues)

STAFF WILL LEAVE THE MEETING BY 12:10 P.M.

NEXT BOARD MEETING: Monday, January 8, 2018, at 9:30 a.m.
Administration Building Conference Room A

**MINUTES OF THE SPECIAL (AGENDA WORKSHOP) MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL NINE**

October 25, 2017

A Special (Agenda Workshop) Meeting of the Board of Directors of Seal Beach Mutual Nine was called to order by President Schnauffer on Wednesday, October 25, 2017, at 9:30 a.m. in Clubhouse Three, Room 9.

Those members present were: President Schnauffer, Vice President Croft, CFO Turner, Secretary Dodero, and Directors McCown, and Mayer. Director Michlin was absent.

The purpose of the meeting was to discuss agenda items for the November 13, 2017, Regular Board Meeting.

The meeting was adjourned at 11:50 a.m.

ORIGINAL SIGNED

Attest:

Marjorie Dodero, Secretary
SEAL BEACH MUTUAL NINE

ka:11/06/17

CONTRACTS	
CONTRACTOR	PROJECT
PINNACLE	5/15/2016- 5/15/2018
FENN PEST CONTROL	APPOVED BY BOD 6/12/17
HUTTON PAINTING	START DATE 8/21/17 COMPLETE 1/22/18
NELSON PLUMBING (REPIPE)	CONTRACT SIGNED 5/22/17 START DATE 6/5/17 COMPLETE 12/7/18

SITE VISITS	
UNIT NUMBER	REASONS
212 OPEN & CLOSE DOORS FOR RE-PIPE	
237 A, REGARDING DOOR BELL. NO W.O. REPAIR MADE	BY BUILDING INSPECTOR

Mutual Corporation No. Nine

MEMO

TO: MUTUAL NINE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE AMENDING POLICY 7510 – ELIGIBILITY REQUIREMENTS
DATE: DECEMBER 11, 2017

I move to amend Policy 7510 – Eligibility Requirements on a preliminary basis until the posting period is completed.

MUTUAL OPERATIONS**AMENDED DRAFT****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Nine**

All **Any** persons **or persons jointly** seeking approval of the Board of Directors of Seal Beach Mutual No. Nine to purchase a share of stock in the Mutual, and to reside in the Mutual, shall meet the following eligibility criteria:

- A. Apply for and be accepted as a member of the Golden Rain Foundation, Seal Beach, California.
- B. Meet the Mutual eligibility criteria as follows:

1. Age

Minimum of 55 years, **as confirmed by a birth certificate or passport. A driver's license is not acceptable as proof of age.**

2. Financial Ability

- a. ~~Verified monthly income or sufficient assets that is/are at least four (4) times the monthly carrying charge~~ **that is at least five (5) times or greater than the monthly carrying charge** (Regular Assessment plus Property Tax and Fees) at the time of application, and have liquid assets of at least \$25,000 **\$50,000 over the purchase price. Verified monthly income/assets can be verified by any combination of the following and may be in the form of:**

- a) ~~Tax returns;~~
 b) ~~1099s for interest and dividends;~~
 c) ~~1099-Rs for retirement income from qualified plans and annuities;~~
 d) ~~SSA-1099 Social Security Benefit Statement;~~
 e) ~~Brokerage statements and current interim statement.~~
 f) ~~Six to 12 months of checking account statements.~~

1. Tax returns for the past two years;**2. 1099s for interest and dividends for the past two years. (assets used to purchase unit will not be included in income calculations);****3. 1099-Rs for retirement income from qualified plans and annuities for the past two years;****4. SSA-1099 Social Security Benefit Statement for the past two years;****5. Brokerage statements and current interim statement for the past two years. (assets used to purchase unit will not be included in income calculations);****6. At least the most recent six month's worth of checking/savings account statements (assets used to purchase unit will not be included in income**

MUTUAL OPERATIONS

AMENDED DRAFT

RESIDENT REGULATIONS

Eligibility Requirements – Mutual Ninecalculations).

- b. Adjusted Gross Income per 1040, 1040A, or 1040EZ; plus that portion of Social Security, IRA distributions, and pensions and annuities not included in adjusted gross income; plus tax exempt interest; **(assets used to purchase unit will not be included in income calculations)** minus income tax, Social Security, Medicare, and self-employment taxes paid; and minus Medicare medical insurance and prescription drug premiums; all divided by twelve (12) will equal net monthly income to be used in paragraph 2.a. above.
- c. Projected assessments will be the previous year's assessment (total of carrying charge less any cable charge, less Orange County Property Taxes and Fees), and the addition of the new property tax at 1.2% of the sales price plus Orange County District fees divided by twelve (12) for the new projected monthly assessment. This new figure (Regular Assessment plus Orange County Property Taxes and District Fees) times ~~four (4)~~ **(5) five** will be the monthly income required. This will be verified by the escrow company and the Stock Transfer Office. Stock Transfer shall have the final say in establishing verifiable income/assets.¹
- 4) ~~Verification shall be done by the Escrow Company and the Stock Transfer Office prior to the new buyer interview and prior to the close of escrow. **for each proposed shareholder(s) prior to the new buyer orientation and prior to the close of escrow (the above verification will not be done by the individual Mutual Directors; Directors will not be required to study or understand the financial requirements).**~~
- d. Only the residential shareholder's income shall be considered for qualifying.
- e. **If moving within Leisure World, or if there are any additions/changes to the title, the proposed shareholder(s) must meet these eligibility requirements.**
- f. **A credit check will be performed by the escrow company, with the results included in the financial package.**

3. Health

¹ If major remodeling, expansion, or addition of a bathroom is being considered, the increase in taxes over the 1.2% of the purchase price must be taken into consideration.

MUTUAL OPERATIONS**AMENDED DRAFT****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Nine**

~~Physician's assessment of new buyer now mandates that a physician must provide a written letter attesting that a new buyer is physically and mentally able to care for themselves in an independent living environment. The definition of a letter must contain the doctor's name (or group) and licensee number (a note on a prescription pad is no longer acceptable). The letter is a requirement before the new buyer is approved.~~

Have reasonably good health for a person of his/her age, as evidenced by a letter from his/her physician, so that shareholder can take care of normal living needs. Leisure World is not a skilled nursing home facility, an assisted living facility, nor an independent living facility (see individual Mutual requirements).

4. ~~Character~~

~~Have a reputation for good character in his/her present community.~~

- C. Assume, in writing, the obligations of the "Occupancy Agreement" in use by the Mutual Corporation.

Officers or Committees of the Board of Directors designated to approve new applicants are responsible that the eligibility criteria of this corporation is equitably applied to all applicants. Approval or disapproval of buyer(s) must be received by the Stock Transfer Office at least ten (10) working days prior to the close of escrow.

MUTUAL ADOPTION

NINE: 05-20-70

AMENDMENTS

09-13-93, 09-08-08, 1-11-16

(draft created on 12-08-17 bf)