

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NINE
ADMINISTRATION BUILDING CONFERENCE ROOM
July 10, 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
Mr. Bristow, Security Services Director
Mr. Hawke, Security Services Manager
Ms. Hopkins, Mutual Administration Director
Mr. Van Horn, Building Inspector
Mrs. Aquino, Recording Secretary

APPROVAL OF MINUTES: **Regular Meeting of June 12, 2017**
Special (agenda) Meeting of June 28, 2017 (page 3)

GUEST SPEAKERS – Mr. Bristow and Mr. Hawke	Ms. Hopkins
BUILDING INSPECTOR'S REPORT (pages 4-5)	Mr. Van Horn
GRF REPRESENTATIVE	Mr. Dodero
MUTUAL ADMINISTRATION DIRECTOR	Ms. Hopkins
CORRESPONDENCE	Mrs. Dodero
CHIEF FINANCIAL OFFICER'S REPORT	Mrs. Turner
PHYSICAL PROPERTY REPORT	Mr. Croft
DIRECTORS' COMMENTS	Directors
OLD BUSINESS –	
a. Update on Curb Painting	Mr. Croft
b. Vote for parking signs for Carport	Mrs. Schnauffer
c. Adopt Policy 7585.09 – <u>Governing Document Compliance Corrective Measures and Fines (pages 6-7)</u>	Mr. Croft
NEW BUSINESS –	
a. Resolution to transfer funds from Roofing Reserves to Painting Reserves	Mrs. Turner
b. Update on pricing for garage rentals	Mrs. Turner
c. Discussion –Dead Tree Removal	Mr. Michlin
d. Discussion – Policy 7531.09 – <u>Inspection of Vacant, Unoccupied or Seasonal – Use Units (page 8)</u>	Mrs. Schnauffer
e. Discussion – Hard Wired Stove Tops for replacement	Mrs. Schnauffer
f. Discussion – Policy 7557.09 – <u>Caregivers (pages 9-11)</u>	Mrs. Schnauffer
g. Discussion – Fire Inspection Form (page 12)	Mrs. Schnauffer

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

New Business (continued)

- h. Discussion LED Lighting (**page 13**) Ms. McCown
- i. Rescind Policy 7512 – Guarantor From (**pages 14-15**)
- j. Resolution/Discussion: Active Living Disclosure (ALD) (**pages 16-18**)
 - i. Amend Policy 7020.09 – Approval of Escrow to remove or keep doctors note; if ALD passes-amend Policy 7020.09 by removing "...and medical" as it has wording requiring the physician's note (**page 19**)
 - ii. Amend Policy 7510.09 – Eligibility Requirements to remove or keep doctors note; if ALD passes amend Policy 7510.09 (**pages 20-21**)
- k. Discuss proposed amendment to Policy 7510.10 – Eligibility Requirements as presented at Presidents' Council (**pages 22-24**)
- l. Notice of Intent to Withdraw resolution (**page 25**)
- m. Occupancy Agreement Article 23 Late Charges/Cost (**page 26**)
- n. Resolution to maintain procedure per policy 7510 and Stock Transfer Office (**page 27**)

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, August 14, 2017, 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**

June 28, 2017

A Special (Agenda Workshop) Meeting of the Board of Directors of Seal Beach Mutual Nine was called to order by President Schnafer on Wednesday, June 28, 2017, at 9:30 a.m. in Clubhouse Three, Room 9.

Those members present were: President Schnafer, Vice President Croft, CFO Turner, Secretary Dodero, and Directors McCown, and Michlin (9:40 a.m.). Director Mayer was absent.

The purpose of the meeting was to discuss agenda items for the July 10, 2017, Regular Board Meeting.

Secretary Dodero left the meeting at 10:50 a.m.

The meeting was adjourned at 11:38 a.m.

Attest:

Marjorie Dodero, Secretary
SEAL BEACH MUTUAL NINE

ka:7/05/17

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

SITE VISITS	
UNIT NUMBER	REASONS
217 F REGARDING SLIDER	NEW INSTALL
207 RE-PIPE OPEN AND CLOSE DOORS	WEEK OF 6/12/17

MUTUAL OPERATIONS**ADOPT DRAFT POLICY****RESIDENT SHAREHOLDER REGULATIONS****GOVERNING DOCUMENT COMPLIANCE CORRECTIVE MEASURES AND FINES –
MUTUAL NINE**

The objective of this Compliance Policy shall be to promote and seek voluntary compliance of shareholders for themselves, those qualified to reside with them and the shareholders' visitors including, but not limited to guests, employees and delivery personnel with the Seal Beach Mutual No. Nine Occupancy Agreement, Bylaws, 7000 Series Policies, and Rules and Regulations, all as amended and supplemented (collectively, "Governing Documents").

Reporting Violations:

Any resident shareholder, including any shareholder serving on the Board, may report violations. Contact Security, Community Administration, or the Board of Directors.

Such reports shall constitute a complaint and will be documented in writing to include the time, date, nature of violation, circumstances, and location and address of person or persons responsible. The complaint will be provided to the Mutual for review and, if necessary, enforcement action.

Enforcement Procedures:

The Mutual may, in the Board's **sole** discretion, enforce a violation of the "Governing Documents" by pursuing, without limitation any one, or **a** combination of, the remedies described below in paragraphs, One, Two, or Three (1, 2, or 3). Notices described in One and Two below shall include a statement inviting the shareholder.

1. Send an initial notice of violation letter to the resident shareholder stating the nature of the alleged violation. In the event that the shareholder does not take corrective action and continues to be non-compliant, the notice will include a reasonable date within which to voluntarily comply.
2. Send a notice of violation and intent to impose a **monetary penalty**. Monetary penalties will be imposed in accordance with the Mutual's ~~Violation~~ **schedule of Monetary Penalty Penalties**.
3. An action in law or in equity to recover the sums due for damages injunctive relief or any other appropriate legal or equitable relief that may be available to the Mutual.

MUTUAL OPERATIONS**ADOPT DRAFT POLICY**RESIDENT SHAREHOLDER REGULATIONSGOVERNING DOCUMENT COMPLIANCE CORRECTIVE MEASURES AND FINES –
MUTUAL NINESCHEDULE OF MONETARY PENALTIES: MONETARY PENALTY SCHEDULE:

Schedule of **Monetary Penalties** may be imposed after notice and opportunity for hearing, and **where** the Board of Directors, or committee appointed by the Board, in its discretion, has determined that a resident shareholder is non-compliant with or has violated the "Governing Documents."

MONETARY PENALTY SCHEDULE

Notice of Violation: Warning or monetary penalty, of \$25.00 per day the violation continues. **First notice will be a warning. Second notice will be a \$50.00 monetary penalty. Third notice will be a \$100.00 monetary penalty. If the monetary penalty is not paid \$25.00 a day will be added to the third notice.**

Invoices for **Monetary Penalties** are due and payable immediately.

MUTUAL ADOPTION
NINE:

AMENDMENTS

MUTUAL OPERATIONS**ADOPT DRAFT POLICY****RESIDENT REGULATIONS****Inspection of Vacant, Unoccupied or Seasonal-Use Units – Mutual Nine**

Any vacant, unoccupied or seasonal-use unit in Mutual Nine shall be inspected every three months by a Physical Property Inspector and the Mutual Director assigned to the respective building. Inspections shall be conducted during the months of January, April, July, and October. The inspection in April may be waived during the years that fire/safety inspections are conducted.

The Mutual Director shall provide a list of vacant, unoccupied or seasonal-use units to the Physical Property Inspector and set an appointment with the Inspector for the inspection. Mutual Directors are encouraged to talk to Building Captains to update the list of units to be inspected.

The inspection of vacant units for sale will not be posted. The inspection ~~for~~ **of** unoccupied and seasonal-use units will be posted at least 24 hours prior to the inspection. Letters for posting are available through the Physical Property Office.

During the inspection, if any violations are found that are the responsibility of the shareholder, the shareholder must **effect effect (or make)** the repairs, maintenance or replacements as needed within the timeframe specified **in the notice**. In accordance with the Occupancy Agreement, Section 11(c), Repairs, if the shareholder fails to effect the repairs, maintenance or replacements in a manner satisfactory to the Mutual, the Mutual may do so and add the cost thereof to the shareholder's next monthly carrying charge payment **statement**.

"Unless there is an emergency, the shareholder should never shut off the electricity or water to the Unit. The hard-wired smoke detector, toilet, refrigerator or water heater should not be unplugged or have electrical power or water shut off. Doing so may cause safety hazards to other units, damage to the toilet and appliances. If the power or water is found to be shut off when an inspection is conducted the shareholder will be subject to a monetary penalty. First notice will be a warning. Second notice will be a \$50.00 monetary penalty. Third notice will be a \$100.00 monetary penalty. If the monetary penalty is not paid \$25.00 a day will be added to the third notice monetary penalty.

The Shareholder will be charged for each inspection of vacant, unoccupied or seasonal-use units at the current hourly rate of maintenance."

MUTUAL ADOPTION

NINE:

(Draft created 07-03-17 ka)

MUTUAL OPERATIONS**AMENDED DRAFT**SHAREHOLDER REGULATIONSCaregivers & Care Attendants – Mutual Nine OnlyDefinition:

Caregiver – resides with the person they are providing essential care for, and is not obligated to support that person. A Caregiver would not be in the unit except to provide necessary supportive services and has no right to continue living in the unit when the shareholder leaves the unit permanently. A Full Time Live-In Caregiver will accompany a shareholder every time that shareholder leaves their unit.

Care Attendant – is a person that regularly visits the unit to provide supportive or medical services but does not live in the Unit.

1. Licensing Requirements

- a. In order to work as a Caregiver or Care Attendant in Mutual Nine, Caregiver or Care Attendant should have a valid Seal Beach Business License or work for an agency with a valid Seal Beach Business License, per Seal Beach City Ordinance 1435. A copy of the license must be in the possession of Caregiver or Care Attendant at all times. *Exemption: A family member (of a shareholder) who is acting in the capacity of a Caregiver or Care Attendant is exempt from possessing a business license, but must apply and receive a caregiver's pass and badge.*
- b. A Caregiver or Care Attendant working in Mutual Nine must have a valid driver's license and vehicle registration if driving a vehicle into Leisure World.
- c. Caregiver or Care Attendant application must be signed by the President and other officer of Mutual 9 Board before it can be issued.

2. Pass and Badge Requirements

- a. All Caregivers or care attendant, whether working as a family member, as an individual, or through an agency, must apply and receive a caregiver's pass and clear badge holder through the Golden Rain Foundation Stock Transfer Office.
- b.) The pass must be renewed every six months.
- c.) The pass must be worn in clear sight at all times.
- d.) Passes or badge holders may not be transferred or lent to anyone.
- e. Caregiver or Care Attendant, working as a family member must have a licensed medical physician's written statement that the Caregiver or Care Attendant is qualified to provide the supportive services that are needed to care for themselves and the shareholder. This will need to be renewed every six months.

MUTUAL OPERATIONS**AMENDED DRAFT**SHAREHOLDER REGULATIONSCaregivers & Care Attendants – Mutual Nine Only3. Use of Laundry Facilities

- a. ~~Part-time caregivers~~ **Care Attendants** may use laundry facilities for shareholder's laundry only. ~~Part-time caregivers~~ **Care Attendants** who use Mutual laundry facilities for their personal or family use will be permanently barred from using Mutual laundry facilities.
- b. Caregivers who are 24-hour live-ins may use washers and dryers for their personal use, but may not use the washers and dryers for other family members or friends.
- c. Washers and dryers are to be cleaned after every use.
- d. Only two washers or dryers may be used at a time.
- e. Washed items are not allowed to be hung on patios.

4. General Requirements

- a. Caregiver **and Care Attendant** must cease all noise after 10:00 p.m., i.e., no TVs, radios, loud talking.
- b. Caregivers **and Care Attendant** are not allowed to bring family members or friends to the apartment.
- c. Caregivers **and Care Attendant** are not allowed to bring pets into Leisure World.
- d. Caregivers **and Care Attendant** are not allowed to use community facilities, including laundry facilities, unless caregiver is a 24-hour live-in.
- e. A licensed medical physician's written statement that the shareholder needs a caregiver is required and it needs to be renewed annually. **must be provided as to the level of care a shareholder needs specifying full time live in care Caregiver, or part time care, Care Attendant. This letter must be renewed annually.**
- f. **There can be only one (1) full time live in Caregiver per shareholder.**

MUTUAL OPERATIONS

AMENDED DRAFT

SHAREHOLDER REGULATIONS

Caregivers & Care Attendants – Mutual Nine Only

5. Parking Regulations

- a. If shareholder does not have a vehicle, caregiver may use the carport space for their own vehicle after obtaining a temporary parking pass through the Stock Transfer Office.
 - 1) The temporary parking pass must be clearly displayed on dashboard of caregiver’s vehicle at all times.

6. Shareholder Responsibilities

- a. The shareholder has full responsibility for the behavior and actions of the caregiver.

I hereby acknowledge that I am aware of the provisions of this policy and agree to abide by them.

Caregiver Name: _____
(Print)

Unit Number: _____

Caregiver Signature: _____

Date: _____

MUTUAL ADOPTION

AMENDMENTS

NINE: 10-13-08

02-10-14

MUTUAL 9 FIRE INSPECTION CHECK LIST



Inspector: _____ Building# _____ Unit# _____
 Director: _____ Bedroom# _____ Bathroom# _____
 Date: _____ Unit Empty _____
 Shareholder home: _____ Carport# _____ In Use _____
 Key No Key No Entry Rented _____

ID CHECK

SHAREHOLDER: _____ male female
 CO-OWNER: _____ male female
 CO-OCCUPANT: _____ male female
 Non-Resident Co-owner _____ male female
 Other _____

CAREGIVER ID CHECK

Caregiver _____ Registered LIVE IN
 Caregiver _____ Registered LIVE IN
 Other _____ Registered form given _____

PETS ID CHECK

Pet _____ Registered Dog Cat Bird
 Pet _____ Registered Dog Cat Bird
 Other _____ Registered form given _____

UNIT

HO6 _____ Company _____ Policy No. _____
 Smart Burner _____ Bedroom smoke detectors _____
 Fire Avert _____ Fuse Box _____
 GRCI plugs _____ Furniture _____
 Water Heater On _____ Cloths in Closet _____
 Water on for toilet _____ Hard wired Stove Top Color _____

CONDITION OF UNIT	EXCELLENT	GOOD	OK	POOR	FOLLOW-UP
CONDITION OF RESIDENT	EXCELLENT	GOOD	OK	POOR	FOLLOW-UP
CONDITION OF PORCH	EXCELLENT	GOOD	OK	POOR	FOLLOW-UP
CONDITION OF GARDEN	EXCELLENT	GOOD	OK	POOR	FOLLOW-UP
CONDITION OF CARPORT	EXCELLENT	GOOD	OK	POOR	FOLLOW-UP

Action to follow up on: _____

LED Lighting

MOTION:

RESOLVED, That in the event of failure of a lighting ballast to the original bedroom /den soffit and kitchen light fixtures, a standard LED light fixture (supplied by the Purchasing Department) shall be installed at the Mutuals cost.

MUTUAL OPERATIONS**RESCIND ALL MUTUALS****RESIDENT REGULATIONS****Guarantor Agreement Form**

To: GOLDEN RAIN FOUNDATION and SEAL BEACH Mutual NO. _____
 a corporation a corporation
 1661 Golden Rain Road
 Seal Beach, California 90740

I, _____, the undersigned, hereinafter called "Guarantor," in order to induce you to enter into and permit the issuance by the Golden Rain Foundation of a membership certificate in the Golden Rain Foundation and the transfer and issuance of a share of stock in Seal Beach Mutual No. _____, hereinafter called "Mutual," to _____, hereinafter called "Stockholder," do hereby individually, jointly and severally, as the case may be, guarantee the performance by said "Stockholder" of all the terms and conditions of said Occupancy Agreement and the payment of all payments and monthly carrying charges under the terms and conditions recited in said Occupancy Agreement, or any renewals thereof, and the Guarantor further hereby individually, jointly and severally, as the case may be, undertakes to and does agree to indemnify and hold you and your successors and assigns harmless from and against any and all liability, loss, damage or expense including counsel fees which you may incur or sustain by reason of the failure of said "Stockholder" to fully perform and comply with the terms and obligations of membership in the Golden Rain Foundation, the Occupancy Agreement, and the purchase of share of stock in Seal Beach Mutual No. _____.

This guarantee is absolute and complete and shall extend to and cover any and all forms of indebtedness and liability on the part of the said "Stockholder" to the Golden Rain Foundation and/or "Mutual" heretofore accrued or hereafter accruing or arising from the issuance of said membership in the Golden Rain Foundation, said share of stock in "Mutual" and said Occupancy Agreement, and shall extend to any indebtedness of said "Stockholder" to such corporations, and said guarantee shall be a continuing guarantee and no notice of any indebtedness already or hereafter contracted or renewed need be given to the Guarantor or any of them. The Guarantors hereby expressly waive presentment, demand, protest, and notice of protest on any and all forms of indebtedness and also waive notice of the acceptance of this guarantee. Acceptance on the part of the said corporations being conclusively presumed by its request for this guarantee and delivery of the same to it.

Each of the undersigned acknowledges that this guarantee is operative and binding without reference to whether it is signed by any other person or persons. The undersigned all acknowledged that this guarantee is not subject to revocation by the undersigned and pertains to and applies to all monthly carrying charges and payments under the said Occupancy Agreement and said certificates as hereinabove referred to for so long as the said
 (Mar 17)

MUTUAL OPERATIONS

RESCIND ALL MUTUALS

RESIDENT REGULATIONS

Guarantor Agreement Form

"Stockholder" and/or his or her estate shall hold stock in said corporation.

GOLDEN RAIN FOUNDATION
a corporation

By _____

GUARANTOR

SEAL BEACH MUTUAL NO. _____
a corporation

GUARANTOR

By _____

Dated _____

GRB
Approved: 18 Dec 73

SEAL BEACH LEISURE WORLD
An Active Adult Community

To: Providing Physician _____ Patient: _____

Seal Beach Leisure World is an **"Active Adult Community"** offering the best in co-op and condominium housing for persons fifty-five years of age or older. Active adult housing should not be confused with an assisted living or a skilled nursing facility.

Active Adult Community: *Persons who purchase the right to reside in a Mutual apartment or condominium: (1) Direct their own lives; 2) Are independent and 3) Must be able to handle their own affairs.*

In accordance with Mutual Policy 7510, Eligibility Requirements, item (3), "prospective applicants for ownership and residency should have reasonably good health for a person of his or her age and be able to live independently as evidenced in the form of a letter provided by the applicant's treating physician on the physician's letterhead stationery. (Including National Provider Identification (NPI)).

Reasonably good health may be described in part as an applicant's ability to: (Please check)

Dress self with weather appropriate clothing

Maintain a clean, safe, living environment

Bathe (shower) & maintain personal hygiene

Shop, prepare meals, or eat out.

Medicate self when necessary

Take care of personal finances

if physician declares patient can comply with each of the above conditions, the Mutual will consider this as part of the qualification for residency in the community.

If you have any question please call Seal Beach Leisure World, Stock Transfer Office at: (562) 431-6586, ex. 346, 347 or 348 for assistance.

Notwithstanding any of the forgoing, both federal and California law prohibits, among other things, discrimination against people with disabilities, and nothing herein shall be construed to prevent a Prospective Purchaser with a disability otherwise qualifying for membership.

I understand that Seal Beach Leisure World is an **Active Adult Community**.

Providing Physician's Signature _____ NPI# _____ Date _____

Note: Only one patient per page will be accepted

Please Attach Your Patient's Letter of Eligibility on letterhead with NPI.

Seal Beach Leisure World

An Active Adult Community

To: Prospective Purchasers: ~~Providing Physicians~~

Seal Beach Leisure World is an "Active Adult Community" offering the best in co-op and condominium housing for persons fifty-five years of age or older. This style of active adult housing should not be confused with an assisted living or a skilled nursing facility. No health care services, such as living assistance or medical assistance, are provided by the Golden Rain Foundation and/or the respective Mutuals. A prospective purchaser of a Leisure World Mutual Share of Stock need only determine what their personal needs are.

Assisted Living: Assisted Living facilities offer personalized supportive services and assistance with day-to-day living needs. Meals, snacks, housekeeping, physical fitness, laundry and 24-hour trained staff members are all provided under the umbrella of assisted-living services. These are not services provided at Seal Beach Leisure World. SEAL BEACH LEISURE WORLD IS NOT AN ASSISTED LIVING FACILITY OR RESIDENCE.

Active Adult Community: In Seal Beach Leisure World you can be as active as you choose to be. There are many recreational opportunities. Members who purchase the right to reside in a Mutual apartment direct their own lives and are independent and able to handle their own affairs without the assistance of the independent Mutual Corporations and/or Golden Rain Foundation.

~~In accordance with Mutual Policy 7510, Eligibility Requirements, item (3), It is recommended that prospective applicants for ownership and residency should have reasonably good health for a person of his/or her age and be able to live independently as evidenced in the form of a letter provided by the applicant.~~

Reasonably good health may be described in part as an applicant's ability to:

- Dress self with weather-appropriate clothing.
- Maintain a clean, safe living environment.
- * Able to shop and prepare meals, or eat out.
- Able to medicate self when necessary.
- Able to take care of personal finances.

Choosing an active adult community is a decision which should be made with the assistance of loved ones, professional healthcare physicians, legal advisors and others. Please allow us to answer any questions you might have regarding qualification for residency in this community. You may contact Seal Beach Leisure World, Stock Transfer Office at: (562) 431-6586, ex. 346, 347 or 348 for assistance.

Notwithstanding any of the forgoing, both federal and California law prohibits, among other things, discrimination against people with disabilities, and nothing herein shall be construed to prevent a Prospective Purchaser with a disability otherwise qualifying for membership.

I have read and understand that Seal Beach Leisure World is not an assisted living facility:

Print Patient / Prospective Purchaser's Name:

~~X-Providing Physician's Signature~~

S:\Forms\FORM Active Living Disclosures.docx

Date:

Remove if NO doctors note

Seal Beach Leisure World

An Active Adult Community

To: Prospective Purchasers: ~~Providing Physicians~~

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~~In accordance with Mutual Policy 7510, Eligibility Requirements, item (3),~~ It is recommended that prospective applicants for ownership and residency should have reasonably good health for a person of his/or her age and be able to live independently as evidenced in the form of a letter provided by the applicant's treating physician on the physician's letterhead stationery.

Reasonably good health may be described in part as an applicant's ability to:

- Dress self with weather-appropriate clothing.
- Maintain a clean, safe living environment.
- * Able to shop and prepare meals, or eat out.
- Able to medicate self when necessary.
- Able to take care of personal finances.

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Notwithstanding any of the forgoing, both federal and California law prohibits, among other things, discrimination against people with disabilities, and nothing herein shall be construed to prevent a Prospective Purchaser with a disability otherwise qualifying for membership.

I have read and understand that Seal Beach Leisure World is not an assisted living facility:

Print Patient / Prospective Purchaser's Name:

~~X-Providing Physician's Signature~~
S:\Forms\FORM Active Living Disclosures.docx

Date:

MUTUAL OPERATIONS

Approval of Escrows – Mutual Nine

RESOLUTION:

WHEREAS, Article V, Section 2, of the bylaws vests power in the Board of Directors to accept or reject all applications for membership and admission to occupancy of a dwelling unit in the cooperative housing project, and

WHEREAS, a system utilizing forms and other documents including financial ~~and~~ medical documents, has been instituted to expedite determination that the potential buyer meets all established criteria, with the responsibility for operation of said system resting on paid employees of the Golden Rain Foundation, and

**** (remove if ALD passed with NO doctors note) ****

WHEREAS, it is necessary that escrow papers be signed in a timely manner but calling special meetings of the Board to accept or reject each application in escrow would prove cumbersome,

NOW, THEREFORE BE IT RESOLVED, THAT

1. The President of this corporation is appointed and empowered to act on behalf of the board in signing various documents in escrow that are necessary to accept or reject potential members of the corporation.
2. Should the President be absent or otherwise unable to perform, then any officer of this corporation shall be empowered to sign such papers on behalf of the Board.

MUTUAL ADOPTION

AMENDED

NINE 11 Dec 72

11 Jul 11

MUTUAL OPERATIONS

RESIDENT REGULATIONS

Eligibility Requirements – Mutual Nine

All persons 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.

2. Financial Ability

a. Verified monthly income or sufficient assets that is/are at least four (4) times 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.

1) Verified monthly income will be in the form of the past two years 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.

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; minus income, 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 12 for the new projected monthly assessment. This new

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

figure (Regular Assessment plus Orange County Property Taxes and District Fees) times four (4) 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.¹

1) 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.

d. Only the residential shareholder's income shall be considered for qualifying.

3. Health

~~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.~~

**** (remove if ALD passed with NO doctors note) ****

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**AMENDMENTS**

NINE: 05-20-70

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

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**PRESIDENTS' COUNCIL DRAFT****RESIDENT REGULATIONS**Eligibility Requirements –

All each proposing persons Resident Shareholder seeking approval of the Board of Directors of Seal Beach Mutual No. _____ to purchase a share of stock in the Mutual, and to reside in the Mutual, shall individually meet the following income 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 net monthly income that is at least four (4) 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**. **Actual or projected retirement income (SS, pension, annuity, etc.) shall be the only income used for qualification.** Verified monthly income/assets may be in the form of the past two years of:

1. Tax returns;
2. 1099s for interest and dividends **(assets used to purchase unit will not be included in income calculations);**
3. 1099-Rs for retirement income from qualified plans and annuities **(with copy of executed payment elections documents and/or beneficiary election forms);**
4. SSA-1099 Social Security Benefit Statement;
5. Brokerage statements and current interim statement **(assets used to purchase unit will not be included in income calculations).**
6. Six to twelve months of checking/savings account statements **(assets used to purchase unit will not be included in income calculations).**

MUTUAL OPERATIONS**PRESIDENTS' COUNCIL DRAFT****RESIDENT REGULATIONS**Eligibility Requirements –

- 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 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) 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 **(Note1)**
- Verification shall be done by the Escrow Company and the Stock Transfer Office **for each proposed shareholder** prior to the new buyer interview **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). **Two officers of the Mutual must sign the Financial Qualification Worksheet.**
- d. Only the resident shareholder's income shall be considered for qualifying.
- e. If moving within Leisure World, or if there are any additions/changes to the title (except to remove a deceased spouse's name), the proposed shareholder(s) must meet these eligibility requirements.

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**PRESIDENTS' COUNCIL DRAFT****RESIDENT REGULATIONS****Eligibility Requirements –****3. Health**

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 without calling on other members for an undue amount of assistance. Leisure World is not an assisted living or skilled nursing home facility.

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**AMENDMENT**

(draft created 6-20-17 ka)

Notice of Intent to Withdraw

RESOLVED, That Mutual _____ authorizes the Board's President and/or duly appointed Officer, to act on behalf of the Board, to execute the Notice of Intent to Withdraw.

Fiance Department Late Charges and Others Cost

MOTION:

Resolved, that according to Mutual _____ the Occupancy Agreement Article 23, Late Charges and Others Costs in Case of Default; that a late charge of \$10.00 or 10% which ever is greater for each month of delinquency will be assessed to a delinquent shareholder.

MOTION:

RESOLVED, That according to Policy 7510.____, if there is a question of financial eligibility; Mutual _____ **IS** to be contacted by the Stock Transfer Office in the event of a non-qualifying financial issue.

MOTION:

RESOLVED, That according to Policy 7510.____, if there is a question of financial eligibility; Mutual _____ is **NOT** to be contacted by the Stock Transfer Office in the event of a non-qualifying financial issue.