

AGENDA
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
A Common Interest Development Civil Code §§ 4000-6150 Davis-Stirling Act
Administration Conference Room
Thursday, April 13, 2017, 9:00 A.M.

- 1 CALL TO ORDER, PLEDGE OF ALLEGIANCE
- 2 ROLL CALL
- 3 INTRODUCTION OF GRF REPRESENTATIVE, GUEST(S), STAFF:
 - 3.1 Mrs. Damoci, GRF Representative
 - 3.2 Mrs. Hopkins, Mutual Administration Director
 - 3.3 Mr. Salazar, Building Inspector
- 4 SHAREHOLDER'S COMMENTS
- 5 GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT, Mrs. Damoci
- 6 APPROVE MINUTES:
 - 6.1 RESOLVED, to approve the Meeting Minutes for March 6, 2017; March 9, 2017; March 13, 2017; March 20, 2017; and March 27, 2017 by Calendar Consent.
- 7 BUILDING INSPECTOR'S REPORT, Mr. Salazar
 - 7.1 Building permit approvals
 - 7.2 Review Inspector's Report
 - 7.3 Work order approvals
 - 7.4 Invoice approvals
- 8 CORRESPONDENCE
- 9 ANNOUNCEMENTS
- 10 MUTUAL ADMINISTRATION DIRECTOR'S REPORT, Ms. Hopkins

(Staff Secretary Break – time to be determined by the President)

AGENDA
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
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Thursday, February 9, 2017, 9:00 A.M.

- 11 PRESIDENT'S Report, President Gillon
- 12 UNFINISHED BUSINESS
 - 12.1 Luncheon Committee Report
- 13 NEW BUSINESS
 - 13.1 Management Agreement Executive Committee report
 - 13.2 Request Mutual Administration to update By-Laws of Seal Beach Mutual No. Twelve by including the June 11, 2013, By-Law amendment adding Section 2 to Article II.
 - 13.3 RESOLVED, to rescind policy 7495 Bay Windows on a preliminary basis until the 30 day posting period is completed due to its replacement with policy 7495.12 Bay Windows – Mutual Twelve.
 - 13.4 RESOLVED, to adopt policy 7495.12 Bay Windows – Mutual Twelve on a preliminary basis until the 30 day posting period is completed due to the need for a robust Mutual Twelve specific bay window policy.
 - 13.5 RESOLVED, to RESCIND Policy 7301 Audit Expense, on a preliminary basis until the 30 day posting period is completed due to the fact that Audit expenses are included in the GRF budget and therefore, this policy is irrelevant to the Mutuels.
 - 13.6 RESOLVED, to RESCIND Policy 7302 Capital Accounts, on a preliminary basis until the 30 day posting period is completed due to the fact that this policy states that the Mutuels cannot distribute

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

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dividends and this policy has been made obsolete by current law and newer polices.

- 13.7 RESOLVED, to RESCIND Policy 7304 Financing Capital Projects, on a preliminary basis until the 30 day posting period is completed due to the fact that this policy is obsolete and is no longer used by the Mutuels to determine how to distribute excess income.
- 13.8 RESOLVED, to RESCIND Policy 7310 Mutual Budgets, on a preliminary basis until the 30 day posting period is completed due to the fact that this policy is very outdated and refers to HUD requirements which are no longer applicable.
- 13.9 RESOLVED, to RESCIND Policy 7320 Patronage Refunds, on a preliminary basis until the 30 day posting period is completed due to the fact that this policy is obsolete and is no longer used by the Mutuels to determine how to distribute excess income.
- 13.10 RESOLVED, to RESCIND Policy 7331 Impounds, on a preliminary basis until the 30 day posting period is completed due to the fact that because all property taxes are paid electronically, the timing of the approval of payment is irrelevant. The order in which funds can be borrowed if the impound account has insufficient funds to pay the property taxes is irrational.
- 13.11 RESOLVED, to RESCIND Policy 7331.2 Impound Account Agreement, on a preliminary basis until the 30 day posting period is

(Staff Secretary Break – time to be determined by the President)

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completed due to the fact that This policy is obsolete, as there are no mortgage impound accounts that exist.

13.12 The following resolution was recommend by the Physical Property Council and by Mark Weaver, Facilities Director, on April 6, 2017, to insure that P.P. Inspectors check for the airflow clearance on unit remodels.

13.12.1 RESOLVED, That at the time of remodeling a unit airflow must be maintained from the vent blocks at the bottom of the roof through the rafter space, and all the way to the attic with a minimum of a 1” inch clearance.

13.13 Discuss cash management- Maturing CD's

13.14 Discuss using the GRF Independent Living Disclosure and the Memo from Randy Ankeny dated 2017/03/20 regarding the disclosure.

13.15 Discuss changing New Buyer requirements so that a doctor's note is no longer required. This may involve amending policy 7510.12.

Eligibility Requirements – Mutual Twelve

13.16 Discuss overnight parking permits

13.17 Consider developing a policy for uninsured maintenance events

13.18 Consider changes to Policy 7701.12 Personal Liability and Property Insurance

13.19 Consider changes to Policy 7022.12 Mutual Repairs and Replacements

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

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- 14 CHIEF FINANCIAL OFFICER'S REPORT, CFO Ferraro
- 15 DIRECTORS' REMARKS
- 16 EXECUTIVE SESSION (in compliance with Civil Code 4935, if required)
- 17 ADJOURNMENT

NEXT MEETING: MAY 11, 2017

Contact President Gillon if you would like informal email notice of special meetings at Margaret.Gillon@mutual12.org

(Staff Secretary Break – time to be determined by the President)

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
MARCH 6, 2017**

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:38 on Monday, March 6, 2017 in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, Vice President Carson, CFO Ferraro, Secretary Sprague, Director Anderson

Absent was: Director Findlay

Also present: Inspector Salazar

The purpose of the meeting is to discuss Shareholder and Contractor issues.

Discussion on 8B. Inspector Salazar to meet with the Contractor and Shareholder for a new proposal for windows that open on the patio.

Discussion on 69D. The permit was tabled until John's submits a new sketch for the car pad placement. The present sketch is not in the correct space according to the Mutual Policy.

Discussion on 76E. The contractor still has not turned in the permit that was promised several weeks ago.

Discussion on Fenn carport inspection. Inspector Salazar will find out the cost of repairs for termite damage in the carports.

Discussion on 46H. Inspector Salazar to follow up on escrow repairs that haven't been done yet.

Discussion on 67D. Inspector Salazar waiting to get information from Roofing Standards.

Discussion on 76D. Inspector Salazar waiting to get information from Service Maintenance.

Inspector Salazar left the meeting at 2:31.

The meeting was adjourned to Executive Session.

ADJOURNMENT:

President Gillon adjourned the meeting at 2:32

Attest: Rose Marie Sprague, Secretary
SEAL BEACH MUTUAL NO. TWELVE
/RMS

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
March 13, 2017**

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:32 on Monday, March 13, 2017 in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, Vice President Carson, CFO Ferraro, Directors Findlay and Anderson

Also present: Inspector Jerry Antisdell

The purpose of the meeting is to discuss Shareholder and Contractor issues.

Remodel permit for unit 68G was discussed. Blueprints for the permit were reviewed by the board and Inspector Antisdell. The blueprints for this project must have the following changes written on the blueprints by Jay Salazar. The conditions must be agreed to and signed by Pena on the blueprint.

1. Apron to be part of monolithic pour for footing.
2. All Sewer tie-ins to be at existing toilet at existing bath.
3. Soundproofing of all common walls
4. Entry sidewalk cannot exceed 5' and must have 3" mow strip on each side. The mow strips are included in the 5' maximum width.
5. Sprinkler and landscape restore will be done by the Mutual Twelve landscape contractor and be billed directly to the Shareholder after construction is complete.
6. Downspouts are relocated the contractor will replace existing gutter with a one piece gutter to the middle of Unit I, the location of the seam.
7. Washer/Dryer install there must be easy access to shutoff valves
8. Washer/Dryer cabinet must have doors big enough to remove the washer / dryer without having to remove the framing and molding.

Once the modifications have been made to the blueprints President Gillon will check the changes and sign the permit.

Following a discussion and on a MOTION made by President Gillon, and seconded by Director Findlay, it was:

RESOLVED, to approve the remodel permit for unit 68G if the corrections list written on the blueprint by Inspector Salazar is agreed to and signed by the contractor, Pena.

The Motion passed.

The permit for unit 73F was discussed. Following the discussion and on a Motion made by President Gillon it was and seconded by Vice President Carson, it was:

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
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March 13, 2017

RESOLVE TO REJECT the permit for unit 73F.

The motion passed.

President Gillon will write a letter to notify the shareholder at 73F that the permit was not approved.

Building 68 is going to have the sewer re-lined within the next month. Discussion regarding contractors such as the contractor for 68G working on buildings that have re-lined sewers. Consensus is that the board needs to modify our current policy so it states that we do not allow contractors to cut into relined sewers when remodeling.

RECESS:

Recess to Executive Session at 2:33 PM.

RESUMED:

Meeting resumed at 4:10 PM.

Director Anderson discussed that the shareholder in 76G wants to tile walkway to the sidewalk, similar to the walkway at unit 76F. After the meeting Director Findlay and Director Anderson will visit the unit at 76G to discuss options for the walkway to be tiled.

Angles stop discussion for repipe. The board wants solid brass angle stops, NOT made by BrassCraft, with a good sized thumb plate. President Gillon will contact John Nelson. The preferred brand will be DAHL ECCO.

Director Findlay withdrew her request for spot weed killing this year. Consensus of the board was to get the grass to grow and not use any broad leaf weed killer this year.

The buyer seller agreement for 07L needs to be modified. President Gillon will not sign it until it is modified by Sam Mooney.

Director Ferraro reminded the board that Mosquito season is starting and all shareholders need to get rid of standing water.

ADJOURNMENT:

President Gillon adjourned the meeting at 4:34.

Attest:

Margaret Gillon, President
SEAL BEACH MUTUAL NO. TWELVE
/MMG

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
MARCH 20, 2017**

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:40 on Monday, March 20, 2017 in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, CFO Ferraro, Secretary Sprague, Directors Findlay and Anderson

Absent were: Vice President Carson

Also present: Inspector Salazar

The purpose of the meeting is to discuss Shareholder and Contractor issues.

Discussion on 68E. SOS discovered asbestos tile when they began to dig down for the sewer repair. Inspector Salazar contacted ERC to do the asbestos abatement.

Following a discussion and on **MOTION** made by President Gillon, and second by Director Findlay, it was:

RESOLVED, To approve the ERC work order to remove asbestos in unit 68E for \$600 to be charged to the infrastructure plumbing allowance and authorize the President to sign the work order.

The Motion passed.

Discussion on 76E.

Following a discussion on 76E and on **MOTION** made by President Gillon, and second by Director Anderson, it was:

RESOLVED, To approve the permit for deco block removal for 76E, and authorize the President to sign the permit.

The Motion passed.

Discussion on 68G. The Board has the modified permit, and President Gillon is signing the permit.

Discussion on 41G.

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Following a discussion on 41G, and on **MOTION** made by CFO Ferraro, and second by Director Anderson, it was:

RESOLVED, To approve the building permit for 41G for vinyl flooring, and authorize the President to sign the permit.

The Motion passed.

Discussion on 40E.

Following a discussion on 40E, and on **MOTION** made by CFO Ferraro, and second by Director Findlay, it was:

RESOLVED, To approve the permit for 40E to convert the bathtub to a shower and authorize the President to sign the permit.

The Motion passed.

Discussion on Pinnacle non-contract sales order.

Following a discussion and on **MOTION** made by President Gillon and second by Director Anderson, it was:

RESOLVED, To approve the sales order for grass seed and topper from Pinnacle in the amount of \$580.

The Motion passed.

Discussion on replacing the valve boxes at building 44. The Board has questions about the invoice and cannot continue until Oscar is contacted to speak to the Board.

Discussion on 6C. Inspector Salazar advised the Board that the contract was cancelled.

Discussion on mirror replacements. Service Maintenance has notified the inspectors that mirror replacement requires a work order in the future.

Following a discussion on Andre Landscape work, and on **MOTION** made by President Gillon, and second by Director Findlay, it was:

RESOLVED, To make a change order for \$800 for trimming the ash trees at building 57 to be billed to landscape trees, and authorize the President to sign the change order.

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The Motion passed.

Inspector Salazar left the meeting at 2:48.

Vice President Carson joined the meeting at 3:28

A break was taken at 3:33.

Rejoined at 3:39.

The meeting was adjourned to Executive Session at 3:39.

ADJOURNMENT:

President Gillon adjourned the meeting at 3:39.

Attest:

Rose Marie Sprague, Secretary
SEAL BEACH MUTUAL NO. TWELVE
/RMS

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
MARCH 27, 2017**

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:36 on Monday, March 27, 2017 in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, Vice President Carson, CFO Ferraro, Secretary Sprague, Directors Findlay

Absent were: Anderson

Also present: Inspector Salazar, Oscar and Richard from Pinnacle

The purpose of the meeting is to discuss Shareholder and Contractor issues.

Director Anderson joined the meeting at 1:44

A presentation was given by Richard and Oscar of Pinnacle Landscape.

Following a discussion and on **MOTION** made by Vice President Carson, and second by Director Findlay, it was:

RESOLVED, To approve the sales order form from Pinnacle Landscape in the amount of \$1915.00 dated March 13, 2017 for building #44 E – D to be charged to Landscape Extras and authorize the President to sign the sales order.

The Motion passed.

Discussion on 72G.

Following a discussion on 72G and on **MOTION** made by President Gillon and second by Director Findlay, it was:

RESOLVED, To approve the bathroom remodel permit for 72G contingent upon finding out how much of the materials is being supplied by the shareholder and authorize the president to sign the permit if the shareholder materials are not extensive.

The Motion passed.

Discussion on 43G.

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Following a discussion on 43G and on **MOTION** made by President Gillon and second by Vice President Carson, it was:

RESOLVED, To approve the permit for unit 43G and authorize the President to sign the permit.

The Motion passed.

Discussion on 10D.

Following a discussion on 10D and on **MOTION** made by Vice President Carson and second by CFO Ferraro, it was:

RESOLVED, To approve the permit for 10D shower cut down and authorize the President to sign the permit.

The Motion passed.

Discussion on 35K.

Following a discussion on 35K and on **MOTION** made by President Gillon and second by Secretary Sprague, it was:

RESOLVED, To approve the permit for 35K for kitchen and bathroom refacing and authorize the President to sign the permit.

The Motion passed.

David Rudge joined the meeting at 2:51.

Mark Weaver joined the meeting at 2:52

Discussion on sewer pipe repairs to building 68.

David Rudge and Mark Weaver left the meeting at 3:08.

Discussion on 07F.

Inspector Salazar to have Service Maintenance to water proof around the water pipe lines and Inspector Salazar will inspect the sprinkler system at unit 07F for amount of time they are running and the spray of water.

A break was taken at 3:21. The meeting rejoined at 3:28.

President Gillon advised that Andre Tree Service advised that the Liquidambar tree at 56K was dead and should be removed. President Gillon to contact John's

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Landscape and Pinnacle Landscape for quotes on removing the Liquidambar tree at 56G and the dead plum tree at 56K.

Discussion on 67D.

Inspector Salazar to re-inspect the dome at 67D and check his records regarding roofing repair.

Discussion on 68A.

Following a discussion on 68A It was decided to request Kary's Carpet to install a moisture barrier, replace removed padding under the carpet, and clean the carpet. A request for the janitorial service to clean the apartment will be done.

Discussion on 72B.

Following a discussion on 72B, the Board and the Inspector feel the escrow picture and inspection were correct and repair are not required at this time.

Following a discussion on 72B and on **MOTION** made by Director Findlay and second by Vice President Carson, it was:

RESOLVED, To leave the old doorbell where it is and offer a wireless doorbell to the Shareholder.

The Motion passed.

Inspector Salazar left the meeting at 4:22.

Following a discussion and on **MOTION** made by President Gillon and second by Vice President Carson, it was:

RESOLVED, To ratify posted policy 7502.12.1 Adoption of GRF Policy 1927-37 Fines for Parked Vehicles – Mutual Twelve.

The Motion passed.

Following a discussion and on **MOTION** made by President Gillon and second by Vice President, it was:

RESOLVED, To ratify posted and amended policy 7585.12 Enforcement of Community Traffic Regulations – Mutual Twelve Only.

The Motion passed.

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
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ADJOURNMENT:

President Gillon adjourned the meeting at 4:25

Attest:

Rose Marie Sprague, Secretary
SEAL BEACH MUTUAL NO. TWELVE
/RMS

MUTUAL OPERATIONS**ACCOUNTING AND FISCAL****Audit Expense**

WHEREAS, in the past the audit expense has been charged to the year when the expense was billed and not for the year for which the audit was made

THEREFORE, BE IT RESOLVED that the audit expense be hereafter charged to the expenses for the year for which the audit was made. The audit expense for 1969 shall be charged to 1969 expenses.

MUTUAL ADOPTION:

ONE	04-30-70	
TWO	04-16-70	
THREE	04-20-70	
FOUR	04-06-70	
FIVE	04-03-70	
SIX	04-24-70	
SEVEN	05-15-70	
EIGHT	04-09-70	
NINE	05-20-70	
TEN	03-30-70	
ELEVEN	04-02-70	
TWELVE	03-30-70	
FOURTEEN	03-26-70	
FIFTEEN	04-02-70	- Rescinded 07-21-14
SIXTEEN	04-09-70	

(Jul 14)

MUTUAL OPERATIONS**ACCOUNTING AND FISCAL****Capital Accounts**

Legal opinion from Attorney W. A. Williams in letter dated 28 Oct 70 to the Controller:

"One of the unfortunate aspects of each Mutual at Leisure World is the fact that it was set up as a general corporation in its inception. This, of course, requires it to be controlled by the general corporation laws for the State of California.

With respect first to dividends, it would be unlawful for the declaration of any kind of dividend out of these funds as, in my opinion, they constitute a paid-in surplus. Paid-in surpluses cannot be used for the payment of dividends except to shares entitled to preferential dividends. None of the shares in the Mutual Corporations qualify as shares entitled to preferential dividends. I would disagree with the position that the funds are available for patronage dividends. The only funds that I would view as available for patronage dividends are those funds paid in by the members as payments in excess of the budget and remaining at the end of the year. A liability can attach to the director and the shareholder receiving those payments if they are not authorized by law. California Corporation Code holds a liability of shareholders for receipt of an unauthorized dividend in Corporation Code 1510. Illegal declaration of dividends can constitute a misdemeanor in the State as set forth in the Penal Code for the State of California.

The only source of dividends that can be made is from earned surplus or out of net profits earned during the preceding accounting period which is not to be less than six months or more than one year. In this latter instance, such dividends can be declared despite the fact that the next assets of the corporation may be less than the stated capital unless there are liquidation preferences on some share, a problem which we do not have.

The fact that these funds, however, cannot be used for dividends does not prevent their use for proper corporate purposes, particularly the establishment of reserve accounts, and I see no reason why the funds cannot be used for reserve account needs or as you have indicated, by transfer within the capital accounts. However, these funds must be clearly designated in that the original stated capital must be set forth and the paid-in surplus must be also clearly identified. It cannot be shown as an earned surplus at any time. Actually, an earned surplus could occur if the payments of the resident exceed the budget requirement set forth at the beginning of the year.

The Board of Directors will have the power to take the necessary steps for transfer of capital funds so long as those steps are within the framework of the restrictions I have indicated."

(Oct 70)

MUTUAL OPERATIONS**ACCOUNTING AND FISCAL****Financing Capital Projects**

WHEREAS, Seal Beach Mutual No. _____ (all except Mutual No. Nine) recognizes the need for continuing development and improvement of the trust property of Seal Beach Leisure World for the benefit of all stockowners, and

WHEREAS, it is the desire of the Mutual Corporation to assist in the financing of capital improvements to the trust,

NOW, THEREFORE, BE IT RESOLVED that for any refund owing to the Mutual Corporation from the Golden Rain Foundation for the fiscal year 1972, this Corporation does hereby instruct the Golden Rain Foundation as their agent to:

1. Deposit to the credit of the trust fund of Seal Beach Leisure World which is held by the Golden Rain Foundation as trustee for the benefit of the Seal Beach Mutual Corporations any portion of the refund due this Corporation from the Golden Rain Foundation that is the proceeds in excess of the first \$50,000 of refund derived from the operation of the Golden Rain Foundation.
2. It is the intent of this resolution that the Golden Rain Foundation shall refund in the normal manner the first \$50,000 for the fiscal year 1972 and apply any refund in excess of \$50,000 to the capital funds of the trust in the same proportion that the original contributions were made to the trust.

BE IT FURTHER RESOLVED, that this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

Mutual No. 7 Only (Effective 11-21-00):

WHEREAS, Seal Beach Mutual No. _____ recognizes the need for continuing development and improvement of the trust property of Seal Beach Leisure World for the benefit of all stockowners, and

WHEREAS, it is the desire of the Mutual Corporation to assist in the financing of capital improvements to the trust,

NOW, THEREFORE, IT BE RESOLVED, that for any refund owing to the Mutual **Mutual No. 7 Only (Effective 11-21-00) (Cont'd.):**

(Jul 11)

MUTUAL OPERATIONS**ACCOUNTING AND FISCAL****Financing Capital Projects**

Corporation from the Golden Rain Foundation for the fiscal year 1972 and following fiscal years, this Corporation does hereby instruct the Golden Rain Foundation as their agent to:

1. Deposit to the credit of the trust fund of Seal Beach Leisure World which is held by the Golden Rain Foundation as trustee for the benefit of the Seal Beach Mutual Corporations any portion of the refund due this Corporation from the Golden Rain Foundation that is the proceeds in excess of the first \$50,000 of refund derived from the operation of the Golden Rain Foundation.
2. It is the intent of this resolution that the Golden Rain Foundation shall refund in the normal manner the first \$50,000 for the fiscal year 1972 and the following fiscal years and apply any refund in excess of \$50,000 to the capital funds of the trust in the same proportion that the original contributions were made to the trust.

BE IT FURTHER RESOLVED, that this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

<u>MUTUAL ADOPTION</u>	<u>AMENDED</u>	<u>RESCINDED</u>
ONE		
TWO 11-16-72		
THREE 11-20-72		
FOUR 01-08-73		
FIVE 12-20-72		
SIX 12-08-72		
SEVEN 01-19-73	11-21-00	
EIGHT		
NINE 11-13-72		07-11-11
TEN 11-30-72		
ELEVEN 12-21-72		
TWELVE 11-09-72		
FOURTEEN 11-09-72		
FIFTEEN 11-10-72		
SIXTEEN 12-14-72		

(Jul 11)

MUTUAL OPERATIONS**ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Nine****I. LEGAL BASIS**

The Regulatory Agreement between the Mortgager (Mutual) and the Department of Housing and Urban Development (HUD) requires, under Section 4, that an Operating Budget shall be prepared and submitted to HUD sixty (60) days prior to the beginning of each fiscal year.

Civil Code 1365 requires distribution of the Operating Budget to the all members/stockholders annually 45 to 60 days before the beginning of the fiscal year. In addition, a summary of the association's reserves, whether special assessments will be needed for repairs or to replenish reserves , and a statement of the procedures used for the calculation of the reserves must be included.

The Management Agreement between the Mutuals and the Golden Rain Foundation requires, under paragraph Fourth, subparagraph (k), that the Foundation shall prepare a budget for adoption by the Mutuals for those items covered by the Agreement.

II. METHOD OF PREPARATION

Since the Management Agreement between the Mutual and the Foundation requires the Foundation to prepare a budget with respect to the items contained in the Agreement, and since these items become a portion of the budget of the Mutual Corporations, the following procedure is used in preparing and presenting budgets for adoption:

- A. The Golden Rain portion of the budget is prepared and adopted by the Board of Directors during July and August for the fiscal year following.

The portions of the budget covered by this adoption are:

Administration	Property Management
Recreation	Grounds Maintenance (Community Facilities)
Transportation	Community Facilities Maintenance
Security	Service Maintenance (all phases except Mutual Other
Janitorial Services	Improvements)

- B. After the adoption of the Golden Rain Foundation budget, the costs of this budget are allocated to the Mutual for use in their budget preparation.

- C. The Golden Rain Foundation is responsible for furnishing information to the Mutual

(Aug 00)

MUTUAL OPERATIONS

ACCOUNTING AND FISCAL

Mutual Budgets – All Mutuals Except Nine

Corporations regarding those budget items which are not covered by the Foundation budget. These costs fall into two groups:

- 1. The items that are either required by contract or set up by governmental agencies are:

- | | |
|--------------------------------|---------------------------|
| Real Estate Taxes | Hazard Insurance |
| State Franchise Tax | Mortgage Insurance |
| FHA Mortgage Insurance Premium | Mortgage Principal |
| Replacement Reserve | General Operating Reserve |
| Water and Sewer | |

- 2. The items which must be determined by the Mutual Board individually are:

- | | |
|--|--|
| Audit Fee | Vacancy and Collection Losses |
| Electricity | Rubbish Removal* |
| Grounds Maintenance – other improvements | Service Maintenance – other improvements |
| Misc. Maintenance and Repairs | Painting Reserve |
| Supplemental Replacement Reserve | Special Contingency Funds |

*Arranged cooperatively through the Golden Rain Foundation

- D. Recommendations by the Golden Rain Foundation concerning the Mutual budget, together with estimates of income, expenses, and monthly carrying charges, should be available to the Mutual Corporations four (4) working days period to their September Board Meeting. This will enable the Mutual Corporations to have a period of time for study, evaluation, adjustment, and adoption of their budget prior to October 1.

Approximately three (3) weeks are needed after Mutual adoption to complete the clerical work in the Controller’s Office for preparing the documentation and required reports for submission to HUD by November 1, and the required distribution to the members/stockholders between November 1 and November 15.

III. OTHER INFORMATION

- A. The administrative staff is always ready and available to discuss proposed budget actions, and to make budget presentations when requested by the Mutual Board.

(Aug 00)

MUTUAL OPERATIONS**ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Nine**

- B. The action by the Mutual Board is the final action on the budget subject to HUD approval, and is the determining factor in the monthly carrying charge for all residents.
- C. In order to keep all Directors informed of the procedures on the budget, the following other information is furnished:
 - 1. The Presidents and Chief Financial Officers of the Mutual Boards are furnished pertinent budget information at the same time as the Golden Rain Board.
 - a) All Mutual Directors are furnished complete information on the Golden Rain budget when it is adopted, together with complete information on the Mutual budget recommendations.
- D. Normally, the first or second week in September is used for study meetings between the Mutual President and CFO/Treasurer and the staff so that complete information is available for determining budget factors.

Procedure

Amended: Jul 88, Aug 00

**Executive Director
Golden Rain Foundation**

(Aug 00)

MUTUAL OPERATIONS

ACCOUNTING AND FISCAL

Patronage Refunds

I. Legal Basis

The Articles of Incorporation provide, under Article II for Mutuals 1 through 5, and Article III for Mutuals 6 through 16, that the Board of Directions may make refunds to stockholders as provided by the Bylaws and Occupancy Agreement. The Occupancy Agreement, under Article 3, provides that the corporation agrees that it will refund or credit to the member at the end of each fiscal year his proportionate share of such sums as have been collected in anticipation of expenses which are in excess of the amount needed for expense of all kinds, including reserves, in the discretion of the Board of Directors. The procedure recommended by FHA for such refund is stated in Section 2.

II. Refund Procedure

1. Mutual Boards should consider patronage refunds only at the close of a fiscal year.
2. A standard form of the resolution to be adopted by the Board is available for use.
3. The payment of any refund should be subject to two contingencies:
 - a. Completion of the audit, showing that the funds are available for payment.
 - b. The resolution, together with the statement of the auditors that the funds are available, should be submitted to FHA for approval prior to the payment of the refund.

III. Suggestions

Questions concerning the form to be used and the processing for FHA approval should be directed to the Executive Director.

Revised: 20 July 77

(Jul 77)

MUTUAL OPERATIONS

ACCOUNTING AND FISCAL

Impounds

Budget for impounds is based on advice from mortgagee, and equal monthly payments made to the mortgagee are based on the budget. The mortgagee makes disbursements to payee and advises Mutuals the amounts disbursed. Types of impounds are as follows:

a. Hazard Insurance

Fire and lightning, windstorm, hail, explosions, smoke, riot, aircraft and motor vehicles, vandalism and malicious mischief.

b. Tax Reserve

Assessments by county assessor's office based on parcel or loan area within Mutual.

c. Mortgage Insurance

Based on one-half of 1% unpaid principal balance at the beginning of each year.

RESCIND

FIVE: 11-18-16

MUTUAL OPERATIONS**ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two and Nine**

THIS AGREEMENT entered into this 21st day of February 1974 between Seal Beach Mutual Corporations Nos. One through Eleven, (except Mutual No. Nine, effective 07-10-06) hereinafter called Trustors, and Western Mortgage Corporation, a division of Unionamerica, Inc., a Delaware corporation, hereinafter called Servicer.

WITNESSETH:

WHEREAS, Metropolitan Life Insurance Company, a New York corporation, hereinafter called the Beneficiary, now holds deed of trust notes secured by deeds of trust on properties in Seal Beach Leisure World owned by Trustors, which notes represent loans insured by the Federal Housing Administration, hereinafter called FHA, and

WHEREAS, the Beneficiary has appointed Servicer as its correspondent and servicing agent to make collections and to fulfill the obligations of the Beneficiary in the servicing of FHA loans in accordance with the requirements of FHA, and

WHEREAS, the Beneficiary has directed Servicer as its agent to pay interest to Trustors on impound accounts held on the subject FHA loans, and

WHEREAS, the Beneficiary has directed Servicer as its agent to assume the administration of the Reserve Fund for Replacements to the mortgage properties, hereinafter called the Reserve Fund, which Reserve Fund is required by FHA to be maintained under the control of the Beneficiary, and

WHEREAS, the Beneficiary has further directed Servicer to invest such Reserve Fund and pay earnings to the Trustors, and

WHEREAS, the Beneficiary and FHA have agreed that Servicer may collect a reasonable fee from Trustors for the services to be provided under this Agreement, and

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

1. The Trustors shall continue to make regular monthly payments in cash to the Servicer in accordance with the terms of the deed of trust notes. A portion of such regular monthly payments shall be held by Servicer in impound accounts in amounts as required for the payment of taxes, insurance and M.M.I., as set forth in the impound analysis delivered to Trustors during the first month of each year. Another portion of such regular monthly

(Feb 11)

MUTUAL OPERATIONS**ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two and Nine**

payments shall be held by Servicer in said reserve und for replacements in amounts as required by the FHA and provided for in the Agreement for the Reserve Fund on such FHA loans.

2. On or before the 30th day of each month, Servicer agrees to deposit the monthly impound collections received through the 20th day of that month into regular savings accounts in an institution insured by an agency of the Federal Government yielding the highest available interest rate with out the requirement of any fixed time period. Such savings accounts for the impounds shall be maintained as Trust or Custodial accounts in the name of Western Mortgage Corporation, as custodian for the Beneficiary. Servicer shall make withdrawals on such impound accounts as required for payments of taxes, insurance and M. M. I.

3. Servicer agrees to provide monthly accounting reports to Trustors and the Beneficiary on or before the fifth day of each month that will reflect all savings account transactions under this Agreement as of the 20th day of the preceding month. These reports will include a Cash Flow Statement reflecting for each loan account total impound collections for the month, deposits of impound funds into the custodial savings account, any authorized disbursement, and a reconciliation to the balance outstanding in such savings accounts as of the 20th day of each month.

4. Payments to the Trustors of interest earned on the savings accounts shall be made on a calendar quarterly basis, less 1/5th of the earned interest on such savings accounts. The parties hereto agree that such 1/5th of the earned interest to be retained by Servicer is a reasonable charge for the services performed by Servicer in the investment of the impound funds and payment of earnings to Trustors.

5. Servicer agrees to assume the duties and responsibilities of the Beneficiary in the administration of the portfolio of United States Government Bonds in which the Reserve Fund has been invested under certain agreements between Trustors and Beneficiary. Provided the loan is not in default, at the end of each calendar quarter, the Servicer agrees to accept United States Government Bearer Bonds in substitution for the amounts accumulated in the Reserve Fund from collections during the preceding quarter, provided the accumulated amounts are not needed for repairs of payment or other items required under the Agreement for the Reserve Fund. It is understood that if, at any time, the market value of the Bonds falls below the equivalent amount of cash for which they were exchanged, the Servicer, at its option, may require the Trustors to make up the deficiency. It is understood that the Servicer and/or Beneficiary assumes no liability resulting from the fluctuation in the market value of the

(Feb 11)

MUTUAL OPERATIONS**ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two and Nine**

Bonds.

6. It is understood that the Trustors, after ascertaining the dollar amount for which Bonds may be substituted, will purchase the Bonds and deliver them to the Servicer. The Servicer will then refund to the Trustors an amount equal to the actual cost of the Bonds excluding commissions or the par value of the Bonds, whichever is less, but in no event in excess of the amount of the cash on hand. At the Trustors request, Servicer or its agent will detach the interest coupons for redemption and forward the proceeds to the Trustors.

7. Servicer will provide a calendar quarterly report to Trustors and the Beneficiary on or before the 20th day of the month following each quarter which will reflect any changes in the status of the Reserve Fund and the portfolio of United States Government Bonds being administered by Servicer for each Mutual corporation.

8. The Trustors agree to pay Servicer \$25.00 per transaction affecting the portfolio of United States Government Bonds in which the Reserve fund has been invested. "Transaction" for the purpose of such compensation to Servicer includes the sale, purchase, maturity or redemption of Bonds in the portfolio being maintained for coupons on such Bonds. In addition, Trustors agree to pay Servicer \$25.00 per calendar quarter for each Mutual corporation which has investments included in the portfolio being administered by Servicer. The calendar quarterly report on changes in the Bond portfolio submitted by Servicer to Trustees and Beneficiary in accordance with the provisions of paragraph 7 will be accompanied by a quarterly billing summarizing the number of transactions and the amounts owing to Servicer which shall be paid by Trustors within fifteen days of receipt; provided, however, that the compensation payable by Trustors to Servicer for the services provided in the administration of the bond portfolio shall not, in the aggregate in any one year, be less than \$4,000, nor more than \$10,000. The parties hereto agree that the compensation provided for in this paragraph for the administration of the Reserve Fund and the portfolio of United States Government Bonds in which the Reserve Fund has been invested, is a reasonable charge for the services performed by Servicer in connection therewith.

9. Servicer agrees to use due diligence in the performance of its duties and the exercise of its fiduciary responsibilities under this Agreement, and Trustors agree that Servicer and the Beneficiary shall not be responsible for any loss or damage suffered by Trustors in the execution of this Agreement that may be caused by circumstances beyond Servicer's control.

10. The parties agree that this Agreement shall be for a term of three years from (Feb 11)

MUTUAL OPERATIONS**ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two and Nine**

the date of execution and will be automatically renewed on a year-to-year basis except upon 90 days advance written notice of termination given by either party prior to the expiration of the original term or any renewal period. The parties further understand and agree that the execution and implementation of this Agreement will be subject to the approval of the Beneficiary and the FHA; that this Agreement to pay interest on impound accounts to Trustors on Seal Beach Leisure World FHA loans is entered into on a voluntary basis by the Beneficiary and Servicer, and is not presently required by any law or governmental regulation; and further that any subsequent agreement between the parties to modify, amend or replace this Agreement shall be subject to the approval of the Beneficiary and the FHA.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, duly authorized the day and year first above written.

MUTUAL ADOPTION

ALL MUTUALS: Feb 1974

TWO:

NINE:

RESCINDED

02-17-11

07-10-06

(Feb 11)

MUTUAL OPERATIONS**PHYSICAL PROPERTY****Bay Windows – Mutuals Two, Six, Eight, Ten, and Twelve****Mutual Two Only:**

All bay windows presently covered with T-111 plywood, distressed plywood, or wood siding, and any other wood product that complements the bay windows such as corbels and decorative trim, shall be removed and replaced with stucco when the bay window framing and covering are infested with termites.

All remodels that include bay windows shall be constructed with stucco as the exterior covering and shall be “bay to grade” construction. The expense of the entire remodel and “bay to grade” construction shall be the responsibility of the shareholder.

Mutual Six Only:

All corbels and decorative trim complementing a bay window that are made with T-111 plywood, wood siding, or any wood product shall be removed and replaced with stucco or Hardiboard when the bay window or framing or siding has been infested with termites or dry rot. All repair expenses described above shall be at the expense of the Mutual.

Effective the date this policy is adopted, all remodels, bay windows, and/or exterior siding shall be constructed with stucco/Hardiboard as the exterior covering in lieu of wood products or T-111 plywood.

Mutuals Eight and Twelve Only:

All corbels and decorative trim complementing a bay window that are made with T-111 plywood, distressed plywood, wood siding, or any other wood product shall be removed and replaced with stucco when the bay window framing and covering have been infested with termites or dry rot. All repair expenses described above shall be at the expense of the Mutual except that, if the resident shareholder requests that the bay window be restored with the original wood product, the resident shareholder shall be responsible for all costs.

Mutuals Eight and Twelve Only (Cont'd.)

Effective the date this policy is adopted, all remodels that include bay windows shall be constructed with stucco as the exterior covering.

(Nov 15)

MUTUAL OPERATIONS**PHYSICAL PROPERTY****Bay Windows – Mutuals Two, Six, Eight, Ten, and Twelve****Mutual Ten Only:**

Effective the date this policy is adopted, all remodels that include bay windows shall be constructed with stucco as the exterior covering.

Mutual Twelve Only:

Vinyl frames on bay windows as well as other non-standard windows and doors shall be white.

The face of a bay window, whether on the long or short side of a building, shall not extend beyond the drip line. There shall be no shareholder construction or other shareholder encroachment in the area under the attic access.

MUTUAL ADOPTION

TWO: 10-22-10
 SIX: 5-25-10
 EIGHT: 9-28-09
 TEN: 2-24-10
 TWELVE: 4-08-10

AMENDMENTS

2-21-13

 6-27-12
 6-8-14, 11-12-15

(Nov 15)

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

All persons seeking approval of the Board of Directors of Seal Beach Mutual No. Twelve 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 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.
 - 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; minus income and self-employment taxes paid will equal net annual income able to be spent.
 - c. Projected assessments will be the previous year's assessment (total of

(Aug 08)

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

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 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 (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.

3. Health

Have reasonably good health for a person of his/her age, as evidenced by a letter from his/her physician, so that resident can take care of normal living needs without calling on other members of the cooperative for an undue amount of assistance.

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.

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.

(Aug 08)

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

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**TWELVE:** 06-18-71**AMENDMENT**

09-09-93

AMENDMENT

08-14-08

(Aug 08)



MEMO

TO: MUTUAL BOARDS
FROM: RANDY ANKENY – EXECUTIVE DIRECTOR
SUBJECT: INDEPENDENT LIVING DISCLOSURE
DATE: MARCH 20, 2017
CC: FILE

As requested at the March, 2, 2017 meeting of the Presidents' Council, and as authorized by the GRF President, the following was submitted to GRF Corporate Counsel:

Mutual 1-12 and 14 to 17 have stated strong concerns as the housing providers on a clear and present need to ensure the public and potential purchasers of stock certificates and units of Mutual 17 have a firm understanding of the community and that the associated housing providers are not an assisted living facility, nor offer any services associated with assisted or semi assisted living facilities.

Our community is classified as 55 plus under applicable laws, and only offers fully independent housing. There is a reasonable expectation that all holders of a Stock Certificate or Title will not ultimately be a burden to the Mutual/Community or fellow Shareholders/Members.

The attached form including a request for Physician verification and disclosure of the community's independent living status has been amended based upon previous legal opinion in 2015. This in no way is intended to discriminate against people with disabilities, nor construed to prevent a Prospective Purchaser with a disability to qualify as a Shareholder/Member.

Your review and professional opinion is requested on the documents provided, along with any recommendations for amendment/drafting of documentation (or disclosures) that protect the best general interest of the community.

On March 19, 2017 the following was received:

Randy,

I trust this finds you well. Pursuant to the Board's request, I have reviewed the form including a request for Physician verification and disclosure of the community's independent living status. Attached please find my redlined recommendations regarding same. As you will see, I strongly recommend against obtaining a letter of eligibility from the prospective member's physician.

I have no objections to providing notice to prospective members that Leisure World is an active adult community and not an assisted living or skilled nursing community. While providing a disclosure to prospective members regarding the nature of GRF as an active adult community (as opposed to as assisted living community) is prudent, and I have no objections to requiring prospective members sign an acknowledgment regarding same, requiring confirmation from a doctor/physician is subject to challenge based on, among other things, claims of discrimination.

As you know, the law provides that a "permitted health care resident" is allowed to reside in the manor with the qualified resident. (Civil Code §51.3.) A permitted health care resident includes a person hired to provide live-in, long-term, or terminal health care to a qualifying resident, or a family member of the qualifying resident providing that care; the care provided by a permitted health care resident must be substantial in nature and must provide either assistance with necessary daily activities or medical treatment, or both. Accordingly, requiring a prospective member be in reasonably good health exposes GRF to liability.

Should you or the Board have any further questions, please do not hesitate to contact me. Many thanks, and take good care.

Very truly yours,

Jeffrey A. Beaumont, Esq.

Attachments

- Physicians – Patients Letter of Eligibility (complete document to be deleted)
- Disclosure Statement (amended)

Action Requested

- Please place this memo along with the attached documents on the Mutuals' Board agenda for review and consideration.

- Upon ruling by the Board, provide the Mutual Administration Director notice of the director of the Mutual Board on this matter.
- Note: If adopted, all Mutuals will require amendment to delete/amend applicable policy section of 7012, 7020.2 and 7020.9 (policies attached).

It is the position of GRF that your respective legal counsels should review all policies, before any final recommendations by the Mutual Board on policy amendment, adoption and/or rescinding.

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 to 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'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. a
- * 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.clocx

Date:

MUTUAL OPERATIONS**Approval of Escrows (All Mutuals Except Mutual Two, Nine and Ten)****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 questionnaires and a medical examination 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 Foundation and Health Care Center, and

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 in behalf of the Board in signing various document in escrow that are necessary to accept or reject potential members of the Corporations.
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 ADOPTIONS

ONE	12-07-72	NINE	See Policy 7020.9
TWO	See Policy 7020.2	TEN	11-30-72 (See Policy 7020.2)
THREE	11-20-72	ELEVEN	11-16-72
FOUR	12-04-72	TWELVE	11-09-72
FIVE	11-15-72	FOURTEEN	11-10-72
SIX	12-08-72	FIFTEEN	11-20-72
SEVEN	11-17-72	SIXTEEN	12-14-72
EIGHT	11-27-72		

(Jan 15)

MUTUAL OPERATIONS**Approval of Escrows – Mutual Two and Ten Only****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 questionnaires and a medical examination 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 Foundation, and

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 in behalf of the Board in signing various document in escrow that are necessary to accept or reject potential members of the Corporations.
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.
3. In Cases Where Escrow Falls Out or is Cancelled

When vendors have incurred costs from working in said unit, the Mutual will pay the vendors in a timely manner and invoice the seller's current receivable account for payment. If applicable, the seller's account will incur late fees and finance charges until the account is paid in full.

MUTUAL ADOPTIONS**AMENDMENTS**

TWO:	11-16-72	05-19-11
TEN:	01-28-15	

(Jan 15)

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

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

(Jul 11)