

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL SEVEN
Wednesday, July 19, 2017
1:00 p.m.

1. SHAREHOLDER(S)' COMMENTS
2. CALL TO ORDER / *PLEDGE OF ALLEGIANCE*
3. ROLL CALL
4. INTRODUCTION OF GUESTS AND STAFF:
 - Mr. Rotter, Mutual Seven Shareholder
 - Mr. Bristow, Security Services Director
 - Mr. Hawke, Security Services Manager
 - Ms. Rapp, GRF Representative
 - Ms. Hopkins, Mutual Administration Director
 - Mr. Hurtado, Building Inspector
 - Mrs. Aquino, Recording Secretary

GUEST SPEAKER(S) – Mr. Bristow and Mr. Hawke

Ms. Hopkins

5. APPROVAL OF MINUTES: **Regular Meeting of June 21, 2017**
6. CORRESPONDENCE Ms. Rettela
7. BUILDING INSPECTOR'S REPORT Mr. Hurtado
 - a. Paving/asphalt contract change order
8. ROOFING PROJECT UPDATE
9. ASPHALT CARPORTS 181, 182, 85, 86, 87, 88, 89
 - a. Trenching at asphalt future solar site
10. SOLAR ANNUAL REPORT Mr. Rotter
11. CHIEF FINANCIAL OFFICER'S REPORT Mrs. Fellows
 - a. Reserve Study
12. UNFINISHED BUSINESS
 - a. Resolution/Discussion: Active Living Disclosure (ALD)
 - i. Amend Policy 7020 – Approval of Escrow to remove or keep doctors note; if ALD passes-amend Policy 7020 by removing the 2nd paragraph as it has wording requiring the physician's note
 - ii. Amend Policy 7510.07 – Eligibility Requirements to remove or keep doctors note; if ALD passes amend Policy 7510.07 by removing section 3 Health statement; *as evidenced by a letter from his/her physician*
 - b. Discuss proposed amendment to Policy 7510.07 – Eligibility Requirements (as presented at Presidents' Council)
 - c. Emergency Information / Schedule Special Meeting – radios Mrs. Rogers
13. NEW BUSINESS –
 - a. Occupancy Agreement Article 23 Late Charges/Cost
 - b. Property Tax Postponement Resolution 2017/2018
 - c. Request to Receive Hard Copies of Monthly Minutes from Other Mutuals 2017/2018
 - d. Notice of Intent to Withdraw Resolution 2017/2018
 - e. Policy Update Committee:
 - a. Park Benches – discussion

(STAFF BREAK (TIME TO BE DETERMINED BY PRESIDENT))

- | | |
|---|-------------|
| 14. MUTUAL ADMINISTRATION DIRECTOR'S REPORT | Ms. Hopkins |
| 15. GRF REPRESENTATIVE'S COMMENTS | Ms. Rapp |
| 16. DIRECTOR(S)' COMMENTS | |
| 17. SHAREHOLDER(S)' COMMENTS | |
| 18. ANNOUNCEMENTS | |
| 19. ADJOURNMENT | |
| 20. EXECUTIVE SESSION – (member issues) | |

STAFF WILL LEAVE THE MEETING BY 4:10 P.M.

**NEXT MEETING: WEDNESDAY, AUGUST 16, 2017, at 1:00 p.m.
ADMINISTRATION BUILDING-CONFERENCE ROOM A**

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (07) SEVEN

INSPECTOR: George Hurtado

MUTUAL BOARD MEETING DATE: July 19, 2017

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
162D	remodel	yes	12/15/16	06/30/17	yes		Los Al Builders
165L	heat pump	yes	04/14/17	06/21/17	no		Yes A/C
165L	remodel	yes	04/14/17	09/14/17	no		Kang Construction
166K	entry door, washer/dryer, cabs	yes	04/07/17	09/15/17	no		ACR Construction
153E	heat pump	yes	06/12/17	10/03/17	no		Greenwood
154A	awnings	yes	06/12/17	07/15/17	no		AAA Awnings
145F	remodel	yes	05/08/17	10/05/17	no		Kress
149K	patio tile	yes	05/01/17	06/08/17	no		Westby 4 Homes
165F	countertop, shower	yes	06/19/17	10/15/17	no		Los Al Builders
152I	windows, entry door, slider	yes	06/14/17	07/25/17	no		Swenman
162E	livingroom flooring	yes	07/07/17	08/17/17	no		Kary's Carpet
160L	windows	yes	07/10/17	07/24/17	no		Kang's
145J	windows, entry door, slider	yes	06/28/17	08/14/17	no		Bodies
145J	countertops, entrydoor	yes	06/28/17	08/10/17	no		Swenman
150H	patio tile	yes	05/15/17	06/20/17	no		Karys Carpet

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
166B			06/07/17	06/12/17	06/22/17		

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation
 FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (07) SEVEN

INSPECTOR: George Hurtado

MUTUAL BOARD MEETING DATE: July 19, 2017

CONTRACTS	
CONTRACTOR	PROJECT
Fenn	termites and pests
Total Landscape	gardening
Empire Pipe	sewer cleaning
Innovative Cleaning Services	laundry rooms / partitions
So Cal Fire Protection	fire extinguishers
Jordan Roofing	Roofs (163,164,165)
MJ Jurado	Paving / Slurry / Concrete

SPECIAL PROJECTS	
CONTRACTOR	PROJECT
Jordan Roofing	roofing - buildings 163,164,165
MJ Jurado	carport paving repairs, slurry

APARTMENT VISITS

Various

MUTUAL OPERATIONS**Approval of Escrows – All Mutuals Except Two, Five, 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~~

**** (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 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	
TWO		(See Policy 7020.2)
THREE	11-20-72	
FOUR	12-04-72	
FIVE	11-15-72	(See Policy 7020.05) Dec 2016
SIX	12-08-72	
SEVEN	11-17-72	
EIGHT	11-27-72	
NINE		(See Policy 7020.9)
TEN	11-30-72	(See Policy 7020.2)
TWELVE	11-09-72	
ELEVEN	11-16-72	
FOURTEEN	11-10-72	
FIFTEEN	11-20-72	
SIXTEEN	12-14-72	

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

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

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

Minimum of 55 years, as confirmed by a birth certificate or passport. A driver's license is not acceptable as proof of age.
 2. Financial Ability
 - a. Verified monthly income that is at least four (4) times or greater 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. Verified monthly income/assets may be in the form of the past two years of:
 1. Tax returns;
 2. 1099s for interest and dividends;
 3. 1099-Rs for retirement income from qualified plans and annuities;
 4. SSA-1099 Social Security Benefit Statement;
 5. Brokerage statements and current interim statement.
 6. Six to twelve months of checking/savings 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 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

(Sept 08)

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

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

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 Director; Directors will not be required to study or understand the financial requirements).

- 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, the proposed shareholder(s) must meet these 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 of the cooperative for an undue amount of assistance.

**** (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

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.

(Sept 08)

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

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**SEVEN:** 05-15-70**AMENDMENT DATES**

09-17-93, 09-19-08

MUTUAL OPERATIONS

DRAFT

RESIDENT REGULATIONS

Eligibility Requirements – Mutual Seven

All **each proposing** persons **Shareholder** seeking approval of the Board of Directors of Seal Beach Mutual No. Seven 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 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)**.

(draft created on 7/14/17 as adapted from PC ka)

MUTUAL OPERATIONS**DRAFT****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Seven**

- b. Adjusted Gross Income per 1040, 1040A, or 1040EZ; plus that portion of Social Security, IRA distributions, and pensions and annuities not included in adjusted gross income; plus tax exempt interest; **(assets used to purchase unit will not be included in income calculations)**.minus income tax, Social Security, Medicare, and self-employment taxes paid; and minus Medicare medical insurance and prescription drug premiums; all divided by twelve (12) will equal net monthly income to be used in Paragraph 2.a. above.
- c. Projected assessments will be the previous year's assessment (total of carrying charge less any cable charge, less Orange County Property Taxes and Fees), and the addition of the new property tax at 1.2% of the sales price plus Orange County District fees divided by twelve (12) for the new projected monthly assessment. This new figure (Regular Assessment plus Orange County Property Taxes and District Fees) times four (4) 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 **(NOTE 1)**

Verification shall be done by the escrow company and the Stock Transfer Office **for each proposed shareholder** prior to the new buyer interview and prior to the close of escrow (the above verification will not be done by the individual Mutual Director; 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, the proposed shareholder(s) must meet these eligibility requirements.

3. Health

Have reasonably good health for a person of his/her age, as evidenced by a letter

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.

(draft created on 7/14/17 as adapted from PC ka)

MUTUAL OPERATIONS**DRAFT****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Seven**

from his/her physician, so that shareholder 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.

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 DATES****SEVEN:05-15-70****09-17-93, 09-19-08**

Finance 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% whichever is greater for each month of delinquency, will be assessed to a delinquent shareholder, effective 2017-2018.

Property Tax Postponement

MOTION:

RESOLVED, That Mutual _____ does not support or authorize the signing of the Property Tax Postponement Application from the State of California. The Mutual further authorizes the GRF Finance Department to notify the Board if a shareholder requests a Property Tax statement, effective 2017-2018.

MUTUAL AGENDAS

MOTION:

RESOLVED, That Mutual _____ continue to receive one hard copy of the various Mutuels' monthly minutes in their MAIL BOX in the Stock Transfer Office, effective 2017-2018.

OR

RESOLVED, That Mutual _____ continue not receiving one hard copy of the various Mutuels' monthly minutes in their MAIL BOX in the Stock Transfer Office, effective 2017-2018.

INTENT TO WITHDRAW RESOLUTION

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, effective 2017-2018.

OR

RESOLVED, That any action in reference to the Notice to Withdraw for Mutual _____ requires the majority vote of the Board. Due to agenda posting requirements, a Shareholder/Member requesting the transfer of Stock will have to be informed no action can be taken until such Board action; this could take up to 30 days, effective 2017-2018.