

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL SIX
July 28, 2017
Administration Building Conference Room A, at 9:30 a.m.

1. CALL TO ORDER
2. ROLL CALL
3. SHAREHOLDER COMMENTS
4. INTRODUCTION OF GRF REPRESENTATIVE, GUEST(S), AND STAFF:
 - Ms. Hopewell, GRF Representative
 - Ms. Hopkins, Mutual Administration Director
 - Mr. Bristow, Security Services Director
 - Mr. Hawke, Security Services Manager
 - Mr. Van Horn, Building Inspector
 - Mrs. Aquino, Recording Secretary

GUEST SPEAKERS – Mr. Bristow and Mr. Hawke

Ms. Hopkins

5. APPROVAL OF MINUTES: **Regular Monthly Meeting of May 26, 2017**
Organizational Meeting Minutes of June 23, 2017
Special Meeting Minutes of June 29, 2017
6. BUILDING INSPECTOR'S REPORT Mr. Van Horn
7. GRF REPRESENTATIVE Ms. Hopewell
8. CHIEF FINANCIAL OFFICER'S REPORT Mr. Turetskiy
9. UNFINISHED BUSINESS
–None

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

10. NEW BUSINESS
 - a. Rescind the following non-valid policies for Mutual Six:
 1. Policy 7320 – Patronage Refunds
 2. Policy 7331 – Impounds
 3. Policy 7331.1 – Interest on Impound Accounts
 4. Policy 7331.2 – Impound Account Agreement
 - b. Discuss carport rental policy forms and procedures
 - c. Discuss carport storage violations and process for compliance
 - d. Update on 2017 – 2018 budget and status of reserve study
 - e. Update on status of trees purchased and to be planted
 - f. Guest Passes – Discuss allow purchasing of additional guest passes on case by case basis
 - g. Determine date and preparation for the 2018 dinner dance
 - h. Pre-listing inspections and Director presence required
 - i. Building Captains – Organizational meeting or luncheon
 - j. Update on legal counsel for Mutual 6

NEW BUSINESS (continued)

- k. Resolution/Discussion: Active Living Disclosure (ALD)
 - i. Amend Policy 7020.06 – Approval of Escrow to remove the 2nd paragraph as it has wording requiring the physician's note
 - ii. Rescind Policy 7020 – Approval of Escrows as a Mutual Policy that has just been adopted
 - iii. Amend Policy 7510.06 – Eligibility Requirements to remove section 3 Health statement; as evidenced by a letter from his/her physician
- l. Occupancy Agreement Article 23 Late Charges/Cost
- m. Property Tax Postponement Resolution 2017/2018
- n. Request to Receive Hard Copies of Monthly Minutes from Other Mutuals 2017/2018
- o. Notice of Intent to Withdraw Resolution 2017/2018
- p. Resolution to maintain procedure per Policy 7510.06 and the Stock Transfer Office

11. MUTUAL ADMINISTRATION

12. ADJOURNMENT

13. EXECUTIVE SESSION (legal & member issues)

STAFF WILL LEAVE THE MEETING BY 12:10 p.m.
NEXT MEETING: AUGUST 25, 2017 AT 9:30 a.m.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (06) SIX

INSPECTOR: Dave Van Horn

MUTUAL BOARD MEETING DATE: JULY 28, 2017

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
135 K	CARPORT STORAGE	GRF	04/24/17	05/24/17	NO	NA	
133 D	UNIT REMODEL	BOTH	06/15/17	09/30/17	NO	R. PLUMB	L.W. DÉCOF SIGNED
131 B	UNIT REMODEL	BOTH			NO	SIGNED OFF	KRESS
127 G	SOLO TUBE	BOTH	05/25/17	06/25/17	NO	NO INSPECTION	
129 H	HEAT PUMP	BOTH	05/31/17	06/30/17	NO	CALLED FOR	FINAL ALPINE
141 A	SKYLIGHT	BOTH	06/15/17	07/31/17	NO	NO INSPECTION	LOS AL

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (06) SIX

INSPECTOR: Dave Van Horn

MUTUAL BOARD MEETING DATE: JULY 28, 2017

ESCROW ACTIVITY							
UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
58 G		04/25/17	07/06/17	07/21/17			
63 I			07/20/17				
58 F		04/28/17	07/13/17	07/13/17			
130 J					06/30/17		

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: (06) SIX

INSPECTOR: Dave Van Horn

MUTUAL BOARD MEETING DATE: JULY 28, 2017

CONTRACTS	
CONTRACTOR	PROJECT
M J JURADO	C/P CONCRETE 1/9/17- 3/31/17
JOHNS LANDSCAPE	4/30/16 - 4/30/18
OC RESERVE STUDY	12/31/17 - 12/31/19

SITE VISITS	
UNIT NUMBER	REASONS
131 A, SIGNING OF PRE-LISTINGS	
GFCI OUTLETS AT LAUNDRY ROOMS	

**MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL SIX**

June 23, 2017

The Organizational Meeting of the newly-elected Board of Directors of Seal Beach Mutual Six was held on Friday, June 23, 2017, in Clubhouse Four. Mutual Administration Director Hopkins, acting as Chairperson, called the meeting to order at 10:59 a.m. She stated the purpose of the meeting was to elect the officers for the 2017-2018 term of office and to ascertain the Regular Monthly Meeting location, day, and time.

Those Directors in attendance were: John Garrett, Tom Dowd, Naum Turetskiy, Vida Simpson, Bob Catron, Timothy May, and Mary Granger. Mutual Administration Director Hopkins and Mutual Administration Office Secretary Dailey were present.

Ms. Hopkins opened the nominations to elect officers for the 2017-2018 term of office. Upon a MOTION duly made by Mr. Garrett and seconded by Mr. Dowd, it was

RESOLVED, That the elected Officers of the 2016-2017 Board of Directors for Mutual Six continue to remain in their elected seats through the upcoming 2017-2018 term.

Following a secret ballot, the MOTION passed unanimously.

President Garrett appointed Ms. Baidack as Emergency Preparedness Chair.

President Garrett stated that the previous year's Organizational Meeting minutes have already been approved.

Following a discussion about the time of the Regular Monthly Meeting, and upon a MOTION duly made by Mr. Garrett and seconded by Mr. May, it was

RESOLVED, That the Board of Directors will hold its Regular Monthly Meeting on the fourth Friday of each month at 9:30 a.m. in Conference Room A of the Administration Building.

The MOTION passed.

President Garrett declared the meeting adjourned at 11:05 a.m.

Attest

Vida Simpson, Secretary
SEAL BEACH MUTUAL SIX

ka:6/30/17

Minutes of Special Meeting of the Board of Directors

Seal Beach Mutual Six

June 29, 2017

The Special Board Meeting of the Board of Directors of Mutual Six was called to order at 9:03 a.m. by President Garrett on Thursday June 29, 2017 in Clubhouse 5 Conference Room "C."

ROLL CALL:

Present: President Garrett, Vice President Dowd, Chief Financial Officer Turetskiy, Secretary Simpson and Directors Catron, May and Granger.

Guests: 17 Shareholders of Mutual Six

Staff: Mr. Ankeny, Executive Director of GRF

Mr. Van Horn, Physical Properties Building Inspector

President Garrett welcomed the Board members, GRF staff and guests to the meeting and stated that Mr. Ankeny, Executive Director of GRF, would arrive at approximately 9:15 a.m.

New Business:

1. Mr. Van Horn, Physical Properties Building Inspector, stated that Mutual Six was operating smoothly. Mr. Van Horn left the meeting at 9:10 a.m.
2. Board Members to establish and present at the July 28, 2017 BOD meeting the Board's objectives for the 2017-2018 term.
3. Discussion of assigned carport spaces and parking rental agreements to be reviewed and verified by a member of the Board.
4. On behalf of the Board, President Garrett accepted Mr. Ankeny's apology for his absence at the Mutual Six Annual Board meeting on June 23, 2017, due to a scheduling conflict. Mr. Ankeny provided a PowerPoint presentation of GRF projects including the beautification of the entrance and signage to the main gate, upgrade plans for Club House Two including plans to build a multi-use court. Mr. Ankeny left the meeting at 11:10 a.m.
5. President Garrett tendered his resignation as President of the Board and stipulated that it was effective immediately. Vice President Dowd called for a brief break. After the break, Mr. Dowd requested nominations to fill the role of Board President.

6. Director Catron made a motion to nominate Vice President Dowd to the President role. The motion was seconded by Director Granger. The motion carried.
7. Director Garrett made a motion to nominate Director Granger to the Vice President role. The motion was seconded by Secretary Simpson. The motion carried.
8. President Dowd named Director May to Landscape Committee Chair. Director May accepted and stated that he would need some assistance.
9. President Dowd stated that Mr. Garrett's resignation would be accepted and/or ratified at the next Board meeting or sooner, and will be appointed as a Director for the remaining 2017-2018 term of office.

ADJOURNMENT:

President Dowd adjourned the meeting at 11:45 a.m.

Attest: Vida Simpson, Secretary
SEAL BEACH MUTUAL SIX
vs: 7/14/17

MUTUAL OPERATIONS**RESCIND MUTUAL SIX****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

RESCIND

FIVE: 11-18-16

SIXTEEN: 02-07-17

(Jul 77)

MUTUAL OPERATIONS**RESCIND MUTUAL SIX****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**RESCIND MUTUAL SIX****ACCOUNTING AND FISCAL****Interest on Impound Accounts - Mutuals One through Eight and Ten and Eleven**

WHEREAS, It is the desire of the Mutuals to earn interest on funds required to be deposited into Impound Accounts with the Mortgagee, and

WHEREAS, A proposed contract which would accomplish this aim has been negotiated by the Foundation attorney and the Mortgagee for use by Mutuals One through Eleven as a group,

NOW, THEREFORE, BE RESOLVED, That Golden Rain Foundation, as agent for this Mutual, is authorized and directed to sign the aforementioned contract with Metmore Financial, Incorporated, said contract to provide for a schedule of payment of interest to the Mutual on its Impound Account, and a schedule of fees on transactions for its Replacement Reserve Account.

Mutual No. 7 Only (Effective 11-21-00) Replaces Paragraph Three

NOW, THEREFORE, BE RESOLVED, That Golden Rain Foundation, as agent for this Mutual, is authorized and directed to sign the aforementioned contract with Mortgagor, said contract to provide for a schedule of payment of interest to the Mutual on its Impound Account, and a schedule of fees on transactions for its Replacement Reserve Account.

<u>MUTUAL ADOPTION</u>	<u>AMENDED</u>	<u>RESCINDED</u>
ONE	03-22-73	
TWO	03-15-73	
THREE	03-19-73	
FOUR	03-05-73	
FIVE	02-21-73	11-18-16
SIX	03-23-73	
SEVEN	03-16-73	11-21-00
EIGHT	03-26-73	
NINE	03-12-73	07-10-06
TEN	03-22-73	
ELEVEN	03-15-73	

(Nov 16)

MUTUAL OPERATIONS**RESCIND MUTUAL SIX****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

(Nov 16)

MUTUAL OPERATIONS**RESCIND MUTUAL SIX****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. 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

(Nov 16)

MUTUAL OPERATIONS**RESCIND MUTUAL SIX****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 (Nov 16)

MUTUAL OPERATIONS

RESCIND MUTUAL SIX

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

RESCINDED

ALL MUTUALS: Feb 1974

TWO:

02-17-11

FIVE:

11-18-16

NINE:

07-10-06

(Nov 16)

MUTUAL OPERATIONS**AMENDED DRAFT****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~~

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
SIX

ADOPTIONS
12-08-72

AMENDMENT

MUTUAL OPERATIONS**RESCIND MUTUAL SIX****Approval of Escrows – All Mutuals Except Two, Five, Nine, and Ten**

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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	

(Dec 16)

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

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

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

- 1. Age

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

- 2. Financial Ability

- a. Verified monthly income or sufficient assets that is/are 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 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

MUTUAL OPERATIONS

AMENDED DRAFT

RESIDENT REGULATIONS

Eligibility Requirements – Mutual Six

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 the responsibility of the individual Mutual Director; 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.

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

SIX: 04-24-70

09-28-93, 08-26-08

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.

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 Mutuals' 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 Mutuals' 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.

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.