



- |     |   |              |
|-----|---|--------------|
| 11. | CHIEF FINANCIAL OFFICER'S REPORT                                  | Ms. Sporcich |
| 12. | DIRECTOR(S)' COMMENTS   | Board        |
| 13. | ADJOURNMENT   |              |
| 14. | EXECUTIVE SESSION (legal, member, shareholder issues as required) |              |

**(STAFF WILL LEAVE THE MEETING BY 12:10 p.m.)**

**NEXT MEETING: May 18, 2017, at 9:00 a.m.  
Mutual Administration Building Conference Room A**

ka: 4/11/17

MINUTES OF A SPECIAL MEETING OF THE  
BOARD OF DIRECTORS  
SEAL BEACH MUTUAL TWO

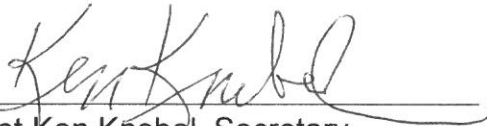
March 6, 2017

In accordance with the Corporation Bylaws, and pursuant to posted due notice to the Directors, a special Meeting of the Board of Directors of Seal Beach Mutual Two was called to order by President Baker at 9:33 a.m. in PP Meeting Room.

Those Directors present were: President Baker, Secretary Knebel, CFO Sporcich Directors Keller, Naret, and MacLaren. Directors VP Esslinger, Fabian and Konier were absent.

The purpose of the meeting was to go over the agenda for the upcoming March 16<sup>th</sup> Board Meeting.

The meeting was adjourned at 10:55 a.m.



Attest Ken Knebel, Secretary  
SEAL BEACH MUTUAL TWO  
kn:3/09/17

## INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL (02) TWO

INSPECTOR: **Eric Kranda**

DATE: **February 16, 2017**

Print Date: 2/16/2017

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENT
3-I	REMODEL	GRF	03/28/17	06/30/17	NO	FINAL	
6-L	ROOM ADDITION	GRF	10/18/16	10/28/16	NO	FOUNDATION	LOS AL BUILDERS
8-H	REMODEL	GRF	12/20/16	03/25/17	NO	NAILING 02/01/17	KANGS CONST
17I	CARPET	GRF	03/01/17	03/30/17	NO	NONE	KARYS CARPETS
19G	COUNTERTOP	GRF	03/20/17	04/15/17	NO	NONE	SWENMAN
24-K	WINDOWS	BOTH	01/19/17	04/01/17	YES	FINAL	SEAPORT
27-H	FRONT DOOR	BOTH	04/03/17	05/05/17	NO	NONE	BERGKVIST
30-H	MICRO	BOTH	02/25/17	06/30/17	YES	ROUGH	RDF
24-K	WINDOWS	BOTH	01/19/17	04/30/17	YES	NONE	SEAPORT
33-L	SOLAR TUBE	GRF	03/15/17	04/15/17	NO	NONE	ROOFING STANDARDS
34-G	FLOORING	GRF	01/29/17	03/10/17	NO	NONE	KARYS CARPETS
37-G	REMODEL	BOTH	03/20/17	11/30/17	NO	NONE	ALPHA MASTER
46-C	PATIO	GRF	03/08/17	03/30/17	NO	FINAL	HADI
49-D	CARPET	GRF	03/25/17	04/20/17	NO	FINAL	
49-K	REMODEL	BOTH	12/16/16	03/13/16	NO	LATH 02/16/17	LOS AL BUILDERS
56-H	HEAT PUMP	BOTH	02/01/17	04/20/17	NO	FINAL	GREENWOOD
63-L	CART PARD	GRF	02/01/17	02/27/17	NO	FINAL	JOHNS LANDSCAPE
64-I	SKYLIGHTS	BOTH	12/01/16	02/28/17	NO	NONE	M&M CONST
66-C	WINDOWS	BOTH	01/27/17	03/30/17	YES	NONE	RD
67-H	REMODEL	BOTH	03/30/17	05/30/17	NO	ROUGH	PENA
69-H	SOLAR TUBE	GRF	02/02/17	03/30/17	NO	NONE	ROOFING STANDARDS
71-H	ROOM ADDITION	BOTH	04/15/16	06/17/17	YES	NAILING 1/10/17	REAL MCCOY

ESCROW ACTIVITY							
UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
3-D		03/28/16					
3-G		10/21/16	02/14/17	03/03/17	03/14/17		
5-J		12/14/16	03/02/17	03/03/17	03/14/17		
7-B		02/15/17	02/28/17	03/03/17	03/14/17		
10-I		10/01/15					
12-F		01/23/17					
13-A		03/08/17					
13-F		09/03/15					
17-I		04/14/17					
23-K	4/6/2017						
20-C		02/09/17	03/06/17	03/06/17	03/16/17		
28-D			04/11/17	04/11/17			
28-F		04/14/17					
33-D		10/07/16	03/21/17	04/12/17	04/13/17		
35-J		11/02/16	03/17/17	03/23/17	04/04/17		
38-L		01/23/17					
48-E		02/15/17	04/04/17	04/04/17	04/13/17		
48-L		02/27/15					
49-H		02/15/17	03/03/17	03/03/17	03/14/17		
53-L		06/16/15					
54-L		04/05/17					
56-F		04/14/17					
59-L		02/15/17					
59-B		08/29/16	03/07/17	03/15/17	03/27/17		
62-A		04/14/17					
63-I		02/27/17	03/23/17	03/29/17			
66-H		02/15/17	03/11/17	03/11/17	03/21/17		
68-J	4/6/2017	11/24/15					
66-K		11/24/15					
69-E		01/27/17	03/01/17	03/10/17	03/20/17		
69-F		10/27/15					
70-F		05/26/16					
71-C		01/23/17	02/17/17	02/24/17	03/08/17		
72-C		08/16/16	03/09/17	03/10/17	03/22/17		

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 (02) TWO

INSPECTOR: Eric Kranda

DATE: February 16, 2017

Print Date: 2/16/2017

CONTRACTS	
CONTRACTOR	PROJECT
ANDRES LANDSCAPING 05/31/2018	
FENN GOOD UNTIL 3/31/17	TERMITES, PEST, AND BAIT STATIONS
BERGKVIST GOOD UNTIL 12/31/18	TERMITE AND DRYROT REPAIRS

SPECIAL PROJECTS	
CONTRACTOR	PROJECT
JURADO CONTRACT	DRAINAGE ISSUES AT 61-28
ROOFING STANDARDS	COMPLETE 20,23 START 25
KRESS	BUILDING 25
GRECO	ATTIC DOORS
HUTTON	COMPLETING 8,9,10



MUTUAL OPERATIONS

**RESCIND ALL MUTUALS**

**RESIDENT REGULATIONS**

Guarantor Agreement Form

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

GOLDEN RAIN FOUNDATION  
a corporation

By \_\_\_\_\_

\_\_\_\_\_  
GUARANTOR

SEAL BEACH MUTUAL NO. \_\_\_\_\_  
a corporation

\_\_\_\_\_  
GUARANTOR

By \_\_\_\_\_

Dated \_\_\_\_\_

**GRB**

Approved: 18 Dec 73

(Mar 17)

MUTUAL OPERATIONS**DRAFT 2-25-17**RESIDENT REGULATIONSLockout Procedures

The following will be in effect for units after the death of a shareholder/owner:

1. Death with Surviving Shareholder/Owner Living in the Unit

If the death of the shareholder/owner occurred at the unit and a surviving shareholder/owner is living in the unit at the time, a Bereavement Book will be left at the unit by Security.

If the death of the shareholder/owner occurred outside the unit and a surviving shareholder/owner is living in the unit at the time, a Bereavement Book will be provided by Foundation personnel at the time the death is reported.

2. Death of Sole Owner

a. Unattended Death

If death is unattended and the unit is sealed per law enforcement or coroner's order, then no one may access the unit until official next-of-kin determination is made by the coroner's office. Security will leave a Bereavement Book at the unit and place a knoblock on the door. If the door cannot accommodate a knoblock, a plywood sheet shall be affixed over the door. If someone comes forward as Trustee, non-resident co-owner or with other legal authority, Foundation personnel must check with the coroner's office before permitting access to the unit.

b. Attended Death

Security will identify on the DOA report those present at the time of death, including family members, hospice workers, caregivers, and other individuals. A Bereavement Book will be left at the unit. If someone present is identified as legal authority of the unit and can provide evidence of same, Security will instruct them to visit the Stock Transfer Office as soon as possible. Security will inform all persons present that no one may stay in the unit overnight without Mutual permission, unless they are a registered caregiver or co-occupant.

If legal authority is not established at the unit via documentary evidence, all persons present will be asked to leave the unit until legal authority is established at the Stock Transfer Office. From there, the unit will be knoblocked or a plywood sheet shall be affixed to the door. The exception to this is if a registered co-occupant or caregiver lives at the unit, or if Mutual permission is obtained.



**MUTUAL OPERATIONS****DRAFT 2-25-17****RESIDENT REGULATIONS****Lockout Procedures****3. Reporting of Death to Mutual President**

Shareholder/owner deaths shall be reported to the Mutual President within one (1) to two (2) business days with the following information:

- a. Name of decedent
- b. Date and location of death
- c. Identification of persons present at unit (if any)
- d. Name, relationship and contact information of surviving shareholder/owner (if any)
- e. Name, relationship and contact information of decedent's emergency contacts (if no surviving shareholder/owner is present at the unit)
- f. If legal authority has been established
- g. If/how the unit was secured
- h. If there are any registered co-occupants, caregivers or pets at the unit

**MUTUAL ADOPTION****Mutual:                      date**

## MUTUAL OPERATIONS

## BOARD AMENDED DRAFT

PHYSICAL PROPERTYLandscape Areas, Trees, and Shrubs – Mutual TwoMISSION STATEMENT

This policy is adopted to enhance the enjoyment of the Mutual Two living style by setting and enforcing standards for Mutual Two landscaping.

This policy outlines the shared responsibilities of Mutual Two and its shareholders. The Landscape Committee is entrusted with the management of landscaping including the responsibility for inspections and enforcement of this policy.

If all shareholders follow the policy as outlined below, the landscape areas will display what most shareholders would consider an appealing appearance of Mutual Two, a benefit for all as a good place to live and an enhancement of property values in the event of resale.

Resident Garden Areas

The area extending 24 or 36 inches from the exterior wall of the unit is set aside for the shareholder's garden. The sides of the corner apartments shall have a 48-inch limit. At the time of sale or transfer of stock, the Mutual will review the area and decide whether those areas which have been extended beyond these limits will be returned to the 36 or 48 inches or leave as extended.

1. ~~Trees may not be cut down until an outside, independent arborist provides a written report advising the Board of Directors that the tree is diseased or the roots are invasive to buildings and that the roots cannot be cut back without killing the tree.~~

Trees may not be cut down until a certified arborist provides a report to the Landscape Chair and Board of Directors, for approval, on those showing signs of stress, disease, invasive roots or could possibly cause property damage. Older, larger trees should be checked on-site by an arborist yearly. When called for, second opinions must be done by an outside, independent California certified arborist. All reports must be written advising the Board of Directors that the tree is diseased or the roots are invasive to buildings and that the roots cannot be cut back without killing the tree.

2. Shareholders may plant greenery of their choice from the list of Mutual approved plants. Plants with invasive root growth that could potentially damage the Mutual structures and walkways are prohibited. Vines are not permitted to climb on any structures. If a trellis is used, it must be free-standing and be kept eighteen (18) inches below the eaves. All plants must be trimmed back twelve (12) inches from building walls. Shrubs shall not block windows, electric meters, or neighbors' views.

## MUTUAL OPERATIONS

## BOARD AMENDED DRAFT

PHYSICAL PROPERTYLandscape Areas, Trees, and Shrubs – Mutual Two

Trees may not be planted in garden areas, except in tubs, and they must be kept eighteen (18) inches below the eaves. Plants must be cut back so as not to extend over the garden line, in all cases. Removal of any offending growth will be done by the Mutual at the shareholder's expense.

3. Fertilization and plant pest control within the garden area are the responsibility of the shareholder. Watering the garden area is also the responsibility of the shareholder. At the shareholder's expense, sprinklers may be added within the garden area. Maintenance of sprinklers will be at the shareholder's expense.
4. Potted plants are not permitted on entrance walkways; nor can they inhibit the 36-inch entry requirement. Further, potted plants are not permitted on top of, or hung from Padmount transformers, nor on telephone vaults or walk lights. Cement pavers must be under all pots containing trees or large plants.
5. Free-standing objects are permitted in the garden area only.
6. After cleaning garden areas or raking leaves, shareholders should place the leaves or debris in the proper trash bins.
7. At the time of escrow or transfer of stock to a new owner, the Mutual Inspector and the Mutual Director will signify any plants, shrubs or trees that need to be removed. The cost of such removal will be the expense of the seller or transferee of ownership.
8. Planting will be in accordance with the current Mutual Two Gardening Policy. If the new owner wishes to do the planting, it will at their expense.
9. Laundry Rooms: The areas next to the laundry rooms are an extension of the Mutual's lawn areas. These lawn areas are not for shareholders' use. If a shareholder infringes upon this area, the Gardening Committee may request that the shareholder remove such infringements at the shareholder's expense. When the corner unit changes ownership, the Committee will review any deviations or variances to the Gardening Policy.

Shareholders may design a garden area with slight curves to enhance their garden area. First, shareholders must submit a plan and drawing of the proposed garden area to the Board of Directors prior to the work being done. If approved, the plan and drawing will go into a file for that unit and be grandfathered in, so that the garden area does not have to be returned to its original configuration if the shareholder sells his or her share of stock.

## MUTUAL OPERATIONS

## BOARD AMENDED DRAFT

PHYSICAL PROPERTYLandscape Areas, Trees, and Shrubs – Mutual TwoDONATING TREES

The Garden Committee wants shareholders to know that donations of trees to enhance our Mutual's appearance are greatly appreciated. Trees are one thing that all shareholders enjoy and want to maintain. They provide shade, and improve and enrich our living spaces in Mutual 2. The Garden Committee welcomes all tree donations.

If you would like to donate a tree, the procedure is very simple:

1. Present a proposal to the Garden Committee of what type of tree you want to donate, it's size and where you would like it planted;
2. If your request meets the criteria set forth by the Garden Committee, the proposal will be presented to the Board of Directors;
3. A vote will be taken at the monthly Board Meeting. Once approved, the tree can be ordered then planted.

I. GARDEN AREAS

Every shareholder is allowed the privilege of a flower bed area in front of his/her apartment. Existing flower beds range in width from 24" to 36" and cannot exceed 36" in front; side gardens cannot exceed 48".

Front and side gardens may not be used as storage areas. Items such as garden soil, empty pots, garden tools, potting tables, cabinets, scaffolding, shelving, bikes, kayaks and/or surf boards are prohibited in front and side gardens. Also, do not block unit windows. However, a box with earthquake material is okay.

II. FLOWER BED USE AND MAINTENANCE

Shareholders are expected to maintain their flower bed areas to enhance the Mutual and be aesthetically appealing to the appearance of the Mutual. If a shareholder does not adhere to the requirements of the landscape policy, the Mutual will advise the shareholder, in writing, of the problem to be corrected.

1. All fertilization and plant pest control within the flower bed are the responsibility of shareholders at their expense. Pesticide application requires careful attention to prevent endangerment to other shareholders as well as to beneficial insects.

## MUTUAL OPERATIONS

## BOARD AMENDED DRAFT

PHYSICAL PROPERTYLandscape Areas, Trees, and Shrubs – Mutual Two

2. Flower beds are cultivated, weeded, and trimmed by contracted landscapers every six (6) weeks. Shareholders who desire to do the work themselves may alert the landscapers by placing red flags within the flower bed. Flags are available from gardeners.
3. Landscapers are instructed to remove weeds from all flower bed areas, including Baby's Tears, wild mint, ivies, and plants of the spiderwort family. These plants can spread onto the lawns or invading neighboring gardens.
4. In no instance are plants of any sort permitted to become entwined, lay upon, or in any manner touch a roof, an exposed beam, or any portion of a structure, including gutters, as these conditions invite termites, rats and mice.

Any plant materials in the flowerbed whose roots are damaging the building structure, walkways, lawn area, or retaining wall must be removed at the expense of the shareholder and the damages repaired at their expense.

Plants not already trimmed to acceptable standards of one foot (12 inches) from the building and decorative blocks, and 24 inches from the eaves, will be cut back at shareholder's expense when the structure is painted or repaired.

5. Entrance walkways, from the sidewalk to the structure/porch, must be kept free always of potted plants and all other impediments, including electric carts. Nothing that will in any way impede the full use of the 36" wide walkway and entry from the sidewalk to the entrance onto the porch is permitted to remain on the walkway. Plant materials must not extend outside the flower bed limits over scallop borders, walkways, turf areas, or into neighboring flower beds.
6. Any potted plants placed in the flower bed areas must be in decorative pots – they may not be left in nursery containers. Potted plants are to be kept trimmed and in a healthy state. The flower beds are to be kept in an attractive state to avoid an overabundance of plants that can be an eyesore and attract spiders, bugs, and rodents.
7. If a flower bed is deemed to be an eyesore by the Landscape Committee and provides hiding places for spiders and rodents, then the shareholder will be asked, in writing, to clean it out. If the shareholder does not clean out the "overgrown" flower bed and/or overabundance of potted plants, then the Mutual will do it. The shareholder will not be reimbursed for any plants, pottery, containers or non-authorized "items" in the flower bed.



## MUTUAL OPERATIONS

## BOARD AMENDED DRAFT

PHYSICAL PROPERTYLandscape Areas, Trees, and Shrubs – Mutual TwoIII. TURF AREAS

1. Turf areas are described as the ground areas located outside the apartment's flower bed area. The Mutual is responsible for the maintenance of this area. Laundry room planters are a part of the Mutual's landscape/lawn property – they are not for shareholders' use. If a shareholder infringes upon this area, the Mutual will ask the shareholder to remove such infringements. If the shareholder does not remove them, the Mutual will have the infringements removed with no compensation to the shareholder.
2. Shareholders are not permitted to install, maintain, remove, or relocate plants or any other landscaping materials, in the turf areas, around trees, irrigation corners on green belts, or around light poles. Any plants or other landscaping material that is placed in a turf area by a shareholder may be removed at shareholder's expense. Directors have the authority to authorize such removal.
3. Shareholders are not permitted to install, relocate, or adjust turf area sprinklers. Shareholders are not permitted to hand-water turf areas except for areas inadequately irrigated by the sprinkler systems.
4. The Mutual will not plant or replace trees in the Mutual turf areas unless there is an eight (8) foot clearance from the entrance walkway and an eight (8) foot clearance from the sidewalk, or an eight (8) foot radius.
5. Temporary use of turf areas by shareholders requires prior written approval by a Director (examples could be a picnic, party, moving, construction material storage, holiday decorations, etc.)
6. Lamp posts may not be decorated or have anything attached to them.

IV. APPROVED AND PROHIBITED PLANTS

1. The list of only approved plants is shown below. If a shareholder has a question about a plant that does not appear on the approved list, the shareholder needs to contact the Landscape/Garden Director for clarification and to obtain written approval from the Director prior to planting. If planted without prior written approval, the Mutual will remove, at its discretion, the offending plant(s) at the shareholder's expense.

Approved Plants List:

Day Lily (yellow)  
Hidcote Lavendula Angustifolia

Mandevilla Splendens  
Camellia

# BOARD AMENDED DRAFT

## PHYSICAL PROPERTY

### Landscape Areas, Trees, and Shrubs – Mutual Two

Salvia Leucantha – Santa Barbara Sage  
 Nandina- Gulfstream  
 Duranta Repens  
 Raphiolepis – Pink Lady  
 Heather

Azalea  
 Pittosportum – M. Channon  
 Nandia – Gulfstream  
 Hidcote Lavendula Agustifolia  
 Succulents or Drought resistant plants

### Approved Plants List:

Agapanthus	Escallonia	Holly Family	Juniper Shrubs
Ajuga	Flax	Hydrangea	Roses
Fuchsia	India Hawthorn	Lily of the Nile	Chrysanthemum
Dahlia	Verbena	Mirror Plant	Heavenly Bamboo
St. John's Wort	Gardenia	Lily of the Valley	Star Jasmine
Hibiscus	Liriope	Pyracantha	Cape Honeysuckle

### Annual and Perennial Flowering Plants:

Geraniums      Marigolds      Impatiens      Wax Begonia      Vinca

Perennial Flowers do well in our climate and soil. Young plants need protection from rabbits.

All vegetables and fruit may be grown in pots within the shareholder's designated flower bed area ONLY. Pots may not be placed on walkways, sidewalks, or anywhere that will impede emergency access. Pots containing vegetables and trees may be placed on shareholder's patio. If placed in the flower bed, pot must be on a paver large enough to prevent roots from going into the ground.

The following flowers or plants may not be planted in garden areas. Additional prohibited flowers or plants may, in the future, be added to this list by the Board of Directors.

Asparagus Fern	Cactus (large)	Ivy	Wild Mint
Baby Tears	Citrus of any kind	Spiderwort	Plastic Plants
Bamboo	Fruit of any kind	Trees of any kind	Vegetables
Bird of Paradise	Ficus	Most Palms	Elephant Ears

Any tree or plant will be removed if deemed by the gardener or Physical Property Inspectors to have roots that will cause damage to the sewers or infrastructure.

## MUTUAL OPERATIONS

## BOARD AMENDED DRAFT

PHYSICAL PROPERTYLandscape Areas, Trees, and Shrubs – Mutual TwoFRUITS AND VEGETABLES

Land in the 1.8-acre Mini Farms is set aside in Leisure World for vegetable planting. Call Community Facilities (ext. 398) for information.

PLANTING TREE WELLS

The Mutual Two Board of Directors is granting its shareholders permission to plant and landscape tree wells in their own green belts according to Policy 7425.2, dated May 2013. Below are general guidelines which are to be followed. Any questions should be directed to the Chair of the Gardening Committee.

Before a tree well can be landscaped, a drawing, complete with all materials to be used must be submitted to the Gardening Committee for prior approval. Once approved, the gardener will be notified to enlarge the area to be used for the well. Upon completion, it is the shareholder's responsibility to maintain the well. All materials purchased and used for the project, as well as the cost of maintaining the tree well, will be at the expense of the shareholder. Mutual Two will only assume the cost of creating the well.

Only organic material may be used. No statuary or fencing of any kind around or in the tree well will be allowed. Additionally, no pots of any kind will be allowed in or around the tree well. For example, a tree well can be done completely in decorative rock without plants if desired. It can also have different colors and kinds of rock and mulch in the same well.

Drought-tolerant plants are preferred since watering will be manual and the responsibility of the shareholder. **No topsoil is to be used at the base of the tree.**

Check Policy 7425.2 for the complete list of approved plants and ground cover. Around the tree base some suggested types of cover are lava rock, pea gravel, beach rock, river rock, and other landscaping rocks and all forms of mulches and decorative bark.

The goal of the Gardening Committee is to give shareholders many choices for enhancing the beauty of their green belt area with creative plantings in the tree well areas. However, to maintain our beautiful trees and help prevent them from dying, certain rules must be followed. For example – the tree needs to breathe at the base so from the base to about three (3) feet out, nothing is to be planted. Rocks and mulches are allowed for the trees to hold in the little amount of water they are allowed due to drought regulations.

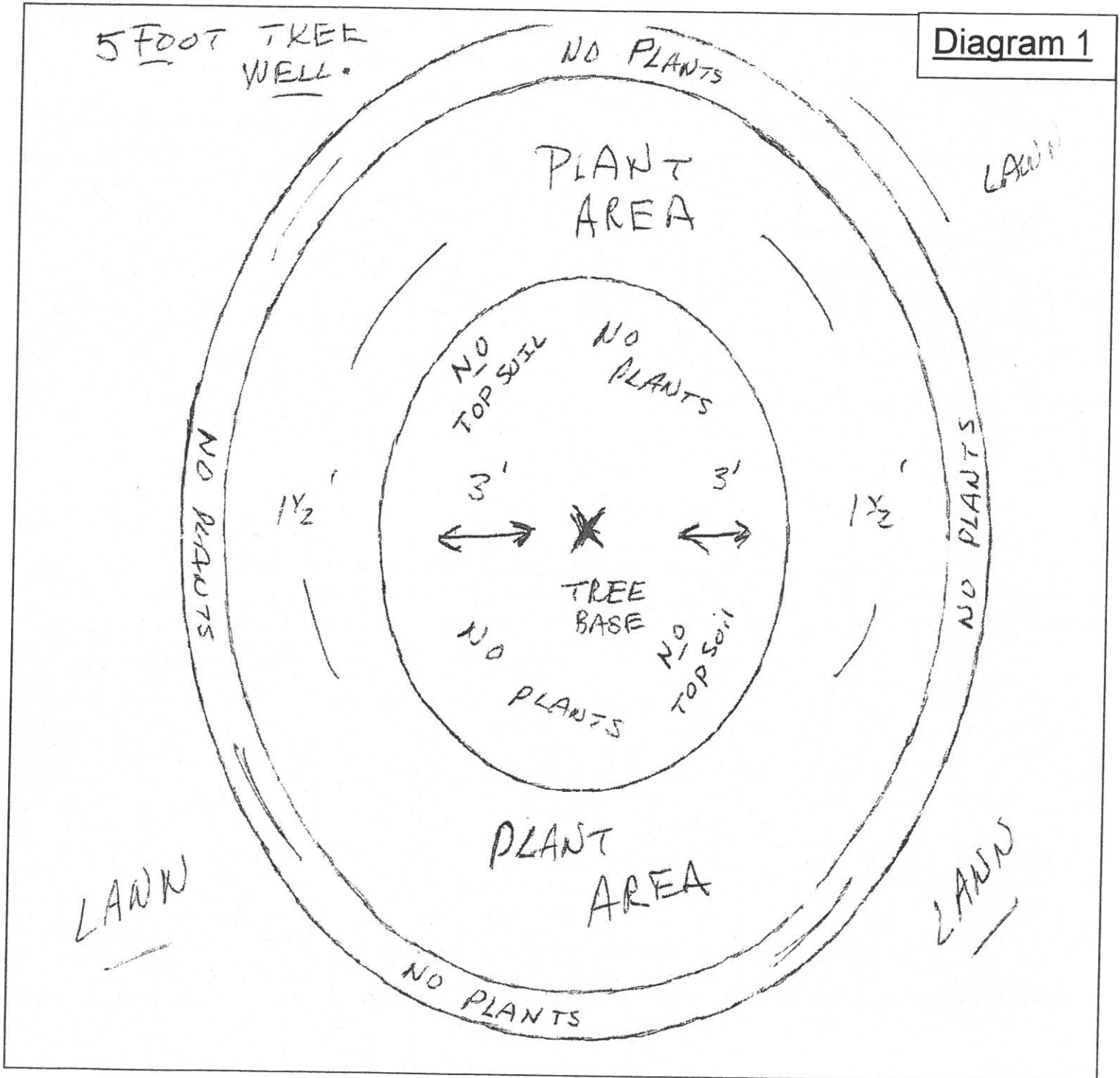
**See Diagram 1 & 2 for sample dimensions of a tree well below –**



# BOARD AMENDED DRAFT

## PHYSICAL PROPERTY

### Landscape Areas, Trees, and Shrubs – Mutual Two

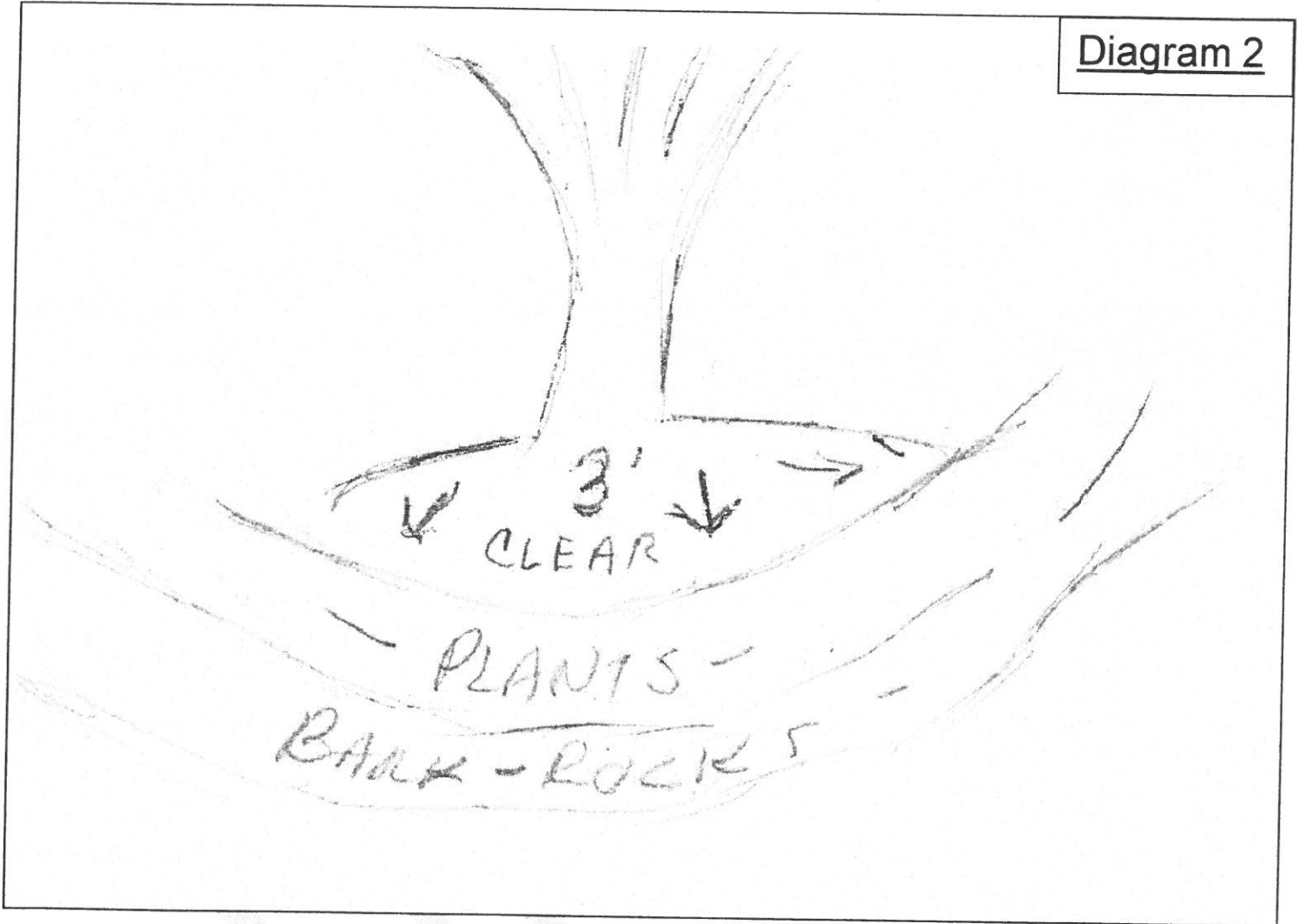


# BOARD AMENDED DRAFT

## PHYSICAL PROPERTY

### Landscape Areas, Trees, and Shrubs – Mutual Two

Diagram 2



### MUTUAL ADOPTION

TWO: 10-17-91

### AMENDMENT(S)

3-18-04; 10-21-04; 5-16-13; 11-19-15; \*date after 30day\*

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Two Only**

All persons seeking approval of the Board of Directors of Seal Beach Mutual Two 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

(Aug 08)

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Two Only**

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.<sup>1</sup>

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 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.

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

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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 Two Only**

(10) working days prior to the close of escrow.

**MUTUAL ADOPTION**

**AMENDMENT DATES**

TWO      04-16-70

09-16-93, 08-21-08

(Aug 08)

**MUTUAL OPERATIONS****PHYSICAL PROPERTY****Insurance for Individual Shareholders – Mutual Two**

Effective April 1, 2016, Mutual Two shareholders, whether residing in their unit or not, shall carry sufficient insurance to cover any damage to their unit for which they may be liable, as well as damage to any adjacent unit or other property. Coverage for this assignment of liability must be included in the limit of liability purchased. It is not any sort of personal property coverage.

Neither the Golden Rain Foundation nor the Mutual Two Corporation will be liable for any personal property, or damage to personal property, including any automobile parked on a street, or in an allocated parking space, or any other personal property stored in any parking space or elsewhere.

Shareholder should also obtain sufficient coverage for additional living expenses should the shareholder be unable to occupy their unit while repairs are made to their unit. The Golden Rain Foundation and Mutual Two Corporation shall not be liable for any additional living expenses.

The personal liability insurance limit purchased should be in an amount sufficient for the indemnification of other persons who may be injured on their property as well as the shareholder's liability for property damage, as described in the first paragraph herein. If the shareholder owns a pet, it must be registered and included within the minimum limit of liability suggested of \$300,000.

The limit of personal property insurance purchased should include the value of any artwork, jewelry, antiques, or other items of exceptional value. This limit should also include the replacement value of all personal property within their unit or elsewhere, such as their assigned parking space.

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**Additional Named Insured:**


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**Seal Beach Mutual Two Corporation, and its duly elected Directors**


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**MUTUAL ADOPTION**

TWO: 05-20-10

**AMENDMENTS**

04-21-16

(Apr 16)

**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

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	

(Dec 16)

**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**

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

(Jan 15)

**AMENDMENTS**

05-19-11



**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Caregivers – Mutual Two Only**1. Licensing Requirements

- a. In order to work as a caregiver in Mutual Two, caregiver should have a valid Seal Beach Business License or work for an agency with a valid Seal Beach Business License, per Seal Beach City Ordinance 1435. A copy of the license must be in the possession of caregiver at all times.

Exemption: A family member (of a shareholder) who is acting in the capacity of a caregiver is exempt from possessing a business license, but must apply and receive a caregiver's pass and badge.

- b. A caregiver working in Mutual Two must have a valid driver's license if driving a vehicle into Leisure World.

2. Pass and Badge Requirements

All caregivers, whether working as a family member, as an individual, or through an agency, must apply and receive a caregiver's pass and clear badge holder through the Golden Rain Foundation Stock Transfer Office.

The pass must be renewed every six months.

The pass must be worn in clear sight at all times.

Passes or badge holders may not be transferred or lent to anyone.

3. Use of Laundry Facilities

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

(Jul 13)

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Caregivers – Mutual Two Only**

- f. Part-time caregivers who use Mutual laundry facilities for their personal or family use will be permanently barred from Mutual Two.

**4. General Requirements**

- a. Caregiver must cease any noise that could be considered disruptive after 10 p.m., i.e., no loud televisions, radios, or talking, so as not to disturb the quiet enjoyment of neighbors.
- b. Caregivers are not allowed to bring family members or friends to the apartment.
- c. Caregivers are not allowed to bring pets into Leisure World.
- d. Caregivers are not allowed to use community facilities, including laundry facilities, unless caregiver is a 24-hour live-in.

**5. Parking Regulations**

If shareholder does not have a vehicle, caregiver may use the carport space for their own vehicle after obtaining a temporary parking pass through the Stock Transfer Office.

The temporary parking pass must be clearly displayed on dashboard of caregiver's vehicle at all times.

**MUTUAL ADOPTION**

TWO: 20 Nov 08

**AMENDMENTS**

07/18/13

(Jul 13)

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