

- | | |
|---|--------------|
| 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: ANNUAL SHAREHOLDERS' MEETING
June 9, 2017, at 10:00 a.m. IN CLUBHOUSE 4

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWO
4/27/2017

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 2:33 p.m. in PP Meeting Room.


Those Directors present were: President Baker, VP Esslinger, Secretary Knebel, CFO Sporcich Directors Keller, Naret, Fabian and Konier. Director MacLaren was absent. Also attending was Shareholder Travis Brooks.

The purpose of the meeting was to listen to a presentation on The Reserve Study for Mutual Two by Scott Clements of Reserve Studies, Inc. [RSI]

Mr. Clements went through the study explaining the various items. He ended the meeting with a few questions from the Board.

The Reserve Study will be presented at the May meeting for Board approval.

The meeting was adjourned at 3:07 p.m.



Attest Ken Knebel, Secretary
SEAL BEACH MUTUAL TWO

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL (02) TWO

INSPECTOR: BRUNO ALVAREZ

MUTUAL BOARD MEETING DATE: MAY 18 2017

Print Date: 5/11/2017

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
3-A	E/Z ACCESS TUB	BOTH	05/10/17	06/10/17	NO	NONE	NUKOTE
6-L	REMODEL	BOTH	10/18/16	12/28/17	YES	NONE	LOS AL BLDRS
9-F	FILL DECOBLOCK	GRF	04/17/17	05/31/17	NO	NONE	BERGKVIST
10-D	REMOVE DECO BLOCKS	GRF	04/03/17	07/01/17	NO	NONE	TAPPEN
12-K	REMODEL	BOTH	04/03/17	06/15/17	NO	FRAMING/ELECTRICAL	OGAN
12-K	REMODEL	BOTH	04/03/17	06/15/17	NO	DRYWALL 5/08/17	OGAN
12-K	REMODEL	BOTH	04/03/17	06/15/17	NO	LATHING 05/10/17	OGAN
15-D	CARPET	GRF	04/05/17	06/05/17	NO	NONE	BIXBY PLAZA CARPETS
18-H	BATH REMODEL	BOTH	04/20/17	07/15/17	NO	HOLD	CAL BATH AND KITCHEN
23-K	CEILING FAN INSTALL	GRF	04/11/17	05/11/17	NO	NONE	BERGIN ELECTRIC
28-A	INSTAL WATER HEATER	BOTH	04/11/17	05/11/17	NO	NONE	BUENOS CONSTRUCTION
30-H	WASHER/DRYER	BOTH	04/20/17	10/15/17	NO	R. PLUMBING 05/10/17	L.W. DÉCOR
30-H	MICROWAVE	BOTH	02/25/17	06/30/17	NO	NONE	RDF
32-E	REMODEL	BOTH	06/12/17	09/30/17	NO	NONE	BJ+CO
32-K	WASHER/DRYER	BOTH	04/20/17	06/01/17	NO	NONE	BERGKVIST
37-G	REMODEL	BOTH	03/20/17	11/30/17	NO	NONE	ALPHA MASTER BLDRS
41-K	E/Z ACCESS TUB	GRF	04/11/17	05/11/17	NO	NONE	NUKOTE
44-K	HEATING AND AIR	BOTH	04/17/17	07/17/17	NO	NONE	GREENWOOD
44-K	E/Z ACCESS TUB	GRF	05/11/17	06/11/17	NO	NONE	NUKOTE
50-K	WASHER/DRYER	BOTH	04/25/17	06/20/17	NO	NONE	LOS AL BUILDER
57-E	WINDOW/DOOR	GRF	05/01/17	06/01/17	NO	NONE	CALIFORNI ENERGY
58-G	CONCRETE IN PATIO	GRF	04/30/17	07/30/17	NO	NONE	MJ JURADO
61-J	INSTALL GATE	GRF	04/25/17	05/20/17	NO	NONE	MJ JURADO
61-K	E/Z ACCESS TUB	BOTH	05/15/17	06/15/17	NO	NONE	NUKOTE
63-D	BLOCK WALL	GRF	04/20/17	05/20/17	NO	NONE	RESIDENT
67-H	WASHER/DRYER	BOTH	03/23/17	05/20/17	NO	NONE	PENA CONSTRUCTION
67-H	REMODEL	BOTH	03/30/17	05/30/17	NO	ROUGH	PENA
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	05/05/17	05/18/17	06/02/17		
13-B		03/22/17	05/01/17	05/12/17	05/26/17		
13-F		09/03/15					
17-I		04/14/17	04/25/17	04/27/17	05/11/17		
21-F		03/29/17	04/13/17	04/20/17	05/04/17		
20-C		02/09/17	03/06/17	03/06/17	03/16/17		
28-F		04/14/17					
31-I		03/14/17		05/12/17	05/26/17		
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-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	04/28/17	05/02/17			
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: **BRUNO ALVAREZ**

MUTUAL BOARD MEETING DATE: **MAY 18 2017**

Print Date: 5/11/2017

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

SPECIAL PROJECTS	
CONTRACTOR	PROJECT
ROOFING STANDARDS	COMPLETED 20,23,25 START BLDG. 31
KRESS	COMPLETED 20,23,25 START BLDG. 31
GRECO	ATTIC DOORS
HUTTON	PAINTING IS GOING GREAT
ANDRE LANDSCAPE	SPRINKLER BLDGS 59,28,61
JURADO CONTRACT	SIDEWALKS BLDG 69 COMPLETED

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

Effective April 1, 2016 **April 10, 2017**, all 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. **Personal liability insurance coverage minimum is \$100,000.** If the shareholder owns a pet, it must be registered and included within the minimum limit of liability insurance suggested of **must be** \$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.

Additional Named Insured:

Additional Named Insured: Seal Beach Mutual Two Corporation, and it duly elected Directors, c/o Stock Transfer Office, P. O. Box 2069, Seal Beach, CA 90740.

~~Seal Beach Mutual Two Corporation and its duly elected Directors~~

MUTUAL ADOPTION**AMENDMENTS**

TWO: 05-20-10

04-21-16

(draft created 4-20-17 ka)

Mutual 2 BOD May 18 New Business Accounting Policies to Rescind

Resolved, to RESCIND **Policy 7301 Audit Expense**. Audit expenses are included in the GRF budget and therefore, this policy is irrelevant to the Mutuals.

Resolved, to RESCIND **Policy 7302 Capital Accounts**. This policy states that the Mutuals cannot distribute dividends and this policy has been obsolete by current and newer policies.

Resolved, to RESCIND **Policy 7320 Patronage Refunds**. This policy is obsolete (July 1977) and is no longer used by the Mutuals to determine how to distribute excess income.

Resolved, to RESCIND **Policy 7331 Impounds**. This policy is obsolete, as there is no mortgage impound accounts that exist.

Resolved, to RESCIND **Policy 7332 Billings to Mutuals**. This is outdated information (August 2000) and does not need to be documented in a policy.

Resolved, to RESCIND **Policy 7333 Income Items and Their Distribution**. This policy is obsolete since the Mutual does not have mortgages.

Resolved, to RESCIND **Policy 7334 Investment Records**. Information available to all shareholders and not limited to Mutual Directors. This is already stated in the California Civil Code, therefore, does not need to be documented in a policy.

Resolved, to RESCIND **Policy 7337 Financial Reports**. 5500 of the California Civil Code addresses the required financial document that the board must review, therefore, it does not need to be stated in a policy.

Resolved, to RESCIND **Policy 7340 Accounts Receivable**. The information contained in this document does not belong in a policy document.

Resolved, to RESCIND **Policy 7341 Cashier Service**. The information contained in this document does not belong in a policy document.

MUTUAL OPERATIONS**RESCIND MUTUAL TWO****ACCOUNTING AND FISCAL****Audit Expense – All Mutuals Except Five, Fifteen, Sixteen and Seventeen**

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:**RESCIND**

ONE	04-30-70	
TWO	04-16-70	
THREE	04-20-70	
FOUR	04-06-70	
FIVE	04-03-70	Rescinded 10-19-16
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	Rescinded 02-07-2017
SEVENTEEN	N/A	

(Mar 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TWO****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**RESCIND MUTUAL TWO**

ACCOUNTING AND FISCAL

Patronage RefundsI. 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 TWO**

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 TWO****ACCOUNTING AND FISCAL****Billings to Mutuals**

1. Billings to the Mutuals are generated by the Golden Rain Foundation. Any profit or loss is allocated back to the Mutuals at the year's end. There are basically three types of billings:

- A. SROs or service repair orders issued by the Service Maintenance Department for the Mutuals' maintenance needs and all community facility-related service costs.

Maintenance persons bill their work time to a corresponding area. Rates per hour charged by these departments are computed on a basis intended to recover wages, employer's taxes, depreciation of equipment, supplies, and other expenses. These rates are subject to periodic studies. Changes in rates result when increased costs exceed budgeted income.

- B. Administration, recreation, and maintenance of common areas and facilities not charged in item 1, warehouse facilities, property management, transportation, security, and shop repair, are billed to the Mutuals on a pro-rata basis according to the number of apartments. Each month, the Mutual receives a billing covering one-twelfth (1/12) of its budgeted expense.

- C. Billings for expenses paid by Golden Rain Foundation on behalf of the Mutuals and shared expenses:

- a. If it is a bill from an outside vendor specifying more than one Mutual, the Golden Rain Foundation pays it and bills the Mutuals.
- b. Shared expense, such as water charges and street lighting.

2. Mutuals are billed directly by outside vendors for their individual expenses.

Amended: Jul 87

Amended: Aug 00

Aug 00)

MUTUAL OPERATIONS**RESCIND MUTUAL TWO****ACCOUNTING AND FISCAL****Income Items and Their Distribution – All Mutuals Except Five & Nine**

Income is derived from the monthly apartment payments, plus other miscellaneous income received from laundry facilities, interest on reserves, inspection fees on apartment resales, late charges, and carport rentals.

A substantial part of the income is used for retirement of principal and interest on the mortgage. The remainder is divided between impounds, reserves, Golden Rain Foundation operations and individual Mutual maintenance and operation expenses.

See Policy 7333.5 for Mutual Five (Feb 16)
See Policy 7333.9 for Mutual Nine (Oct 06)

Revised: Sep 88
Revised: Aug 00
Revised: Feb 09

(Feb 16)

MUTUAL OPERATIONS**RESCIND MUTUAL TWO**

ACCOUNTING AND FISCAL

Investment Records

Records of investments, time certificates of deposit and bank pass books and/or reconciliations are available for inspection at any time by the Mutual Directors. Mutual Directors desiring general information should call the Mutual Accountant for an appointment. No appointment is necessary, of course, if an unannounced audit is made.

Reissued Jul 87

RESCIND

FIVE: 11-18-16

(Nov 16)

MUTUAL OPERATIONS**RESCIND MUTUAL TWO**

ACCOUNTING AND FISCAL

Financial ReportsI. Monthly Reports

The Accounting Department, under the direction of the Golden Rain Foundation Controller, prepares and distributes monthly financial reports to each Mutual Director. These reports consist of a balance sheet, an operating statement, which compares income and expenses to budget, detailed balances of the various reserve accounts, reconciliations of bank accounts, and the statements of cash receipts and disbursements of both the agency and the general accounts.

2. Annual Financial Statement

The Controller's Department prepares and distributes a preliminary year-end statement. Any necessary adjustments to this statement are made on completion of the audit. A copy of the annual statement is sent to each Mutual Director.

3. Inquiries About Financial Statements

The Controller is very willing to answer all questions pertaining to either the monthly financial statements or the published annual financial statements. However, it should be realized that the Controller's schedule is heavy, and that the established regulatory procedure is to request an appointment through the Chief Financial Officer or Treasurer of each individual Mutual corporation.

Reissued Jul 87

(Jul 87)

MUTUAL OPERATIONS**RESCIND MUTUAL TWO**

ACCOUNTING AND FISCAL

Accounts Receivable

This position is responsible for maintaining tenant Accounts Receivable records, including Golden Rain Foundation annual dues, on a current basis. All inquiries regarding tenant delinquencies should be referred to this office.

RESCIND

FIVE: 11-18-16

SIXTEEN: 02-07-17

MUTUAL OPERATIONS**RESCIND MUTUAL TWO****ACCOUNTING AND FISCAL****Cashier Service**

The position of Cashier has been established to facilitate all cash payments made by those members not maintaining a commercial (checking) account who wish to transact all their business on a cash basis.

RESCIND

SIXTEEN: 02-07-17



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

MUTUAL ACTION REQUEST

TO: ALL MUTUALS
FROM: MARK WEAVER FACILITIES DIRECTOR
SUBJECT: PEST/TERMITE PROPOSAL
DATE: APRIL 25, 2017
CC: FILE

Fenn Termite and Pest Control has submitted a proposal for a new three-year contract (see information exhibit A attached) that includes an annual termite inspection and report, along with the localized treatment of all accessible areas. The first column represents the cost of the previous three-year term with Fenn. The second column is the proposed cost for 2017-2019, and represents an increase of approximately 17% over the three-year period. The information below the proposed cost are the bids received during the last term. One contractor's cost was 4% more three years ago, and the other two contractors' cost shows increase of over 60%. The costs were also requested for repetitious areas of treatment (see exhibit B), and compared to the previous term. Most of the costs have not changed, however, residential, laundry room, outside building, and attic treatments have a slight increase. These costs are extra, or as needed, outside the contract.

It is staff's recommendation to approve a three-year contract with Fenn Termite and Pest Control for an annual termite inspection and report, along with the localized treatment of all accessible areas, and approve the as needed cost, when authorized by the Mutual, as called out in exhibit B

EXHIBIT A

MUTUALS - Pest Control

Termite local treatment

	2014-2017	2017-2019		
M-1	\$ 32,329.41	\$38,823.00	17%	increase
M-2	\$ 33,095.58	\$39,750.00	17%	increase
M-3	\$ 16,547.76	\$19,872.00	17%	increase
M-4	\$ 15,168.78	\$18,216.00	17%	increase
M-5	\$ 18,846.06	\$22,632.00	17%	increase
M-6	\$ 15,628.44	\$18,768.00	17%	increase
M-7	\$ 14,709.12	\$17,664.00	17%	increase
m-8	\$ 13,330.14	\$16,008.00	17%	increase
M-9	\$ 14,709.12	\$17,664.00	17%	increase
M-10	\$ 10,572.18	\$12,696.00	17%	increase
M-11	\$ 11,951.16	\$14,352.00	17%	increase
M-12	\$ 17,313.78	\$20,811.00	17%	increase
M-14	\$ 12,563.88	\$15,108.00	17%	increase
M-15	\$ 19,229.34	\$23,109.00	17%	increase
M-16	\$ 2,298.30	\$2,760.00	17%	increase
M-17	\$ 4,826.43	\$5,805.00	17%	increase
	\$ 253,119.48	\$ 304,038.00	17%	increase

MUTUALS - Pest Control

Termite local treatment

	Newport Exterminating 2014-2017	Orange County Pest Control 2014-2017	Roadrunner Exterminating 2014-2017
M-1	\$ 33,760.00	\$142,636.00	\$84,400.00
M-2	\$ 34,560.00	\$146,016.00	\$86,400.00
M-3	\$ 17,280.00	\$73,008.00	\$43,200.00
M-4	\$ 15,840.00	\$66,924.00	\$39,600.00
M-5	\$ 19,680.00	\$83,148.00	\$49,200.00
M-6	\$ 16,320.00	\$68,952.00	\$40,800.00
M-7	\$ 15,360.00	\$64,896.00	\$38,400.00
m-8	\$ 13,920.00	\$58,812.00	\$34,800.00
M-9	\$ 15,360.00	\$64,896.00	\$38,400.00
M-10	\$ 11,040.00	\$46,644.00	\$27,600.00
M-11	\$ 12,480.00	\$52,728.00	\$31,200.00
M-12	\$ 18,080.00	\$76,388.00	\$45,200.00
M-14	\$ 13,120.00	\$55,432.00	\$32,800.00
M-15	\$ 20,080.00	\$84,838.00	\$50,200.00
M-16	\$ 2,400.00	\$10,140.00	\$6,000.00
M-17	\$ 5,040.00	\$21,294.00	\$12,000.00
	\$ 264,320.00	\$ 1,116,752.00	\$ 660,200.00

\$ 11,200.52	\$ 863,632.52	\$ 407,080.52
4%	77%	62%
more	more	more
than Fenn	than Fenn	than Fenn

EXHIBIT B

FENN Cost Comparisons - Termite and Pest Control for GRF

	2014-2017	2017-2019		
MONTHLY COSTS				
Treatment - Residential unit interior, includes patio	\$ 13.00	\$ 15.00	13%	increase
Treatment - laundry room interior	\$ 6.00	\$ 8.00	25%	increase
Treatment - building outside perimeter	\$ 37.00	\$ 40.00	8%	increase
Treatment - attics	\$ 35.00	\$ 45.00	22%	increase
Spraying of carport building	\$ 40.00	\$ 40.00	0%	same
mites	\$ 45.00	\$ 45.00	0%	same
wasps	\$ 15.00	\$ 15.00	0%	same
bees	\$ 130.00	\$ 130.00	0%	same
bedbugs (2 bdrm)	\$ 1,550.00			#DIV/0!
monthly cost of mice/rat bait station maintenance	\$ 2.50	\$ 2.50	0%	same
cost of mice/rat bait station install	\$ 22.00	\$ 22.00	0%	same
bird best removal from patios	\$ 17.00	\$ 17.00	0%	same
extermination/trapping of gophers	\$ 20.00	\$ 20.00	0%	same
emergency call	\$ 45.00	\$ -		#DIV/0!

SEAL BEACH LEISURE WORLD
An Active Adult Community

To: Providing Physician _____ Patient: _____

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

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

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

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

~~Dress self with weather appropriate clothing~~

~~Maintain a clean, safe, living environment~~

~~Bathe (shower) & maintain personal hygiene~~

~~Shop, prepare meals, or eat out.~~

~~Medicate self when necessary~~

~~Take care of personal finances~~

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

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

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

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

Providing Physician's Signature _____ NPI# _____ Date _____

Note: Only one patient per page will be accepted

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

Seal Beach Leisure World

An Active Adult Community

To: Prospective Purchasers; ~~Providing Physicians~~

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

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

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

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

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

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

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

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

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

Print Patient / Prospective Purchaser's Name:

X-Providing Physician's Signature

S:\Forms\FORM Active Living Disclosures.docx

Date:



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: RANDY ANKENY, EXECUTIVE DIRECTOR
SUBJECT: 2018 BUDGET PLANNING, PROJECTS
DATE: MAY 4, 2017
CC: FILE

We will be beginning our 2018 budget process in June, in order to insure we have appropriate staffing levels to serve your Mutual needs, by July 28, 2017, I respectfully request an estimate of major projects (roofing, re-piping, sewer etc.) your Mutual is considering for the remainder of 2017 as well as activity planning for 2018.

With your Board approval, I would like to request this as an agenda item for your May/June meeting, as well as your July Board meeting, to allow time for your review and consideration by both your existing Board, as well as the newly elected Board.

I sincerely thank each Board in advance, as the information provided is critical to ensure proper levels of services to your Mutual.

VOTING CUMULATIVELY

Per the Mutuals' Bylaws Article IV, Section 7, a Shareholder at a Board Meeting before the Annual Shareholders'/Stockholders' Meeting must state:

"I (shareholder state name and unit number) intend to vote my ballot cumulatively for the election of Directors for the 2017-2018 term of office."