

**MINUTES OF THE REGULAR MONTHLY MEETING OF
THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL SIXTEEN
July 7, 2017**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Sixteen was called to order by President/CFO Grenrock at 9:30 a.m. on Friday, July 7, 2017, in Building Five, Conference Room B, followed by the *Pledge of Allegiance*.

ROLL CALL

Present:	President/CFO Grenrock, Secretary M. Clawson, and Directors Jones and J. Clawson, and Advisory Director Denton
Absent:	Vice President Merrifield
GRF Representative:	Absent
Guest:	One Mutual Sixteen shareholder
Staff:	Ms. Hopkins, Mutual Administration Director Mr. Bristow, Security Services Director Mr. Weaver, Facilities Director Mr. Antisdell, Building Inspector Mrs. Aquino, Recording Secretary

President/CFO Grenrock welcomed the guest and staff to the meeting.

MINUTES

President/CFO Grenrock asked for any corrections to the June 6, 2017, Regular Meeting minutes. There being no corrections, the minutes were approved as printed.

GUEST SPEAKER – Mr. Bristow

Security Services Director Bristow introduced himself and discussed with the Board the new changes that will be happening in Security as well as the improvements that will be coming in the future.

Mr. Bristow left the meeting at 9:36 a.m.

GUEST SPEAKER – Mr. Weaver

Facilities Director Weaver discussed Policy 7525 – Withdraw Inspection Process Fee and as asked by the Board, gave further clarification regarding this policy.

Facilities Director Weaver left the meeting at 9:40 a.m.

BUILDING INSPECTOR'S REPORT

Building Inspector Antisdell presented his report (attached).

Following questions, Inspector Antisdell left the meeting at 9:44 a.m.

PRESIDENTS REPORT

President/CFO Grenrock presented his Presidents report (attached).

PRESIDENT/CHIEF FINANCIAL OFFICER'S REPORT

President/CFO Grenrock presented the financial report (attached).

VICE PRESIDENTS REPORT

In Vice President Merrifield's absence, her report is attached.

SECRETARY/CORRESPONDENCE

Secretary M. Clawson received no correspondence.

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins updated the Board on Mutual Administration activity, and reminded the Board about the Life Options Expo taking place on July 8, 2017.

OLD BUSINESS

The Board discussed amending Policy 7510.16 – Eligibility Requirements(attached). Upon a MOTION duly made by Secretary M. Clawson and seconded by Director Jones, it was

RESOLVED, To amend Policy 7510.16 – Eligibility Requirements on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

OLD BUSINESS

The Board discussed Policy 7549.16 – Lockout Procedures (attached). Upon a MOTION duly made by Secretary M. Clawson and seconded by Director Jones, it was

RESOLVED, To adopt Policy 7459.16 – Lockout Procedures on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Jones and seconded by Director J. Clawson, it was

RESOLVED, To ratify posted Policy 7405.16 – Flooring and Floor Covering Permits.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary M. Clawson and seconded by Director J. Clawson, it was

RESOLVED, To ratify rescinded/posted Policies 7302 – Capital Accounts; 7304 – Financing capital Projects; 7332 – Billings to Mutuals; 7333 – Income Items and Their Distribution; 7334 – Investment Records; 7337 – Financial Reports.

The MOTION passed.

NEW BUSINESS

Following a discussion, and upon a MOTION duly made by Secretary M. Clawson and seconded by Director Jones, it was

RESOLVED, To ratify the phone poll vote conducted on June 26, 2017, to approve the onsite reserve study.

The MOTION passed.

The Board discussed Policy 7575.16 – Laundry Room Use. President/CFO Grenrock appointed a committee consisting of Secretary M. Clawson and Director J. Clawson, to review the policy and update the Board at the next Regular Monthly Meeting.

NEW BUSINESS (continued)

Following a discussion, and upon a MOTION duly made by President/CFO Grenrock and seconded by Director J. Clawson, it was

RESOLVED, That Mutual Sixteen 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.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by President/CFO Grenrock and seconded by Secretary M. Clawson, it was

RESOLVED, To accept the Active Living Disclosures as presented with the elimination of the physicians note.

The MOTION passed.

The Board discussed Policy 7020.16 – Approval of Escrow (attached). Upon a MOTION duly made by President/CFO Grenrock and seconded by Secretary M. Clawson, it was

RESOLVED, To adopt Policy 7020.16 – Approval of Escrow on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

DIRECTOR(S)' COMMENTS

Several Directors made a comments.

SHAREHOLDER(S)' COMMENTS

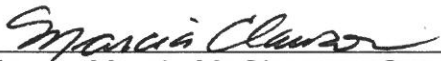
One shareholder made a comment.

**BOARD OF DIRECTORS
MUTUAL SIXTEEN**

July 7, 2017

ADJOURNMENT

There being no further business to conduct, President/CFO Grenrock adjourned the meeting at 10:30 a.m.



Attest, Marcia M. Clawson, Secretary
SEAL BEACH MUTUAL SIXTEEN
ka: 7/11/17
Attachments

NEXT MEETING: August 1, 2017, at 9:30 a.m.

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF JULY 7, 2017**

- 07/07/17 RESOLVED, To amend Policy 7510.16 – Eligibility Requirements on a preliminary basis until the 30–day posting period is completed.
- RESOLVED, To adopt Policy 7459.16 – Lockout Procedures on a preliminary basis until the 30–day posting period is completed.
- RESOLVED, To ratify posted Policy 7405.16 – Flooring and Floor Covering Permits.
- RESOLVED, To ratify rescinded/posted Policies 7302 – Capital Accounts; 7304 – Financing capital Projects; 7332 – Billings to Mutuals; 7333 – Income Items and Their Distribution; 7334 – Investment Records; 7337 – Financial Reports.
- RESOLVED, To ratify the phone poll vote conducted on June 26, 2017, to approve the onsite reserve study.
- RESOLVED, That Mutual Sixteen 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.
- RESOLVED, To accept the Active Living Disclosures as presented with the elimination of the physicians note.
- RESOLVED, To amend Policy 7020.16 – Approval of Escrow on a preliminary basis until the 30–day posting period is completed.

INSPECTORS MUTUAL REPORT

MUTUAL: **(16) SIXTEEN**

INSPECTOR: **Jerry Antisdal**

MUTUAL BOARD MEETING DATE: **July 7TH 2017**

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
52-G	CARPORT CABINET	GRF	03/21/17	06/30/17	NO	04/24/17 FINAL	CGR CONST.
52-I	TILE/GATE AT PATIO	GRF	06/10/17	08/10/17	NO	NONE	MAMUSCIA
54-H	HEAT PUMP	BOTH	04/10/17	07/10/17	NO	NONE	GREENWOOD

ESCROW ACTIVITY							
UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
53-C		04/14/17	05/26/17	06/02/17	06/16/17		
54-C	5/31/2017						

FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

CONTRACTS	
CONTRACTOR	PROJECT
FENN TERMITE AND PEST CONTROL GOOD UNTIL 2019	

MUTUAL AND SHAREHOLDER REQUEST	
CALLS AND VISITS TO UNITS 31	

Mutual 16
July 7, 2017

President's Report

Good morning to all, and welcome to are meeting.

At this time I would like to welcome into Mutual Sixteen, our newest resident shareholder in apartments 53-C, Susan Musgrave. Susan is still settling in with unpacking boxes and installing new carpeting.

Fire Safety: I feel it's proper to re- address the importance of fire safety any time there has been a mutual fire of any type.

On 7.2.17 around 10:20 p.m. Mutual 8 had a carport fire, which caused damage to some of vehicles parked in the carport, along with damage to a portion of the carport. Luckily, a paramedic's fire engine was only about 200 yards away on another call and put out the fire before the Seal Beach Fire Department arrived. At of this writing, the cause of the fire or the persons involved has not been provided, but no one was reported injured.

Kitchen safety, must be our number one priority in our apartments. It is far too easy to simply walk away from a hot stove where you were cooking and forget all about it. Allowing a pot to "boil dry" has happened to almost everyone at least once, or burning dinner when life's other distractions get in the way.

This sort of accidents can lead to a disaster. Smoke and flames are the most common type of household fires. Just the smoke damage from one of these fires can cause thousands of dollars in damages to your apartment and possible your neighbors.

REMEMBER TO "STAND BY YOUR PAN" & "TURN OFF BEFORE YOU GO OFF."

Anyone can be distracted while cooking, and Seniors live independently, while aging at home must practice the rules and reminders.

Liability Insurance: The last full sentence of Article 5 of our Occupancy Agreement states the following:

If by reason of the occupancy or use of said premises by the Member the rate of insurance on the building shall be increased, the Member shall become personally liable for the additional insurance premiums.

Personal Property and Liability Insurance is required for all Mutual 16 Resident Shareholders.

It greaves me to say, that Garry Maxson, of 52-H and Richard Amaro of 50-K passed away during the month of June, 2017. To all the family members of Garry Maxson and Richard Amaro, please accept our deepest sympathy for your loss.

Alfred Grenrock
Mutual Sixteen President / CFO

VICE PRESIDENT'S REPORT
Signe Merrifield
7-7-17

LANDSCAPING

City of Seal Beach Water Restrictions

On April 7, 2017, Governor Jerry Brown declared, that the drought emergency in California had ended. However, the City of Seal Beach Phase I Water Emergency Restrictions are still in effect.

- Washing down sidewalks and driveways is prohibited. The only exception is for health and safety related circumstances.
- Irrigation of landscape areas must be conducted between the hours of 5 pm and 9 am.
- Leisure World Mutuals irrigate landscape areas according to this schedule:

Even Number Mutuals

Monday night
Thursday night
Saturday night

Odd Number Mutuals

Tuesday night
Friday night
Sunday night

Watering is from 5 pm to 9 am the following morning.

Violations of the water restrictions can be reported to the city at
(562) 431-2527 ext 1414.

Information should include the location, day, and time of the observed violation.

Watering the grass in front of your apartment is a violation of the city's water restrictions. The grass areas are watered according to the mutual landscape irrigation schedule.

If you see any areas of brown grass, give me a call, because it could be a sign that a sprinkler is broken. My phone number is posted in the laundry room.

Mutual 16
July 7, 2017

Chief Financial Officer's Report

The monthly Budget Comparison for May 2017, reflected the following budget status.

Our Total Expenses of \$23,628 were \$706. over the budgeted \$ 22,922 for expenses.

Total Income and Contributions to Capital of \$23,130. was \$209 over projected budget, due mostly to inspection fees.

We ended May with a Depreciation Expense of (\$778) over budget for the month, resulting in Excess income, after off Budget Items of (\$1,276.) and a Year to Date Excess of \$(2,206.)

The Financial Statement Recaps and the Budget Comparison for May will be distributed with today's minutes.

Al Grenrock, Mutual Sixteen
President / CFO

1016 Seal Beach Mutual No. Sixteen
Budget Comparison - Mutuals
05/31/2017

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P.O. Box 2069
Seal Beach CA 90740

May Actuals	May Budget	Budget Variance	Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance	Annual Budget	Annual Unused Budget
8,681	8,681	0	7210000	Trust Maintenance Costs					
				GRF Trust Maintenance Fee	43,405	43,405	0	104,177	60,772
8,681	8,681	0		Total Trust Maintenance Costs	43,405	43,405	0	104,177	60,772
				Utilities					
238	365	127	6420000	Electricity	1,161	1,825	664	4,378	3,217
1,138	794	(344)	6423000	Water	2,366	3,970	1,604	9,533	7,167
478	482	4	6424000	Trash	2,391	2,410	19	5,789	3,398
1,854	1,641	(213)		Total Utilities	5,918	8,205	2,287	19,700	13,782
				Professional Fees					
34	34	0	6430000	GRF Management Fee	170	170	0	403	233
0	133	133	6434000	Legal Fees	0	665	665	1,598	1,598
34	167	133		Total Professional Fees	170	835	665	2,001	1,831
				Outside Services					
1,100	1,100	0	6475000	Landscape Maint. - Contract	5,500	5,500	0	13,198	7,698
731	554	(177)	6475500	Landscape Maint. - Extras	4,320	2,770	(1,550)	6,646	2,326
414	52	(362)	6477100	Painting	414	260	(154)	619	205
799	89	(710)	6477200	Pest Control	879	445	(434)	1,066	187
0	220	220	6477300	Structural Repair	0	1,100	1,100	2,635	2,635
19	41	22	6477400	Miscellaneous Services	19	205	186	490	471
490	1,000	510	7552000	Service Maintenance-Standard	5,567	5,000	(567)	12,002	6,435
157	0	(157)	7552200	Maintenance Replacements	1,771	0	(1,771)	0	(1,771)
(157)	0	157	5394000	Transfers from Funded Resvs	(1,771)	0	1,771	0	1,771
3,553	3,056	(497)		Total Outside Services	16,699	15,280	(1,419)	36,656	19,957

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Budget Comparison - Mutuals
05/31/2017

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May Actuals	May Budget	Budget Variance	Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance	Annual Budget	Annual Unused Budget
0	75	75	6720000	Taxes & Insurance					
1,414	1,209	(205)	6730000	State & Federal Taxes	225	375	150	900	675
				Property & Liability Insurance	7,070	6,045	(1,025)	14,508	7,438
1,414	1,284	(130)		Total Taxes & Insurance	7,295	6,420	(875)	15,408	8,113
6,855	6,148	(707)		Total Operating Expense	30,083	30,740	657	73,765	43,682
				Contributions to Capital					
180	180	0	7630000	Painting Reserve From Assessments	900	900	0	2,160	1,260
167	167	0	7665000	Contingency Operating From Assessments	833	835	2	2,000	1,167
1,237	1,237	0	7675000	Roofing Reserve From Assessments	6,184	6,185	1	14,842	8,658
926	926	0	7676000	Emergency Reserve From Assessments	4,628	4,630	2	11,108	6,480
5,583	5,583	0	7677000	Infrastructure Reserve From Assessments	27,914	27,915	1	66,994	39,080
8,092	8,093	1		Total Contributions to Capital	40,460	40,465	5	97,104	56,644
23,628	22,922	(706)		Total Expenses	113,948	114,610	662	275,046	161,098

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Budget Comparison - Mutuals
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May Actuals	May Budget	Budget Variance	Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance	Annual Budget	Annual Unused Budget
OPERATING INCOME									
140	130	10	5375000	Income From Services					
				Laundry Machine Income	743	650	93	1,555	813
140	130	10		Total Income From Services	743	650	93	1,555	813
Financial Income									
101	73	28	5397000	Taxable Interest Income - Mutual	470	365	105	880	410
(62)	(62)	0	5398100	Interest Income Allocation	(312)	(310)	(2)	(749)	(437)
45	17	28	5420000	Other Taxable Income	143	85	58	207	64
83	28	55		Total Financial Income	301	140	161	338	37
Other Income									
4	31	(27)	5610000	Late Charges	48	155	(107)	374	326
250	83	167	5921000	Inspection Fees	250	415	(165)	1,001	751
5	0	5	5980000	Miscellaneous Income	5	0	5	0	(5)
259	114	145		Total Other Income	303	570	(267)	1,375	1,072
481	272	209		Total Operating Income	1,347	1,360	(13)	3,268	1,921
Contributions To Capital									
180	180	0	5130000	Painting Reserve Contributions	900	900	0	2,160	1,260
167	167	0	5165000	Contingency Operating Contributions	833	835	(2)	2,000	1,167
1,237	1,237	0	5175000	Roofing Reserve Contributions	6,184	6,185	(1)	14,842	8,658
926	926	0	5176000	Emergency Reserve Contributions	4,628	4,630	(2)	11,108	6,480
5,583	5,583	0	5177000	Infrastructure Reserve Contributions	27,914	27,915	(1)	66,994	39,080
8,092	8,093	(1)		Total Contributions To Capital	40,460	40,465	(5)	97,104	56,644
Regular Assessments									
14,556	14,556	0	5111000	Carrying Charges	72,784	72,780	4	174,674	101,890
14,556	14,556	0		Total Regular Assessments	72,784	72,780	4	174,674	101,890
23,130	22,921	209		Total Income and Contributions to Capit.	114,590	114,605	(15)	275,046	160,456
(498)	(1)	(497)		Excess Inc/(Exp) Before Off-Budget Items	642	(5)	647	0	(642)
Off-Budget Items									
778	0	(778)	8100000	Depreciation Expense	2,849	0	(2,849)	0	(2,849)

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 Budget Comparison - Mutuals
 05/31/2017

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May Actuals	May Budget	Budget Variance	Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance	Annual Budget	Annual Unused Budget
778	0	(778)		Total Off-Budget Items	2,849	0	(2,849)	0	(2,849)
(1,276)	(1)	(1,275)		Excess Inc.Exp. After Off-Budget Items	(2,206)	(5)	(2,201)	0	2,206

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P.O. Box 2069
Seal Beach CA 90740

May Actual	May Budget		2017 Y-T-D Actual	2017 Y-T-D Budget
14,556	14,556	Carrying Charges	72,784	72,780
8,092	8,093	Reserve Funding	40,460	40,465
22,648	22,649	Total Regular Assessments	113,244	113,245
140	130	Service Income	743	650
83	28	Financial Income	301	140
259	114	Other Income	303	570
481	272	Total Other Income	1,347	1,360
23,130	22,921	Total Mutual Income	114,590	114,605
8,681	8,681	GRF Trust Maintenance Fee	43,405	43,405
1,854	1,641	Utilities	5,918	8,205
34	167	Professional Fees	170	835
3,553	3,056	Outside Services	16,699	15,280
1,414	1,284	Taxes & Insurance	7,295	6,420
8,092	8,093	Contributions to Reserves	40,460	40,465
23,628	22,922	Total Expenses Before Off-Budget	113,948	114,610
(498)	(1)	Excess Inc/(Exp) Before Off-Budget	642	(5)
778	0	Depreciation Expense	2,849	0
(1,276)	(1)	Excess Inc/(Exp) After Off-Budget	(2,206)	(5)
		Restricted Reserves		
(157)	0	Appliance Reserve Equity	3,038	0
180	0	Painting Reserve	7,502	0
167	0	Contingency Operating Equity	25,803	0
1,237	0	Roofing Reserve	256,549	0
926	0	Emergency Reserve Equity	63,136	0
(61)	0	Infrastructure Reserve	99,444	0
2,292	0	Total Restricted Reserves	455,472	0

Mutual Administration Director's Report

July 2017 Election Results Term 2017-2018

Mutual	President	GRF Directors
ONE	Sandra Luther-Stark	Richard Stone Leah Perrotti
TWO	Myrna Baker	Paul Pratt Paula Snowden
THREE	Carol Ginthner	Linda Stone
FOUR	Bob Slater	Joy Reed
FIVE	Dr. Betty Coven	Wayne Gould
SIX	Tom Dowd	Susan Hopewell
SEVEN	Sue Rotter	Kathleen Rapp
EIGHT	Camille Thompson	Steven McGuigan
NINE	Debra Schnaufer	Antonio Dodero
TEN	Ruthann Arlart	Ronde Winkler
ELEVEN	Phil Mandeville	Mary Ruth Greer
TWELVE	Margaret Gillon	Carole Damoci
FOURTEEN	Lee Melody	Barry Lukoff
FIFTEEN	Jackie Dunagan	Patrick Anderson
SIXTEEN	Al Grenrock	Susanne Fekjar
SEVENTEEN	Pete Hayes	Perry Moore

Mutual	# of Units	# of Estates at time of Election	Total # of Ballots Received	Total % of Members Voting	Total Votes Cast for Write-in Candidates Who Accepted Nomination	Total Votes Cast for Abstention Only	Total Votes Cast for Quorum Only
ONE	844	10	316	37%	0	11	2
TWO	864	22	400	47%	0	10	3
THREE	432	14	212	50%	0	1	1
FOUR	396	5	221	56%	3	2	2
FIVE	492	13	210	43%	22	2	2
SIX	408	9	204	51%	0	1	2
SEVEN	384	8	236	63%	0	0	1
EIGHT	348	6	187	54%	0	2	1
NINE	384	5	187	49%	134	9	1
TEN	276	4	159	58%	0	1	0
ELEVEN	312	No election this year; annual meeting only					
TWELVE	452	8	210	47%	0	5	0
FOURTEEN	328	5	239	73%	0	4	6
FIFTEEN	502	8	300	60%	0	0	1
SIXTEEN	60	0	36	60%	0	1	0
SEVENTEEN	126	7	77	64%	0	4	0

Mutual	Bylaw Amendment	Yes	No	Abstain	Passed
FIVE	Remove FHA, Eliminate Parcels, Eliminate Cumulative Voting & Institute Staggered Terms <i>Kaiser</i>	174	21	13	YES
NINE	Measure No. 1 - Eliminate Parcels <i>Rabkin</i>	118	32	36	NO
	Measure No. 2 - Institute Staggered Terms	110	36	40	NO
TEN	Measure No. 1 - Notice of Meetings <i>Rabkin</i>	140	1	18	YES
	Measure No. 2 - Proxies	125	15	19	YES
	Measure No. 3 - Secret Ballot	130	11	18	YES
	Measure No. 4 - Removal of Director	133	7	19	YES
	Measure No. 5 - Board Action without Meeting	117	24	18	YES
	Measure No. 6 - Annual Budget Report	141	1	17	YES
FIFTEEN	Eliminate cumulative voting and FHA requirement <i>Roseman/Zweig</i>	238	33	28	YES

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

All **Proposing** persons **resident shareholder**, seeking approval of the Board of Directors of Seal Beach Mutual No. Sixteen 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 **net** income or sufficient assets that is/are four (4) **five (5)** 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~~ **\$50,000**. **Actual or project retirement income (SS, pension, annuity, etc.) shall be the only income used for qualification.**

ASSETS USED TO PURCHASE UNIT WILL NOT BE INCLUDED IN INCOME CALCULATIONS

- 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; **(with a copy of executed payment elections documents and/or beneficiary election forms);**
 - d) SSA-1099 Social Security Benefit Statement;
 - e) Brokerage statements and current interim statement.
 - f) Six to 12 months of checking account statements.

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

- 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 **five (5)** ~~four (4)~~ will be the monthly income required. This will be verified by the escrow company and the Stock Transfer Office. Stock Transfer shall have the final say in establishing verifiable income.¹
- 1) Verification shall be done by the Escrow Company and the Stock Transfer Office prior to the new buyer interview orientation and prior to the close of escrow (the above verification will not be the responsibility of the individual Mutual Directors; Directors will not be required to study or understand the financial requirements).
- d. Only the residential shareholder's income shall be considered for qualifying.

3. Health

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

**** (remove if ALD passed with NO doctors note) ****

- C. Assume, in writing, the obligations of the "Occupancy Agreement" in use by the Mutual Corporation.

1 (Note 1): If major remodeling, expansion, or additions of a bathroom is being considered, the increase in taxes over the 1.2% of the purchase price must be taken into consideration.

(draft created on 7-3-17 ka)

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

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**SIXTEEN:** 04-09-70**AMENDMENTS**

09-20-93, 07-21-08, 01-20-14

MUTUAL OPERATIONS**DRAFT****SHAREHOLDER REGULATIONS****Lockout 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 knob lock on the door. If the door cannot accommodate a knob lock, 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 knob locked 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****SHAREHOLDER 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 OPERATIONS**AMENDED DRAFT****Approval of Escrows –****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	

(draft created on 7-7-7 ka)