

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL EIGHT
February 26, 2018**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Eight was called to order by President Thompson at 1:30 p.m. on Monday, February 26, 2018, in the Administration Building Conference Room A, followed by the *Pledge of Allegiance*.

SHAREHOLDERS COMMENTS

Several Shareholders made comments.

ROLL CALL

Present:	President Thompson, Vice President/CFO Berg, Secretary Park, and Directors Kline and Winslow
GRF Representative:	Mr. McGuigan was absent
Guests:	Thirteen Mutual Eight Shareholders
Staff:	Ms. Hopkins, Mutual Administration Director Mr. Hurtado, Building Inspector Mr. Swordes, Building Inspector

INTRODUCTION

President Thompson welcomed the staff and guests to the meeting.

MINUTES

President Thompson asked if there were any corrections to the January 22, 2018, Regular Meeting minutes. There being none, the minutes were approved as printed.

BUILDING INSPECTOR'S REPORT

Building Inspector Hurtado and Swordes updated the Board on Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (attached).

Inspector Hurtado presented an update on the stellar solar panel removal program.

The Board discussed amending Policy 7471.08 – Pest Control. Upon a MOTION duly made by Kline and seconded by Director Winslow, the MOTION was withdrawn for further discussion at the next Regular Board Meeting.

UNFINISHED BUSINESS

Following a discussion, and upon a MOTION duly made by President Thompson and seconded by Director Kline, it was

RESOLVED, To rescind Policy 7701 – Personal Property Insurance and adopt Policy 7701.08 – Personal Property Insurance on a preliminary basis until the 30 day posting period is completed (attached).

The MOTION passed with one “no” vote (Park).

Following a discussion, and upon a MOTION duly made by Director Kline and seconded by President Thompson, it was

RESOLVED, To amend Policy 7510.08 – Eligibility Requirements on a preliminary basis until the 30 day posting period is completed (attached).

The MOTON passed.

NEW BUSINESS

Following a discussion, and upon a MOTION duly made by Secretary Park and seconded by Director Thompson, it was

RESOLVED, To adopt Policy 7731.08 – Internal Dispute Resolution-IDR on a preliminary basis until the 30-day posting period is completed (attached).

The MOTION passed with one “no” vote (Winslow)

Following a discussion, and upon a MOTION duly made by Secretary Park and seconded by Director Kline, it was

RESOLVED, To approve the contract with BrightView Landscape to clean the gutters in Mutual Eight, at a cost not to exceed \$2,200, and authorize the President to sign the contract.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary Park and seconded by Director Kline, it was

RESOLVED, To approve that all Board expenditures above the amount of \$3,000, including Bond purchases, must be approved by the Mutual Eight Board of Directors.

The MOTION passed with one “no” vote (Berg).

NEW BUSINESS (continued)

Following a discussion, President Thompson appointed the following to the Brunsting Park Painting Committee; Director Kline (Chair), and shareholder Mr. Murphy Unit 191–F.

Following a discussion, President Thompson appointed the following as the 2018-2019 Nominating Committee; President Thompson (Chair), Director Kline, and Director Winslow.

SECRETARY/CORRESPONDENCE

Secretary Park received no correspondence.

CHIEF FINANCIAL OFFICER'S REPORT

Vice President/CFO Berg submitted her report (attached).

Following a discussion, upon a MOTION duly made by Vice President/CFO Berg and seconded by Director Kline, it was

RESOLVED, To approve the selling of two bonds at a cost of \$91,087 and approve the purchase of two bonds at a cost of \$112,431.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Vice President/CFO Berg and seconded by President Thompson, it was

RESOLVED, To approve the transfer of \$50,000 from the Emergency Reserves Fund to the Non-Restricted Funds to cover payment of Ward-Tek.

The MOTION passed with one "no" vote (Winslow).

MUTUAL ADMINISTRATION

Mutual Administration Director Hopkins updated the Board on the Mutual Administration activity (attached).

ANNOUNCEMENTS

Mutual Eight Town Hall Meeting will take place on March 5, 2018, from 12:30 p.m. to 2:30 p.m. in CH 4.

COMMITTEE REPORTS

There were no committee reports.

DIRECTORS COMMENTS

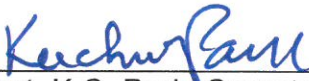
No Director comments were made.

SHAREHOLDER COMMENTS

Several shareholders made comments.

ADJOURNMENT

There being no further business to conduct, President Thompson adjourned the meeting at 3:50 p.m. and announced an Executive Session would follow to discuss member issues.



Attest, K.C. Park, Secretary
SEAL BEACH MUTUAL EIGHT
sp/ka: 03/05/18
Attachments

NEXT MEETING: REGULAR BOARD MEETING: MONDAY MARCH 26, 2018
AT 1:30 p.m. IN THE ADMINISTRATION BUILDING CONFERENCE ROOM A
RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF FEBRUARY 26, 2018

In order to view the Minutes, Agendas, etc., for Mutual 8, please follow these directions:

1. Go to LWSB website at: <http://www.lwsb.com>
2. Go across the black bar at the top of the webpage to the category called "Mutuals"
3. Scroll down to Mutual 8, click on Mutual 8
4. You are now on the website for MU 8

You will see Minutes at the top and in the bottom also. Click on Minutes or what you want to view.

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING FEBRUARY 26, 2018**

- 2/26/18 RESOLVED, To rescind Policy 7701 – Personal Property Insurance and adopt Policy 7701.08 – Personal Property Insurance on a preliminary basis until the 30 day posting period is completed.
- RESOLVED, To amend Policy 7510.08 – Eligibility Requirements on a preliminary basis until the 30 day posting period is completed.
- RESOLVED, To amend Policy 7731.08 – Internal Dispute Resolution-IDR on a preliminary basis until the 30-day posting period is completed.
- RESOLVED, To approve the contract with BrightView Landscape to clean the gutters in Mutual Eight, at a cost not to exceed \$2,200, and authorize the President to sign the contract.
- RESOLVED, To approve that all Board expenditures above the amount of \$3,000, including Bond purchases, must be approved by the Mutual Eight Board of Directors.
- RESOLVED, To approve the selling of two bonds at a cost of \$91,087 and approve the purchase of two bonds at a cost of \$112,431.
- RESOLVED, To approve the transfer of \$50,000 from the Emergency Reserves Fund to the Non-Restricted Funds to cover payment of Ward-Tek.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (08) EIGHT

INSPECTOR: George Hurtado

MUTUAL BOARD MEETING DATE: February 26, 2018

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
202A	remodel	yes	07/19/17	03/31/18	no		Los AI Builders
202A	entry door, tile, foam trim	yes	07/27/17	02/28/18	no		Los AI Builders
195H	ADA cutdown	yes	12/05/17	02/22/18	no		Nu Kote
184E	central air	yes	12/14/17	04/30/17	no		Greenwood
190D	carport cabinet	yes	12/05/17	02/01/18	no		Mike Banfield
194A	microwave	yes	01/17/18	02/25/18	no		Ogan196G
various	recording devices	yes	01/21/18	03/30/18	no		LA Seismic
182I	windows, door	yes	01/26/18	04/21/18	no		Seaport
193B	countertops	yes	01/17/18	02/01/18	no		Pena
196G	carport cabinet	yes	01/16/18	02/23/18	no		Mike Banfield
202F	bath remodel	yes	02/21/18	05/05/18	no		Roberts
178E	heatpump	yes	02/05/18	05/16/18	no		Greenwood
194A	windows, door	yes	01/31/18	04/30/18	no		Real McCoy
184E	heatpump	yes	12/26/17	03/05/18	no		Greenwood
194F	3/4 bath, washer/dryer	yes	10/18/17	03/18/18	no		JC Kress
ESCROW ACTIVITY							
UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
203F			02/01/18	2/9/2018	2/22/2018		
192H		2/8/2018	02/22/18				
199G			02/21/18				
187H			02/01/18	2/7/2018	2/21/2018		
184H		11/10/17	01/10/18	01/11/18	01/23/18		

Pre-listing Inspection NBO - Now Buyer Orientation

Pre-Listing Inspection NBO = New Buyer Orientation

Final COE Inspection ROF = Release of Funds

Mutual 8 CFO Report – February, 2018

Welcome to the monthly meeting of Mutual 8.

The total Assets of Mutual 8 is \$4,992,172 with \$2,064,837 in Restricted deposits. The total liabilities of the Mutual to date is \$365,598. Excess income for the current year is \$4,591.

Significant Expenses over budget for the month ending January 31 include water (\$474) and contracted Landscape maintenance (\$256). The month ended with a \$6,121 positive budget variance. Remember, this is only for the first month of 2018 and we recently have experienced significant legal and vector control expenses. Total expenses for the month were \$116,152 of a \$122,273 budgeted.

Total operating expenses for the month of January was \$34,345 of a budgeted \$40,467 budgeted, a \$6,122 positive variance.

Total mutual Income and contributes to capital for January is \$122,026 of a budgeted \$122,273. Year-to-date there is a negative variance in income of (\$249). Off budget and depreciation expense is a negative (1,283).

Total market value plus accrued income from our investment Bank, BNYMellon equals \$1,254,977. The estimated yearly income is scheduled to be in the vicinity of \$55,359. As reported in December, two bonds for \$91,087 were sold and two were purchased for \$112,431. In January, a bond with Wisconsin was slated to be sold. As a point of clarification on how fast BNYM must work, the Bond traded on 1/31 and settled on 2/3/18. It carries a 5.0% interest rate. I have discussed our investment strategy with out legal council to insure we were proceeding with due diligence.

That concludes the financial report. Please let me know if you have any questions.

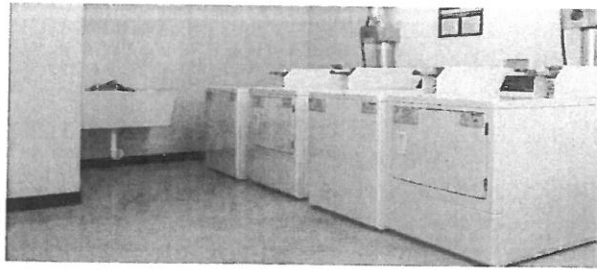
**Ruth G. Mullins Berg, PhD, RN, CPNP-R
VP/CFO, Mutual 8
562-936-1274. rgmullinsberg@sprintmail.com**

P.O. Box 2069
Seal Beach CA 90740

Jan Actual	Jan Budget		2018 Y-T-D Actual	2018 Y-T-D Budget
88,926	88,925	Carrying Charges	88,926	88,925
28,667	28,666	Reserve Funding	28,667	28,666
117,593	117,591	Total Regular Assessments	117,593	117,591
794	787	Service Income	794	787
1,413	1,486	Financial Income	1,413	1,486
2,227	2,409	Other Income	2,227	2,409
4,433	4,682	Total Other Income	4,433	4,682
122,026	122,273	Total Mutual Income	122,026	122,273
53,140	53,140	GRF Trust Maintenance Fee	53,140	53,140
8,086	9,469	Utilities	8,086	9,469
628	2,203	Professional Fees	628	2,203
16,118	21,003	Outside Services	16,118	21,003
9,513	7,792	Taxes & Insurance	9,513	7,792
28,667	28,666	Contributions to Reserves	28,667	28,666
116,152	122,273	Total Expenses Before Off-Budget	116,152	122,273
5,874	0	Excess Inc/(Exp) Before Off-Budget	5,874	0
1,283	0	Depreciation Expense	1,283	0
4,591	0	Excess Inc/(Exp) After Off-Budget	4,591	0
		Restricted Reserves		
2,209	0	Appliance Reserve Equity	20,683	0
2,250	0	Painting Reserve	36,431	0
7,333	0	Roofing Reserve	1,716,319	0
1,333	0	Emergency Reserve Equity	6,759	0
15,417	0	Infrastructure Reserve	284,646	0
28,542	0	Total Restricted Reserves	2,064,838	0

The Mutual Administration Director's Comments
FEBRUARY 2018

Laundry Rooms



The Laundry Rooms are just one of the most important conveniences provided to all Shareholders/Members/Residents.

Laundry Room facilities are available for use by Shareholder/Members/Residents of their respective Mutual.

Read the respective: Laundry Room Policy 7575.08

The following items may not be washed in the washers, or dried in the dryers: rubber- or plastic-backed mats, rugs or runners, sneakers, fiberglass curtains, sleeping bags, heavy blankets, quilts, comforters, or car covers.

Do not overload washers or dryers. Improper loading may cause damage to the machine due to unbalanced loads.

The trash containers in the laundry rooms are for lint and dryer sheets only. Detergent containers, bleach containers, softener bottles, or other trash must be disposed of in another location.

Clean the dryer filter after each use, and dispose of lint in the trash containers.

Help keep the laundry rooms clean.

Remember to clean up after yourself, turn off the lights and shut the door after you are finished.

Presidents Report
Mutual 08

March 2018

1. Building Captain Meetings: The meetings were a welcome success. We had 17 buildings represented and 23 people who were captains, co-captains and family. I received feedback on a couple of areas I can help improve. We talked about the changes and legalities we face such as trying to pretend we are going to take care of shareholders in a big emergency. **Neighbor to neighbor** is a choice for all shareholders. We cannot promise to have water, supplies and other emergency items for each building. Each shareholder has to have 7 days of water and food and medicine on their own. Don't forget pet food and your prescriptions either! Building captains and co-captains may meet again after summer. Special thanks to Laura Garcia for helping with calls.

If you want to be a building captain or co-captain please call your Director to find out more about the 'job'. It is a wonderful way to help the Mutual and takes less than an hour a month of time. We are asking for three responsibilities for a captain. This job is one of the most important responsibilities in our non-profit cooperative. If you want to 'pay it forward' in our non-profit cooperative corporation, please help at this level.

- ✓ start the minutes going around the building
- ✓ let the President or Director know about vacant units as they occur
- ✓ help shareholders find the correct person to solve a problem

2. Annual Report from the Security Office of Leisure World 2017:
2,698,750 incoming vehicles were screened at the gates. Yes, that's over two and a half million. 203,434 calls came into Security. Shareholder services were listed as 23,475 times. Next time Security seems a little slow, please think about all these calls and screenings.

3. Laundry Rooms- Congratulations to Laundry Rooms 179, 188, 191, and 204. You had no repairs or problems with washers and dryers in

February. Laundry room 200 received a new machine. We think, (it's a guess) that someone is putting very wet clothes in dryers in 182. We blew out two dryer motors in 182 last month. Also, paper products were in the pump of one washing machine in 182. Took that a machine out for days. **HELP.** Someone is not using laundry machines properly in LR 182.

4. Bi-Annual Fire and Safety Inspections: Mutual 08 is scheduled for inspections in July, 2018. Please start thinking about updating your current H-OA insurance policy for your apartment . Please make sure you carry loss assessment on both your apartment and automobile policies. Your cupboards in the carports are covered in your homeowners policies according to agents. Please have your dryer vent cleaned out with Maintenance before the inspection in July. You will be charged for the dryer vent cleaning because a washer and dryer are not standard equipment. GRF Maintenance will leave a sticker on the unit as proof it has been cleaned.

5. Elections for the Board of Directors: If you would like to run for the Board of Directors, March 30th is the deadline to turn your one page application into Stock Transfer. Ballots are mailed on 4/29 and the **Annual Meeting is TUESDAY, May 29/18 at 10AM. Monday is a holiday so the meeting will be on a TUESDAY.** I expect at least two ballot measures this year and maybe the new proposed by-laws from the attorney's office. Nine mutuals have joined together to split the legal fees and update our very outdated by laws. Call me if you have questions. The Mutuals that are working together are 15, 14, 11, 10, 8, 6, 3 and two more I forget. I do not have the documents (bylaws) today but expect them by mid March. We call this 'restatement documents' because we are restating the old and removing conflicts, legal problems, etc. This is a forward thinking effort and at 1/9 the cost. The attorney is letting us share the cost.

6. Town Hall Meeting March 5 at CH04: 97 shareholders attended!! Please come to the next one. We all enjoyed the company, the food was fabulous and shareholders learned something from the attorney, Steve Roseman. Over 27 questions were turned in and many were answered. Also Bright View Landscape was there along with an insurance broker to answer questions, Security, Health Center with

handouts, Emergency Committee with information. We had four long tables of food including Korean Bulgogi, rice noodle dishes, vegetables, egg rolls, spaghetti salad, beautiful green salads, many casseroles, and a table of desserts. We drank over 90 bottles of water! Ninety -seven people (97) signed in for the Town Hall. This was a wonderful turnout. Thanks to building captains who helped hand out the flyers to come to the meeting. We have to have another Town Hall meeting when we get the 'restatement' of bylaws from the attorney. Special thanks to volunteers Rosie Haugen, Jerry Dolch, Janice Turner, Charlene Warner, Susie Fekjar, Sandi Weisenstein, Barbara Berget, KC Park, Joy Park, Ron Kline, Mike Chang and Mike Banfield for set-up and tables. I apologize if I left a helper off the list.

7. Insurance: This July, during the Fire and Safety inspection, we will ask to see your current HO-6 or HO-A insurance papers. Please call your broker and make sure you have the following four items in your insurance package.

- a. **Personal Property insurance-** for your belongings and nonstandard features in your apartment.
- b. **Liability Insurance -**
- c. **Loss of Use** (if you can't stay in unit and have coverage that has a \$1000.00 deductible often)
- d. **Loss Assessment Coverage-** this pays for the \$50,000.00 deductible if you cause or contribute to a fire, flood, etc through your negligence.

Confused? Call your insurance broker, please. The attorney explained how sad it is to tell a family that the first \$50,000.00 at the sale of a unit goes back to the Mutual when Mom or Dad caused a fire and did not have Loss Assessment Coverage . The Mutual will demand payment legally. The insurance broker at the Town Hall meeting said his company charges less than \$15.00 a year for the coverage of Loss Assessment. Please make sure you and your family are protected.

Physical Property Report by Richard Winslow- Feb. 26, 2018

Fire Inspections of each apartment will begin in July and continue for 17 days. Shareholders will be given a schedule for when to expect inspection of their unit. Inspections are for the purpose of identifying potentially dangerous fire and other safety hazards and to check for compliance with our requirement that Apartment Owner's HO-6 insurance is in place. The need to return when the inspection cannot be completed with the first visit, costs us money.

Solar panels are scheduled for removal beginning Feb. 26th and may continue for 3 or more days. After they are removed we will receive nearly \$83,000 from the BP class action settlement.

Laundry Machines: The number of laundry room machines corresponds to the number of buildings each laundry room serves. For example, LR 204 serves 3 buildings so there so it has 3 washers and dryers. This is usually sufficient but we recently had a rash of problems. Some form of paper goods were introduced into 2 washing machines which took them out of service for awhile and made a mess of the room. Also, 2 dryers in the same laundry room needed repairs. The repairman believes soaking wet clothes were placed in the dryers and, trying to dry them, overheated and burned out. It is important that wash be first "spun dry" in a washing machine before using the dryer. This is what happens when they are overloaded. If you use help to do your wash, be sure they are aware of the proper way to use the machines.

A brand new washer and dryer are stored in laundry rooms for use as the need arises. To help save money and for faster response, we also have a few spare machines that are kept out of service so that they can be placed into service when other ones fail.

GRF advises that there are one full-time repairman and one part-time repairman for all of the laundry machines for all 16 mutuals of Leisure World. Please be careful with the machines!

Roof Repairs: buildings 179 and 188 are known to be in need of roof repairs from the January rains; GRF is arranging for a contractor to make repairs. In the meanwhile, plastic is in place to prevent further damage from additional rain. If you suspect water damage, please report it to one of your directors *immediately*. Delay in repairs may make matters worse.

Trash disposal: Please do not leave property next to or on top of the dumpsters and please dispose of cardboard in the recycling dumpster by breaking down the boxes so they take less space. If your box, mattress or furniture does not fit into the dumpster, it should be taken to one of the large dumpsters by the garden area on Nassau Rd in Mutual 9. Styrofoam is not recyclable; place it in a trash dumpster.

Occasionally furniture, magazines, even crutches are left out for neighbors. We appreciate your consideration but the dumpster areas are not large enough to use as a trading post and the trash removal company bills us extra to handle things that are not in the dumpsters.

Respectfully submitted,
Richard Winslow

MUTUAL OPERATIONS**RESCIND MUTUAL EIGHT****PHYSICAL PROPERTY****Personal Property Insurance - Mutual Four, Eight, and Fifteen Only**

Effective April 1, 2009, Mutuals Four, Eight, and Fifteen shareholders, whether residing in their apartment or not, shall carry personal property insurance to cover the personal contents of their apartment, to cover any damage to their apartment for which they are responsible, and to cover any damage, for which they are responsible, to adjacent apartments.

The following paragraph replaces paragraph one for Mutual Four only:

Effective January 2, 2010, Mutual Four shareholders, whether residing in their apartment or not, shall carry personal property insurance to cover the personal contents of their apartment, to cover any damage to their apartment for which they are responsible, and to cover any damage, for which they are responsible, to adjacent apartments.

The Golden Rain Foundation and Mutual Corporation are not responsible for personal property, or damage to personal property stored or parked on the street or in the carport, such as vehicles and other property stored in or under the storage cabinets.

Shareholder shall obtain sufficient coverage for additional living expenses should the shareholder be unable to occupy their apartment while repairs are made to their apartment.

Shareholder shall obtain personal liability insurance in an amount sufficient for the indemnification of other persons who may be injured on their property. If shareholder owns a pet, \$300,000 in personal liability coverage is recommended. If shareholder does not own a pet, it is recommended that the personal liability coverage be \$200,000.

Shareholder should consider obtaining sufficient coverage to insure the value of any artwork, jewelry, antiques or other items that would not normally be covered by an average policy for personal property.

Upon obtaining personal property insurance, and upon annual renewal of the policy, Shareholder shall provide proof of insurance to the Stock Transfer Office in the form of the policy declarations page.

MUTUAL ADOPTION

Four:	10 Nov 09
Six:	25 May 10 (See Policy 7586.G.6)
Eight:	28 Sept 09
Twelve:	14 May 09 (See Policy 7701.12)
Fifteen:	17 Aug 09

MUTUAL OPERATIONS**ADOPT DRAFT****PHYSICAL PROPERTY****Personal Property Insurance - Mutual Eight**

Effective April 1, 2009, Mutuals Eight, shareholders, whether residing in their apartment or not, should carry personal property insurance to cover the personal contents of their apartment, to cover any damage to their apartment for which they are responsible, and to cover any damage, for which they are responsible, to adjacent apartments.

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Shareholder shall obtain sufficient coverage for additional living expenses should the shareholder be unable to occupy their apartment while repairs are made to their apartment.

Shareholder shall obtain personal liability insurance in an amount sufficient for the indemnification of other persons who may be injured on their property. If shareholder owns a pet, \$300,000 in personal liability coverage is recommended. If shareholder does not own a pet, it is recommended that the personal liability coverage be \$200,000.

Shareholder should consider obtaining sufficient coverage to insure the value of any artwork, jewelry, antiques or other items that would not normally be covered by an average policy for personal property.

MUTUAL**ADOPTION**

Eight:

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

All persons **Any person or persons jointly** seeking approval of the Board of Directors of Seal Beach Mutual No. Eight to purchase a share of stock in the Mutual, and to reside in the Mutual, shall meet the following **income** eligibility criteria:

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

- 1. Age

Minimum of 55 years, **as supported by a Driver's License AND Birth Certificate, OR a Passport.** ~~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/**are** at least four (4) **4.5** times or greater **than** the monthly carrying charge (Regular **GRF and Mutual** Assessment plus Property Tax and Fees) at the time of application, and have liquid assets of at least \$25,000 **\$50,000 over the purchase price.**

- 1. **Verified monthly income/assets may be in the form of the past two years of:**

- a) **The two most recent year Tax returns; IF TAX RETURNS ARE NOT FILED, explain why, and provide the following two year history of:**

- i.) **1099s for interest and dividends;**
- ii.) **1099-R for retirement income from qualified plans and annuities;**
- iii.) **SSA-1099 Social Security Benefit Statement**

- 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.~~

(draft created on 02-20-18 ka)

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

- ~~6. Six to twelve months of checking/savings account statements.~~
2.) Verified liquid assets of at least \$50,000 will be in the form of:

- a.) Brokerage statements and current interim statement**
b.) Six to Twelve months of checking account statements
c.) Sellers Settlement Statement of proceeds of sale of real property
- 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 **2.1.a.** above.
- c. Projected assessments will be the previous year's assessment (total of carrying charge less any cable charge, less Orange County Property Taxes and Fees), and the addition of the new property tax at 1.2% of the sales price plus Orange County District fees divided by twelve (12) for the new projected monthly assessment. This new figure (Regular Assessment plus Orange County Property Taxes and District Fees) times four (4) will be the monthly income required. This will be verified by the escrow company and the Stock Transfer Office. Stock Transfer shall have the final say in establishing verifiable income/assets.¹
- 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.

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.

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

3. Health

Have reasonably good health for a person of his/her age, so that shareholder can take care of normal living needs without calling on other members of the cooperative for an undue amount of assistance.

4. Character

Have a reputation for good character in his/her present community.

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

Officers or Committees of the Board of Directors designated to approve new applicants are responsible that the eligibility criteria of this corporation is equitably applied to all applicants. Approval or disapproval of buyer(s) must be received by the Stock Transfer Office at least ten (10) working days prior to the close of escrow.

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

I have read and understood what is required for eligibility consideration in the above named Mutual, including necessary documentation.

Prospective Buyer

Date

Prospective Buyer

Date

Prospective Buyer

Date

Prospective Buyer

Date
MUTUAL**ADOPTION****AMENDED****EIGHT:**

04-27-70

09-17-93, 08-25-08, 08-28-17

MUTUAL OPERATIONS**ADOPT DRAFT POLICY****MUTUAL ADMINISTRATION****Internal Dispute Resolution – IDR – Mutual Eight**

California Civil Code §5910 and §5915 provides that the Mutual Boards shall provide a “fair, reasonable and expeditious” procedure for resolving disputes between the Mutual and its shareholders without charging a fee to the shareholder participating in the process. The process is referred to as “Internal Dispute Resolution” (IDR) or “Meet and Confer.”

- (1) The shareholder may request the Mutual Board to meet and confer in an effort to resolve a dispute. The request shall be in writing.
- (2) Shareholders may refuse a request to meet and confer with the Board of Directors. The Board of Directors may not refuse a request to meet and confer with the shareholders.
- (3) The Board of Directors shall designate a minimum of two (2) Board Directors to meet and confer with the shareholder. The shareholder may bring another person and/or legal representative to meet and confer.
- (4) The parties shall meet promptly at a mutually convenient time and place to explain their positions to each other in an effort to resolve the dispute.
- (5) Any proposed resolution of the dispute shall be memorialized in writing and brought to the next Mutual Monthly Meeting for the Board's consideration and final approval.
- (6) All such IDRs are considered to be confidential and may only be discussed in Executive Session.
- (7) Any final agreement between the Board of Directors and the shareholders shall be in writing and signed by all parties.

MUTUAL**ADOPTION**

EIGHT:

(draft created on 02-20-18 ka)