

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL SEVENTEEN**  
**March 5, 2019**  
**Meeting begins at 1:30 p.m.**  
**Building 5 Conference Room B**

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
2. RESIDENT(S) COMMENTS (2-3 minutes per shareholder. Agenda items only)
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):
  - Ms. Miller, Finance Director
  - Mr. Moore, GRF Representative
  - Ms. Hopkins, Mutual Administration Director
  - Mr. Harper, Building Inspector
  - Ms. Villalobos, Recording Secretary
5. APPROVAL OF MINUTES:  
**Regular Meeting Minutes of February 5, 2019**
6. BUILDING INSPECTOR'S REPORT Mr. Harper  
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (p.3)
7. **GUEST SPEAKER** **Ms. Miller**
  - a. Review and Accept the 2018 Audited Financial Statements (p.4)
8. GRF REPRESENTATIVE Mr. Moore
9. **UNFINISHED BUSINESS**
  - a. Discuss and vote to ratify a phone poll conducted on February 12, 2019 regarding emergency roof repairs (p.5)
10. **NEW BUSINESS**
  - a. Discuss and vote to approve/deny the Financial Review for February 2019 (p.6)
  - b. Discuss and vote to amend Policy 7510.17 – Eligibility Requirements (p.7-12)
  - c. Discuss No Smoking in Buildings

**STAFF BREAK BY 3:00 p.m.**

11. PRESIDENTS' REPORT Ms. Gassman
12. VICE PRESIDENTS' REPORT Mr. Hayes
13. SECRETARY REPORT / CORRESPONDENCE Ms. Schumacher
14. TREASURERS' REPORT Mr. Massetti
15. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
16. ANNOUNCEMENTS  
a. **NEXT MEETING: Tuesday, April 2, 2019**  
**Administration Building Conference Room A**
17. COMMITTEE REPORTS  
a. Landscape Committee  
b. Social Committee  
c. Emergency Information Council  
d. Physical Property Committee
18. RESIDENT(S)' COMMENTS (2-3 MINUTES)
19. ADJOURNMENT
20. EXECUTIVE SESSION

**STAFF WILL LEAVE THE MEETING BY 4:00 p.m.**

# INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **17**

INSPECTOR: **Mark Harper**

MUTUAL BOARD MEETING DATE: **March 5, 2019**

Print Date: **2/25/2019**

<b>PERMIT ACTIVITY</b>							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	FINAL INSPECTION	CONTRACTOR / COMMENTS
86-A	REMODEL	BOTH	02/11/19	04/15/19	NO	NONE	NATIONWIDE
<b>Contract Services</b>				<b>Project Discription</b>			
Brightview Landscape Services				Landscape Maintenance			
HSG Window Cleaning, Inc.				Window Washing Ex 12/31/19			
Fenn Pest & Termite				Termite Inspections			
Empire Pipe Cleaning				Sewer Line Maintenance Ex 12/31/19			
Andre landscape				Tree Trimming Ex 1/31/2019			
State of California Elevator Inspection				Ex 11/30/19			
<b>Mutual and Shareholder Request</b>							
34C	2/5/2019			Roof Leak			
86A	2/6/2019			Stop Work Notice No Permit			

# *Mutual Corporation No. Seventeen*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY THE 2018 AUDITED FINANCIAL STATEMENTS (GUEST SPEAKER ITEM A)  
**DATE:** FEBRUARY 5, 2019  
**CC:** MUTUAL FILE

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On March 5, 2019, Ms. Miller, Director of Finance, will review the Financial Statements as of the year ending December 31, 2018, by the Independent Accountant's Report as submitted by CliftonLarsonAllen (CLA).

***I move to accept that the Board of Directors of Seal Beach Mutual Seventeen, upon a presentation of the Financial Statements as of December 31, 2018, for the year then ended, and the proposed Accountant's Report as submitted by CliftonLarsonAllen (CLA), hereby accepts the above-mentioned Financial Statements and reports therein, and authorize the President to sign the Management Representation Letter.***

# *Mutual Corporation No. Seventeen*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RATIFY THE PHONE POLL CONDUCTED ON  
FEBRUARY 12, 2019 (UNFINISHED BUSINESS ITEM A)  
**DATE:** MARCH 5, 2019  
**CC:** MUTUAL FILE

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A phone poll was held on February 12, 2019, regarding emergency roof repairs on Building One \$500 and Building Three \$1,900

***I move to ratify the Phone Poll conducted on February 12, 2019 regarding emergency roof repairs on Building One \$500 and Building Three \$1,900, work to be done by Roofing Standards.***

# *Mutual Corporation No. Seventeen*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE THE FINANCIAL REVIEWS FOR FEBRUARY 2019 (NEW BUSINESS ITEM A)  
**DATE:** MARCH 5, 2019  
**CC:** MUTUAL FILE

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*I move to acknowledge, that per the requirements of Civil Code Section 5500(a)-(f), a review has been completed of the Mutual's' reconciliations of the operating and reserve accounts, operating revenues and expenses compared to the current year's budget, statements prepared by the financial institutions where the Mutual has its operating and reserve accounts, income and expense statement for the Mutual's operating and reserve accounts, the check registers, the monthly general ledger and delinquent assessment receivable reports, for the month of February 2019.*

# *Mutual Corporation No. Seventeen*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY AMENDING POLICY 7510.17  
ELIGIBILITY REQUIREMENTS (NEW BUSINESS ITEM B)  
**DATE:** MARCH 5, 2019  
**CC:** MUTUAL FILE

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At the January 7, 1991, Board Meeting, the Board of Directors adopted Policy 7510.17 Eligibility Requirements.

On March 5, 2019, the Board of Directors will vote to amend Policy 7510.17 – Eligibility Requirements

***I move to approve/deny amending Policy 7510.17 – Eligibility Requirements on a preliminary basis until the 28-day posting period is completed.***

**MUTUAL OPERATIONS****AMEND****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Seventeen**

Any person or persons seeking approval of the Board of Directors of Seal Beach Mutual No. Seventeen Corporation to purchase a condominium in the Mutual, and to reside in the Mutual, shall meet the following criteria:

- A. Apply for and be accepted as a member of the Golden Rain Foundation, Seal Beach, California.
- B. Be at least 55 years of age.
  - This must be verified by presenting a copy of a birth certificate or a copy of the appropriate page of a passport. A driver's license is not acceptable as proof of age.
- C. Meet the following financial requirements

1. Income

Have verified monthly income that is at least 4.5 times the monthly carrying charges (regular GRF plus Mutual assessments) at the time of application. Monthly income can be verified by any combination of the following:

- Copies of Federal and State Tax returns for the preceding two years.
- Copies of Forms 1099-INT and 1099-DIV showing interest and dividends received during the preceding two years.
- Copies of Forms 1099-R showing income from pensions, qualified plans, annuities, etc. received during the preceding two years.
- Forms SSA-1099 showing Social Security Benefits received during the preceding two years.

**The qualifying income must be in place at the time of the application and although the sources of income may be verified with documents covering the preceding two years it is not required that the entire qualifying income be in place during the preceding two years.**

Monthly income will be the Adjusted Gross Income as shown on I.R.S. Forms 1040, 1040A or 1040EZ plus that portion of Social Security, IRA distributions, pensions, annuities, etc., not included in the Adjusted Gross Income, minus the following, where applicable, all divided by twelve.



**MUTUAL OPERATIONS****AMEND****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Seventeen**

- All income taxes paid (both Federal and State)
- Self – employment taxes paid
- Medicare Part B and Part D premiums
- Property Tax Payments\*
- Projected Mortgage payments on the unit being purchased

\*Property taxes will be calculated as 1.2% of the new unit sale price plus any Orange County District fees.

Only the resident owner's income will be recognized for qualifying.

2. Assets

Have verified liquid assets of at least \$50,000 at the time of application. Assets can be verified by submitting copies of at least the most recent 12 month's worth of savings/checking/investments account statements.

NOTE: Assets being used to purchase the unit will not be included in the financial calculations.

If moving within Leisure World or if there are any additions/changes to the title, the prospective resident owner must meet these eligibility requirements.

Verification shall be done by the Escrow Company and the Stock Transfer Office for each prospective resident owner 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. Credit Report

In addition to the above financial verification documents a recent credit report from one of the established credit reporting companies must be provided to the Stock Transfer Office by the prospective resident owner. The Stock Transfer Office must ensure that the following conditions are met and must include that information with the financial verification report:

- A minimum FICO score of 620

**MUTUAL OPERATIONS**

**AMEND**

**RESIDENT REGULATIONS**

**Eligibility Requirements – Mutual Seventeen**

- A period of not less than 5 years must have elapsed since the prospective resident owner was discharged or dismissed from a bankruptcy.
- The prospective resident owner must have no reported late payments of more than 30 days on a current mortgage in the previous 12 months.

DRAFT

**MUTUAL OPERATIONS****AMEND****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Seventeen****E. Health**

Have reasonably good health for a person of his/her age, so that the prospective resident owner can take care of normal living needs without calling on other members of the Mutual for assistance.

- F. Assume, in writing, the obligations of the Governing Documents of Mutual Seventeen Corporation.

Officers or Committees of the Board of Directors of the Mutual designated to approve or disapprove new applicants are responsible for ensuring that the eligibility criteria of the corporation is equitably applied to all applicants. Escrow may not close before ten (10) days have elapsed from the date that approval of the buyer(s) has been received by the Stock Transfer Office from the Mutual.

**MUTUAL OPERATIONS**

**AMEND**

**RESIDENT REGULATIONS**

**Eligibility Requirements – Mutual Seventeen**

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**  
**SEVENTEEN:**

**ADOPTION**  
01-07-91

**AMENDMENTS**  
02-06-18