

SEAL BEACH MUTUAL NO. TEN**RESIDENT REGULATIONS****Eligibility Requirements**

1 All persons seeking approval of the Board of Directors of Seal Beach Mutual No. Ten to purchase
 2 a share of stock in the Mutual, and to reside in the Mutual, shall meet the following eligibility
 3 criteria:

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 5 1. Apply for and be accepted as a member of the Golden Rain Foundation, Seal Beach,
 6 California.

7
 8 2. Meet the Mutual eligibility criteria as follows:

9 2.1 Age

10 2.1.1 Minimum of 55 years, as confirmed by a birth certificate or passport.
 11 A driver's license is not acceptable as proof of age.

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 13 2.2 Financial Ability

14 2.2.1 Verified monthly income that is at least five (5) or greater the monthly
 15 carrying charge (Regular Assessment plus Property Tax and Fees)
 16 at the time of application, and have liquid assets of at least \$50,000.
 17 Verified monthly income/assets may be in the form of the past two
 18 years of:

19 2.2.1.1 Tax returns.

20 2.2.1.2 1099s for interest and dividends.

21 2.2.1.3 1099-Rs for retirement income from qualified plans and
 22 annuities.

23 2.2.1.4 SSA-1099 Social Security Benefit Statement.

24 2.2.1.5 Brokerage statements and current interim statements.

25 2.2.1.6 Six to twelve months of checking/savings account
 26 statements.

27 2.2.2 Adjusted Gross Income per 1040, 1040A, or 1040EZ; plus that portion
 28 of Social Security, IRA distributions, and pensions and annuities not
 29 included in adjusted gross income; plus tax exempt interest; minus
 30 income tax, Social Security, Medicare, and self-employment taxes
 31 paid; and minus Medicare medical insurance and prescription drug
 32 premiums; all divided by twelve (12) will equal net monthly income to
 33 be used in Paragraph 2.2. above.

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 35 2.2.3 Projected assessments will be the previous year's assessment (total
 36 of carrying charge less any cable charge, less Orange County
 37 Property Taxes and Fees), and the addition of the new property tax
 38 at 1.2% of the sales price plus Orange County District fees divided by
 39 twelve (12) for the new projected monthly assessment. This new
 40 figure (Regular Assessment plus Orange County Property Taxes and

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41 District Fees) times four (4) will be the monthly income required. This
42 will be verified by the escrow company and the Stock Transfer Office.
43 Stock Transfer shall have the final say in establishing verifiable
44 income/assets.,

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46 Verification shall be done by the Escrow Company and the Stock
47 Transfer Office prior to the new buyer interview and prior to the close
48 of escrow (the above verification will not be done by the individual
49 Mutual Directors; Directors will not be required to study or understand
50 the financial requirements).

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52 2.2.4 Only the resident shareholder’s income shall be considered for
53 qualifying.

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55 2.2.5 If moving within Leisure World, or if there are any additions/changes
56 to the title (except to remove a deceased spouse’s name), the
57 proposed shareholder(s) must meet these eligibility requirements.

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59 2.3 Health

60 2.3.1 Have reasonably good health for a person of his/her age, so that
61 shareholder can take care of normal living needs without calling on
62 other members for an undue amount of assistance. Leisure World is
63 not an assisted living or skilled nursing home facility.

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65 3. Shareholder Buyer Premium Fee

66 3.1 Prospective Mutual 10 shareholder should be aware they will be assessed a
67 Shareholder Buyer Premium Fee of \$500.00 at the time of escrow.

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69 4. Assume, in writing, the obligations of the “Occupancy Agreement” in use by the Mutual
70 Corporation.

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

76
77 _____
78 1 If major remodeling, expansion, or addition of a bathroom is being considered, the increase
79 in taxes over the 1.2% of the purchase price must be taken into consideration.

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

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Prospective Buyer	Date
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Document History

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