

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TEN
November 29, 2017
(Meeting begins 9:00 a.m.)

1. CALL TO ORDER
2. BOARD ROOM DECORUM
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):
 - Ms. Winkler, GRF Representative
 - Ms. Hopkins, Mutual Administration Director
 - Mr. Black, Building Inspector
 - Ms. Day, Recording Secretary
5. SHAREHOLDER(S)' COMMENTS (limited to 3 minutes per shareholder)
6. GRF REPRESENTATIVE Ms. Winkler
7. APPROVAL OF MINUTES: **Regular Meeting of October 25, 2017**
Special Meeting of November 20, 2017 (page 3)
8. BUILDING INSPECTOR'S REPORT Mr. Black
 - ♦ Permit Activity; Escrow Activity; Contracts & Projects; Shareholder & Mutual Requests (pgs. 4-15)
9. UNFINISHED BUSINESS –
 - a. Waterline Project - update
 - b. BrightView Landscape Services - update
 - c. Ratify adopted Policy 7549.10 – Lockout Procedures (pages 16-19)
 - d. Ratify rescinded Policy 7020.2 – Approval of Escrows (pages 20-21)
 - e. Ratify rescinded Policies: (pages 22-43)
7301 Audit Expense; 7302 Capital Accounts; 7304 Financing Capital Projects; 7305 Depreciation Strait Line Method; 7310 Mutual Budgets; 7331 Impounds; 7332 Billings to Mutual; 7333 Income Items and their Distribution; 7334 Investment Records; 7335 Cash Disbursements; 7336 Shareholders Interest; 7337 Financial Reports; 7340 Accounts Receivable; 7341 Cashiers Services
 - f. Ratify rescinded Financial Policies: 7331.1 Interest on Impound Accounts; 7331.2 Impound Account Agreement (pages 44-50)
 - g. Parking Policy Committee
10. NEW BUSINESS –
 - a. Postponement of Garden Inspections
 - b. Proposals for Tree Planting
 - c. Proposals for Tree Removal
 - d. Air Quality Measuring Devices (pages 51)
 - e. Holiday Greeting Letters
 - f. Approve contract with Roseman & Associates to restate Bylaws, Occupancy Agreement and Policies (page 52)
 - g. Mutual Concrete Project

STAFF SECRETARY BREAK (TIME TO BE DETERMINED BY PRESIDENT)

- | | | |
|-----|--|--------------|
| 11. | SECRETARY – Correspondence | Mr. Stipcich |
| 12. | CHIEF FINANCIAL OFFICER'S REPORT | Mr. Giles |
| 13. | MUTUAL ADMINISTRATION DIRECTOR | Ms. Hopkins |
| 14. | ANNOUNCEMENTS | |
| 15. | DIRECTORS' REMARKS (Time permitting, to be determined by President.) | |
| | a. PRESIDENT..... | Ms. Arlart |
| | b. VICE PRESIDENT..... | Ms. Cummings |
| | c. EMERGENCY PREPAREDNESS COUNCIL..... | |
| | d. FINANCE/BUDGET COMMITTEE..... | Mr. Giles |
| | e. LANDSCAPE COMMITTEE..... | Ms. Atkinson |
| | f. PHYSICAL PROPERTIES COMMITTEE..... | Ms. Cummings |
| | g. OTHER COMMITTEES: | |
| | 1. DRAFT PARKING POLICY COMMITTEE..... | Ms. Cummings |
| | 2. SOCIAL EVENT COMMITTEE..... | |
| 16. | ADJOURNMENT | |
| 17. | EXECUTIVE SESSION (legal and member issues) | |

DATES TO REMEMBER:

<p>NEXT REGULAR BOARD MEETING: WEDNESDAY, JANUARY 24, 2018, at 9:00 a.m., Administration Building Conference Room A</p>
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CFO Council: Wednesday, December 6, 2017, at 10:00 a.m. (B)
Presidents' Council: Thursday, December 7, 2017, at 9:00 a.m. (C4)
Emergency Prep Information Council: Friday, December 1, 2017, at 10:00 a.m. (B)
Physical Property Council: Thursday, January 4, 2018, at 1:30 p.m. (B)
Landscape Council: Friday, January 19, 2018, at 10:00 a.m. (B)
Roundtable: Friday, January 19, 2018, at 1:00 p.m. (A)

STAFF SECRETARY WILL LEAVE THE MEETING BY 12:10 P.M.

cd:11/20/17

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL TEN
November 20, 2017**

The Special Meeting of the Board of Directors of Seal Beach Mutual Ten was called to order by President Arlart on Monday, November 20, 2017, at 2:30 p.m. in Building 5, Conference Room B.

ROLL CALL:

Present: President Arlart, Vice President Cummings, Secretary Stipcich, CFO Giles, Directors Atkinson and Dr. Newman [2:43pm]

Staff: Building Inspector, Kevin Black

BUILDING INSPECTOR REPORT

Building Inspector Black updated the Board on Mutual activity.

LANDSCAPE SERVICE

The Board discussed the landscape maintenance service.

ADJOURNMENT

President Arlart adjourned the meeting at 3:50 p.m.

Attest

John Stipcich, Secretary
SEAL BEACH MUTUAL TEN
Ra: 10/16/17

(These are tentative minutes, subject to approval by the Board of Directors at the next Regular Board of Directors' Meeting.)

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (10) TEN

INSPECTOR: Kevin Black

MUTUAL BOARD MEETING DATE: November 29th 2017

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
10-244E	oven micro, stove top	both	11/15/17	01/25/18	yes		Lw décor
10-245A	remodel w/repipe	both	09/25/17	02/28/18	no		kang
10-245H	shower cut down w/enclosure	both	10/27/17	11/27/17	no		Nu Kote
10-247E	carport cabinet	GRF	10/20/17	11/27/17	no		Michael Banfield 8183573327 handym
10-251A	flooring	GRF	11/15/17	12/15/17	no		real mcoy builders
10-238E	flooring	GRF	11/06/17	12/06/17	no		Bixby Plaza
255-260	REPIPING	BOTH	11/1/17	02/04/19	NO		JOHN NELSON
10-251A	remodel	Both	11/06/17	12/06/17	no	under ground 11/17/17	peek
10-249C	dual zone ductless heat pump	both	11/08/17	03/08/18	no		greenwood
10-239H	shower cut down w/enclosure	both	11/16/17	12/16/17	no		Nu Kote
10-260H	carport cabinet	GRF	11/15/17	12/15/17			handyman
10-260H	retro windows and entry door	Both	11/20/17	12/22/17	no		swenman

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
10-241G			12/16/16	12/21/16	01/03/17		
10-254D		08/29/17	10/04/17	10/10/17	10/20/17		
10-253K		09/18/17	10/02/17	10/04/17	10/16/17		
10-260J		09/18/17	10/10/17	10/10/17	10/20/17		
10-251F			11/02/17	11/13/17	11/24/17		
10-260C		11/07/17					
10-257C		11/07/17					

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: (10) TEN

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **November 29th 2017**

CONTRACTOR		PROJECT
Brightview	Lawns:	Mutual gardening and lawns - on going.
Brightview	Landscape:	contract set to start November 1st
		Proposal for valve work, see handout
	Rain Gutters:	
	Tree removals:	
Class One Arboriculture	Tree Maintenance:	complete with contract
Fenn Pest and Termite		contract - on going, Monday and Wednesday service for pest, Wednesday is for termite treatment and pest, no termite treatment on Mondays
John Nelson Plumbing	Re-piping:	complete with bldgs. 255,256,257 and 258
Kress Const.	Painting:	following behind plumber for paint touch ups
Dry rot / Termite / Paint lists		specifications are in from Vista
Concrete		areas for concrete replacment counted see handout
sewer cleaning		BOD to vote on contract
fire extinguishers		BOD to vote on work order for fire extinguishers at laundry rooms
brightview meeting 10/26/17		
254A - meet with contractor		
246E pests, sent Fenn unit A home		
PP meeting 11/20/17		
BOD meeting 11/29/17		
Repiping for 245A- and risers for tl and shower for 245B		

Mutual Corporation No. Ten

MEMO

TO: MUTUAL TEN BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE BRIGHTVIEW PROPOSAL FOR IRRIGATION REPAIRS
DATE: NOVEMBER 29, 2017

I move to approve the proposal from BrightView Landscape Services for irrigation repairs, at a cost of \$1,677.78.

Proposal for Extra Work at Mutual Ten

Property Name	Mutual Ten	Contact	Linn Atkinson
Property Address	Golden Rain Road Seal Beach, CA 90740	To	Mutual Ten
		Billing Address	1661-C Golden Rain Road Seal Beach, CA 90740

Project Name Mutual 10 Irrigation Repairs Valves

Project Description Replace irrigation valves at 241, 255, 256

Scope of Work

QTY	UoM/Size	Material/Description	Unit Price	Total
3.00	EACH	Rainbird brass irrigation valve 1 x 1 1/2"	\$388.89	\$1,166.67
3.00	EACH	Valve box	\$77.78	\$233.33
1.00	EACH	Miscellaneous connectors, fittings, pipe	\$277.78	\$277.78

For internal use only

SO# 6509200
JOB# 320800169
Service Line 150

Total Price \$1,677.78

THIS IS NOT AN INVOICE

This proposal is valid for 60 days unless otherwise approved by BrightView Landscape Services, Inc.
1960 South Yale Street, Santa Ana, CA 92704 ph. (714) 546-7843 fax (714) 546-7285

TERMS & CONDITIONS

1. The Contractor shall recognize and perform in accordance with written terms, written specifications and drawings only, contained or referred to herein. All materials shall conform to bid specifications.
2. **Work Force:** Contractor shall designate a qualified representative with experience in landscape maintenance/construction upgrades or when applicable in tree management. The workforce shall be competent and qualified, and shall be legally authorized to work in the U.S.
3. **License and Permits:** Contractor shall maintain a Landscape Contractor's license, if required by State or local law, and will comply with all other license and permit requirements of the City, State and Federal Governments, as well as all other requirements of law.
4. **Taxes:** Contractor agrees to pay all applicable taxes, including sales tax where applicable on material supplied.
5. **Insurance:** Contractor agrees to provide General Liability Insurance, Automotive Liability Insurance, Worker's Compensation Insurance, and any other insurance required by law or Client/Owner, as specified in writing prior to commencement of work. If not specified, Contractor will furnish insurance with \$1,000,000 limit of liability.
6. **Liability:** Contractor shall indemnify the Client/Owner and its agents and employees from and against any third party liabilities that arise out of Contractor's work to the extent such liabilities are adjudicated to have been caused by Contractor's negligence or willful misconduct. Contractor shall not be liable for any damage that occurs from Acts of God are defined as those caused by windstorm, hail, fire, flood, earthquake, hurricane and freezing, etc. Under these circumstances, Contractor shall have the right to renegotiate the terms and prices of this agreement within sixty (60) days. Any illegal trespass, claims and/or damages resulting from work requested that is not on property owned by Client/Owner or not under Client/Owner management and control shall be the sole responsibility of the Client/Owner.
7. **Subcontractors:** Contractor reserves the right to hire qualified subcontractors to perform specialized functions or work requiring specialized equipment.
8. **Additional Services:** Any additional work not shown in the above specifications involving extra costs will be executed only upon signed written orders, and will become an extra charge over and above the estimate.
9. **Access to Jobsite:** Client/Owner shall provide all utilities to perform the work. Client/Owner shall furnish access to all parts of jobsite where Contractor is to perform work as required by the Contract or other functions related thereto, during normal business hours and other reasonable periods of time. Contractor will perform the work as reasonably practical after the owner makes the site available for performance of the work.
10. **Invoicing:** Client/Owner shall make payment to Contractor within fifteen (15) days upon receipt of invoice. In the event the schedule for the completion of the work shall require more than thirty (30) days, a progress bill will be presented by month end and shall be paid within fifteen (15) days upon receipt of invoice.
11. **Termination:** This Work Order may be terminated by the either party with or without cause, upon seven (7) work days advance written notice. Client/Owner will be required to pay for all materials purchased and work completed to the date of termination and reasonable charges incurred in demobilizing.
12. **Assignment:** The Owner/Client and the Contractor respectively, bind themselves, their partners, successors, assignees and legal representative to the other party with respect to all covenants of this Agreement. Neither the Owner/Client nor the Contractor shall assign or transfer any interest in this Agreement without the written consent of the other provided, however, that consent shall not be required to assign this Agreement to any company which controls, is controlled by, or is under common control with Contractor or in connection with assignment to an affiliate or pursuant to a merger, sale of all or substantially all of its assets or equity securities, consolidation, change of control or corporate reorganization.
13. **Disclaimer:** This proposal was estimated and priced based upon a site visit and visual inspection from ground level using ordinary means at or about the time the proposal was prepared. The price quoted in this proposal for the work described is the result of that ground level visual inspection and therefore our company will not be liable for any additional costs or damages for additional work not described herein, or liable for any incidents/accidents resulting from conditions, that were not ascertainable by said ground level visual inspection by ordinary means at the time said inspection was performed. Contractor cannot be held responsible for unknown or otherwise hidden defects. Any corrective work proposed herein cannot guarantee exact results. Professional engineering, architectural, and/or landscape design services ("Design Services") are not included in this Agreement and shall not be provided by the Contractor. Any design defects in the Contract Documents are the sole responsibility of the Owner. If the Client/Owner must engage a licensed engineer, architect and/or landscape design professional, any costs concerning these Design Services are to be paid by the Client/Owner directly to the designer involved.

14. **Cancellation:** Notice of Cancellation of work must be received in writing before the crew is dispatched to their location or Client/Owner will be liable for a minimum travel charge of \$150.00 and billed to Client/Owner.

The following sections shall apply where Contractor provides Customer with tree care services:

15. **Tree & Stump Removal:** Trees removed will be cut as close to the ground as possible based on conditions to or next to the bottom of the tree trunk. Additional charges will be levied for unseen hazards such as, but not limited to concrete back filled trunks, metal rods, etc. If requested mechanical grinding of visible tree stump will be done to a defined width and depth below ground level at an additional charge to the Client/Owner. Defined backfill and landscape material may be specified. Client/Owner shall be responsible for contacting Underground Service Alert to locate underground utility lines prior to start of work. Contractor is not responsible damage done to underground utilities such as but not limited to, cables, wires, pipes, and irrigation parts. Contractor will repair damaged irrigation lines at the Client/Owner's expense.
16. **Waiver of Liability:** Requests for crown thinning in excess of twenty-five percent (25%) or work not in accordance with ISA (International Society of Arboriculture) standards will require a signed waiver of liability.

Acceptance of the Contract

Contractor is authorized to perform the work stated on the face of this Contract. Payment will be 100% due at time of billing. If payment has not been received by BrightView within fifteen (15) days after billing, BrightView shall be entitled to all costs of collection, including reasonable attorneys' fees and it shall be relieved of any obligation to continue performance under this or any other Contract with Client/Owner. Interest at a per annum rate of 1.5% per month (18% per year), or the highest rate permitted by law, may be charged on unpaid balance 30 days after billing.

NOTICE: FAILURE TO MAKE PAYMENT WHEN DUE FOR COMPLETED WORK ON CONSTRUCTION JOBS, MAY RESULT IN A MECHANIC'S LIEN ON THE TITLE TO YOUR PROPERTY

Customer:

Landscape Committee Chairman

Signature

Title

Linn Atkinson

November 15, 2017

Printed Name

Date

BrightView Landscape Services, Inc. "BrightView"

Account Manager

Signature

Title

Jon G. Morris

November 15, 2017

Printed Name

Date

Job #: 320800169

Proposed Price: \$1,677.78

SO #: 6509200

Mutual Corporation No. Ten

MEMO

TO: MUTUAL TEN BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE CONCRETE SIDEWALK REPLACEMENTS
DATE: NOVEMBER 29, 2017

I move to approve the concrete sidewalk replacements, at a cost of \$7,464.25.

1. 256E – 6'x4' = 24sq.ft. = 246.00 – entry walk
2. 249A across from catch basin – 2'x8' = 16sq.ft = 164.00 – sprinkler work
3. 240D – 4.6'x18' = 83sq.ft = 850.75 – entry walk, sprinkler work
4. 240E – 4'x23' = 92sq.ft. = 943.00 – entry walk, sprinkler work, shareholder will pay 500.00 – shareholder will ask MJ about tile removal for porch
5. 251F – 6'x53' = 318sq.ft = 3259.50 – main sidewalk
6. 251G – 6'x12' = 72sq.ft. x 2 = 144sq.ft.= 738.00 x 2 = 1476.00 main sidewalk two areas @ 6'x12'
7. 254 Laundry – 4'x25' = 100sq.ft. = 1025.00

(240E)

Total sq.ft. = 777sq.ft. x 7964.25 – 500.00 = 7464.25 mutual costs

Mutual Corporation No. Ten

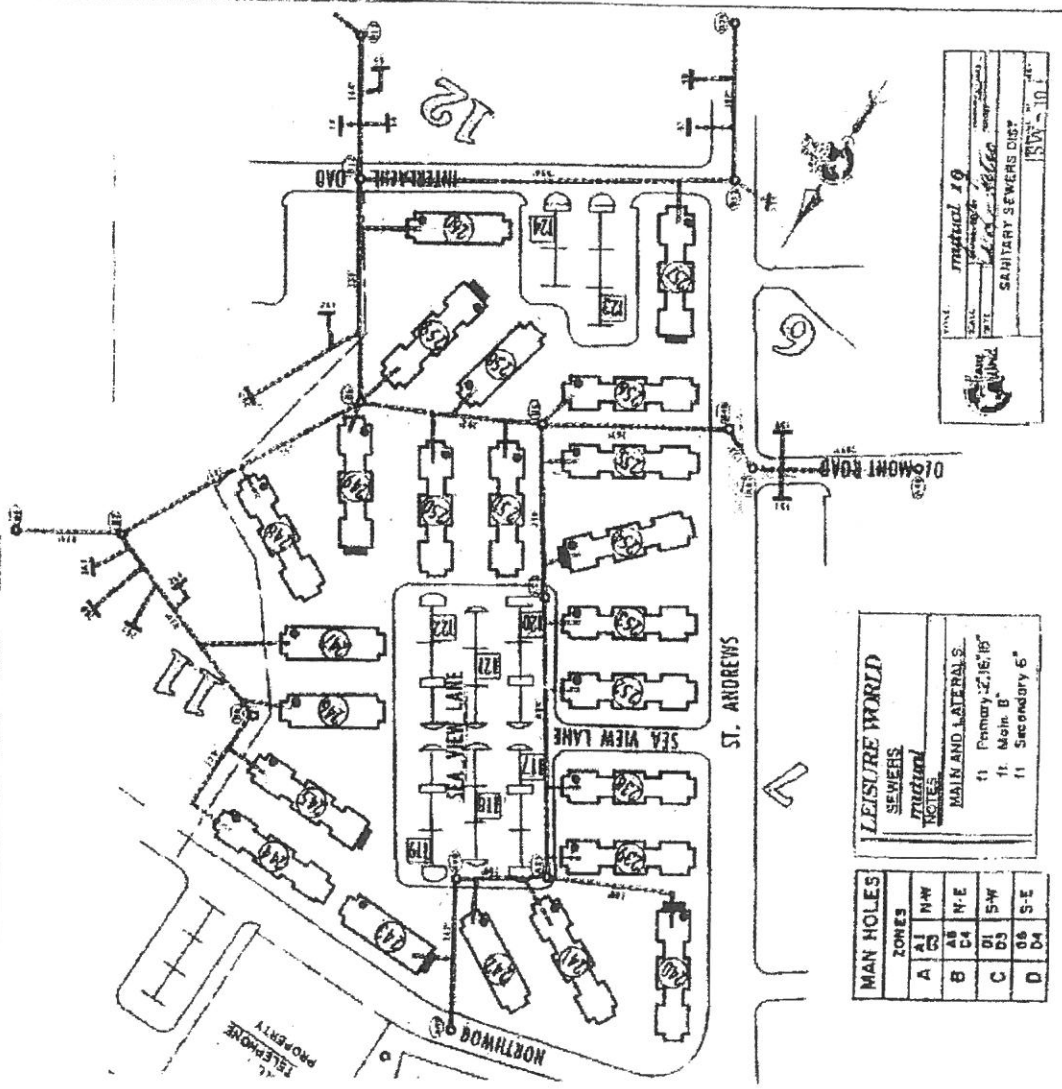
MEMO

TO: MUTUAL TEN BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE SEWER CLEANING CONTRACT
DATE: NOVEMBER 29, 2017

I move to approve a three-year contract for sewer cleaning in Mutual Ten by
_____ starting _____ and ending _____,
(Company) (Date) (Date)

and authorize the President to sign the contract.

10	2017-2018		2018-2019		2019-2020		3 yr. total	
	MUTUAL	EMPIRE	SOS	UNITED	EMPIRE	SOS	UNITED	UNITED
	2017-2018	2017-2018	2017-2018	2017-2018	2019-2020	2019-2020	2019-2020	3 yr. total
	\$ 1,512.00	\$ 2,265.50	\$ 3,110.00	\$ 3,110.00	\$ 1,663.20	\$ 3,392.50	\$ 3,203.00	\$ 4,777.92
								\$ 7,923.50
								\$ 9,610.00



Mutual Corporation No. Ten

MEMO

TO: MUTUAL TEN BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE ASIFP INC., FIRE EXTINGUISHERS ANNUAL MAINTENANCE
DATE: NOVEMBER 29, 2017

I move to approve the estimate from ASIFP Inc., for the annual maintenance on the Mutual fire extinguishers, not to exceed \$_____.



ASIFP INC
168 Hill Dr
Vista, CA 92083
(760) 208-4888
kevin@asifp.com
www.asifp.com

Estimate 1298

ADDRESS

Leisure World - Golden Rain
Foundation
P.O Box 2069
Seal Beach, CA 90740

DATE
11/09/2017

TOTAL
\$2,896.00

ACTIVITY	ACTIVITY	QTY	RATE	AMOUNT
ASI FX Extinguisher Service	Mutual 1 Annual Inspections	18	8.00	144.00
ASI FX Extinguisher Service	Mutual 2 Annual Inspections	14	8.00	112.00
ASI FX Extinguisher Service	Mutual 3 Annual Inspections	33	8.00	264.00
ASI FX Extinguisher Service	Mutual 4 Annual Inspections	8	8.00	64.00
ASI FX Extinguisher Service	Mutual 5 Annual Inspections	54	8.00	432.00
ASI FX Extinguisher Service	Mutual 6 Annual Inspections	10	8.00	80.00
ASI FX Extinguisher Service	Mutual 7 Annual Inspections	10	8.00	80.00
ASI FX Extinguisher Service	Mutual 8 Annual Inspections	7	8.00	56.00
ASI FX Extinguisher Service	Mutual 9 Annual Inspections	31	8.00	248.00
ASI FX Extinguisher Service	Mutual 10 Annual Inspections	7	8.00	56.00
ASI FX Extinguisher Service	Mutual 11 Annual Inspections	9	8.00	72.00
ASI FX Extinguisher Service	Mutual 12 Annual Inspections	10	8.00	80.00
ASI FX Extinguisher Service	Mutual 13 Annual Inspections	10	8.00	80.00
ASI FX Extinguisher Service	Mutual 14 Annual Inspections	9	8.00	72.00
ASI FX Extinguisher Service	Mutual 15 Annual Inspections	88	8.00	704.00
ASI FX Extinguisher Service	Mutual 16 Annual Inspections	2	8.00	16.00

ACTIVITY	ACTIVITY	QTY	RATE	AMOUNT
ASI FX Extinguisher Service	Mutual 17 Annual Inspections	42	8.00	336.00

*Additional cost for maintenance may be added per device dependent upon the last service date certified. Addition charges per device are listed below:

TOTAL	\$2,896.00
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- 6 Year Maintenance: \$8.00
- 12 Year Maintenance: \$12.00
- New 5lb Extinguishers: \$42.00 +Tax
- New 2.5lb Extinguishers: \$32.00 +Tax

THANK YOU.

Accepted By

Accepted Date

Mutual Corporation No. Ten

MEMO

TO: MUTUAL TEN BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE ADOPTING POLICY 7549.10 – LOCKOUT PROCEDURES
DATE: NOVEMBER 29, 2017

I move to ratify adopted/posted Policy 7549.10 – Lockout Procedures.

MUTUAL OPERATIONS**ADOPT DRAFT POLICY****SHAREHOLDER REGULATIONS****Lockout Procedures – Mutual Ten**

- 1 Upon a report to Security or to the Stock Transfer Office of the Foundation (See Policy 7710 Estate Transaction and Creditor Claims) of the death of a shareholder/owner, the following actions will be initiated depending upon the circumstances of death:
- 2 Death with Surviving Shareholder/Owner Living in the Unit
 - a. When 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.
 - b. When 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.
- 3 Death of Sole Owner – The sole responsibility of the Board of Directors is protection of Mutual property.
 - a. Unattended Death Within the Unit
 - i. When 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 secure the unit by placing a knob lock on the door.
 - ii. When a knob lock cannot be affixed, Security shall obtain permission from the Mutual Ten Board of Directors or the President and one other Officer to re-key the lock, change out the lock or add an additional lock such as a deadbolt or a hasp hinge lock.
 - iii. If circumstances are such that the lockout procedures stated above cannot be accomplished, and as long as the Coroner's office while it has control of the property does not object, the method of securing the unit shall require permission of the Mutual Ten Board of Directors or the President and one other Officer.
 - iv. When someone comes forward as Trustee, nonresident co-owner or with other legal authority, and the coroner's office has released its hold on the premises, Foundation personnel shall review the documentary evidence presented to establish legal authority to enter the unit and report to the Mutual President as per Section Reporting of Death to Mutual President.

MUTUAL OPERATIONS**ADOPT DRAFT POLICY****SHAREHOLDER REGULATIONS****Lockout Procedures – Mutual Ten****b. Attended Death Within the Unit**

- i. 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 identifies 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.
- ii. Security will inform all persons present that no one may stay in the unit overnight without Mutual Ten permission, unless they are a registered co-occupant.
- iii. 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, as soon as possible, and until such time as legal authority is established, the unit will be knob locked.
- iv. When a knob lock cannot be affixed, Security shall obtain permission from the Mutual Ten Board of Directors or the President and one other Officer to re-key the lock, change out the lock or add an additional lock such as a deadbolt or a hasp hinge lock. The exception to this is if a registered co-occupant lives at the unit in accordance with Civil Code §51.3 (7e), or if Mutual permission is obtained.
- v. In the case of a full time caregiver who resides in the unit, the caregiver will be given an opportunity to return to the unit to remove his or her personal belongings in the presence of the Mutual Ten President and one other Officer.

c. Attended Death Outside the Unit

- i. Upon notification to the Stock Transfer Office of the death, the following actions will be taken depending upon the circumstances presented. If someone presents and provides legal documentary evidence of legal authority the Mutual President shall be informed and no further action be taken. Otherwise, and until such time as legal authority is established, the unit will be knob locked.
- ii. In the event a knob lock cannot be affixed, Security shall obtain permission from the Mutual Ten Board of Directors to re-key the lock, change out the lock, or add an additional lock such as a dead bolt or a hasp hinge lock.

MUTUAL OPERATIONS**ADOPT DRAFT POLICY****SHAREHOLDER REGULATIONS****Lockout Procedures – Mutual Ten**

- iii. Once legal authority is identified, the premises will be released to the decedent's agent.

4 Reporting of Death to Mutual President

- a. Anyone can report a death to the Stock Transfer Office. Then, as soon as possible, the Stock Transfer personnel shall report to the Mutual President with the following information:
 - i. Name of decedent
 - ii. Date and location of death
 - iii. Identification of persons present at unit (if any)
 - iv. Name, relationship and contact information of surviving shareholder/owner (if any)
 - v. Name, relationship and contact information of decedent's emergency contacts (if no surviving shareholder/owner is present at the unit)
 - vi. If legal authority has been established
 - vii. If/how the unit was secured
 - viii. If there are any registered co-occupants, caregivers or pets at the unit
- b. Additionally, the Stock Transfer Office personnel shall notify by email all Mutual Ten Directors of the shareholder/owner death and update the monthly "DOA" report concurrent with the Pet and Caregiver monthly report.

MUTUAL ADOPTION

TEN:

Mutual Corporation No. Ten

MEMO

TO: MUTUAL TEN BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: MOTION TO RATIFY RESCINDED POLICY 7020.2 – APPROVAL OF ESCROWS
DATE: NOVEMBER 29, 2017

I move to ratify rescinded/posted Policy 7020.2 – Approval of Escrows.

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****Approval of Escrows – Mutual Two and Ten Only****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

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.
3. In Cases Where Escrow Falls Out or is Cancelled

When vendors have incurred costs from working in said unit, the Mutual will pay the vendors in a timely manner and invoice the seller's current receivable account for payment. If applicable, the seller's account will incur late fees and finance charges until the account is paid in full.

MUTUAL ADOPTIONS**AMENDMENTS**

TWO: 11-16-72
TEN: 01-28-15

05-19-11

(Jan 15)

Mutual Corporation No. Ten

MEMO

TO: MUTUAL TEN BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: MOTION TO RATIFY POLICIES 7301, 7302, 7304, 7305, 7310, 7331, 7332, 7333, 7334, 7335, 7336, 7337, 7340, AND 7341
DATE: NOVEMBER 29, 2017

I move to ratify rescinded/posted Policies 7301 Audit Expense; 7302 Capital Accounts; 7304 Financing Capital Projects; 7305 Depreciation Strait Line Method; 7310 Mutual Budgets; 7331 Impounds; 7332 Billings to Mutual; 7333 Income Items and their Distribution; 7334 Investment Records; 7335 Cash Disbursements; 7336 Shareholders Interest; 7337 Financial Reports; 7340 Accounts Receivable; and 7341 Cashiers Services.

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Audit Expense – All Mutuals Except Two, Four, Five, Eight, Nine, Twelve, Fourteen, 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	07-20-17
THREE	04-20-70	
FOUR	04-06-70	06-04-17
FIVE	04-03-70	10-19-16
SIX	04-24-70	
SEVEN	05-15-70	
EIGHT	04-09-70	08-28-17
NINE	05-20-70	08-14-17
TEN	03-30-70	
ELEVEN	04-02-70	
TWELVE	03-30-70	07-13-17
FOURTEEN	03-26-70	06-20-17
FIFTEEN:	04-02-70	07-21-14
SIXTEEN	04-09-70	02-07-17
SEVENTEEN	N/A	

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Capital Accounts – Except Mutual Two, Five, Eight, Nine, Twelve, Fourteen and Sixteen**

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."

Mutual

Two

Five:

Amend**Rescind**

07-20-17

06-21-17

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Capital Accounts – Except Mutual Two, Five, Eight, Nine, Twelve, Fourteen and Sixteen**

Eight:		08-28-17
Nine		08-14-17
Twelve		07-13-17
<u>Mutual</u>	<u>Amend</u>	<u>Rescind</u>
Fourteen		06-20-17
Sixteen		07-07-17

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Financing Capital Projects – Except Mutual Nine, Twelve, Fourteen, Sixteen**

WHEREAS, Seal Beach Mutual No. _____ (all except Mutual No. Nine, Fourteen, Sixteen) recognizes the need for continuing development and improvement of the trust property of Seal Beach Leisure World for the benefit of all stockowners, and

WHEREAS, it is the desire of the Mutual Corporation to assist in the financing of capital improvements to the trust,

NOW, THEREFORE, BE IT RESOLVED that for any refund owing to the Mutual Corporation from the Golden Rain Foundation for the fiscal year 1972, this Corporation does hereby instruct the Golden Rain Foundation as their agent to:

1. Deposit to the credit of the trust fund of Seal Beach Leisure World which is held by the Golden Rain Foundation as trustee for the benefit of the Seal Beach Mutual Corporations any portion of the refund due this Corporation from the Golden Rain Foundation that is the proceeds in excess of the first \$50,000 of refund derived from the operation of the Golden Rain Foundation.
2. It is the intent of this resolution that the Golden Rain Foundation shall refund in the normal manner the first \$50,000 for the fiscal year 1972 and apply any refund in excess of \$50,000 to the capital funds of the trust in the same proportion that the original contributions were made to the trust.

BE IT FURTHER RESOLVED, that this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

Mutual No.5 (11-18-16) & Mutual No. 7 Only (Effective 11-21-00):

WHEREAS, Seal Beach Mutual No. _____ recognizes the need for continuing development and improvement of the trust property of Seal Beach Leisure World for the benefit of all stockowners, and

WHEREAS, it is the desire of the Mutual Corporation to assist in the financing of capital improvements to the trust,

NOW, THEREFORE, IT BE RESOLVED, that for any refund owing to the Mutual

Mutual No.5 (Effective 11-18-16) & Mutual No. 7 Only (Effective 11-21-00) (Cont'd.):

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Financing Capital Projects – Except Mutual Nine, Twelve, Fourteen, Sixteen**

Corporation from the Golden Rain Foundation for the fiscal year 1972 and following fiscal years, this Corporation does hereby instruct the Golden Rain Foundation as their agent to:

1. Deposit to the credit of the trust fund of Seal Beach Leisure World which is held by the Golden Rain Foundation as trustee for the benefit of the Seal Beach Mutual Corporations any portion of the refund due this Corporation from the Golden Rain Foundation that is the proceeds in excess of the first \$50,000 of refund derived from the operation of the Golden Rain Foundation.
2. It is the intent of this resolution that the Golden Rain Foundation shall refund in the normal manner the first \$50,000 for the fiscal year 1972 and the following fiscal years and apply any refund in excess of \$50,000 to the capital funds of the trust in the same proportion that the original contributions were made to the trust.

BE IT FURTHER RESOLVED, that this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

MUTUAL ADOPTION**AMENDED****RESCINDED**

ONE			
TWO	11-16-72		
THREE	11-20-72		
FOUR	01-08-73		
FIVE	12-20-72	11-18-16	
SIX	12-08-72		
SEVEN	01-19-73	11-21-00	
EIGHT			
NINE	11-13-72		07-11-11
TEN	11-30-72		
ELEVEN	12-21-72		

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Financing Capital Projects – Except Mutual Nine, Twelve, Fourteen, Sixteen**

TWELVE	11-09-72	07-13-17
FOURTEEN	11-09-72	06-20-17
FIFTEEN	11-10-72	
SIXTEEN	12-14-72	07-07-17

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Depreciation - Straight Line Method – Except Mutual Fourteen****RESOLUTION:**

WHEREAS, the official books of this Corporation are being kept using the Sinking Fund method of depreciation, and income tax returns are submitted using the Straight Line method of depreciation, and

WHEREAS, it is desirable to use the same method on the books as is used on the tax returns, and

WHEREAS, the Internal Revenue Service will not recognize the Sinking Fund method as a generally accepted method of depreciation and give their approval for its use on the income tax returns;

THEREFORE, BE IT RESOLVED, to adopt the Straight Line method of depreciation for the official books of this Corporation.

BE IT FURTHER RESOLVED, THAT this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

<u>MUTUAL</u>	<u>ADOPTION</u>	<u>RESCINDED</u>
ONE	03-27-75	
TWO	03-20-75	
THREE	03-17-75	
FOUR	04-07-75	
FIVE	06-18-75	
SIX	06-27-75	
SEVEN	03-21-75	
EIGHT	03-24-75	
NINE	03-10-75	
TEN	04-24-75	
ELEVEN	04-17-75	
TWELVE	03-13-75	
FOURTEEN	06-27-75	06-20-17
FIFTEEN	03-03-75	
SIXTEEN	06-18-75	

(Aug 17)

MUTUAL OPERATIONS

RESCIND MUTUAL TEN

ACCOUNTING AND FISCAL

Depreciation - Straight Line Method – Except Mutual Fourteen

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Five, Nine, Twelve, Fourteen and Sixteen****I. LEGAL BASIS**

The Regulatory Agreement between the Mortgager (Mutual) and the Department of Housing and Urban Development (HUD) requires, under Section 4, that an Operating Budget shall be prepared and submitted to HUD sixty (60) days prior to the beginning of each fiscal year.

Civil Code 1365 requires distribution of the Operating Budget to the all members/stockholders annually 45 to 60 days before the beginning of the fiscal year. In addition, a summary of the association's reserves, whether special assessments will be needed for repairs or to replenish reserves, and a statement of the procedures used for the calculation of the reserves must be included.

The Management Agreement between the Mutuals and the Golden Rain Foundation requires, under paragraph Fourth, subparagraph (k), that the Foundation shall prepare a budget for adoption by the Mutuals for those items covered by the Agreement.

II. METHOD OF PREPARATION

Since the Management Agreement between the Mutual and the Foundation requires the Foundation to prepare a budget with respect to the items contained in the Agreement, and since these items become a portion of the budget of the Mutual Corporations, the following procedure is used in preparing and presenting budgets for adoption:

- A. The Golden Rain portion of the budget is prepared and adopted by the Board of Directors during July and August for the fiscal year following.

The portions of the budget covered by this adoption are:

Administration	Property Management
Recreation	Grounds Maintenance (Community Facilities)
Transportation	Community Facilities Maintenance
Security	Service Maintenance (all phases except Mutual
	Other
Janitorial Services	Improvements)

- B. After the adoption of the Golden Rain Foundation budget, the costs of this budget are allocated to the Mutual for use in their budget preparation.

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Five, Nine, Twelve, Fourteen and Sixteen**

- C. The Golden Rain Foundation is responsible for furnishing information to the Mutual Corporations regarding those budget items which are not covered by the Foundation budget. These costs fall into two groups:

1. The items that are either required by contract or set up by governmental agencies are:

Real Estate Taxes	Hazard Insurance
State Franchise Tax	Mortgage Insurance
FHA Mortgage Insurance Premium	Mortgage Principal
Replacement Reserve	General Operating Reserve

Water and Sewer

2. The items which must be determined by the Mutual Board individually are:

Audit Fee	Vacancy and Collection Losses
Electricity	Rubbish Removal*
Grounds Maintenance – other improvements	Service Maintenance – other improvements
Misc. Maintenance and Repairs	Painting Reserve
Supplemental Replacement Reserve	Special Contingency Funds

*Arranged cooperatively through the Golden Rain Foundation

- D. Recommendations by the Golden Rain Foundation concerning the Mutual budget, together with estimates of income, expenses, and monthly carrying charges, should be available to the Mutual Corporations four (4) working days period to their September Board Meeting. This will enable the Mutual Corporations to have a period of time for study, evaluation, adjustment, and adoption of their budget prior to October 1.

Approximately three (3) weeks are needed after Mutual adoption to complete the clerical work in the Controller's Office for preparing the documentation and required reports for submission to HUD by November 1, and the required distribution to the members/stockholders between November 1 and November 15.

III. OTHER INFORMATION

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Five, Nine, Twelve, Fourteen and Sixteen**

- A. The administrative staff is always ready and available to discuss proposed budget actions, and to make budget presentations when requested by the Mutual Board.
- B. The action by the Mutual Board is the final action on the budget subject to HUD approval, and is the determining factor in the monthly carrying charge for all residents.
- C. In order to keep all Directors informed of the procedures on the budget, the following other information is furnished:
 - 1. The Presidents and Chief Financial Officers of the Mutual Boards are furnished pertinent budget information at the same time as the Golden Rain Board.
 - a) All Mutual Directors are furnished complete information on the Golden Rain budget when it is adopted, together with complete information on the Mutual budget recommendations.
- D. Normally, the first or second week in September is used for study meetings between the Mutual President and CFO/Treasurer and the staff so that complete information is available for determining budget factors.

Procedure

Amended: Jul 88, Aug 00

Executive Director
Golden Rain Foundation

RESCIND

FIVE: 11-18-16

NINE: Rescinded Feb 09

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Five, Nine, Twelve, Fourteen and Sixteen**

TWELVE: Rescinded 07-19-17

FOURTEEN: Rescinded 06-20-17

SIXTEEN: 03-07-17 Rescinded

(Aug 17)

Page 4 of 4

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Impounds – Except Mutuals Two, Five, Nine, Twelve, Fourteen**

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.

<u>MUTUAL</u>	<u>RESCIND</u>
TWO:	07-20-17
FIVE:	11-18-16
NINE:	08-14-17
TWELVE:	07-13-17
FOURTEEN:	06-20-17

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Billings to Mutuals – All Mutuals Except Mutuals Two, Five, Eight, Nine, Fourteen, Sixteen**

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, Aug 00

<u>MUTUAL</u>	<u>RESCIND</u>
TWO:	07-20-17
FIVE	06-21-17
EIGHT	08-28-17
NINE:	08-14-17
FOURTEEN:	06-20-17
SIXTEEN:	07-07-17

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Income Items and Their Distribution – All Mutuals Except Two, Five, Nine, Fourteen, Sixteen**

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.

MUTUAL

TWO:

FOURTEEN:

SIXTEEN:

RESCIND

07-20-17

06-20-17

07-07-17

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

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Investment Records – Except Mutuals Two, Five, Eight, Nine, Fourteen, Sixteen**

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

<u>MUTUAL</u>	<u>RESCIND</u>
TWO:	07-20-17
FIVE:	11-18-16
EIGHT:	08-28-17
NINE:	08-14-17
FOURTEEN:	06-20-17
SIXTEEN:	07-07-17

(Aug 17)

Page 1 of 1

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Cash Disbursements – All Mutuals Except Nos. Five, Nine, and Twelve**

Cash disbursements are made from one of two checking accounts referred to as the Agency Account and General Account (except Mutuals Nos. 16 & 17 who have only an Agency Account.)

A. Agency Account

1. Mortgage Payments
2. Power and Lights
3. Trash Hauling
4. GRF (paid by GRF and invoiced to Mutuals)
 - a. Admin., Recreation, Physical Property
 - b. Service Maintenance (SROs)
 - c. Water Charges
 - d. Rubbish Hauling
 - e. Street Lighting
 - d. Third Party Charges

5. Funding

- a. Operating Reserve
- b. Replacement Reserve
- c. Supplemental Replacement Reserve
- d. Painting Reserve
- e. Special Contingency Fund (if applicable)
- f. Emergency Reserve (if applicable)

6. Federal and State Income Taxes.**7. Property Taxes****8. Refund to Residents Related to Monthly Fees****B. General Account**

1. Extraordinary Expenses
2. Outside Contractors and Services

Amendments**RESCIND**

Mutual Five-Jan 17

Mutual Nine-Aug 17

Mutual Twelve-Oct 13 (See 7335.12)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Shareholders' Interest – All Mutuals Except Five, Nine, Fourteen**

The Internal Revenue Service regulations provide for inclusion of mortgage interest and property tax as an itemized deduction on an individual tax return. This provision extends to shareholders of a cooperative housing corporation.

At the end of each calendar year, a letter will be sent to each shareholder informing them of the amount of their pro-rated mortgage interest and property tax amount paid during the year just ended.

<u>MUTUAL ADOPTION</u>		<u>AMENDED</u>	<u>RESCINDED</u>
ONE	08-01-88	08-01-00, 02-28-02	
TWO	08-01-88	08-01-00, 03-21-02	
THREE	08-01-88	08-01-00, 04-12-02	
FOUR	08-01-88	08-01-00, 03-04-02	
FIVE	08-01-88	08-01-00, 02-20-02	01-20-16 (see policy 7336.5)
SIX	08-01-88	08-01-00, 03-26-02	
SEVEN	08-01-88	08-01-00, 05-15-02	
EIGHT	08-01-88	08-01-00, 02-25-02	
NINE	See Policy 7336.9 for Mutual Nine Information		
TEN	08-01-88	08-01-00, 02-27-02	
ELEVEN	08-01-88	08-01-00, 02-21-02	
TWELVE	08-01-88	08-01-00, 01-10-02	
FOURTEEN	08-01-88	08-01-00, 03-13-02	06-20-17
FIFTEEN	08-01-88	08-01-00, 02-19-02	
SIXTEEN	08-01-88	08-01-00, 02-19-02	
SEVENTEEN	08-01-88	08-01-00, 02-05-02	

(Aug 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Financial Reports – All Mutuals Except Two, Five, Eight, Nine, Fourteen, Sixteen****I. 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

<u>MUTUAL</u>	<u>RESCIND</u>
TWO:	07-20-17
FIVE	06-21-17
EIGHT	08-28-17
NINE:	08-14-17
FOURTEEN:	06-20-17
SIXTEEN:	07-07-17

(Aug 17)

Page 1 of 1

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Accounts Receivable – All Mutuals Except Two, Five, Eight, Nine, Fourteen and Sixteen**

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.

<u>MUTUAL</u>	<u>RESCIND</u>
TWO:	07-20-17
FIVE:	11-18-16
EIGHT	08-28-17
NINE:	08-14-17
FOURTEEN:	06-20-17
SIXTEEN:	02-07-17

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Cashier Service – All Mutuals Except Two, Flve, Nine, Fourteen, Sixteen**

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.

<u>MUTUAL</u>	<u>RESCIND</u>
TWO:	07-20-17
FIVE:	06-21-17
NINE:	08-14-17
FOURTEEN:	06-20-17
SIXTEEN:	02-07-17

(Sept 17)

Mutual Corporation No. Ten

MEMO

TO: MUTUAL TEN BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: MOTION TO RATIFY RESCINDED POLICIES 7331.1 AND 7331.2
DATE: NOVEMBER 29, 2017

I move to ratify rescinded Policy 7331.1 – Interest on Impound Accounts and Policy 7331.2 – Impound Account Agreement.

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Interest on Impound Accounts - Mutuals 01, 02, 03, 04, 07, 08, 10, and 11**

WHEREAS, It is the desire of the Mutuals to earn interest on funds required to be deposited into Impound Accounts with the Mortgagee, and

WHEREAS, A proposed contract which would accomplish this aim has been negotiated by the Foundation attorney and the Mortgagee for use by Mutuals One through Eleven as a group,

NOW, THEREFORE, BE RESOLVED, That Golden Rain Foundation, as agent for this Mutual, is authorized and directed to sign the aforementioned contract with Metmore Financial, Incorporated, said contract to provide for a schedule of payment of interest to the Mutual on its Impound Account, and a schedule of fees on transactions for its Replacement Reserve Account.

Mutual No. 7 Only (Effective 11-21-00) Replaces Paragraph Three

NOW, THEREFORE, BE RESOLVED, That Golden Rain Foundation, as agent for this Mutual, is authorized and directed to sign the aforementioned contract with Mortgagor, said contract to provide for a schedule of payment of interest to the Mutual on its Impound Account, and a schedule of fees on transactions for its Replacement Reserve Account.

MUTUAL ADOPTION**AMENDED****RESCINDED**

ONE	03-22-73		
TWO	03-15-73		
THREE	03-19-73		
FOUR	03-05-73		
FIVE	02-21-73		11-18-16
SIX	03-23-73		09-22-17
SEVEN	03-16-73	11-21-00	
EIGHT	03-26-73		
NINE	03-12-73		07-10-06
TEN	03-22-73		
ELEVEN	03-15-73		

(Sep 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two, Five, Six, Nine, and Twelve**

THIS AGREEMENT entered into this 21st day of February 1974 between Seal Beach Mutual Corporations Nos. One through Eleven, (except Mutual No. Nine, effective 07-10-06) hereinafter called Trustors, and Western Mortgage Corporation, a division of Unionamerica, Inc., a Delaware corporation, hereinafter called Servicer.

WITNESSETH:

WHEREAS, Metropolitan Life Insurance Company, a New York corporation, hereinafter called the Beneficiary, now holds deed of trust notes secured by deeds of trust on properties in Seal Beach Leisure World owned by Trustors, which notes represent loans insured by the Federal Housing Administration, hereinafter called FHA, and

WHEREAS, the Beneficiary has appointed Servicer as its correspondent and servicing agent to make collections and to fulfill the obligations of the Beneficiary in the servicing of FHA loans in accordance with the requirements of FHA, and

WHEREAS, the Beneficiary has directed Servicer as its agent to pay interest to Trustors on impound accounts held on the subject FHA loans, and

WHEREAS, the Beneficiary has directed Servicer as its agent to assume the administration of the Reserve Fund for Replacements to the mortgage properties, hereinafter called the Reserve Fund, which Reserve Fund is required by FHA to be maintained under the control of the Beneficiary, and

WHEREAS, the Beneficiary has further directed Servicer to invest such Reserve Fund and pay earnings to the Trustors, and

WHEREAS, the Beneficiary and FHA have agreed that Servicer may collect a reasonable fee from Trustors for the services to be provided under this Agreement, and

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

1. The Trustors shall continue to make regular monthly payments in cash to the Servicer in accordance with the terms of the deed of trust notes. A portion of such regular monthly payments shall be held by Servicer in impound accounts in amounts as required for the payment of taxes, insurance and M.M.I., as set forth in the impound analysis delivered to Trustors during the first month of each year. Another portion of such regular monthly

(Sep 17)

RESCIND MUTUAL TEN**ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two, Five, Six, Nine, and Twelve**

payments shall be held by Servicer in said reserve und for replacements in amounts as required by the FHA and provided for in the Agreement for the Reserve Fund on such FHA loans.

2. On or before the 30th day of each month, Servicer agrees to deposit the monthly impound collections received through the 20th day of that month into regular savings accounts in an institution insured by an agency of the Federal Government yielding the highest available interest rate with out the requirement of any fixed time period. Such savings accounts for the impounds shall be maintained as Trust or Custodial accounts in the name of Western Mortgage Corporation, as custodian for the Beneficiary. Servicer shall make withdrawals on such impound accounts as required for payments of taxes, insurance and M. I.

3. Servicer agrees to provide monthly accounting reports to Trustors and the Beneficiary on or before the fifth day of each month that will reflect all savings account transactions under this Agreement as of the 20th day of the preceding month. These reports will include a Cash Flow Statement reflecting for each loan account total impound collections for the month, deposits of impound funds into the custodial savings account, any authorized disbursement, and a reconciliation to the balance outstanding in such savings accounts as of the 20th day of each month.

4. Payments to the Trustors of interest earned on the savings accounts shall be made on a calendar quarterly basis, less 1/5th of the earned interest on such savings accounts. The parties hereto agree that such 1/5th of the earned interest to be retained by Servicer is a reasonable charge for the services performed by Servicer in the investment of the impound funds and payment of earnings to Trustors.

5. Servicer agrees to assume the duties and responsibilities of the Beneficiary in the administration of the portfolio of United States Government Bonds in which the Reserve Fund has been invested under certain agreements between Trustors and Beneficiary. Provided the loan is not in default, at the end of each calendar quarter, the Servicer agrees to accept United States Government Bearer Bonds in substitution for the amounts accumulated in the Reserve Fund from collections during the preceding quarter, provided the accumulated amounts are not needed for repairs of payment or other items required under the Agreement for the Reserve Fund. It is understood that if, at any time, the market value of the Bonds falls below the equivalent amount of cash for which they were exchanged, the Servicer, at its option, may require the Trustors to make up the deficiency. It is understood that the Servicer and/or Beneficiary assumes no liability resulting from the fluctuation in the market value of the

(Sep 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two, Five, Six, Nine, and Twelve**

Bonds.

6. It is understood that the Trustors, after ascertaining the dollar amount for which Bonds may be substituted, will purchase the Bonds and deliver them to the Servicer. The Servicer will then refund to the Trustors an amount equal to the actual cost of the Bonds excluding commissions or the par value of the Bonds, whichever is less, but in no event in excess of the amount of the cash on hand. At the Trustors request, Servicer or its agent will detach the interest coupons for redemption and forward the proceeds to the Trustors.

7. Servicer will provide a calendar quarterly report to Trustors and the Beneficiary on or before the 20th day of the month following each quarter which will reflect any changes in the status of the Reserve Fund and the portfolio of United States Government Bonds being administered by Servicer for each Mutual corporation.

8. The Trustors agree to pay Servicer \$25.00 per transaction affecting the portfolio of United States Government Bonds in which the Reserve fund has been invested. "Transaction" for the purpose of such compensation to Servicer includes the sale, purchase, maturity or redemption of Bonds in the portfolio being maintained for coupons on such Bonds. In addition, Trustors agree to pay Servicer \$25.00 per calendar quarter for each Mutual corporation which has investments included in the portfolio being administered by Servicer. The calendar quarterly report on changes in the Bond portfolio submitted by Servicer to Trustees and Beneficiary in accordance with the provisions of paragraph 7 will be accompanied by a quarterly billing summarizing the number of transactions and the amounts owing to Servicer which shall be paid by Trustors within fifteen days of receipt; provided, however, that the compensation payable by Trustors to Servicer for the services provided in the administration of the bond portfolio shall not, in the aggregate in any one year, be less than \$4,000, nor more than \$10,000. The parties hereto agree that the compensation provided for in this paragraph for the administration of the Reserve Fund and the portfolio of United States Government Bonds in which the Reserve Fund has been invested, is a reasonable charge for the services performed by Servicer in connection therewith.

9. Servicer agrees to use due diligence in the performance of its duties and the exercise of its fiduciary responsibilities under this Agreement, and Trustors agree that Servicer and the Beneficiary shall not be responsible for any loss or damage suffered by Trustors in the execution of this Agreement that may be caused by circumstances beyond Servicer's control.

10. The parties agree that this Agreement shall be for a term of three years from

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MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two, Five, Six, Nine, and Twelve**

the date of execution and will be automatically renewed on a year-to-year basis except upon 90 days advance written notice of termination given by either party prior to the expiration of the original term or any renewal period. The parties further understand and agree that the execution and implementation of this Agreement will be subject to the approval of the Beneficiary and the FHA; that this Agreement to pay interest on impound accounts to Trustors on Seal Beach Leisure World FHA loans is entered into on a voluntary basis by the Beneficiary and Servicer, and is not presently required by any law or governmental regulation; and further that any subsequent agreement between the parties to modify, amend or replace this Agreement shall be subject to the approval of the Beneficiary and the FHA.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, duly authorized the day and year first above written.

MUTUAL ADOPTIONRESCINDED

ALL MUTUALS: Feb 1974

TWO:

02-17-11

FIVE:

11-18-16

(Sep 17)

MUTUAL OPERATIONS**RESCIND MUTUAL TEN****ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two, Five, Six, Nine, and Twelve**

SIX:	09-22-17
NINE:	07-10-06
TWELVE:	07-13-17

(Sep 17)

Mutual Corporation No. Ten

MEMO

TO: MUTUAL TEN BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE AIR QUALITY MONITORS
DATE: NOVEMBER 29, 2017

I move that Mutual Ten Board of Directors allow shareholders who want to volunteer to have air quality monitors attached to their apartments to monitor our air quality to do so at no risk to the Mutual or any shareholder.

Mutual Corporation No. Ten

MEMO

TO: MUTUAL TEN BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE ATTORNEY ROSEMAN'S CONTRACT – BYLAWS, OCCUPANCY AGREEMENT, AND POLICIES
DATE: NOVEMBER 29, 2017

I move to approve a contract with Roseman & Associates to restate the Mutual Ten Bylaws, Occupancy Agreement, and policies, not to exceed \$_____, and authorize the President to sign the contract.