

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL TEN**  
**October 25, 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 September 27, 2017**  
**Special Meeting of October 16, 2017 (page 3)**
8. BUILDING INSPECTOR'S REPORT Mr. Black
  - ♦ Permit Activity; Escrow Activity; Contracts & Projects; Shareholder & Mutual Requests (**pages 4-5**)
9. UNFINISHED BUSINESS –
  - a. Waterline Project - update
  - b. Carport Area Concrete Wall Repair - update
  - c. Update on Policy 7510.10 – Eligibility Requirements Presidents' Council version and Policy 7510.10 – Eligibility Requirements (**pages 6-10**)
  - d. Adopt Policy 7549.10 – Lockout Procedures (**pages 11-14**)
10. NEW BUSINESS –
  - a. 2017 Audit Engagement Letter – Motion (**pages 15-24**)
  - b. Rescind Financial Policies 7331.1 – Interest on Impound Accounts; and 7331.2 – Impound Account Agreement (**pages 25-31**)
  - c. Rescind Policy 7020.2 – Approval of Escrows (**pages 32-33**)
  - d. Ratify telephone poll on Landscape Service (**page 34**)
  - e. BrightView Landscape Service
  - f. Motion to terminate legal services of Michael Rabkin to Roseman & Associate (**page 35**)
  - g. Parking Policy Committee
- 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:**

**NEXT REGULAR BOARD MEETING: WEDNESDAY, November 29, 2017, AT 9:00 a.m. Bldg. 5, (B)**

**CFO Council: Wednesday, November 1, 2017, at 10:00 a.m. (B)**  
**Presidents' Council: Thursday, November 2, 2017, at 9:00 a.m. (C4)**  
**Emergency Prep Information Council: Friday, November 3, 2017, at 10:00 a.m. (B)**  
**Roundtable: Friday, November 17, 2017, at 1:00 p.m. (A)**  
**Landscape Council: Friday, January 19, 2018, at 10:00 a.m. (B)**

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

cd:10/19/17

**MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF DIRECTORS  
SEAL BEACH MUTUAL TEN  
October 16, 2017**

The Special Meeting of the Board of Directors of Seal Beach Mutual Ten was called to order by President Arlart on Monday, October 16, 2017, at 2:32 p.m. in Building 5 Conference Room B.

**ROLL CALL:**

Present: President Arlart, Vice President Cummings [2:43 p.m.], Secretary Stipcich, CFO Giles and Director Dr. Newman

Absent: Director Atkinson

Staff: Building Inspector, Kevin Black

Guest: One shareholder made a comment.

**BUILDING INSPECTOR REPORT**

Building Inspector Black updated the Board on Mutual activity.

**LANDSCAPE SERVICE**

Following a discussion, and upon a MOTION duly made by Vice President Cummings and seconded by Director Dr. Newman, it was

RESOLVED, To authorize the Mutual President to sign the three [3] year landscape service contract covering November 1, 2017 to October 31, 2020, with Bright View Landscape Services, Inc.

The MOTION passed.

**ADJOURNMENT**

President Arlart adjourned the meeting at 3:32 p.m.



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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: **October 25th 2017**

## PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
10-250H	washer/dryer/ elect. Panel	both	06/01/17	08/01/17	no	rough 7/26/17	Los AI builders
10-255F	cart pad	GRF	05/22/17	06/22/17	no		Johns landscape
10-247B	entry door, sliding door, washe	both	07/20/17	11/10/17	no	rough 8/16/17	Los AI builders
10-255H	flooring	GRF	07/18/17	08/21/17	no		karys Carperts 7/19/17 562.493.3678
10-244E	oven micro, stove top	both	09/10/17	11/20/17	no		Lw décor
10-251A	abatement	no	09/01/17	10/01/17	no		pw stevens
10252F	flooring	GRF	09/25/17	10/25/17	no		carrol's flooring
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 handyman
10-251A	flooring	GRF	11/15/17	12/15/17	no		real mcoy builders

## ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
10-241G			12/16/16	12/21/16	01/03/17		
10-245A		04/21/17	06/14/17	06/30/17	07/11/17	10/12/17	1941.41
10-257F		04/20/17	08/25/17	09/05/17	09/13/17	10/12/17	1294.93
10-251E			07/18/17	07/18/17	07/28/17	10/13/17	2068.22
10-256A		08/04/17	09/05/17	09/12/17	09/22/17		
10-243I		08/08/17	08/16/17		09/01/17		
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		

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: October 25th 2017

CONTRACTS and PROJECTS		
CONTRACTOR		PROJECT
JLS Landscaping	Lawns:	Mutual gardening and lawns - on going,
Brightview	Landscape:	contract set to start November 1st
	Rain Gutters:	on going depending on weather conditions
	Tree removals:	
Class One Arboriculture	Tree Maintenance:	Fall Pruning will be at the end of Sept. or first part of Oct.
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:	was going to start 10/5/17, however this has to be re-scheduled
		sent email for start date
Dry rot / Termite / Paint lists		sent email for Jill at Vista Paint to contact Esther Cummings
Concrete		Looking for areas to R/R. 240D-E, 256C, 251F-G, 245A two corners and of main sidewalk - 239I @ pop up - still need to complete
SHAREHOLDER and MUTUAL REQUESTS		
9/27/17 - Landscape meeting with Brightview		
10/2/17 empty unit check		
10/16/17 - insp. meeting		
10/25/17 - BOD meeting		

**MUTUAL OPERATIONS****PRESIDENTS' COUNCIL DRAFT****RESIDENT REGULATIONS****Eligibility Requirements – Mutual**

All persons **Any person or persons jointly** seeking approval of the Board of Directors of Seal Beach Mutual No \_\_\_\_\_ 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 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 at least (4) times **4.5 times** or greater **than** the monthly carrying charge (Regular **GRF and Mutual** Assessment plus Property Taxes and Fees) at the time of application and have liquid assets of at least \$25,000. **\$50,000 over the purchase price.** Verified monthly income/assets can be verified by any combination of the following **and may be in the form of:**

1. Tax returns **for the past two years.**
2. 1099s for interest and dividends **for the past two years. (assets used to purchase unit will not be included in income calculations)**
3. 1099-Rs for retirement income from qualified plans and annuities **for the past two years.**
4. SSA-1099 Social Security Benefit Statements **for the past two years.**
5. Brokerage statements and current interim statement **for the past two years. (assets used to purchase unit will not be included in income calculations)**
6. **At least the most recent** six to twelve **month's worth** of checking/savings account statements **(assets used to purchase unit will not be included in income calculations).**

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; **(assets used to purchase unit will not be**

included in income calculations) 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.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)~~ **4.5** 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.

Verification shall be done by the Escrow Company and the Stock Transfer Office **for each proposed shareholder(s)** prior to the new buyer interview **orientation** 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.

### 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 (see individual Mutual requirements). Leisure World is not a skilled nursing home facility or an assisted living facility.

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**

**ADOPTION**

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Ten**

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

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

- 1. Age

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

- 2. Financial Ability

- a. Verified monthly income that is at least four (4) times or greater the monthly carrying charge (Regular Assessment plus Property Tax and Fees) at the time of application, and have liquid assets of at least \$25,000. Verified monthly income/assets may be in the form of the past two years of:
  - 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.
  - 6. Six to twelve months of checking/savings account statements.
- 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.a. above.

(Aug 17)

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Ten**

- 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.<sup>1</sup>

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 (except to remove a deceased spouse's name), the proposed shareholder(s) must meet these eligibility requirements.

### 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 for an undue amount of assistance. Leisure World is not an assisted living or skilled nursing home facility.

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

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<sup>1</sup> 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****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Ten**

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

**MUTUAL ADOPTION****AMENDMENT DATES****TEN**

04-22-70

09-22-93, 01-28-09, 08-23-17

(Aug 17)

# *Mutual Corporation No. Ten*

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## **MEMO**

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**TO:** MUTUAL TEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** ADOPT POLICY 7549.10 – LOCKOUT PROCEDURES  
**DATE:** OCTOBER 19, 2017

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I move to adopt Policy 7549.10 – Lockout Procedures on a preliminary basis until the 30-day posting period is completed.



**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*

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## **MEMO**

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**TO:** MUTUAL TEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** NSBN ENGAGEMENT LETTER MOTION  
**DATE:** OCTOBER 19, 2017

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I move to accept the NSBN Engagement Letter from the 2017 Audit and authorize the President to sign the letter.



September 7, 2017

Linda Stone, GRF Board President  
Golden Rain Foundation  
Post Office Box 2069  
Seal Beach, California 90740

Dear Linda:

We are pleased to confirm our understanding of the services we are to provide for Golden Rain Foundation (the "Company") and the 16 Seal Beach Mutual Corporations (the "Mutual Corporations") for the year ended December 31, 2017.

The Board of Directors of the Company and the Mutual Corporations (the "Boards") have requested that we audit the financial statements of the Company and the Mutual Corporations, which comprise the balance sheets as of December 31, 2017, and the related statements of operations/revenue and expenses, changes in stockholders' equity/changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements. Also, the financial statements we submit to you will include supplementary information about future major repairs and replacements required by the Financial Accounting Standards Board ("FASB"). Although we will apply certain limited procedures with respect to the required supplementary information, we will not audit the information and will not express an opinion on it.

#### **Audit Objective**

The objective of our audits is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the Company's and the Mutual Corporations' accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audits of the Company's and the Mutual Corporations' financial statements. Our reports will be addressed to the Boards and Members of the Company and to each of the Mutual Corporations. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

## Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. However, our procedures will not determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because such a determination is outside the scope of the engagement. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audits, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audits will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Company and the Mutual Corporations or to acts by management or employees acting on behalf of the Company and the Mutual Corporations.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audits and does not extend to any later periods for which we are not engaged as auditors.

Our audits will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

## Other Services

We will prepare the Company's and the Mutual Corporations' 2017 federal and California tax returns for the year ended December 31, 2017 based on information provided by you. We will also assist in preparing the financial statements of the Company and the Mutual Corporations in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

### **Management Responsibilities**

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; for the preparation and fair presentation in the financial statements in conformity with U.S. generally accepted accounting principles; and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Company from whom we determine it necessary to obtain audit evidence.

Management's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entities involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entities received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entities comply with applicable laws and regulations. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically, management understands that electronic sites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities for the financial statement preparation services, tax services, and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.



### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

Johnny H. Minassian is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our audit engagement ends on delivery of our audit reports. Any follow-up services required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

As part of our audit process, we will request from management and, when appropriate, from those charged with governance, written confirmation concerning representations made to us in connection with the audits.

We also will issue a written report communicating either Auditor's Communication with Those Charged with Governance or Communicating Internal Control Related Matters Identified in an Audit, upon completion of our audits.

As part of our engagement, we will also prepare the 2017 federal and California tax returns for the year ended December 31, 2017. We will use our professional judgment in preparing your returns. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. In accordance with our professional standards, we will follow whatever position you request, as long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional tax, interest, or penalties.

In the event, however, that you ask us to take a tax position that, in our professional judgment, will not meet the applicable laws and standards as promulgated, we reserve the right to stop work and shall not be liable to you for any damages that occur as a result of ceasing to render services.

Any travel, entertainment and gifts, as well as charitable contributions, must be supported by the necessary records required by the Internal Revenue Code. It is your responsibility to insure that all such documents are properly maintained and that the documents in your possession support the deductions taken on the tax return. We will not audit or otherwise review the information maintained by you to insure the adequacy thereof.

You may have reportable state use tax if the corporation purchased goods outside of California for use, storage, or consumption in California and did not pay California sales or use tax on the purchase. You may now elect to pay use tax with your corporation income tax return, rather than on a separate use tax form filed with the Board of Equalization. Please inform us if management's position on this election has changed from the previous year.

Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having an aggregate value

exceeding \$10,000 at any time during the calendar year in a foreign country, shall report such a relationship. Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s).

For example, a corporate-owned foreign account would require filings by the corporation *and* by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

If you and/or your entity have a financial interest in, or signature authority over, any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare the Report of Foreign Bank and Financial Accounts (FBAR) required by the U.S. Department of the Treasury in order for the FBAR to be **received by the Department on or before June 30<sup>th</sup>** of each tax year. Effective July 1, 2013, electronic filing of FBAR reports is mandatory using the Bank Secrecy Act (BSA) e-filing system for the Financial Crimes Enforcement Network (FinCEN). If you would like our firm to submit your electronic FBAR report (FinCEN Form 114) on your behalf, we must receive a signed consent form (FinCEN Form 114a) from you prior to submitting the foreign reporting form. If you do not provide our firm with information regarding any interest you may have in a foreign account, or if we do not receive your signed authorization to file your foreign reporting form, we will not be able to prepare and file any of the required disclosure statements.

In addition, the Internal Revenue Service also requires information reporting under applicable Internal Revenue Code sections and related regulations, and the respective IRS tax forms are due when your income tax return is due, including extensions. The IRS reporting requirements are in addition to the U.S. Department of the Treasury reporting requirements stated above. Therefore, if you fall into one of the below categories, or if you have any direct or indirect foreign interests, you may be required to file applicable IRS forms:

- You are an individual or entity with ownership of foreign financial assets and meet the specified criteria (Form 8938);
- You are an officer, director or shareholder with respect to certain foreign corporations (Form 5471);
- You are a foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business (Form 5472);
- You are a U.S. transferor of property to a foreign corporation (Form 926);
- You are a U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A); or
- You are a U.S. person with interests in a foreign partnership (Form 8865).

Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the Internal Revenue Service may result in substantial monetary penalties. By your signature below, you accept responsibility for informing us if you believe that you may have foreign reporting requirements with the U.S. Department of the Treasury and/or Internal Revenue Service and you agree to timely provide us with the information necessary to prepare the appropriate form(s). We assume no liability for penalties associated with the failure to file, or untimely filing, of any of these forms.



The IRS and U.S. Treasury issued final tangible property regulations (TPRs) that govern when taxpayers must capitalize and when they can deduct expenditures for acquiring, producing or improving tangible property. These regulations were fully effective for tax years beginning on or after January 1, 2014. The final regulations created new annual elections, and while certain safe harbors and elections are implemented through filing statements or treatment of an item on a timely filed federal tax return, the IRS considers the remaining provisions to be a change in accounting method, which may require the filing of Form 3115, *Application for Change in Accounting Method*.

If we become aware that you may be using an accounting method not in accordance with the final TPR regulations, our firm may need additional time to analyze your current and prior acquisitions and improvements to properly complete Form 3115. By your signature below, you accept ultimate responsibility for your capitalization analyses and decisions, and you agree to provide us with the information necessary to prepare the appropriate elections and/or method change IRS form(s). Please ask us for advice if you have any questions regarding your company's application of these regulations.

Management is responsible for the design, implementation and administration of applicable policies that may be required under the Affordable Care Act. As NSBN LLP is not rendering any legal services as part of our engagement, we will not be responsible for advising you with respect to the legal or regulatory aspects of your company's compliance with the Affordable Care Act.

Professional standards now require us to electronically file all federal and state income tax returns. Please note that, although e-filing will require both you and our firm to complete additional steps, the same filing deadlines will apply. You must therefore ensure that you complete the additional requirements before the due dates in order for our firm to be able to timely transmit your return. Our firm must transmit your return to the taxing authorities (rather than you). We will provide you with a copy of the income tax returns for your review prior to electronic transmission. After you have reviewed the returns, you must provide us with a signed authorization indicating that you have reviewed the return and that, to the best of your knowledge, you feel it is correct. **We cannot transmit the returns to the taxing authorities until we have your authorization.** Therefore, if you have not provided our firm with your authorization, we will place your return on extension, even though it might already have been completed. In that event, you will be responsible for ensuring that any payment due with the extension is timely sent to the appropriate taxing authorities. You will also be responsible for any additional costs our firm incurs arising from the extension preparation.

Finally, please note that, although our firm will use our best efforts to ensure that your returns are successfully transmitted to the appropriate taxing authorities, we will not be financially responsible for electronic transmission or other errors arising after your return has been successfully submitted from our office.

Our fees for these services will not exceed \$131,000. The fee estimate is based on anticipated cooperation from the Company's and the Mutual Corporations' personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation.

Your returns, of course, are subject to review by the taxing authorities. Any items which may be resolved against you by the examining agent are subject to certain rights of appeal. In the event of

such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses involved.

If, during the engagement, any extraordinary matters come to our attention for which additional services not specified in this letter are required, we will, of course, consult with you and receive your approval before expanding our services. These services will be billed at the standard billing rates of the personnel performing the services plus any direct costs incurred.

If any dispute arises among the parties, they agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under Rules for Professional Accounting and Related Services Disputes. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Arbitration Rules for Professional Accounting and Related Services Disputes of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. In agreeing to arbitration, we both acknowledge that, in the event of a dispute charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us in the envelope provided.

Sincerely,

NSBN LLP

NSBN LLP

**Approved by:**

***This letter correctly sets forth the understanding of Golden Rain Foundation***

\_\_\_\_\_  
**Linda Stone, GRF Board President**

**Date:** \_\_\_\_\_

Appendix A

Acknowledgement of services to be performed by NSBN LLP for each Mutual Corporation as documented in the engagement letter dated September 7, 2017:

Mutual 1	_____	Date: _____
	<i>Board President</i>	
Mutual 2	_____	Date: _____
	<i>Board President</i>	
Mutual 3	_____	Date: _____
	<i>Board President</i>	
Mutual 4	_____	Date: _____
	<i>Board President</i>	
Mutual 5	_____	Date: _____
	<i>Board President</i>	
Mutual 6	_____	Date: _____
	<i>Board President</i>	
Mutual 7	_____	Date: _____
	<i>Board President</i>	
Mutual 8	_____	Date: _____
	<i>Board President</i>	
Mutual 9	_____	Date: _____
	<i>Board President</i>	
Mutual 10	_____	Date: _____
	<i>Board President</i>	

Mutual 11

Board President

Date: \_\_\_\_\_

Mutual 12

Board President

Date: \_\_\_\_\_

Mutual 14

Board President

Date: \_\_\_\_\_

Mutual 15

Board President

Date: \_\_\_\_\_

Mutual 16

Board President

Date: \_\_\_\_\_

Mutual 17

Board President

Date: \_\_\_\_\_

# *Mutual Corporation No. Ten*

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## MEMO

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**TO:** MUTUAL TEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** MOTION TO RESCIND POLICIES 7331.1 AND 7331.2  
**DATE:** OCTOBER 20, 2017

---

I move to rescind Policy 7331.1 – Interest on Impound Accounts and Policy 7331.2 – Impound Account Agreement on a preliminary basis until the 30-day posting period is completed.

**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)

Page 1 of 1

**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 21<sup>st</sup> 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)

**MUTUAL OPERATIONS****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 30<sup>th</sup> day of each month, Servicer agrees to deposit the monthly impound collections received through the 20<sup>th</sup> 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 20<sup>th</sup> 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 20<sup>th</sup> 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 1/5<sup>th</sup> of the earned interest on such savings accounts. The parties hereto agree that such 1/5<sup>th</sup> 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 20<sup>th</sup> 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

(Sep 17)

**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 ADOPTION****RESCINDED**

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*

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## **MEMO**

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**TO:** MUTUAL TEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** RESCIND POLICY 7020.2 – APPROVAL OF ESCROWS  
**DATE:** OCTOBER 20, 2017

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I move to rescind Policy 7020.2 – Approval of Escrows on a preliminary basis until the 30-day posting period is completed.

**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*

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## MEMO

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**TO:** MUTUAL TEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** RATIFY PHONE POLL TO HIRE BRIGHTVIEW LANDSCAPE SERVICE  
**DATE:** OCTOBER 20, 2017

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I move to ratify the phone poll on \_\_\_\_\_ to hire BrightView Landscape Service as the Mutual landscape company.

# *Mutual Corporation No. Ten*

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## **MEMO**

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**TO:** MUTUAL TEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** MOTION TO TERMINATE ATTORNEY RABKIN SERVICES/HIRE ROSEMAN & ASSOCIATE  
**DATE:** OCTOBER 20, 2017

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I move that Mutual Ten terminate the legal services of Michael Rabkin and hire Roseman & Associate as legal council for Mutual Ten.