

**A G E N D A**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL ELEVEN**  
**October 19, 2017**  
**1:30 p.m.**

1. CALL TO ORDER, *PLEDGE OF ALLEGIANCE*
2. ROLL CALL
3. INTRODUCTION OF GRF REPRESENTATIVE, GUEST(S) AND STAFF:
  - Ms. Heinrichs, GRF Representative
  - Ms. Miller, Director of Finance
  - Ms. Hopkins, Mutual Administration Director
  - Mr. Harper, Building Inspector
  - Mrs. Aquino, Recording Secretary
4. APPROVAL OF MINUTES – **Regular Meeting of September 21, 2017**
5. **GUEST SPEAKER – Presentation of the proposed 2018 Budget** **Ms. Miller**
  - a. Approval of 2018 Budget (p. 3)
6. BUILDING INSPECTOR'S REPORT (p. 4-6) Mr. Harper
  - a. Approve Patio plans for Unit 272 – G (p. 7)
  - b. Approve Patio plans for Unit 283 – B (p. 8)
  - c. Approve Patio plans for Unit 267 – C (with proper structural permit) (p. 9)
  - d. Approve Garden plans for Unit 267 – G (p. 10)
7. UNFINISHED BUSINESS –
  - a. Discuss amending Policy 7586.11 – Personal Property and Liability Insurance (p. 11-14)
  - b. Discuss further amending Policy 7510.11 – Financial Eligibility Requirements (p. 15-17)
8. NEW BUSINESS –
  - a. Discuss amending Policy 7502.11 – Carport Regulations (p. 18-20)
  - b. Discuss adopting Policy 7426.11 – SmartBurners (p. 21-22)
  - c. Discuss rescinding the following Policies: (p. 23-46)
    - 7301 – Audit Expense, 7302 – Capital Accounts, 7304 – Financing Capital Projects
    - 7305 – Depreciation-Straight Line Method, 7306.11 – Banking Resolution,
    - 7310 – Mutual Budgets, 7320 – Patronage Refunds, 7331 – Interest on Impound Accounts
    - 7332 – Billings to Mutuals, 7333 – Income Items and Their Distribution,
    - 7334 – Investment Records, 7335 – Cash Disbursements, 7336 – Shareholders' Interest,
    - 7337 – Financial Reports, 7340 – Accounts Receivable, and 7341 – Cashier Service
  - d. Approve Bergkvist Construction bid for stucco and paint for all Laundry Rooms (p. 47)
  - e. Approve Standard Roofing bid for all vents in Laundry Rooms(p. 48)
  - f. Air Quality Monitor – Purple Air (p. 49)
  - g. Board Resolution 2018 Guest Passes (p. 50)
  - h. NSBN Engagement Letter (p. 51)
9. CHIEF FINANCIAL OFFICER'S REPORT Mrs. Baker
10. GRF REPRESENTATIVE Ms. Heinrichs
11. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
12. DIRECTOR(S)' COMMENTS
13. ANNOUNCEMENTS

14. SHAREHOLDER(S)' COMMENTS (2-3 minutes)
15. ADJOURNMENT
16. EXECUTIVE SESSION (legal, member issues)

**STAFF SECRETARY WILL LEAVE THE MEETING AT 4:00 P.M.**  
**NEXT REGULAR BOARD MEETING: NOVEMBER 16, 2017, at 1:30 p.m.**  
**CLUBHOUSE 3, ROOM 9**

# *Mutual Corporation No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF 2018 BUDGET  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move to accept the 2018 Operating Budget for Mutual Eleven of \$1,386,279, resulting in a regular monthly assessment of \$370.27 per apartment per month, for an increase of \$23.79 per month over the total regular assessment of 2017, as presented, and to adopt this budget forthwith.







# *Mutual Corporation No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF PATIO UNIT 272-G  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move to approve the patio plans for Unit 272-G, as presented.

# *Mutual Corporation No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF PATIO UNIT 283-B  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move to approve the patio plans for Unit 283-B, as presented.



# *Mutual Corporation No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF PATIO UNIT 267-C  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move to approve the patio plans for Unit 267-C as presented, and with proper structural permits.

# *Mutual Corporation No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF PATIO UNIT 267-G  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move to approve the garden plans for Unit 267-G, as presented.

# *Mutual Corporation No. Eleven*

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## MEMO

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**TO:** MUTUAL 11 BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** POLICY 7586.11 – PERSONAL PROPERTY AND LIABILITY INSURANCE  
(UNFINISHED BUSINESS ITEM A)  
**DATE:** OCTOBER 19, 2017

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Mutual Administration is requesting that policy 7586.11 Personal Property and Liability Insurance be amended. The Amended section is bold and underlined in the attached draft.

Per the Insurance Director of Personal Lines:

– If you do obtain additional insured status it is only advantageous in the instance of a unit owner being sued by a third party and the Mutual also being sued for the same incident. The Mutual would not be able to access the unit owners policy without their being a claim or suit brought due to the activities of the unit owner by a third party.

–However, if the Mutual is included as an Additional Insured then you lose your ability to sue the unit owner since the Mutual will be considered an Insured under the policy and one insured cannot sue another.

I move to amend Policy 7586.11 – Personal Property and Liability Insurance on a preliminary basis until the 30-day posting period is completed.

MUTUAL OPERATIONS**AMENDED DRAFT****SHAREHOLDER/RESIDENT REGULATIONS****Personal Property and Liability Insurance****Definitions:**

The Seal Beach Mutual Corporation shall be referred to as the "Mutual."

The Mutual's shareholders shall be referred to as "shareholders."

Shareholder's apartments shall be referred to as "units."

**Shareholder's Responsibility:**

Shareholders, whether residing in their unit or not, shall carry general liability insurance – sometimes referred to as homeowner's insurance HO6 – with proper liability coverage. The general liability insurance policy shall cover the contents of their unit, any damage to their unit, any damage to the property owned by third-parties, and any personal injury occurring in the shareholder's unit or adjacent property, for which the shareholder is responsible. The general liability insurance policy requirements are set out below.

The shareholder shall:

- Obtain and maintain a general liability insurance policy, at his/her/its sole expense.
- Be liable for the cost of any deductible their policy has with respect to any claim for which a shareholder is insured and is liable.
- Obtain general liability insurance in an amount sufficient to cover personal injury to other persons who may be injured in their unit or on other property they are required to cover but in no event less than \$300,000.00.
- **Name the Mutual as an additional named insured, loss payee, or person of interest requiring a 30-day notification of non-payment of premium or 10-day notice of cancellation.**
- **Ensure that the broker and/or carrier, as a condition of the coverage, shall notify the Mutual within 10 days if the policy is canceled to the Golden Rain Foundation, Stock Transfer Office, P.O. Box 2069, Seal Beach, CA 90740.**
- **Provide the Mutual with a copy of the general liability insurance policy as proof of insurance; a certificate of insurance will not suffice as a substitute for the policy.**

(draft created on 10-11-17 ka)

**MUTUAL OPERATIONS****AMENDED DRAFT****SHAREHOLDER/RESIDENT REGULATIONS****Personal Property and Liability Insurance**

- Ensure that the general liability insurance policy covers personal property stored or parked on the street or in the carport, such as property stored in or under the storage cabinets. With respect to a vehicle, a shareholder's automobile insurance policy may cover this risk. Please consult with your insurance agent.
- If a pet owner, policy must cover the shareholder in the event shareholder's animal causes bodily injury or property damage to a third party.

The shareholder should:

- Obtain coverage for additional living expenses, for no less than twelve months, should the shareholder be unable to occupy the unit for any period of time while repairs are made to their apartment.
- Obtain coverage to insure the value of any high value personal property that would not normally be covered by a general liability policy. For example, artwork, jewelry, antiques, or other items that would not normally be covered by a general liability policy for full replacement value. This is sometimes referred to as scheduling coverage for replacement value. This coverage is usually at an additional cost.

If the shareholder is a current shareholder at the time this policy comes into effect, the shareholder must provide to the Mutual proof of insurance within 60 days of the posting of this policy. If a person becomes a shareholder or changes units after this policy is effective, the shareholder must provide to the Mutual proof of insurance within 30 days from the date the shareholder enters into the Occupancy Agreement.

The shareholder is not relieved of any liability due to the shareholder's failure to insure their property.

**Property Damage:**

Notwithstanding any other provision in the governing documents, each shareholder shall be liable for his/her/its own negligent or intentional actions resulting in damage to property or personal injury, including the cost of any Mutual insurance deductible that shareholder causes the Mutual to incur. The shareholder is solely responsible for the cost of any damage caused by his/her/its own negligent or intentional actions, including repairing or replacing any damage he/she/it causes to any personal property in the unit, such as furnishings, interior improvements, floor and wall coverings, appliances, fixtures and any damage to the unit, any

**MUTUAL OPERATIONS****AMENDED DRAFT****SHAREHOLDER/RESIDENT REGULATIONS****Personal Property and Liability Insurance**

other unit, or the building caused by water intrusion from whatever source, fire, or any other cause.

The Mutual shall only be responsible for the routine maintenance, repair, or replacement of any common areas or facilities such as the unit roof system and for its own or its agents' and employees' negligent or intentional acts. The Mutual reserves shareholder's money to maintain, repair, and replace shareholder's standard fixtures, appliances, and plumbing systems but shareholder is responsible for any damage caused by the failure of these fixtures, appliances, or plumbing systems.

Although a shareholder may be unable to occupy the unit while repairs are being made, the shareholder shall, nonetheless, be responsible for any living expenses incurred during repairs and the monthly assessment on the shareholder's unit regardless of who caused the damage. The shareholder, may, however, be indemnified by another person who is liable for the damage making the unit uninhabitable.

**MUTUAL / ADOPTION****AMENDMENTS**

ELEVEN: 02-18-16

(draft created on 10-11-17 ka)

# *Mutual Corporation No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS FURTHER AMENDING POLICY 7510.11 – ELIGIBILITY REQUIREMENTS (UNFINISHED BUSINESS ITEM B)  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move to further amend Policy 7510.11 – Eligibility Requirements on a preliminary basis until the 30–day posting period is completed.

MUTUAL OPERATIONS**AMENDED POLICY**

## RESIDENT REGULATIONS

Eligibility Requirements – Mutual Eleven

All persons seeking approval of the Board of Directors of Seal Beach Mutual No. Eleven 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. driver's license, or ID card.

2. Financial Ability

a. Verified monthly income or sufficient assets that is/are four (4) times or greater than 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.

1) Verified monthly income will be in the form of the past two years of:

- a) Tax returns;
- b) 1099s for interest and dividends;
- c) 1099-Rs for retirement income from qualified plans and annuities;
- d) SSA-1099 Social Security Benefit Statement;
- e) Brokerage statements and current interim statement.
- f) Six to 12 months of checking account statements.
- g) A credit check will be performed by the escrow company, with the results included in the financial package.**

b. Adjusted Gross Income per 1040, 1040A, or 1040EZ, minus income and self-employment taxes paid will equal net income able to be spent.

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 12 for the new projected monthly assessment. This new figure (Regular Assessment plus Orange County Property Taxes and District Fees)

(Draft created 09-25-17 cd)

(draft created 10-11-17 ka)



**MUTUAL OPERATIONS****AMENDED POLICY****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Eleven**

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.

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

d. Only the residential shareholder's income shall be considered for qualifying.

3. Health

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

4. Character

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

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

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

**MUTUAL ADOPTION**

**ELEVEN:** 06-18-71

**AMENDMENTS**

09-16-93, 08-21-08

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

(Draft created 09-25-17 cd)

(draft created 10-11-17 ka)

# *Mutual Corpportation No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AMENDING POLICY 7502.11 – CARPORT REGULATIONS (NEW BUSINESS ITEM A)  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move to amend Policy 7502.11 – Carport Regulations on a preliminary basis until the 30–day posting period is completed.

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Carport Regulations – Mutual Eleven****A. Carport Use**

1. Carports are to be used for parking of self-propelled land vehicles in operating condition. Any stored items in the carports must be completely contained in the carport cabinets **(except 5.a)**.
2. Current fire regulations prohibit the storage of fuel oil or any combustible material in the carport areas.
3. All vehicles, when parked in the carports, must be headed in, except motorcycles and golf carts may face out.
4. At each semi-annual **fire safety/door hinge** inspection of the carports by the staff of the Physical Property Department, notice will also be given to each resident found in violation that the improperly stored material must be removed within ten (10) days or the material will be removed at the resident's expense.
5. Residents are permitted to build a downward extension to the existing carport cabinet, but the specifications shall be held at the Physical Property Department, and approval shall be obtained from the Board of Directors and the Physical Property Department.
  - a. ~~Bicycles, ladders, folding shopping carts, Motorized or electric carts or chairs, or other items shall not be stored in front of the downward extension carport cabinet when the resident owns and/or parks a motor vehicle in the carport space. Due to insurance issues, only one motorized vehicle per carport space is permitted. Size permitting, bicycles, ladders or folding carts may be stored~~ **INSIDE** the carport cabinet.

**B. Carport Assignments**

1. Carport assignments are controlled by the Mutual Corporation and a record of assignments is kept in the Stock Transfer Office of the Golden Rain Foundation.
  - a. Any vehicle parked in a carport must bear a current vehicle decal issued by the Seal Beach Leisure World Security Department (except as stated in Section 4, a.).
  - b. Vehicles shall not be parked in an unassigned carport without permission from the Mutual Board of Directors.
2. Residents desiring to change carport assignments must obtain approval of the Mutual Board of Directors so that the change can be properly recorded in the Stock

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Carport Regulations – Mutual Eleven**

Transfer Office.

3. The request for carport re-assignment, if approved, is only temporary and is valid only so long as both participating parties agree to the temporary change. One party determining to withdraw from the agreement may do so as may the successor owner of that party's apartment. The Mutual Corporation retains, at all times, the authority to revoke and cancel this temporary change of carport assignment, at its discretion. The re-assignment of carport spaces, herein provided, will automatically become null and void in the event of a sale of the stock representing either apartment, with absolutely no exceptions to the rules herein provided.
4. Carport space may not be rented to or used by anyone who is not a resident Leisure World Shareholder of Mutual Eleven, except:
  - a. The carport assignee may allow temporary, short-term parking of a vehicle used by a house guest.

<b><u>Date</u></b>	<b><u>Action</u></b>	<b><u>Policy</u></b>	<b><u>Policy Amendment Dates</u></b>
02-21-80	Adopted	7502	
01-21-93	Assigned	7502.3	02-15-01
09-20-01	Assigned	7502.11	02-19-04
	Amended	7502.11	10-15-09
	Amended	7502.11	09-15-16

# *Mutual Corpotaion No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS ADOPTING POLICY 7426.11 – SMARTBURNERS (NEW BUSINESS ITEM B)  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move to adopt Policy 7426.11 – SmartBurners on a preliminary basis until the 30–day posting period is completed.

**MUTUAL OPERATIONS****ADOPT DRAFT****SERVICE MAINTENANCE****SmartBurners**

Under Article 5 of the Occupancy Agreement, “the Member shall not permit or suffer anything to be kept upon said premises which will increase the rate of insurance on the building...” Therefore, in the interest of fire safety, SmartBurners made by Pioneer Technology, shall be installed on all standard Mutual Five cooktops. Said SmartBurners are replacements for spiral burners. (According to testing done by The Caring Home, a project of Weill Cornell Medical College, while the maximum temperature of the SmartBurner is 662°F, the ignition temperatures for oil, metals, and most common fibers start at 728°F.) <http://www.thiscaringhome.org/products/low-temp-safety-burners.php>>

Under Article 11 of the standard Occupancy Agreement, the Corporation shall provide and pay for all necessary repairs, maintenance and replacements...” of the Member’s dwelling unit, including repairs for maintenance of standard improvements within the interior of the unit. Furthermore, under this Article, the employees of the Corporation shall have the right to enter the dwelling unit of the Member in order to effectuate “necessary repairs, maintenance and replacements...”

If, for any reason, such as remodeling, the shareholder replaces the standard cooktop with a non-standard cooktop, such as a glass top, the full set of four SmartBurners must be returned to Mutual Five. The shareholder shall be responsible for replacement costs if any of the four SmartBurners are missing. (Under Article 12 of the standard Occupancy Agreement, “the Member shall not, without the written consent of the Corporation, make any structural alterations in the premises or other fixtures connected therewith, or remove any improvements, or fixtures from the premises.”)

Under Article 12, “the Member shall not, without the prior written consent of the Corporation, install or use in or about Member’s dwelling unit any air conditioning equipment, washing machine, or other item which, when installed, would be considered a fixture under California law.”

Shareholders owning or installing a freestanding stove or glass top stove, shall be provided the SmartBurners or another fire safety option to replace the high heat electric burners or a stop out like equipment or device

**MUTUAL ADOPTION**

ELEVEN:

(draft created on 10-11-17 ka)

# *Mutual Corpotaion No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS RESCINDING THE FOLLOWING POLICIES (NEW BUSINESS ITEM C)  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move that Policies 7301 – Audit Expense, 7302 – Capital Accounts, 7304 – Financing Capital Projects, 7305 – Depreciation-Straight Line Method, 7306.11 – Banking Resolution, 7310 – Mutual Budgets, 7320 – Patronage Refunds, 7331 – Interest on Impound Accounts, 7332 – Billings to Mutuals, 7333 – Income Items and Their Distribution, 7334 – Investment Records, 7335 – Cash Disbursements, 7336 – Shareholders' Interest, 7337 – Financial Reports, 7340 – Accounts Receivable, and 7341 – Cashier Service on a preliminary basis until the 30-day posting period is completed.

MUTUAL OPERATIONS**RESCIND MUTUAL ELEVEN**

## 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 ELEVEN****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 ELEVEN**

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
<b><u>Mutual</u></b>	<b><u>Amend</u></b>	<b><u>Rescind</u></b>
Fourteen		06-20-17
Sixteen		07-07-17

**MUTUAL OPERATIONS****RESCIND MUTUAL ELEVEN****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.):**

MUTUAL OPERATIONS**RESCIND MUTUAL ELEVEN****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.

<u>MUTUAL ADOPTION</u>	<u>AMENDED</u>	<u>RESCINDED</u>
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	
TWELVE	11-09-72	07-13-17
FOURTEEN	11-09-72	06-20-17

(Aug 17)

MUTUAL OPERATIONS

**RESCIND MUTUAL ELEVEN**

**ACCOUNTING AND FISCAL**

Financing Capital Projects – Except Mutual Nine, Twelve, Fourteen, Sixteen

FIFTEEN      11-10-72

SIXTEEN      12-14-72

07-07-17

**MUTUAL OPERATIONS****RESCIND MUTUAL ELEVEN****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.

<b><u>MUTUAL</u></b>	<b><u>ADOPTION</u></b>	<b><u>RESCINDED</u></b>
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 ELEVEN**

ACCOUNTING AND FISCAL

Depreciation - Straight Line Method – Except Mutual Fourteen

**MUTUAL OPERATIONS****RESCIND MUTUAL ELEVEN****ACCOUNTING AND FISCAL****Banking Resolution – Mutual Eleven Only**

WHEREAS, Mutual Eleven maintains certain Restricted and Non-Restricted accounts; and

WHEREAS, it is desirable that these accounts be maintained in approved interest-bearing instruments and are prudently invested, taking into consideration both risk and return on investment; and

WHEREAS, Withdrawals and other transactions of funds from the financial institutions shall be authorized by two signatures;

THEREFORE, BE IT RESOLVED that all cash and money market accounts will be deposited with financial institutions that are insured by the F.D.I.C. and that these deposits will be restricted to the maximum amount insured by the F.D.I.C. Furthermore, other funds may be invested in any of the following securities:

- Financial instruments that are guaranteed by the Federal government;
- Financial instruments that are insured;
- Financial instruments that are given priority by the State Constitution;
- Financial instruments that are guaranteed by a special tax approved by the electorate;
- Financial instruments that are pre-refunded/escrow to maturity;
- Financial instruments that are issued by a utility with full rate setting autonomy;
- Financial instruments that have a dedicated and guaranteed revenue source.

BE IT RESOLVED that any two of the following officers or any one of the officers and one Golden Rain Foundation (GRF) administrative staff member are authorized as signatory on the financial institutions for the Mutual Corporations:

PRESIDENT, VICE PRESIDENT, SECRETARY, OR CHIEF FINANCIAL OFFICER, AND/OR GRF ADMINISTRATOR OR GRF CONTROLLER.

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

ELEVEN: 10-15-92      01-20-11

(Jan 11)



MUTUAL OPERATIONS**RESCIND MUTUAL ELEVEN****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 ELEVEN****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 ELEVEN****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 ELEVEN**

**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

**MUTUAL OPERATIONS****RESCIND MUTUAL ELEVEN****ACCOUNTING AND FISCAL****Patronage Refunds –Except Mutual Two, Five, Six, Eight, Nine, Twelve, Fourteen, Sixteen****I. Legal Basis**

The Articles of Incorporation provide, under Article II for Mutuals 1 through 5, and Article III for Mutuals 6 through 16, that the Board of Directions may make refunds to stockholders as provided by the Bylaws and Occupancy Agreement. The Occupancy Agreement, under Article 3, provides that the corporation agrees that it will refund or credit to the member at the end of each fiscal year his proportionate share of such sums as have been collected in anticipation of expenses which are in excess of the amount needed for expense of all kinds, including reserves, in the discretion of the Board of Directors. The procedure recommended by FHA for such refund is stated in Section 2.

**II. Refund Procedure**

1. Mutual Boards should consider patronage refunds only at the close of a fiscal year.
2. A standard form of the resolution to be adopted by the Board is available for use.
3. The payment of any refund should be subject to two contingencies:
  - a. Completion of the audit, showing that the funds are available for payment.
  - b. The resolution, together with the statement of the auditors that the funds are available, should be submitted to FHA for approval prior to the payment of the refund.

**III. Suggestions**

Questions concerning the form to be used and the processing for FHA approval should be directed to the Executive Director.

Revised: 20 July 77

<b><u>MUTUAL</u></b>	<b><u>RESCINDED</u></b>	<b><u>MUTUAL</u></b>	<b><u>RESCINDED</u></b>
ONE:		NINE:	08-14-17
TWO:	07-20-17	TEN:	
THREE:		ELEVEN:	
FOUR:		TWELVE:	07-13-17
FIVE:	11-18-16	FOURTEEN:	06-20-17
SIX:	09-22-17	FIFTEEN:	
SEVEN:		SIXTEEN:	02-07-17
EIGHT	08-28-17	SEVENTEEN:	

(Sep 17)

**MUTUAL OPERATIONS****RESCIND MUTUAL ELEVEN****ACCOUNTING AND FISCAL****Impounds – Except Mutuals Two, Five, Six, 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.

<b><u>MUTUAL</u></b>	<b><u>RESCINDED</u></b>	<b><u>MUTUAL</u></b>	<b><u>RESCINDED</u></b>
ONE:		NINE:	08-14-17
TWO:	07-20-17	TEN:	
THREE:		ELEVEN:	
FOUR:		TWELVE:	07-13-17
FIVE:	11-18-16	FOURTEEN:	06-20-17
SIX:	09-22-17	FIFTEEN:	
SEVEN:		SIXTEEN:	
EIGHT:		SEVENTEEN:	

**MUTUAL OPERATIONS****RESCIND MUTUAL ELEVEN****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

<b><u>MUTUAL</u></b>	<b><u>RESCIND</u></b>
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 ELEVEN****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.

<b><u>MUTUAL</u></b>	<b><u>RESCIND</u></b>
TWO:	07-20-17
FOURTEEN:	06-20-17
SIXTEEN:	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 ELEVEN****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

<b><u>MUTUAL</u></b>	<b><u>RESCIND</u></b>
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)

**MUTUAL OPERATIONS****RESCIND MUTUAL ELEVEN****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 ELEVEN****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
SIX	08-01-88	01-20-16 (see policy 7336.5)
SEVEN	08-01-88	08-01-00, 03-26-02
EIGHT	08-01-88	08-01-00, 05-15-02
NINE	See Policy 7336.9 for Mutual Nine Information	08-01-00, 02-25-02
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 ELEVEN****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

<b><u>MUTUAL</u></b>	<b><u>RESCIND</u></b>
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 ELEVEN****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.

<b><u>MUTUAL</u></b>	<b><u>RESCIND</u></b>
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 ELEVEN****ACCOUNTING AND FISCAL****Cashier Service – All Mutuals Except Two, Five, 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.

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

# *Mutual Corpportation No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADIMINSTRATION  
**SUBJECT:** APPROVAL OF BERGKVIST CONSTRUCITON (NEW BUSINESS ITEM D)  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move to approve the bid from Bergkvist Construction, at a cost not to exceed \$34,000, for all stucco and paint in the Laundry Rooms.

# *Mutual Corpportation No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADIMINSTRATION  
**SUBJECT:** APPROVAL OF STANDARD ROOFING BID (NEW BUSINESS ITEM E)  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move to approve the bid from Standard Roofing, at a cost not to exceed \$9,600, for all vents in the Laundry Rooms.



# *Mutual Corportation No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADIMINSTRATION  
**SUBJECT:** AIR QUALITY MONITOR-PURPLE AIR (NEW BUSINESS ITEM F)  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move that Mutual 11 grant permission to Purple Air to install their equipment to monitor the air quality at no risk to the Mutual or any shareholder .

# *Mutual Corpotaion No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** BOARD RESOLUTION GUEST PASSES (NEW BUSINESS ITEM G)  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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I move to authorize the GRF Executive Director and/or the Mutual Administration Director to issue \_\_\_\_\_ **ADDITIONAL** Guest Passes, in accordance with GRF Policy 5536.1-33. Each Guest pass shall carry a unique identification number with a monthly report provided by the GRF Stock Transfer Office to the Mutual Board of Guest Passes issued noting the Shareholder/Member name as responsible party for the Guest, effective 2017-2018.

# *Mutual Corporation No. Eleven*

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## MEMO

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**TO:** MUTUAL ELEVEN BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** NSBN ENGAGEMENT LETTER (NEW BUSINESS ITEM H)  
**DATE:** OCTOBER 19, 2017  
**CC:** MUTUAL FILE

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