

**PLEASE DO NOT DROP INTO THE MAIL SLOTS**

**MINUTES OF THE REGULAR MONTHLY MEETING  
BOARD OF DIRECTORS  
SEAL BEACH MUTUAL FIVE  
April 19, 2017**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President Coven on Wednesday, April 19, 2017, at 9:00 a.m. in Building Five, Conference Room B, followed by the *Pledge of Allegiance*.

**ROLL CALL**

Present: President Coven, Secretary Boryta, CFO Tran, and Directors Powell and Gould

Absent: Vice President Trembly

GRF Representative: Mr. Hood

Guests: Ten shareholders of Mutual Five

Staff: Ms. Hopkins, Mutual Administration Director  
Mr. Weaver, Facilities Director  
Mr. Alvarez, Building Inspector  
Mrs. Aquino, Recording Secretary

**MINUTES**

President Coven asked if there were any corrections to the March 15, 2017. Regular Meeting minutes. There being no corrections, the minutes were approved by acclamation.

**PRESIDENT'S ANNOUNCEMENTS**

President Coven announced that there are six candidates running for the Mutual Five Board and that there are seventeen caregivers that are currently not registered.

President Coven also announced that the Mutual will be accepting a donation of a bus bench to be placed near Medinac Road. This bus bench will be donated by a Mutual Five shareholder.

**SHAREHOLDERS' COMMENTS**

One comment was made.

**BUILDING INSPECTOR'S REPORT**

In Inspector Kranda absence, Director Gould went over the report (attached).

(Facilities Director Weaver left the meeting at 9:25 a.m.)

(Inspector Alvarez left the meeting at 9:25 a.m.)

**GRF REPRESENTATIVE'S REPORT**

GRF Representative Hood discussed GRF activity.

**CORRESPONDENCE**

Secretary Boryta received one piece of correspondence.

**CHIEF FINANCIAL OFFICER'S REPORT**

CFO Tran presented the Mutual financial statement (attached).

**COMMITTEES**

Carport

Secretary Boryta submitted her report as presented (attached).

Landscape

In Vice President Trembly's absence her report will be submitted.

Physical Properties

Director Gould submitted his report as presented (attached).

Special Events

President Coven updated the Board on the Mutual Five Events. The Mutual Five Birthday Party will be held on May 15, 2017, at 11:00 a.m. in Clubhouse One, entertainment will be provided.

**UNFINISHED BUSINESS**

Following a discussion, and upon a MOTION duly made by Director Gould and seconded by CFO Tran, it was

RESOLVED, To amend Policy 7502.05 – Carport Regulations on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

**UNFINISHED BUSINESS (continued)**

Following a discussion, and upon a MOTION duly made by Director Gould and seconded by Secretary Boryta, it was

RESOLVED, To rescind the following Policies, 7302 – Capital Accounts, 7332 – Billings to Mutuals, 7333.05 – Income Items and Their Distribution, 7337 – Financial Reports, 7340 – Accounts Receivable, and 7341 – Cashier Services, on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Gould and seconded by Secretary Boryta, it was

RESOLVED, To have the President enter into and accept the contract with Argos to complete the replacement of gutters at Buildings that roofing has been completed, in an amount not to exceed \$3,600.

The MOTION passed.

Dr. Coven called a break from 10:04 a.m. to 10:19 a.m.

**NEW BUSINESS**

Following a discussion, it was the consensus of the Board to implement a Landscape Hotline.

The Board discussed the light bulb and ballast changing cost in the Mutual. President Coven advised that the cost to change the ballast is \$52.00.

**MUTUAL ADMINISTRATION DIRECTOR**

Ms. Hopkins presented her Mutual Administration activity reports. In addition she also handed out a flyer for the Life Options Expo being held on July 8, 2017(attached).

**DIRECTOR'S COMMENT**

Several Directors made comments.

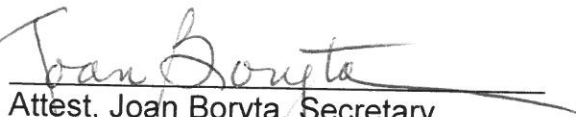
**SHAREHOLDERS' COMMENTS**

No comments were made.

April 19, 2017

**ADJOURNMENT**

There being no further business to conduct, President Coven adjourned the meeting at 10:54 a.m. and stated an Executive Session would follow to discuss member issues.

  
Attest, Joan Boryta, Secretary  
SEAL BEACH MUTUAL FIVE  
ka:4/20/17  
Attachments

**NEXT MEETING: Wednesday, May 17, 2017, at 9:00 a.m.  
BUILDING 5, CONFERENCE ROOM B**

April 19, 2017

RESOLUTIONS IN THE REGULAR  
MONTHLY MEETING APRIL 19, 2017

04/19/17 RESOLVED, To amend Policy 7502.05 – Carport Regulations on a preliminary basis until the 30–day posting period is completed.

RESOLVED, To rescind the following Policies, 7302 – Capital Accounts, 7332 – Billings to Mutuals, 7333.05 – Income Items and Their Distribution, 7337 – Financial Reports, 7340 – Accounts Receivable, and 7341 – Cashier Services, on a preliminary basis until the 30–day posting period is completed.

RESOLVED, To have the President enter into and accept the contract with Argos to complete the replacement of gutters at Buildings that roofing has been completed, in an amount not to exceed \$3,600.

# INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) Five

INSPECTOR: Eric Kranda

MUTUAL BOARD MEETING DATE: April 19, 2017

Print Date: 2/15/2017

## PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
70-L	TUB	BOTH	03/15/17	05/15/17	NO	ROUGH	BÜENOS
71-D	HEAT PUMP	BOTH	02/06/17	04/28/17	NO	NONE	GREENWOOD
94-A	REMODEL	BOTH	12/15/16	05/01/17	YES	NAILING	LW DÉCOR
95-J	REMODEL	BOTH	02/15/17	04/15/17	NO	NONE	MCCOY
97-G	HEAT PUMP	BOTH	03/13/17	06/23/17	NO	FINAL	GREENWOOD
97-A	REMODEL	BOTH	02/15/17	04/15/17	NO	FINAL	MCCOY
99-G	ROOM ADDITION	BOTH	11/07/16	05/04/17	NO	LATH	ALPHA MASTER
109-F	REMODEL	BOTH	01/30/17	03/10/17	NO	ROUGH	OGAN
119-K	REMODEL	BOTH	03/20/17	04/05/17	NO	FINAL	OGAN
1117-D	SHOWER CUT DOWN	BOTH	10/26/16	11/26/16	NO	FINAL 01/19/17	NUKOTE
122-C	WINDOWS/ELECTRICAL	BOTH	02/25/17	04/30/17	NO	ROUGH	BJ
122-G	HEAT PUMP	BOTH	02/14/17	05/28/17	NO	NONE	GREENWOOD

## ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
69-G		09/07/16	03/07/17	03/13/17	03/23/17		
72-K		02/16/17	03/14/17	03/21/17	03/31/17		
93-D		02/16/17					
94-A		11/01/16					
95-C		03/24/15					
96-F		01/04/17	02/23/17	03/01/17	03/13/17		
104-E		06/20/16					
105-E		10/12/16					
105-I		01/24/17	03/07/17	03/08/17	03/20/17		
106-H		04/01/16					
106-I		04/01/16					
108-K		09/30/16					
109-D		01/24/17	03/20/17	04/06/17			
109-F		07/25/16					
112-D		02/23/17	03/30/17	03/30/17	04/11/17		
113-I		03/14/17	04/14/17				
115-F		07/03/16	03/16/17	03/21/17	03/31/17		
115-J		06/14/16					
119-I		11/18/16	01/05/17	01/11/17	01/23/17		
119-K		09/23/16	11/05/16	11/05/16	11/15/16		
124-F		01/04/17	03/22/17	04/05/17			
125-A		12/16/16					
125-D		02/16/17					
125-G		03/03/17	03/17/17	03/20/17	03/27/17		

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation

FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

		<b>CONTRACTS</b>							
				<b>PROJECT</b>					
FENN GOOD UNTIL 03/2017									
ANDRES GOOD UNTIL 10/2017									

		<b>SPECIAL CONTRACTS</b>							
				<b>PROJECT</b>					
KELLIE VAUGHN				BUILDING 91 COMPLETE START 93					
KRESS				STOVE HOODS 93					

## Mutual Five

### CFO Report

April 19, 2017

As of March 31, 2017, total current assets of Mutual 5 are roughly \$1.4 M including cash in bank and Unrestricted deposits of \$417,619 and total liabilities of \$622,000. The total excess income is \$743,000.

Roofing is an on-going project. Nine buildings have been contracted for 2017 in the amount of \$618,784. Of this amount, \$170,650 has been paid. This leaves a balance of \$448,134 due for the buildings yet to be completed.

Respectfully submitted,

Debbie Tran - M5 CFO



# DRAFT POLICY WITH AMENDMENTS

## RESIDENT REGULATIONS

### Carport Regulations - Mutual Five

#### A. Carport Use

1. Carports are to be used for parking of self-propelled land vehicles in operating condition. All passenger vehicles, gas, or electric carts that can be operated on city streets MUST have current DMV registration, current license plate tags, and sufficient insurance as mandated by the State of California Vehicle Code (CVC) § 22658. All vehicles, gas or electric, parked in the carport must have a Seal Beach Leisure World (SBLW) decal issued by the Security Department affixed and displayed on the lower left windshield.
  - a. Board approval may be granted in waiving the display and affixing of the SBLW decal in ONLY unique and rare circumstances.
  - b. Any vehicle that is in non-compliance with these rules may be towed at the owner's expense and as specified in CVC § 22658, and in RESIDENT REGULATIONS, Policy 7582.05 – Towing Vehicles.
- ~~2. Your assigned carport floor is for your operative vehicle only. Various grease and other contaminants from your vehicle may be dried and contained by sprinkling Kitty Litter, which can then be swept up. A clean, dry carport floor is the responsibility of every resident.~~
- 2. Your assigned carport is for operative vehicles only. You, as the shareholder, are responsible for spilled or dripped contaminates such as oil, grease, or fuel. These contaminates can pose a significant safety hazard and must be cleaned. Failure to clean the floor of these contaminates will result in the hazard being corrected by the Mutual and charged to the shareholder.**
3. A motorcycle, three-wheeled vehicle or an electric cart may occupy your carport car space in the absence of a car, but not in addition to a car. As in the case of a car, such parking is your responsibility. In the absence of a vehicle, the carport floor space may not be used as a storage area, whether free-standing or in any type of container, and no boats or trailers of any size or kind may be parked in the carport.
4. A form titled "Carport Usage/Rental Agreement" is available in the Stock Transfer Office and must be completed and approved by your Mutual Director and/or President before renting or loaning your carport space to a Mutual Five (only) resident and automobile owner. The exchange or use of a carport space and/or storage cabinet is not permitted on a permanent basis.

# DRAFT POLICY WITH AMENDMENTS

## RESIDENT REGULATIONS

### Carport Regulations - Mutual Five

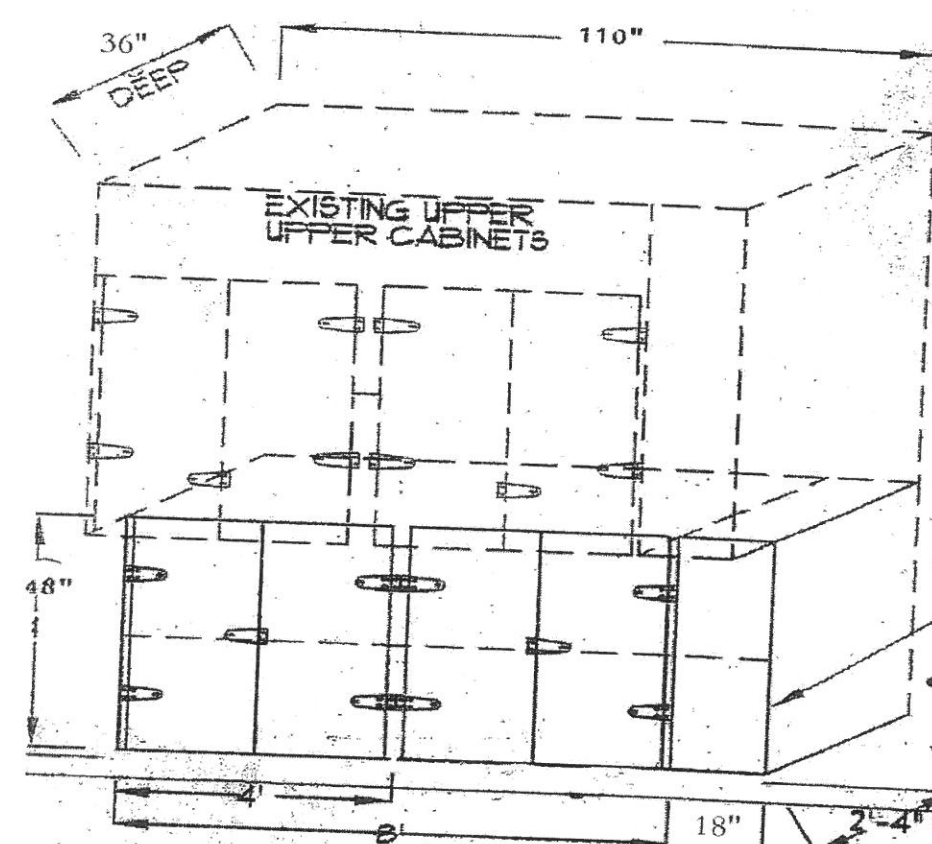
5. A hung ladder (length not to exceed 6 feet), and/or a bicycle, and/or a tricycle, and/or a collapsible grocery cart may be stored on the raised platform under your cabinet. No other storage is allowed on the platform. Any damage to the wall or an adjacent car because of this storage is the assigned member's liability.
6. Any vehicle in your carport space must be parked front end in.
- ~~7. An electric outlet may be installed, at your expense, in your carport for charging small electric carts only upon permission of your Director and President. An additional charge will be incurred.~~
8. Your two wooden raised cabinets are for your convenience for locked storage. *NOTE:* No inflammables. Fire or combustion could damage your belongings and your neighbors' belongings and intensify your liability.
- ~~9. An assigned carport space is solely for the use of that resident if, and as long as, the resident houses an automobile, motorcycle, three or four wheel electric cart, or other vehicle regularly or part time in Leisure World.~~
10. Residents **Shareholders, contractors or handymen must have a permit from Physical Property**, are permitted to build a cabinet directly beneath the existing cabinet in the carport;
  - a. Typically, The dimensions of the new cabinet shall be 92 1/2" wide x 28" deep x 48" tall (see attached drawing), and the material shall be 2x4 wood frame with 3/4" plywood.
  - b. The exterior painted color and hardware shall match the existing cabinet.
  - c. Approval must be obtained from the President and/or Board of Directors of the Mutual before cabinet is built and installed.
  - d. A permit from the GRF Physical Property Department is required for the cabinet.
  - e. Sliding doors on the cabinet may be allowed on a case-by-case basis.

# DRAFT POLICY WITH AMENDMENTS

## RESIDENT REGULATIONS

### Carport Regulations - Mutual Five

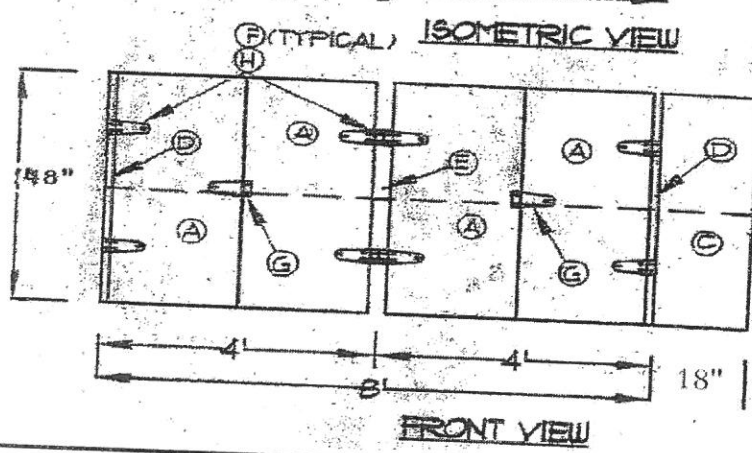
**GRF PERMIT REQUIRED**



MUTUAL OPERATIONS  
RESIDENT REGULATIONS  
MUTUAL  
CARPORT REGULATIONS  
CARPORT CABINET SKETCH

**NOTE:**  
4\"/>

CONCRETE SHELF



- BILL OF MATERIALS**
- (A) 6 EA 2"x4" 3/4" PLY HANDY PANEL BC
  - (B) 2 EA 2"x8" 3/4" PLYWOOD CDX
  - (C) 1 EA 4"x4" 3/4" PLY HANDY PANEL BC CUT FROM A ABOVE
  - (D) 2 EA 1"x4" PLY STRIPS FOR HINGES
  - (E) 1 EA 2"x4" CENTER STRIP FOR HINGES
  - (F) 8 EA STANLEY HINGES 14-2610
  - (G) 2 EA STANLEY 15-5204 ZINK PLATED 3 1/2" LOCKING KEY HASP SET
  - (H) 60 3/32" x 3/4" PLATED PHILLIPS HEAD CADMIUM PLATED SCREWS
- NOTE:** PLACE CONCRETE WHEEL STOP 2 1/2" OUT FROM CURB SHELF
- (I) SEPERATE BUMPER 2" to 6" FROM CABINET AND MAKE BUMPER'S SIZE TO 60"

**MUTUAL ADOPTION:**  
FIVE: 04-17-68  
(Draft created 12/13/16 jl)  
(Draft created 03-27-17cd)

**AMENDMENT(S)**  
09-27-90, 09-15-99, 05-17-06, 03-20-13, \*date\*

## RESCIND MUTUAL FIVE

### ACCOUNTING AND FISCAL

#### Capital Accounts

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."

(Oct 70)

## RESCIND MUTUAL FIVE

### ACCOUNTING AND FISCAL

#### Billings to Mutuals

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

Amended: Aug 00

Aug 00)

**MUTUAL OPERATIONS**

7333.05

**RESCIND MUTUAL FIVE**

**ACCOUNTING AND FISCAL**

**Income Items and Their Distribution – Mutual Five**

Income is derived from the monthly apartment payments, plus other miscellaneous income received from interest on reserves, inspection fees on apartment resales, late charges, and carport rentals.

A substantial part of the income is used for impounds, reserves, Golden Rain Foundation operations, and individual Mutual maintenance and operation expenses.

**MUTUAL ADOPTION**

FIVE: 02-17-16

(Feb 16)

**RESCIND MUTUAL FIVE**

**ACCOUNTING AND FISCAL**

Financial Reports

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

(Jul 87)

ACCOUNTING AND FISCAL

**RESCIND MUTUAL FIVE**

Cashier Service

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.

RESCIND

SIXTEEN: 02-07-17



THE UNIVERSITY OF CHICAGO  
STUDENT CLUB OF 1911-12  
CHICAGO, ILL. 60607



