

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
JANUARY 17, 2018
Meeting begins at 9:00 a.m.
Building Five Conference Room B

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
2. SHAREHOLDER COMMENTS (limited to 2/3 minutes per shareholder)
(agenda items only)
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):

Mr. Gould, GRF Representative
Ms. Hopkins, Mutual Administration Director
Mr. Alvarez, Building Inspector
Mrs. Aquino, Recording Secretary
5. APPROVAL OF MINUTES:
Regular Meeting Minutes of December 20, 2017
6. BUILDING INSPECTOR'S REPORT Mr. Alvarez
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (p.)
7. GRF Representative Mr. Gould
8. **UNFINISHED BUSINESS**
 - a. Tree Maintenance Contract
 - b. Ratify adopted/posted Policy 7506.05 – Sidewalk Traffic Restrictions and ratify rescinded/posted Policy 7506 – Sidewalk Traffic Restrictions (p.)
9. **NEW BUSINESS**
 - a. Discuss rescinding Policy 7910 – Regulatory Agreement (p.)
 - b. Discuss amending Policy 7306.05 – Investment of Mutual Five Accounts (p.)
 - c. Abatement Contract Buildings 69 and 70 (p.)
 - d. Reinvestment of Funds (p.)
 - e. Policy Renumbering Committee Report
 - f. Large Item Trash Removal
 - g. Resolution for Assembly Bill 634, Senate Bill 407 and Proposition 64 (p.)
 - h. Resolution for Incident Report handling (p.)
 - i. Resolution for Orange County Fire Authority – Master Lock Box Keys (p.)

(Thursday, January 11, 2018 ka)

NEW BUSINESS (continued)

j. Post amended Policy 7525 – Withdrawal Inspection Process Fee (p.)

STAFF SECRETARY BREAK 11:00 a.m.

- | | | |
|-----|--|-------------|
| 10. | SECRETARY / CORRESPONDENCE | Ms. Boryta |
| 11. | CHIEF FINANCIAL OFFICERS REPORT | Ms. Tran |
| 12. | MUTUAL ADMINISTRATION DIRECTOR | Ms. Hopkins |
| 13. | ANNOUNCEMENTS | |
| 14. | COMMITTEE REPORTS | |
| | a. Physical Property | Mr. Cude |
| | b. Laundry Rooms | Mr. Powell |
| | c. Emergency Preparedness | Mr. Powell |
| | d. Carports | Ms. Boryta |
| | e. Landscape | Ms. Deady |
| | f. Building Captains/Caregivers/Pets | Ms. Boryta |
| | g. Policy Committee | Dr. Coven |
| | h. Architectural Review Committee | Dr. Coven |
| | i. Special Events | |
| 15. | DIRECTORS' COMMENTS | |
| 16. | SHAREHOLDER(S)' COMMENTS (2-3 MINUTES) | |
| 17. | ADJOURNMENT | |
| 18. | EXECUTIVE SESSION | |

STAFF SECRETARY WILL LEAVE THE MEETING BY 12:10 p.m.

**NEXT MEETING February 21, 2018 at 9:00 am
Building Five Conference Room B**

(Thursday, January 11, 2018 ka)

Mutual Corporation No. Five

MEMO

TO: MUTUAL FIVE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: RATIFY ADOPTED/POSTED POLICY 7506.05 – SIDEWALK TRAFFIC RESTRICTIONS AND RATIFY RESCINDED/POSTED POLICY 7506 – SIDEWALK TRAFFIC RESTRICTIONS (UNFINISHED BUSINESS ITEM B)
DATE: JANUARY 17, 2018
CC: MUTUAL FILE

I move to ratify adopted/posted Policy 7506.05 – Sidewalk Traffic Restrictions and ratify rescinded/posted Policy 7506 – Sidewalk Traffic Restrictions.

MUTUAL OPERATIONS**ADOPT MUTUAL FIVE****RESIDENT REGULATIONS****Sidewalk Traffic Restriction – Mutual Five**

1. Gasoline-powered vehicles are prohibited from using sidewalks in this Mutual. Exceptions shall be limited to the following:
 - a. Emergency medical vehicles belonging to the Health Care Center.
 - b. Service vehicles designated for sidewalk use belonging to the GRF.
 - c. Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with shareholders or corporations (such as newspaper carriers).
2. The wheelbase on all electric carts (golf carts, two-seaters, gems and similar vehicles) must not exceed 68 inches. The width of the cart must not exceed 48 inches. The inflatable tires must be 8 ½ -inches wide.
3. Electric carts are restricted to traveling the shortest distance from the unit to the street.
4. In order to be parked at a Mutual Five residence, the vehicle must have a DMV-issued handicap placard or decal.
5. If eligible, shareholders must obtain all approvals and install a cement pad or Turfstone four feet wide next to the sidewalk at the unit. Shareholder is responsible for all costs relating to the installation and removal of the pad, including the cost of all permits, inspections, construction and removal.
6. Electric carts may be parked on a walkway or on the grass adjacent to the walkway to charge the batteries, and shall not be parked in such a way as to interfere with the entry into or the exit from the unit.
7. Electric cords for charging cannot be placed across any walkway.
8. A cart owner/operator shall maintain sufficient insurance to cover the operation of the cart upon the sidewalks, including personal injury and property damage coverage. The operation of the cart shall be contingent upon proof of insurance related to their cart operation.
 - a. Exceptions to the above are power chairs, scooters, and GRF maintenance vehicles.

MUTUAL ADOPTION**AMENDMENT(S)**

FIVE:

(Draft created 11-15-17 cd)

MUTUAL OPERATIONS

RESCIND MUTUAL FIVE

RESIDENT REGULATIONS

Sidewalk Traffic Restriction – Except Mutual Seven, Eight, Twelve, Fourteen, and Seventeen

Mutuals One, Three, Four, Six, Nine, Eleven, Fifteen & Sixteen Only – See page 3 for adoption dates

1. Gasoline-powered vehicles are prohibited from using sidewalks in this Mutual. Exceptions shall be limited to the following:
 - a. Emergency medical vehicles belonging to the Health Care Center.
 - b. Service vehicles designated for sidewalk use belonging to the Golden Rain Foundation (GRF).
 - c. Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with residents or corporations (such as newspaper carriers).

Mutual Two Only (effective 08-16-84)

1. Gasoline-powered vehicles are prohibited from using sidewalks in this Mutual. Exceptions shall be limited to the following:
 - a. Emergency medical vehicles belonging to the Health Care Center.
 - b. Service vehicles designated for sidewalk use belonging to the GRF.
 - c. Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with residents or corporations (such as newspaper carriers). This exception does not include mopeds and motor scooters.

~~Mutual Five Only~~ (effective ~~05-19-04~~)

- ~~1. Gasoline-powered vehicles are prohibited from using sidewalks in this Mutual. Exceptions shall be limited to the following:~~
 - ~~a. Emergency medical vehicles belonging to the Health Care Center.~~
 - ~~b. Service vehicles designated for sidewalk use belonging to the GRF.~~
 - ~~c. Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with residents or corporations (such as newspaper carriers).~~

(Jul 14)

MUTUAL OPERATIONS**RESCIND MUTUAL FIVE****RESIDENT REGULATIONS****Sidewalk Traffic Restriction – Except Mutual Seven, Eight, Twelve, Fourteen, and Seventeen**Mutual Five (Cont'd.)

- ~~2. The wheelbase on all electric carts (golf carts, two-seaters, gems and similar vehicles) must not exceed 68 inches. The width of the cart must not exceed 48 inches. The inflatable tires must be 8 ½ inches wide.~~
- ~~3. Electric carts are restricted to traveling the shortest distance from the apartment to the street.~~
- ~~4. In order to be driven on Mutual Five sidewalks, or to be parked at a Mutual Five residence, the vehicle must have a DMV-issued handicap placard.~~
- ~~5. If eligible, resident must obtain all approvals and install a cement pad or Turfstone four feet wide next to the sidewalk at the apartment. Resident is responsible for all costs relating to the installation and removal of the pad, including the cost of all permits, inspections, construction and removal.~~
- ~~6. The driver of the cart shall stop for pedestrian traffic at a sufficient distance away from the pedestrian to enable pedestrian traffic to safely navigate the sidewalk at all times.~~
- ~~7. Any vehicle issued a Vehicle Identification Number (VIN) by its manufacturer, or one that fulfills all of the requirements of the State of California that would allow the vehicle to be licensed for highway operation, is prohibited from using sidewalks in Mutual Five and must be parked in an authorized parking space.~~
- ~~8. Electric carts may not be parked on a walkway or breezeway and shall not be parked in such a way as to interfere with the entry into or the exit from the apartment.~~
- ~~9. Electric cords for charging cannot be placed across any walkway.~~
- ~~10. A cart owner/operator shall maintain sufficient insurance to cover the operation of the cart upon the sidewalks, including personal injury and property damage coverage. The operation of the cart shall be contingent upon proof of insurance related to their cart operation.~~

~~Exceptions to the above are power chairs, scooters, maintenance vehicles and newspaper carriers.~~

MUTUAL OPERATIONS

RESCIND MUTUAL FIVE

RESIDENT REGULATIONS

Sidewalk Traffic Restriction – Except Mutual Seven, Eight, Twelve, Fourteen, and Seventeen

Mutual Ten Only (effective 04-28-04)

1. No motorized vehicle is to be parked at a residence or driven on sidewalks.

EXCEPTIONS: Power chairs, three-wheeled scooters, four-wheeled scooters, maintenance vehicles, health vehicles, safety vehicles, and newspaper carriers.

| <u>MUTUAL ADOPTION</u> | <u>AMENDMENT(S)</u> |
|-------------------------------|-------------------------------|
| One: 01-27-77 | |
| Two: 12-16-76 | 08-16-84 |
| Three: 02-15-77 | |
| Four: 01-03-77 | |
| Five: 12-15-76 | 05-19-04 |
| Six: 01-28-77 | |
| Seven: 02-18-77 | (11-21-03 See Policy 7506.7) |
| Eight: 12-27-76 | (10-27-03 See Policy 7506.8) |
| Nine: 12-13-76 | |
| Ten: 12-14-76 | 07-28-83, 04-28-04 |
| Eleven: 01-20-77 | |
| Twelve: | (04-11-68 See Policy 7502.12) |
| Fourteen: 12-17-76 | (04-27-10 See Policy 7506.14) |
| Fifteen: 12-13-76 | |
| Sixteen: 12-16-76 | |
| Seventeen: | (04-03-01 See Policy 7506.17) |

MUTUAL OPERATIONS

RESCIND MUTUAL FIVE

RESIDENT REGULATIONS

**Sidewalk Traffic Restriction – Except Mutual Seven, Eight, Twelve, Fourteen, and
Seventeen**

Proper format changes made on 09-06-16

DRAFT

Mutual Corporation No. Five

MEMO

TO: MUTUAL FIVE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS RESCINDING POLICY 7910 – REGULATORY AGREEMENT
(NEW BUSINESS ITEM A)
DATE: JANUARY 17, 2018
CC: MUTUAL FILE

I move to rescind Policy 7910 – Regulatory Agreement on a preliminary basis until the 30-day posting period is completed.

MUTUAL OPERATIONS**RESCIND MUTUAL FIVE****CONTRACTUAL OBLIGATIONS****Regulatory Agreement****A. Legal Basis**

The Regulatory Agreement (FHA Form 3225) is an agreement between a Mutual (Mortgagor) and the Federal Housing Commissioner. In order to obtain mortgage insurance pursuant to Section 213 of Title II of the National Housing Act, and obtain the endorsement of Commissioner on the note, a Mortgagor must consent to be regulated and restricted by the terms of a Regulatory Agreement.

B. Basic Terms

1. Mutual to make all mortgage payments promptly.
2. Mutual to maintain a fund for replacements (see Replacement Fund).
3. Mutual to establish and maintain a General Operating Reserve (see Operating Reserve).
4. Mutual to establish and collect monthly carrying charges in accordance with a schedule filed with and approved by FHA.
5. Prior written approval of FHA required for Mutual to:
 - a. Sell, assign, transfer, dispose of or encumber any real or personal property.
 - b. Remodel, reconstruct, demolish or subtract from the premises.
 - c. Permit occupancy of any dwelling except at charges fixed by the schedule of charges.
 - d. Permit occupancy of a dwelling except by members of the corporation.
 - e. Consolidate, merge or go into voluntary liquidation.
 - f. Fail to establish and maintain the Replacement and General Operating Fund.
 - g. Incur liabilities which will at any time exceed 1% of the insured mortgage amount.

MUTUAL OPERATIONS**RESCIND MUTUAL FIVE****CONTRACTUAL OBLIGATIONS****Regulatory Agreement**

- h. Fail to provide for the management in a manner approved by the Commissioner.
 - i. Invest any funds of the corporation in any property, real, personal or mixed, except obligations of, or fully guaranteed as to principal by, the United States of America.
- 6. Mutual shall not pay any compensation to its officers, directors or stockholders. No officer, director, stockholder, agent, or employee of the Mortgagor shall in any manner become indebted to the Mortgagor, except on account of approved occupancy charges.
- 7. Mortgagor shall maintain its project, the grounds, buildings, and equipment appurtenant thereto, in good repair and in such condition as will preserve the health and safety of its occupants.
- 8. The Mortgagor, its property, equipment, buildings, plans, office, apparatus, devices, books, contracts, records, documents and papers shall be subject to inspection and examination by the Commissioner or his duly authorized agent at all reasonable times.
- 9. The books and accounts of the Mortgagor shall be kept in accordance with the Uniform System of Accounting prescribed by the Commissioner. The Mortgagor shall file with the Commissioner and the Mortgagee the following reports verified by the signature of such officers of the Mortgagor as may be designated and in such form as may be prescribed by the Commissioner:
 - a. Monthly or quarterly operating reports when required by the Commissioner.
 - b. Semi-annual financial statement within 60 days after the semi-annual period when required by the Commissioner.
 - c. Annual reports prepared by a certified public accountant or other person acceptable to the Commissioner within 60 days after the end of each fiscal year.
 - d. Specific answers to questions upon which information is desired from time to time relative to the operation and condition of the property and the status of the Mortgage.
 - e. Copies of minutes of all stockholders' meetings certified by the secretary of the

(Nov 17)

MUTUAL OPERATIONS**RESCIND MUTUAL FIVE****CONTRACTUAL OBLIGATIONS****Regulatory Agreement**

Mortgagor within 30 days after such meetings, and when required by the Commissioner, copies of minutes of directors' meetings.

10. The Mortgagor shall not execute or file for record any instrument which imposes a restriction upon the sale, leasing or occupancy of the property subject to the insured mortgage, or any part thereof, on the basis of race, color or creed.
11. No litigation seeking the recovery of a sum in excess of \$3,000 nor any action for specific performance or other equitable relief shall be instituted nor shall any claim for a sum in excess of \$3,000 be settled or compromised by the Mortgagor unless prior written consent thereto has been obtained from the Commissioner. Such consent may be subject to such terms and conditions as the Commissioner may prescribe.
12. The Mortgagor agrees to observe and perform each and every one of the covenants and provisions required to be observed and performed under or pursuant to the terms of the Mortgage.
13. The Mortgagor shall not file any petition in bankruptcy, or for a receiver, or in insolvency, or for reorganization or composition, or make any assignment for the benefit of creditors or to a trustee for creditors, or permit an adjudication in bankruptcy, or the taking possession of the mortgaged property or any part thereof by a receiver, or the seizure and sale of the mortgaged property or any part thereof under judicial process or pursuant to any power of sale.
14. Upon a violation of any of the above provisions of this Agreement by the Mortgagor, the Commissioner may give written notice thereof to the Mortgagor, by registered or certified mail, addressed to the addressees stated in this Agreement. If such violation is not corrected to the satisfaction of the Commissioner within 15 days after the date such notice is mailed, or within such additional period of time as is set forth in the notice, or where the Mortgagor proceeds immediately and diligently, within such further time as the Commissioner determines is necessary to correct the violation, without further notice the Commissioner may declare a default under this Agreement.
15. As security for the payment due under this Agreement for the Reserve Fund for Replacements, and to secure the Commissioner because of his liability under the endorsement of the Note for insurance, and as security for the other obligations under

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MUTUAL OPERATIONS**RESCIND MUTUAL FIVE****CONTRACTUAL OBLIGATIONS****Regulatory Agreement**

this Agreement, the Mortgagor assigns, pledges and mortgages to the Commissioner its rights to the rents, profits, income and charges of whatever sort which it may receive or be entitled to receive from the operation of the mortgaged property, subject, however, to any assignment of rents in the insured mortgage referred to herein; provided, however, that permission is granted to the Mortgagor to collect and retain under the provisions of this Agreement the rent, profits, income and charges, during any such period or periods of time for which the Commissioner has not declared a default. Upon declaration by the Commissioner of a default, the said permission is terminated and shall not be deemed to be reinstated until the Commissioner has declared the default to be cured.

16. Mortgagor agrees that there shall be full compliance with the provisions of (1) any state or local laws prohibiting discrimination in housing on the basis of race, color, creed or national origin, and (2) with the Regulations of the Federal Housing Administration providing for non-discrimination and equal opportunity in housing. It is understood and agreed that failure or refusal to comply with any such provisions shall be a proper basis for the Commissioner to take any corrective action he may deem necessary including, but not limited to, the rejection of future applications for FHA mortgage insurance and the refusal to enter into future contracts of any kind with which the Mortgagor is identified, and further, if the Mortgagor is a corporation or any other type of business association or organization which may fail or refuse to comply with the aforementioned provisions, the Commissioner shall have a similar right of corrective action (1) with respect to any individuals who are officers, directors, trustees, managers, partners, associates, or stockholders of the Mortgagor, and (2) with respect to any corporation or any other type of business association or organization with which the officers, directors, trustees, managers, partners, associates or stockholders of the Mortgagor may be identified.
17. The covenants and agreements herein set out shall be deemed to run with the land herein described so long as there is a mortgage on said property insured or owned by the Commissioner and to bind any future purchasers of the real property or any part thereof.
18. This instrument shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest, and assigns.

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MUTUAL OPERATIONS**RESCIND MUTUAL FIVE****CONTRACTUAL OBLIGATIONS****Regulatory Agreement**

19. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of any the remaining portions thereof.
20. The Mortgagor agrees and assumes the obligation to have this Agreement recorded in the appropriate land records in the jurisdiction in which the real property herein described is situated; and in the event of failure to do so, it is agreed that the Commissioner may have the same recorded at the expense of the Mortgagor.
21. It is specifically agreed between the parties hereto that the breach of any of the terms of this Agreement by the Mortgagor will substantially damage and injure the Commissioner in the proper performance of his duties under the provisions of the Act, and will impede and injure the proper operations intended under such Act; that such damage will be irrespective of and in addition to any damage to the security of the mortgaged premises or to any financial damage the Commissioner may suffer as insurer; that, except for the agreements herein contained, the Commissioner would not issue and would not be authorized to issue his Contract of Mortgage Insurance, and that the Mortgagee would not lend the sum above-mentioned on the security of the said Mortgage unless the same were insured by the Commissioner.

AMENDMENTS

(Nov 17)

MUTUAL OPERATIONS

RESCIND MUTUAL FIVE

CONTRACTUAL OBLIGATIONS

Regulatory Agreement

MUTUAL 16: Rescinded 11-07-17

Mutual Corporation No. Five

MEMO

TO: MUTUAL FIVE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AMENDING POLICY 7306.05 – INVESTMENT OF MUTUAL FIVE ACCOUNTS (NEW BUSINESS ITEM B)
DATE: JANUARY 17, 2018
CC: MUTUAL FILE

I move to amend Policy 7306.05 – Investment of Mutual Five Accounts on a preliminary basis until the 30-day posting period is completed.

MUTUAL OPERATIONS

AMENDED DRAFT

ACCOUNTING AND FISCAL

Banking ResolutionInvestment of Mutual Five Accounts

This policy has been developed to institute proper guidelines for the ongoing management of Mutual Five's investment of both "Reserve" and "Operating" funds.

A "Reserve" account is maintained by Mutual Five for the purpose of accumulating funds for capital improvements and for special needs, such as periodic maintenance and emergencies. An "Operating" account is maintained for the purpose of paying ongoing daily expenses.

1. Investment Objectives

The funds held in the Operating and Reserve Accounts represent the liquid and working funds for the present and future operations of the Mutual. Civil Code §1365.5 (c) (2) states, "the board shall exercise prudent fiscal management in maintaining the integrity of the reserve account." Therefore,

- a. The Board's primary goal is the preservation of Mutual Five's Reserves against loss, excluding the loss due to inflation which is not controllable by the Board of Directors.
- b. The Board's secondary concern is a reasonable return on the monies.
- c. The Board must ladder the funds so as to maintain availability of the funds for use as required by the Reserve needs for capital and special needs improvements.

2. Investment Guidelines

The Board should adopt a strategy that emphasizes preservation of principal over return. Permitted investments are listed below.

- a. Safe Investments include FDIC insured Certificates of Deposit, in all their forms, three months to six years, Treasury Bills and Notes and other direct obligations of the U.S. Government and Municipal bonds (with an S&P rating of AA or higher).
- b. The "Operating" or liquid portfolio will be limited to short-term money market instruments. Accumulated funds in this account should **be covered by either FDIC insurance or a surety bond** not exceed the FDIC insured amount (currently \$250,000) in any single bank. Reliance on the bank's self-insurance poses an imprudent risk.

MUTUAL OPERATIONS**AMENDED DRAFT****ACCOUNTING AND FISCAL****Banking Resolution**3. **Management**

- a. The President of the Board of Mutual Five shall appoint an Investment Committee of at least two Directors, but no more than four (maximum of three Directors), Board members, one of whom must be the Chief Financial Officer. This committee shall implement the investment policy in coordination with investment advisor(s). The committee members must be approved by the Board of Directors.
- b. The investment advisor(s) are compensated by the brokers who are associated with the banks with which Mutual Five has accounts.
- c. The President shall either chair the Investment Committee or appoint another committee member, preferably the Chief Financial Officer, as chair.
- d. A simple majority vote of the committee shall authorize the purchase of the financial instrument(s) selected from those offered by the advisors.
- e. The Investment Committee chair, in coordination with the advisors, shall monitor on-going investment activities to ensure that proper liquidity is being maintained and that the investment strategy is consistent with the needs and risk tolerance of Mutual Five's "Reserve" account needs.

4. **Reserve Account Transfers**

The signatures of at least two officers, preferably the President and the Chief Financial Officer, who shall also be members of Mutual Five's Investment Committee, shall be required for the withdrawal of moneys from the Mutual's reserve accounts. Civil Code §1365.5 (b).

Any transfer of funds from the "Reserve" account should be done by a resolution submitted to the Board at a Board meeting and recorded in the minutes so the membership is fully informed of the reserve transfers.

MUTUAL ADOPTION

FIVE: 1-11-93

AMENDED

01-18-12, 12-20-17

Mutual Corporation No. Five

MEMO

TO: MUTUAL FIVE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: ABATEMENT CONTRACT BUILDINGS 69 AND 70 (NEW BUSINESS ITEM C)
DATE: JANUARY 17, 2018
CC: MUTUAL FILE

I move to approve the abatement contract with _____, for Buildings 69 and 70, at a cost not to exceed \$_____ and authorize the President to sign the contract.

Mutual Corporation No. Five

MEMO

TO: MUTUAL FIVE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: REINVESTMENT OF FUNDS (NEW BUSINESS ITEM D)
DATE: JANUARY 17, 2018
CC: MUTUAL FILE

I move to reinvest \$ _____, into a _____ account.

Mutual Corporation No. Five

MEMO

TO: MUTUAL FIVE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: RESOLUTION FOR ASSEMBLY BILL (AB) 634, SENATE BILL (SB) 407, AND PROPOSITION 64 (NEW BUSINESS ITEM G)
DATE: JANUARY 17, 2018
CC: MUTUAL FILE

At the January 4, 2018, Presidents' Council, Executive Director Ankeny has respectfully requested and recommended that each Mutual Board contact respective legal counsel to protect the best interests of the Mutual in this important matter for possible drafting of Policy.

I move to request legal counsel opinion regarding AB (Assembly Bill) 634, SB (Senate Bill) 407, and Proposition 64.

Mutual Corporation No. Five

MEMO

TO: MUTUAL FIVE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: RESOLUTION FOR INCIDENT REPORT HANDLING(NEW BUSINESS ITEM H)
DATE: JANUARY 17, 2018
CC: MUTUAL FILE

At the January 4, 2018, Presidents' Council, Executive Director Ankeny has respectfully requested the directive of each Mutual Board should a Shareholder(s) deem the need to contact GRF Security Services to take an Incident Report relative to actions imposed by the Mutual Boards and/or Director.

I move that should a Shareholder(s) request an Incident Report relative to actions of a Mutual Board or a Mutual Board member, that GRF Security Services is to direct the Shareholder to draft correspondence to the attention of the Mutual Board.

Mutual Corporation No. Five

MEMO

TO: MUTUAL FIVE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: RESOLUTION FOR ORANGE COUNTY FIRE AUTHORITY – MASTER LOCK BOX KEYS (NEW BUSINESS ITEM I)
DATE: JANUARY 17, 2018
CC: MUTUAL FILE

At the January 4, 2018, Presidents' Council, Executive Director Ankeny has respectfully requested the directive of each Mutual Board to provide the Orange County Fire Authority with Master Lock Box Keys.

I move to authorize GRF (Golden Rain Foundation) to provide Orange County Fire authority with **four (4)** master lock box keys to be used in any and all emergency situations that may arise within the Mutual.

Mutual Corporation No. Five

MEMO

TO: MUTUAL FIVE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: POST AMENDED POLICY 7525 – WITHDRAWAL INSPECTION PROCESS FEE (NEW BUSINESS ITEM J)
DATE: JANUARY 17, 2018
CC: MUTUAL FILE

I move to post amended Policy 7525 – Withdrawal Inspection Process Fee, amended on 08/19/15, never ratified and/or posted, on a preliminary basis until the 30-day posting period is completed.

MUTUAL OPERATIONS

SHAREHOLDER REGULATIONS

Withdrawal Inspection Process Fee

RESOLUTION:

That Mutual No. _____ will charge a fee (**refer to table below**) for the inspection process when a share of stock is listed for sale, effective _____ (**see below**).

| <u>MUTUAL AND ADOPTION</u> | <u>AMENDED/AMT</u> | <u>EFFECTIVE DATE</u> |
|----------------------------|--------------------|-----------------------|
| ONE: 01 Aug 89/\$500 | | |
| TWO: 01 Aug 89 | | |
| THREE: 01 Aug 89 | 04-12-13/\$1,000 | 05-01-13 |
| FOUR: 01 Aug 89 | 09-14-16/\$1,000 | 09-14-16 |
| FIVE: 01 Aug 89 | 08-19-15/\$1,000 | 08-19-15 |
| SIX: 01 Aug 89 | | |
| SEVEN: 01 Aug 89 | 11-16-16/\$1,200 | 11-16-16 |
| EIGHT: 01 Aug 89 | 07-22-13/\$1,000 | 07-23-13 |
| NINE: 01 Aug 89 | 03-13-13/\$1,000 | 04-01-13 |
| TEN: 01 Aug 89 | 08-27-14/\$1,000 | 08-27-14 |
| ELEVEN: 01 Aug 89 | 09-17-15/\$1,000 | 09-17-15 |
| TWELVE: 01 Aug 89 | 11-12-15/\$1,000 | 11-12-15 |
| FOURTEEN: 01 Aug 89 | 11-17-15/\$1,200 | 11-17-15 |
| FIFTEEN: 01 Aug 89 | 04-15-13/\$1,000 | 05-01-13 |
| | 08-22-17 \$1,500 | 10-16-17 |
| SIXTEEN: 01 Aug 89 | 03-18-13/\$1,000 | 04-01-13 |
| SEVENTEEN: Not Applicable | | |