

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL FIVE**  
**FEBRUARY 21, 2018**  
**Meeting begins at 9:00 a.m.**  
**Building Five Conference Room B**

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
2. SHAREHOLDER COMMENTS (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. Jones, Building Inspector
  - Mrs. Aquino, Recording Secretary
5. APPROVAL OF MINUTES:
  - Regular Meeting Minutes of January 17, 2018**
  - Special Meeting Minutes of January 25, 2018 (p. 3)**
6. BUILDING INSPECTOR'S REPORT Mr. Jones  
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (handout)
7. GRF REPRESENTATIVE Mr. Gould
8. **UNFINISHED BUSINESS**
  - a. Ratify amended/posted Policy 7441.05 – Building Permit Signatures (p. 5-6)
  - b. Ratify adopted/posted Policy 7531.05 Inspection of Vacant Unoccupied or Occasional-Use Units (p. 7-8)
9. **NEW BUSINESS**
  - a. Discuss rescinding Policy 7210 – Annual Elections and adopting Policy 7210.05 – Annual Elections (p. 9-17)
  - b. Approve the cost of the swale re-development underground between Mutual Four and Mutual Five (p. 19)
  - c. Mutual Five Project updates:
    - i. Roofing
    - ii. Concrete: Wentworth
    - iii. Gutter Cleaning

**STAFF SECRETARY BREAK 11:00 a.m.**

(Friday, February 16, 2018 ka)

- |     |   |             |
|-----|---|-------------|
| 10. | SECRETARY / CORRESPONDENCE  | Ms. Boryta  |
| 11. | CHIEF FINANCIAL OFFICERS REPORT<br>a. Investment of \$100,000 in a CD (p. 21) | 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. Appointments   |             |
|     | 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 MARCH 21, 2018 at 9:00 am  
Building Five Conference Room B**

(Friday, February 16, 2018 ka)

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL FIVE**

**January 25, 2018**

In accordance with the Corporation Bylaws, and pursuant to due notice to the Directors, a Special Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President Coven on January 25, 2018, at 1:00 p.m. in the Clubhouse Five, Conference Room B.

Those Directors present were: President Coven, Vice President Trembly, Secretary Boryta, CFO Tran, and Directors Powell and Gould.

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

RESOLVED, To approve the contract with M.J Jurardo to remove the asphalt and replace with concrete at Wentworth, at a cost not to exceed \$105,000.

The MOTION passed.

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

RESOLVED, To approve the cleaning of gutters for forty one (41) Buildings at a cost not to exceed \$2,952, minor repairs at separate, work to begin from February 5, 2018 to February 16, 2018.

The MOTION passed.

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Attest, Joan Boryta, Secretary  
SEAL BEACH MUTUAL FIVE  
ka:2/16/18

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# *Mutual Corporation No. Five*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** RATIFY AMENDED/POSTED POLICY 7441.05 – BUILDING PERMIT SIGNATURES (UNFINISHED BUSINESS ITEM A)  
**DATE:** FEBRUARY 21, 2018  
**CC:** MUTUAL FILE

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At the December 20, 2017, Board Meeting Policy 7441.05 – Building Permit Signatures (attached) was adopted and the 30–day posting period has been met.

***I move to ratify adopted/posted Policy 7441.05 – Building Permit Signatures***

**MUTUAL OPERATIONS****AMENDED DRAFT****PHYSICAL PROPERTY****Building Permit Signatures**

Mutual Five requires the signature of the Mutual Corporation's president or, **Physical Property Committee Chair**, **in** the absence of the president, **and the Physical Property Chair**, any officer of the Board, **may sign** on any building permit, building plan, or change orders issued for apartment **unit** remodeling.

DRAFT

**MUTUAL ADOPTION****AMENDMENTS**

FIVE: 02-15-17

(Draft created 12-12-17 cd)

# *Mutual Corporation No. Five*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** RATIFY AMENDED/POSTED POLICY 7531.05 – INSPECTION OF VACANT UNOCCUPIED OR OCCASIONAL-USE UNITS  
(UNFINISHED BUSINESS ITEM B)  
**DATE:** FEBRUARY 21, 2018  
**CC:** MUTUAL FILE

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At the December 20, 2017, Board Meeting, Policy 7531.05 – Inspection of Vacant Unoccupied or Occasional-Use Units (attached) was adopted and the 30–day posting period has been met.

***I move to ratify adopted/posted Policy 7531.05 – Inspection of Vacant Unoccupied or Occasional-Use Units.***

**MUTUAL OPERATIONS****ADOPTED DRAFT****RESIDENT REGULATIONS****Inspection of Vacant, Unoccupied or Occasional-Use Units**

Any Vacant, Unoccupied or Occasional-Use Unit in Mutual Five shall be inspected every 90 days by a Physical Property Inspector, the President and the Mutual director assigned to the respective building. Inspections shall be conducted during the months of February, May, August, and November. There will be a maintenance/inspection charge for Vacant, Unoccupied or Occasional use Units at the amount of the current hourly rate of Service Maintenance.

The Mutual directors shall provide a list of vacant, unoccupied or occasional-use units to the President. Appointments for inspections of the unit shall be coordinated by the President. (Mutual Directors are encouraged to talk to Building Captains to update the list of units to be inspected.)

The inspection of Vacant, Unoccupied or Occasional-Use units shall be posted at least 72 hours prior to the inspection.

**MUTUAL ADOPTION**

FIVE:



# *Mutual Corporation No. Five*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS RESCINDED POLICY 7210 – ANNUAL ELECTIONS AND  
ADOPTING POLICY 7210.05 – ANNUAL ELECTIONS  
(NEW BUSINESS ITEM A)  
**DATE:** FEBRUARY 21, 2018  
**CC:** MUTUAL FILE

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On February 21, 2007, Policy 7210 – Annual Elections (attached) was adopted by the Mutual Five Board of Directors.

On February 21, 2018, the Board will vote to rescind Policy 7210 – Annual Elections, and adopt Policy 7210.05 Annual Elections (attached).

***I move to rescind Policy 7210 – Annual Elections, and adopt Policy 7210.05 – Annual Elections on a preliminary basis until the 30-day posting period is completed.***

**MUTUAL OPERATIONS****RESCIND MUTUAL FIVE****STOCKHOLDERS MEETINGS****Annual Elections – Mutuals 3, 4, 5, 6, 7, 11, 16, and 17**

In accordance with State Law and the Mutual Bylaws, the following policy is established for the general election of directors to the Mutual Board of Directors.

**1. Candidates****a. Candidate Eligibility**

In accordance with the Mutual Bylaws, all members in good standing are eligible to run for election to the Mutual Board of Directors. "Good Standing" means that the member is not delinquent in the payment of monthly or special assessments in an amount equal to or greater than one month's assessment for a period of time greater than 30 days.

**b. Notification of Nominations for Election of Directors**

The Mutual Board of Directors shall also place notice in the *Golden Rain News* and in the Mutual laundry rooms not less than 90 days prior to the annual meeting that any member of the Mutual in good standing may place his/her name into nomination for the election of directors.

**c. Self-Nomination by Shareholders**

Mutual members who wish to nominate themselves as a candidate for election to the Mutual Board of Directors must do so in writing not more than 90 days or less than 60 days prior to the annual meeting date.

**d. Nominations from the Floor**

Candidates may be nominated from the floor during the annual meeting. There is no provision in the Mutual Bylaws allowing for write-in candidates.

**e. Equal Access to Clubhouse Facilities**

Equal access to clubhouses shall be provided at no cost to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those who are not endorsed by the Mutual Board of Directors, for purposes reasonably related to the election. The clubhouses are subject to availability by reservation only on a first-come, first-serve basis.

**MUTUAL OPERATIONS****RESCIND MUTUAL FIVE****STOCKHOLDERS MEETINGS****Annual Elections – Mutuals 3, 4, 5, 6, 7, 11, 16, and 17****2. Election Process**

- a. The Golden Rain Foundation will provide a contracted vendor to assume all election services, including inspector(s) of election, who will be directed to conduct the election under current applicable codes.
- b. If the Golden Rain Foundation does not provide a contracted vendor to assume all election services, then Section 3 will be prepared and processed by the Mutual Corporation or Golden Rain Foundation:

**3. Election Materials****a. Notice Letter**

The notice letter, mail-in secret ballot, voting instructions and mailing instructions for the Mutual annual election shall be mailed out to each Mutual apartment no later than 30 days prior to the annual meeting.

**b. Secret Ballots Returned By Mail**

The mail-in secret ballot is required to be mailed to the “Inspectors of the Election” for proper verification and validation, and must be received before 4:00 p.m. on the day before the annual meeting.

The mail-in secret ballot, if sealed and properly mailed, will be opened the day of the annual meeting by the inspectors of the election. The mail-in secret ballot is irrevocable once it is validated by the inspectors of election.

**4. Inspectors of the Election****a. Qualifications and Number of Inspectors**

An inspector of the election may not be a member of the Mutual Board of Directors, or a candidate for the Mutual Board of Directors, or related to a member of the Mutual Board of Directors, or under contract to the association for any compensable services.

**b. Observers of the Election Appointed By the Board of Directors**

**MUTUAL OPERATIONS****RESCIND MUTUAL FIVE****STOCKHOLDERS MEETINGS****Annual Elections – Mutuals 3, 4, 5, 6, 7, 11, 16, and 17**

There shall be three (3) observers of the election appointed by the Mutual Board of Directors (90) days before the annual meeting day. The Board may also appoint alternative observers of the election. The observers of the election may appoint and oversee additional assistant observers of the election in any number deemed to be reasonable by the Mutual Board of Directors.

**c. Inspector of the Elections - Duties**

- 1) Determine the number of shareholders entitled to vote and the voting power of each.
- 2) Determine the authenticity, validity and effect of proxies, if any.
- 3) Receive mail-in proxy forms and ballots.
- 4) Open mail-in proxy forms and ballots at the annual meeting.
- 5) Hear and determine all challenges and questions in connection to the right to vote.
- 6) Count and tabulate all votes.
- 7) Determine the results of the election.
- 8) Perform his or her duties expeditiously, impartially, and in good faith at all times.

**5. Voting****a. Qualification for Voting**

Votes may be cast by mutual members in good standing:

- 1) By ballot in person on the day of the annual meeting; or
- 2) By using the mail-in secret ballot; or
- 3) By using the mail-in proxy form.

**b. Cumulative Voting**

In accordance with the Mutual Bylaws, voting will be “cumulative.”

**c. Voting by Secret Ballot**

All ballots shall be prepared in a manner consistent with providing and ensuring that the member’s vote will be by “secret ballot.”

**6. Actions by Mutual Boards when a Contracted Vendor is Retained for Elections**

**MUTUAL OPERATIONS****RESCIND MUTUAL FIVE****STOCKHOLDERS MEETINGS****Annual Elections – Mutuals 3, 4, 5, 6, 7, 11, 16, and 17**

- a. Each Mutual may appoint observer(s) who may make their observations to its respective Mutual Board.
- b. Each Mutual Board shall validate its own election.

**7. Actions by Shareholders – Mutual Five Only**

Any shareholder or contractor of Mutual Five that allegedly intimidates or bullies another shareholder, or forges ballot signatures of another shareholder, shall be requested to appear before the Mutual Five Board of Directors in Executive Session to answer the charges or allegations. If criminal acts have been committed, the Golden Rain Foundation Security Department and the Seal Beach Police Department shall be notified and appropriate action taken.

<b><u>MUTUAL ADOPTION</u></b>	<b><u>AMENDED</u></b>	<b><u>MUTUAL ADOPTION</u></b>	<b><u>AMENDED</u></b>
ONE:	See 7210.1	TEN:	See 7210.10
TWO:	See 7210.2	ELEVEN: 15 Feb 07	
THREE: 09 Feb 07		TWELVE:	See 7210.12
FOUR: 14 Feb 07		FOURTEEN:	See 7210.14
FIVE: 21 Feb 07	17 Aug 11	FIFTEEN:	See 7210.15
SIX: 27 Feb 07		SIXTEEN: 20 Feb 07	
SEVEN: 30 Mar 07		SEVENTEEN: 06 Feb 07	See 7210.17
EIGHT:	See 7210.8		
NINE:	See 7210.9		

## MUTUAL OPERATIONS

### STOCKHOLDERS MEETINGS

#### Annual Elections –

In accordance with California Civil Codes and the Mutual Five Bylaws, the following policy is established for the general election of directors to the Mutual Five Board of Directors.

#### 1. Candidates

##### a. Candidate Eligibility

In accordance with the Mutual Five Bylaws, all members in good standing are eligible to run for election to the Mutual Five Board of Directors. “Good Standing” means that the member is not delinquent in the payment of monthly or special assessments in an amount equal to or greater than one month’s assessment for a period of time greater than 30 days.

##### b. Notification of Nominations for Election of Directors

The Mutual Five Board of Directors shall also place notice in the *Golden Rain News* and in the Mutual laundry rooms not less than 90 days prior to the annual meeting that any member of the Mutual in good standing may place his/her name into nomination for the election of directors.

##### c. Self-Nomination by Shareholders

Mutual members who wish to nominate themselves as a candidate for election to the Mutual Five Board of Directors must do so in writing not more than 90 days or less than 60 days prior to the annual meeting date.

##### d. Nominations from the Floor

Candidates may be nominated from the floor during the annual meeting. There is no provision in the Mutual Bylaws allowing for write-in candidates.

##### e. Equal Access to Clubhouse Facilities

Equal access to clubhouses shall be provided at no cost to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those who are not endorsed by the Mutual Five Board of Directors, for purposes reasonably related to the election. The clubhouses are subject to availability by reservation only on a first-come, first-serve basis.

## MUTUAL OPERATIONS

### STOCKHOLDERS MEETINGS

#### Annual Elections –

#### **2. Election Process**

- a. The Golden Rain Foundation will provide a contracted vendor to assume all election services, including inspector(s) of election, who will be directed to conduct the election under current applicable codes.
- b. If the Golden Rain Foundation does not provide a contracted vendor to assume all election services, then Section 3 will be prepared and processed by the Mutual Corporation or Golden Rain Foundation:

#### **3. Election Materials**

##### a. Notice Letter

The notice letter, mail-in secret ballot, voting instructions and mailing instructions for the Mutual annual election shall be mailed out to each Mutual apartment no later than 30 days prior to the annual meeting.

##### b. Secret Ballots Returned By Mail

The mail-in secret ballot is required to be mailed to the “Inspectors of the Election” for proper verification and validation, and must be received before 4:00 p.m. on the day before the annual meeting.

The mail-in secret ballot, if sealed and properly mailed, will be opened the day of the annual meeting by the inspectors of the election. The mail-in secret ballot is irrevocable once it is validated by the inspectors of election.

#### **4. Inspectors of the Election**

##### a. Qualifications and Number of Inspectors

An inspector of the election may not be a member of the Mutual Five Board of Directors, or a candidate for the Mutual Five Board of Directors, or related to a member of the Mutual Five Board of Directors, or under contract to the association for any compensable services.

## MUTUAL OPERATIONS

### STOCKHOLDERS MEETINGS

#### Annual Elections –

##### b. Observers of the Election Appointed By the Board of Directors

There shall be three (3) observers of the election appointed by the Mutual Five Board of Directors (90) days before the annual meeting day. The Board may also appoint alternative observers of the election. The observers of the election may appoint and oversee additional assistant observers of the election in any number deemed to be reasonable by the Mutual Five Board of Directors.

##### c. Inspector of the Elections - Duties

- 1) Determine the number of shareholders entitled to vote and the voting power of each.
- 2) Determine the authenticity, validity and effect of proxies, if any.
- 3) Receive mail-in proxy forms and ballots.
- 4) Open mail-in proxy forms and ballots at the annual meeting.
- 5) Hear and determine all challenges and questions in connection to the right to vote.
- 6) Count and tabulate all votes.
- 7) Determine the results of the election.
- 8) Perform his or her duties expeditiously, impartially, and in good faith at all times.

## 5. Voting

### a. Qualification for Voting

Votes may be cast by mutual members in good standing:

- 1) By ballot in person on the day of the annual meeting; or
- 2) By using the mail-in secret ballot; or
- 3) By using the mail-in proxy form.

### b. Voting by Secret Ballot

All ballots shall be prepared in a manner consistent with providing and ensuring that the member's vote will be by "secret ballot."



**MUTUAL OPERATIONS****STOCKHOLDERS MEETINGS****Annual Elections –****7. Actions by Shareholders –**

Any shareholder or contractor of Mutual Five that allegedly intimidates or bullies another shareholder, or forges ballot signatures of another shareholder, shall be requested to appear before the Mutual Five Board of Directors in Executive Session to answer the charges or allegations. If criminal acts have been committed, the Golden Rain Foundation Security Department and the Seal Beach Police Department shall be notified and appropriate action taken.

**MUTUAL**  
**FIVE:**

**ADOPTION**

DRAFT

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# *Mutual Corporation No. Five*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVE THE COST OF THE SWALE RE-DEVELOPMENT UNDERGROUND BETWEEN MUTUAL FOUR AND MUTUAL FIVE (NEW BUSINESS ITEM B)  
**DATE:** FEBRUARY 21, 2018  
**CC:** MUTUAL FILE

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The underground swale re-development will be a shared cost between Mutual Four and Mutual Five.

***I move to approve / deny the underground swale re-development, between Mutual Four and Mutual Five, at a total project cost not to exceed \$20,000. Further, the total cost of the project be equally shared between Mutual Four and Mutual Five, with Mutual Five cost not to exceed \$10,000.***

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# *Mutual Corporation No. Five*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** INVESTMENT OF \$100,000 IN A CD (CHIEF FINANCIAL OFFICER'S REPORT  
ITEM A)  
**DATE:** FEBRUARY 21, 2018  
**CC:** MUTUAL FILE

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*I move to approve / deny the investment of \$100,000 held in the Restricted Reserve Account, into a CD held at US Bank.*