

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
September 19, 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. Meza, Building Inspector
 - Mrs. Aquino, Recording Secretary
5. APPROVAL OF MINUTES:
 - Regular Meeting Minutes of August 15, 2018**
 - Special Meeting Minutes of August 28, 2018 (p. 3)**
6. BUILDING INSPECTOR'S REPORT Mr. Meza
 - Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (p. 4-6)
7. GRF REPRESENTATIVE Mr. Gould
8. **UNFINISHED BUSINESS**
 - a. Mutual Five Project Updates:
 - i. Roofing
 - ii. Re-pipe
 - iii. Swale
 - iv. Budget and Reserve Study
 - b. Discuss and vote to ratify adopted/posted Policy 7585.05 – Protocol for Enforcing Governing Documents (p. 7-14)
 - c. Discuss and vote to ratify adopted/posted Policy 7490.pb.05 – Payment and Performance Bond (p. 15-16)
 - d. Discuss and vote to ratify amended/posted Policy 7465.05 – Skylights and/or Sola Tubes (p. 17-21)
 - e. Discuss and vote to adopt Policy 7541 – Co-Occupants, Qualified Permanent Resident and Health Care Providers (p. 22-23)
9. **NEW BUSINESS**
 - a. Discuss and vote to approve/deny contract with JC Kress (p. 24)
 - b. Discuss and vote to approve/deny contract for termite/dry rot repair (p. 25)
 - c. Discuss and vote to approve/deny amount of additional Guest Passes for 2019 (p. 26)

NEW BUSINESS (continued)

- d. Discuss and vote to separate Mutual Board Meeting Minutes and Report
(p. 27)

STAFF BREAK BY 11:00 a.m.

10. SECRETARY / CORRESPONDENCE Ms. Boryta
11. CHIEF FINANCIAL OFFICERS REPORT Ms. Tran
 - a. Discuss and vote to approve/deny transfer of funds from Operating Expense to Appliance Reserve (p. 28)
12. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
13. ANNOUNCEMENTS
**NEXT MEETING: October 17, 2018, at 9:00 a.m.
Building Five – Conference Room B**
14. COMMITTEE REPORTS
15. DIRECTORS' COMMENTS
16. SHAREHOLDER(S)' COMMENTS (2-3 MINUTES)
17. ADJOURNMENT
18. EXECUTIVE SESSION

STAFF WILL LEAVE THE MEETING BY 12:00 p.m.

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
August 29, 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 August 29, 2018, at 9:20 a.m. in the Physical Property Conference Room, 2nd Floor.

Those Directors present were: President Coven, Secretary Boryta, CFO Tran, and Directors Cude, Deady and Powell. Vice President Van Wyk was absent. Also present was Inspector Meza.

The purpose of this meeting was to approve a contract to paint after re-piping.

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

RESOLVED, To approve the \$54,000 contract with Roxygen
Painting Company for the Fresh water Piping Project.

President Coven adjourned the meeting at 9:40 a.m.

Attest, Joan Boryta, Secretary
SEAL BEACH MUTUAL FIVE
ka:09/13/18

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(05) FIVE**

INSPECTOR: **Mike Meza**

MUTUAL BOARD MEETING DATE: **September, 2018**

PERMIT ACTIVITY

| UNIT # | DESCRIPTION OF WORK | GRF/CITY PERMIT | PERMIT ISSUE | COMP. DATE | Improvement Values | RECENT INSPECTION | CONTRACTOR |
|--------|------------------------|-----------------|--------------|------------|--------------------|----------------------------|------------------------|
| 91-L | KITCHEN REMODEL | | 08/22/17 | 02/09/18 | \$7,000 | | BERGKVIST |
| 110-D | REMODEL | BOTH | 09/11/17 | 12/18/17 | \$17,673 | 02/28/18 LATH/PLUMB | ROBERTS CONSTRUCTION |
| 110-A | KITCHEN/BATH REMODEL | BOTH | 09/30/17 | 04/17/18 | \$37,000 | FINAL 05/21/18 | TOM JEAN CONSTRUCTION |
| 95-L | COUNTER TOP | BOTH | 10/02/17 | 02/02/18 | \$5,325 | | WESTBY4HOMES |
| 112-F | LOWER CARTPORT STORAGE | GRF | 10/05/17 | 11/15/17 | \$500 | | HANDYMAN |
| 91-E | HEAT PUMP | BOTH | 10/09/17 | 01/20/18 | \$3,300 | | GREENWOOD |
| 111-F | EZ ACCESS TUB | BOTH | 10/10/17 | 12/13/17 | \$1,410 | FINAL 01/12/18 | NUKOTE |
| 121-F | REMODEL | BOTH | 11/20/17 | 05/25/18 | \$160,000 | | HADI CONSTRUCTION |
| 125-I | WINDOWS/SLIDER | BOTH | 11/20/17 | 05/25/18 | \$6,650 | 03/01/18 FINAL | SEAPORT WINDOWS |
| 71-C | EZ ACCESS TUB | BOTH | 12/01/17 | 01/11/18 | \$1,410 | FINAL 01/12/18 | NUKOTE |
| 115-A | EZ ACCESS TUB | BOTH | 12/05/17 | 01/12/18 | \$1,410 | FINAL 01/12/18 | NUKOTE |
| 91-L | COUNTER TOP | BOTH | 01/05/18 | 02/15/18 | \$15,050 | | GRANITE TRANSFORMATI |
| 118-K | WASHER/DRYER | BOTH | 01/05/18 | 02/15/18 | | ROUGH 01/19/18 | OGAN |
| 118-K | WASHER/DRYER | BOTH | 01/05/18 | 02/15/18 | | 01/19/18 FRAM/ELEC/PLUMB | OGAN |
| 118-K | WASHER/DRYER | BOTH | 01/05/18 | 02/15/18 | \$10,400 | 03/07/18 FINAL | OGAN |
| 111-F | BATHROOM REMODEL | BOTH | 01/08/18 | 06/15/18 | | 03/06/18 FRAM/ELEC/PLUMB | NATIONWIDE PAINTING |
| 111-F | BATHROOM REMODEL | BOTH | 01/08/18 | 06/15/18 | \$15,000 | FINAL 04/03/18 | NATIONWIDE PAINTING |
| 121-D | ENTRY DOOR | GRF | 01/10/18 | 03/10/18 | \$600 | | LW DÉCOR |
| 106-H | EZ ACCESS TUB | BOTH | 01/10/18 | 02/22/18 | \$1,410 | | NUKOTE |
| 72-A | FLOORING | GRF | 01/11/18 | 02/28/18 | \$1,400 | | BIXBY PLAZA |
| 103-F | HEAT PUMP | BOTH | 01/11/18 | 04/24/18 | \$3,540 | | GREENWOOD |
| 118-K | HEAT PUMP | BOTH | 01/26/18 | 03/30/18 | \$7,350 | FINAL 04/06/18 | GREENWOOD |
| 111-J | CART PATH | GRF | 02/05/18 | 03/05/18 | \$210 | FINAL 08/01/18 | JOHNS LANDSCAPE |
| 113-I | PATIO DOOR | GRF | 02/17/18 | 03/30/18 | \$600 | 03/14/18 FINAL | LW DÉCOR |
| 103-K | WALL HEATER | GRF | 02/26/18 | 03/28/18 | \$1,700 | | BERGIN ELECT. |
| 118-K | EZ ACCESS TUB | BOTH | 03/07/18 | 03/07/18 | \$1,410 | | NUKOTE |
| 121-K | HEAT PUMP | BOTH | 03/09/18 | 06/20/18 | \$2,900 | FINAL 04/09/18 | GREENWOOD |
| 97-I | ROOM ADDITION | BOTH | 03/10/18 | 07/06/18 | \$79,000 | FINAL 06/14/18 | MP CONSTRUCTION |
| 97-C | REMODEL | BOTH | 04/02/18 | 06/11/18 | | 04/16/18 FRAM/ELEC/PLUMB | CAL CUSTOM INTERIORS |
| 97-C | REMODEL | BOTH | 04/02/18 | 06/11/18 | \$67,073 | 04/17/18 DRYWALL & LATHE | CAL CUSTOM INTERIORS |
| 93-F | SKYLIGHT | BOTH | 04/11/18 | 06/29/18 | \$3,750 | FINAL 08/01/18 | B.A. CONSTRUCTION |
| 96-I | BATH REMODEL/WINDOWS | BOTH | 05/01/18 | 08/31/18 | | 05/09/18 FRAM/ROUGH PLUM | LOS AL BUILDERS |
| 96-I | BATH REMODEL/WINDOWS | BOTH | 05/01/18 | 08/31/18 | \$13,110 | FINAL 06/27/18 | LOS AL BUILDERS |
| 101-G | WASHER/DRYER & CLOSET | BOTH | 05/01/18 | 07/02/18 | | 05/16/18 plum/elec/framing | LOS AL BUILDERS |
| 101-G | WASHER/DRYER & CLOSET | BOTH | 05/01/18 | 07/02/18 | | 05/21/18 DRYWALL | LOS AL BUILDERS |
| 101-G | WASHER/DRYER & CLOSET | BOTH | 05/01/18 | 07/02/18 | \$10,740 | FINAL 06/21/18 | LOS AL BUILDERS |
| 111-J | HEAT PUMP | BOTH | 05/01/18 | 06/01/18 | \$5,600 | FINAL 05/11/18 | ALPINE |
| 100-K | BATH FLOORING | GRF | 05/05/18 | 06/01/18 | \$1,100 | FINAL 05/10/18 | MP CONSTRUCTION |
| 96-B | KITCHEN CABINET/WINDOW | BOTH | 05/07/18 | 07/23/18 | | 06/14/18FRAM/SHEAR/FLASH | MP CONSTRUCTION |
| 96-B | KITCHEN CABINET/WINDOW | BOTH | 05/07/18 | 07/23/18 | | 06/21/18 LATH/INSULATION | MP CONSTRUCTION |
| 96-B | KITCHEN CABINET/WINDOW | BOTH | 05/07/18 | 07/23/18 | \$26,000 | FINAL 07/23/18 | MP CONSTRUCTION |
| 106-G | HEAT PUMP | BOTH | 05/07/18 | 06/07/18 | \$7,400 | FINAL 05/09/18 | ALPINE |
| 108-C | FLOORING/CARPET | GRF | 05/07/18 | 05/30/18 | \$3,000 | FINAL 05/16/18 | KARY'S CARPETS |
| 94-I | FLOORING | BOTH | 05/21/18 | 06/21/18 | \$838 | FINAL 06/08/18 | G.L. GUNDERSON CARPET. |
| 100-D | WASHER/DRYER | BOTH | 05/21/18 | 07/15/18 | \$6,500 | | J.C. KRESS |
| 120-K | WINDOWS/SLIDER | BOTH | 05/25/18 | 06/25/18 | \$3,250 | FINAL 06/08/18 | BROTHERS GLASS |
| 111-D | FLOORING | GRF | 05/25/18 | 06/25/18 | \$1,980 | FINAL 06/05/18 | KARY'S CARPETS |
| 115-A | WINDOWS/SLIDER | BOTH | 05/31/18 | 07/01/18 | \$6,750 | FINAL 06/08/18 | SWENMAN COMPANY |
| 92-E | FLOORING | GRF | 06/01/18 | 07/01/18 | \$3,600 | FINAL 06/13/18 | KARY'S CARPETS |
| 95-L | GARDEN PAD | GRF | 06/07/18 | 07/07/18 | \$601 | | ANGUIANO LAWN CARE |
| 114-H | SKYLIGHT REPLACE | GRF | 06/15/18 | 07/15/18 | \$1,700 | | M&M CONSTRUCTION |
| 105-C | REMODEL | BOTH | 06/20/18 | 11/15/18 | | 07/16/18 GOUND/PLUMB | J.C. KRESS |
| 105-C | REMODEL | BOTH | 06/20/18 | 11/15/18 | | 07/23/18 FRAM/ELEC/INSUL | J.C. KRESS |

INSPECTOR MONTHLY MUTUAL REPORT

| MUTUAL: (05) FIVE | | INSPECTOR: Mike Meza | | | | | |
|----------------------------|------------------------|-----------------------------|----------|----------|-----------|--------------------------|-----------------------|
| MUTUAL BOARD MEETING DATE: | | September, 2018 | | | | | |
| 105-C | REMODEL | BOTH | 06/20/18 | 11/15/18 | | | J.C. KRESS |
| 105-C | REMODEL | BOTH | 06/20/18 | 11/15/18 | \$101,425 | | J.C. KRESS |
| 121-H | FLOORING | GRF | 06/20/18 | 06/27/18 | \$3,734 | FINAL 06/27/18 | V&S CARPET |
| 119-B | WINDOWS/SLIDER | BOTH | 06/20/18 | 07/06/18 | \$3,200 | | BROTHERS GLASS |
| 123-K | HEAT PUMP | BOTH | 06/22/18 | 09/22/18 | \$2,850 | | GREENWOOD |
| 90-G | FLOORING | GRF | 06/22/18 | 06/29/18 | \$5,200 | FINAL 06/28/18 | MP CONSTRUCTION |
| 71-G | HEAT PUMP | BOTH | 06/25/18 | 07/25/18 | \$6,500 | | ALPINE |
| 71-E | SOLAR TUBE | BOTH | 06/25/18 | 07/16/18 | \$1,400 | FINAL 07/09/18 | MP CONSTRUCTION |
| 92-L | KITCHEN REMODEL | BOTH | 06/25/18 | 07/03/18 | \$7,384 | FINAL 07/02/18 | GRANITE TRANSFORMATI |
| 106-D | FLOOR/KIT/BATH REMODEL | BOTH | 06/30/18 | 09/18/18 | \$19,815 | FINAL 08/04/18 | LOS AL BUILDERS |
| 116-A | KITCHEN REMODEL | BOTH | 06/30/18 | 09/30/18 | \$14,445 | FINAL 07/30/18 | LOS AL BUILDERS |
| 70-E | HEAT PUMP | BOTH | 07/05/18 | 08/05/18 | \$7,900 | | ALPINE |
| 100-D | FLOORING | GRF | 07/15/18 | 08/15/18 | \$5,637 | | KARY'S CARPETS |
| 104-G | FLOORING | GRF | 07/16/18 | 09/16/18 | \$7,438 | | BIXBY PLAZA |
| 94-A | HEAT PUMP | BOTH | 07/31/18 | 08/31/18 | \$5,800 | FINAL 08/07/18 | ALPINE |
| 101-D | SKYLIGHT DOME | GRF | 08/01/18 | 08/30/18 | \$990 | | M&M CONSTRUCTION |
| 95-I | DOOR/WINDOW/WASH/DRY | BOTH | 08/08/18 | 12/31/18 | | 08/06/18 GRD/ROU PLUMB | LOS AL BUILDERS |
| 95-I | DOOR/WINDOW/WASH/DRY | BOTH | 08/08/18 | 12/31/18 | \$18,350 | | LOS AL BUILDERS |
| 96-I | HEAT PUMP | BOTH | 08/09/18 | 11/09/18 | \$7,150 | FINAL 09/07/18 | GREENWOOD |
| 95-L | HEAT PUMP | BOTH | 08/09/18 | 11/09/18 | \$3,000 | | GREENWOOD |
| 97-I | HEAT PUMP | BOTH | 08/14/18 | 09/14/18 | | FAIL 08/21 RODENT PROOF | |
| 97-I | HEAT PUMP | BOTH | 08/14/18 | 09/14/18 | \$3,500 | | ALPINE |
| 116-C | EZ ACCESS TUB | BOTH | 08/15/18 | 09/15/18 | \$1,610 | 08/23/18 | NUKOTE |
| 96-k | FLOORIG | GRF | 08/15/18 | 09/15/18 | \$4,100 | FINAL 08/30/18 | KARY'S CARPETS |
| 123-D | EZ ACCESS TUB | BOTH | 08/16/18 | 09/16/18 | \$1,610 | FINAL 08/23/18 | NUKOTE |
| 108-I | HEAT PUMP | BOTH | 08/03/18 | 09/16/18 | | NO SMOKE ALARM FAIL 8/10 | |
| 108-I | HEAT PUMP | BOTH | 08/03/18 | 11/03/18 | \$3,350 | | GREENWOOD |
| 90-G | WINDOWS | BOTH | 08/20/18 | 09/07/18 | \$2,200 | FINAL 08/30/18 | MP CONSTRUCTION |
| 108-C | HEAT PUMP | BOTH | 08/20/18 | 11/20/18 | \$7,500 | | GREENWOOD |
| 95-B | SIDE WALK | GRF | 08/22/18 | 09/22/18 | \$2,000 | | MJ JURADO |
| 108-C | FLOORING | GRF | 08/31/18 | 10/31/18 | \$3,500 | FINAL 08/14/18 | MAMUSCIA CONSTRUCTION |
| 113-J | SOLATUBE | BOTH | 09/01/18 | 12/31/18 | \$834 | | SOLATUBE HOME |
| 112-G | WINDOW & SLIDER | BOTH | 10/22/18 | 11/22/18 | \$1,610 | | NUKOTE |
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ESCROW ACTIVITY

| Unit # | NMI | PLI | NBO | FI | FCOEI | ROF | DOCUMENTS/COMMENTS |
|--------|----------|----------|----------|----------|----------|----------|--------------------|
| 69-K | | 05/18/18 | 07/24/18 | 07/26/18 | 08/07/18 | | |
| 69-A | | 09/04/18 | | | | | |
| 70-J | | 07/19/18 | | | | | |
| 71-K | | 05/18/18 | 06/19/18 | 06/19/18 | 06/21/18 | 07/30/18 | |
| 72-D | | 07/10/17 | | | | | |
| 90-G | | 02/09/18 | 06/05/18 | 06/05/18 | 06/15/18 | | |
| 95-H | | 03/29/18 | | | | | |
| 96-K | 04/24/18 | | | | | | |
| 97-J | | 03/21/18 | 06/12/18 | 06/12/18 | 06/21/18 | 08/15/18 | |
| 99-J | | 07/19/18 | 08/21/18 | | | | |
| 106-D | | 05/18/18 | | | | | |
| 107-B | | 06/07/18 | | | | | |
| 108-C | | 04/12/18 | 06/26/18 | 06/28/18 | 07/11/18 | 08/24/18 | |
| 110-L | | 02/23/18 | 05/08/18 | 05/09/18 | 05/21/18 | 06/11/18 | |
| 111-D | | 04/12/18 | 08/07/18 | 08/07/18 | 08/17/18 | | |

INSPECTOR MONTHLY MUTUAL REPORT

| | | | | | | | |
|-----------------------------------|----------|-----------------------------|----------|----------|----------|----------|--|
| MUTUAL: (05) FIVE | | INSPECTOR: Mike Meza | | | | | |
| MUTUAL BOARD MEETING DATE: | | September, 2018 | | | | | |
| 112-D | | 03/16/18 | 05/15/18 | 05/16/18 | 05/25/18 | 08/14/18 | |
| 112-F | | 09/04/18 | | | | | |
| 113-I | 08/14/18 | | | | | | |
| 114-F | | 08/17/18 | 08/28/18 | 09/11/18 | | | |
| 114-L | | 03/13/18 | | | | | |
| 115-A | | 04/26/18 | 05/01/18 | 05/18/18 | 06/11/18 | 06/11/18 | |
| 120-K | | 04/04/18 | 04/17/18 | 04/30/18 | 05/10/18 | 07/16/18 | |
| 121-B | | 05/18/18 | | | | | |
| 121-H | | 09/04/18 | | | | | |
| 123-E | | 07/19/18 | | | | | |
| 126-C | | 07/19/18 | | | | | |

SHADED AREAS HAVE BEEN SIGNED OFF

NMI = New Member Inspection **PLI** = Pre-Listing Inspection **NBO** = New Buyer Orientation
FI = Final Inspection **FCOEI** = Final COE Inspection **ROF** = Release of Funds

CONTRACTS

| CONTRACTOR | PROJECT |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| BRIGHT VIEW | 2020 Landscaping |
| EMPIRE PIPE | 2020 |
| FENN | 2020 Insect, and Pest Control |
| ERC INC. | August 2018 Building 71 Complete, building 72 start date 09/24 & building 100 on 09/26 |
| CALIFORNIA RE-PIPE SPECIALIST | August 2018 Building 71 Complete, building 72 start date 09/24 & building 100 on 09/26 |
| ROXYGEN PAINTING | August 2018 Building 71 Complete, building 72 start date 09/24 & building 100 on 09/26 |
| ROOFING STANDARDS INC. | October 1st, 2018 Roofing start date moved up, Building 111 will start on 09/24/18 Roofing permits for 109, 111, & 118 have been signed. |
| MJ JURADO | SWALE started 09/11/18 |
| MJ JURADO | Concrete sidewalk near M-96-F |

SPECIAL PROJECTS

| Unit # | Contractor | Discription of Work |
|--------|------------|---------------------|
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| | | |
| | | |

Calls and Visits to Units

| | | |
|----------------------------------------------|-----------|--|
| | 45 | |
| *COMPLETED PATIO INSPECTIONS THRU OUT MUTUAL | | |

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY ADOPTED/POSTED POLICY 7585.05 –
PROTOCOL FOR ENFORCING GOVERNING DOCUMENTS
(UNFINISHED BUSINESS ITEM B)
DATE: SEPTEMBER 19, 2018
CC: MUTUAL FILE

At the August 15, 2018, Board Meeting, the Board of Directors voted to adopt Policy 7585.05 – Protocol for Enforcing Governing Documents.

The 30-day posting requirement has been met and on September 19, 2018, the Board of Directors will vote to ratify the adopted/posted Policy 7585.05 – Protocol for Enforcing Governing Documents (attached).

I move to ratify adopted/posted Policy 7585.05 – Protocol for Enforcing Governing Documents.

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Any activity, **situation** instance or circumstance that is an alleged violation of the governing documents will generally be processed according to the procedures outlined herein.

In the event any member of the Board of Directors or a Shareholder of Mutual 5 files an Alleged Violation Report form with the Board, the following steps will be taken:

Step No. 1 Director Complainant: Director shall make the complaint via email or letter to the President. The information to be included: Name (if known), Unit #, Nature of the violation, Policy violated (if known), Picture (if possible), any other supporting documents or complete the Alleged Violation Report. Shareholder Complainant: Shareholder shall complete the Alleged Violation Report.

Step No. 2. If it is determined that the alleged violation has potential merit, proceed with Step No. 3.

Step No. 3 Warning to Correct The President shall arrange for Mutual Administration to send a "Warning to correct" letter, which shall include:
a) nature of the **alleged** Violation,
b) specific governing document violated (Policy Number, Occupancy Agreement, Bylaws, etc.) and
c) the notice to "immediately correct but in no event later than 30 days." **If the alleged violation is not one that is "correctible", Step No. 4 will be followed.**

Step No. 4 Notice of Intent to Impose Discipline (see attached form) When **an alleged** violation has not been corrected by the 30th day: (or fewer days if so warned,) **or if the alleged violation is not "correctible"**, send the "Notice of Intent to Impose Discipline" to the shareholder stating the nature of the alleged violation and the member's right to appear before the Board of Directors at a hearing in executive session on at least 10 days' notice by first class mail or by personal delivery, **concerning the potential imposition of** monetary fine and/or any other discipline.

Step No. 5. A hearing with the Board of Directors will be held, at the shareholder's option, so that the member may be heard and may present pertinent evidence, along with the testimony and evidence of interested persons.

Step No. 6. If the shareholder is found to be in violation of the Association's governing documents, the Board may exercise any of the following options:

(a) choose to correct (or cause to be corrected) the violation and assess the shareholder for the costs and expenses of doing so, including attorney's fees; and/or

(b) impose and assess monetary fine(s) against the shareholder pursuant to the Fine Schedule;

(c) suspend the shareholder's voting or other privileges (if applicable).

(d) seek a remedy in the legal system, including, without limitation, the imposition of a lien and/or foreclosure on the shareholder's property, where allowed by law;

Step No. 7. The shareholder will be notified as to any disciplinary action rendered by the Board of Directors within 15 days after such action.

NOTE: The governing documents are defined as the Bylaws, the Occupancy Agreement and the Policies.

ALLEGED VIOLATION REPORT

DATED: _____

**I. PERSON MAKING REPORT
(Complainant)**

NAME: _____

ADDRESS: _____

PHONE NUMBER: _____

II. Time, Place & Nature of Alleged Violation (fill in as completely as possible)

DATE: _____ TIME: _____

LOCATION: _____

NATURE OF VIOLATION: _____

**III. VIOLATOR'S INFORMATION:
(Respondent)**

NAME: _____

PHONE NO.: _____

ADDRESS: _____

IV. ADDITIONAL WITNESSES:

NAME: _____

ADDRESS/PHONE: _____

NAME: _____

ADDRESS/PHONE: _____

**V. OTHER EVIDENCE (PHOTOGRAPHS, DOCUMENTS, ETC.) SUPPORTING
THE ALLEGED VIOLATION:** _____

**VI. SPECIFIC GOVERNING DOCUMENT VIOLATED (Cite exact provision of
Declaration of Covenants, ByLaws, Rules or Regulations violated):**

VII. ORIGINAL COMPLAINANT:

The original complainant (person making this complaint) acknowledges that he or she must agree to appear as a witness at any formal hearing hereon or the Board may refuse to consider the alleged violation.

It is so acknowledged: _____
(Signature of Complainant)

DRAFT

NOTICE OF INTENT TO IMPOSE DISCIPLINE

To Shareholder:

Please be advised that you are hereby given notice that the Board of Directors will hold a hearing on:

_____ (Date)
_____ (Time)
_____ (Place)

to consider the imposition of a formal warning or a monetary fine or other disciplinary measure against you concerning an alleged violation of the Association's governing documents, that is:

You have the right to attend the hearing and address the Board of Directors and to present any pertinent evidence on your behalf.

Please acknowledge your receipt of this notice and indicate, by checking the appropriate box (1) if you will contest the alleged violation and if so (2) if you desire the hearing to be held in executive session.

Very truly yours,

BOARD OF DIRECTORS

I hereby acknowledge my receipt of this notice and:

- will not oppose the alleged violation or
- will oppose the alleged violation and
- desire a hearing in executive session.

Dated: _____ Signed: _____

PROCEDURE FOR SHAREHOLDER HEARING

1. Statement of alleged violation(s) by acting chairperson.
2. Shareholder in alleged violation decides to hold hearing in executive session or not.
3. (a) Each party will be entitled to make an opening statement, starting with the complainant's case;
(b) Each party will be entitled to produce documentary evidence and testimony and to cross-examine the opposing party and the opposing party's witnesses;
(c) Each party will be entitled to make a closing statement;
(d) Formal rules of evidence will not apply and all relevant evidence should be admitted, although hearsay evidence, by itself, will not be sufficient to support a finding;
(e) Any party will be permitted to waive the right to exercise his or her rights in any part of the hearing process, and the Board will be entitled to exercise its reasonable discretion in specifying the rules by which the hearing will be conducted, as long as the alleged violator is given an opportunity to confront and to cross-examine the evidence introduced by the opposing party and to be heard in his or her own defense.
4. Alleged violator, complainant and witnesses are excused.
5. Discussion and decision by the Board, or, that the matter will be taken under submission with a determination within 35 days after the hearing. Notice to shareholder given within 15 days of the imposition of disciplinary action, if any.
6. Adjournment.

DOCUMENTATION

Name of Shareholder: _____

Phone Number: _____

Address: _____

Factual Findings on Issues:

Board ruling on any discipline to be imposed:

Additional Comments:

Date: _____

By: _____

SIGNATURE OF CHAIRPERSON

FINE SCHEDULE

1. If a member does not oppose the alleged violation or if the result of the hearing is a decision that a violation of the governing documents existed, a fine of \$100.00 may be imposed for each separate violation of the governing documents, subject to the following:
 - (a) If the violation is of a continuous nature and necessitates remedial action, the failure of the member to remedy the underlying situation or circumstance within 60 days of the imposition of the first monetary fine, will constitute a new and separate violation, subject to an additional fine of \$200.00. The failure of the member to correct the **violation** within 120 days of the imposition of the first monetary fine will constitute a third separate violation, subject to an additional fine of \$400.00.
 - (b) If a member violates the same provision of the governing document on two separate occasions within any 12 month period of time, the fine for the second offense will be \$200.00. If the member violates the same provision three or more times within any 12 month time period, the fine for the third and subsequent violations will be \$400.00 each.
2. At any point, the Board may choose to use the legal system or cause a correction of a violation to effect a remedy or cure, and the member may be assessed the costs and expenses incurred by the Mutual, including attorney's fees.
3. Should a violation occur which causes the Mutual to incur a financial obligation or expense, then the member responsible for the violation shall be assessed the amount of the obligation or expense incurred by the Mutual. For example, if a member damages any common property, the repair and replacement costs will be assessed to the member.
4. The Mutual may also, under appropriate circumstances, suspend voting privileges.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY ADOPTED/POSTED POLICY 7490.PB.05 – PAYMENT AND PERFORMANCE BOND (UNFINISHED BUSINESS ITEM C)
DATE: SEPTEMBER 19, 2018
CC: MUTUAL FILE

At the August 15, 2018 Board Meeting, the Board of Directors adopted Policy 7490.pb.05 – Payment and Performance Bond.

The 30-day posting requirement has been met and on September 19, 2018, the Board of Directors will vote to ratify the adopted/posted Policy 7490.pb.05 – Payment and Performance Bond (attached).

I move to ratify adopted/posted Policy 7490.pb.05 – Payment and Performance Bond.

MUTUAL OPERATIONS**ADOPT DRAFT****PHYSICAL PROPERTY****Payment and Performance Bond – Mutual Five**

RESOLVED, Performance Bond – permits for any construction work valued at more than \$10,000 performed in Mutual Five shall require a Performance Bond. The bond shall require sufficient funds in the event the work is not completed on time and according to approved plans and also to the satisfaction of Mutual Five for any reason. Exceptions are as follows:

1. The contractor is listed on the Physical Property list of approved contractors, and
2. The contractor has completed more than \$100,000 per year in contracts in Leisure World for the last three years.

MUTUAL **ADOPTION**

FIVE:

(draft created on 08-01-18 ka)

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY AMENDED/POSTED POLICY 7465.05 –
SKYLIGHTS & SOLA TUBES FOR KITCHENS, BATHROOMS, AND
PERMANENT PATIO EXTENSIONS (UNFINISHED BUSINESS ITEM D)
DATE: SEPTEMBER 19, 2018
CC: MUTUAL FILE

At the August 15, 2018 Board Meeting, the Board of Directors amended Policy 7465.05 –Skylights & Sola Tubes for Kitchens, Bathrooms, and Permanent Patio Extensions.

The 30-day posting requirement has been met and on September 19, 2018, the Board of Directors will vote to ratify the amended/posted Policy 7465.05 –Skylights & Sola Tubes for Kitchens, Bathrooms, and Permanent Patio Extensions (attached).

I move to ratify amended/posted Policy 7465.05 –Skylights & Sola Tubes for Kitchens, Bathrooms, and Permanent Patio Extensions.

MUTUAL OPERATIONS**AMEND****PHYSICAL PROPERTY****Skylights and/or Sola Tubes for Kitchens, Bathrooms, and permanent Patio Extensions – Mutual Five****Permit**

Whereas Article 12 of the Occupancy Agreement states that: "The Member shall not, without the written consent of the Corporation, make any structural alterations in the premises. . ." Therefore, in order to make any structural changes to the building, the shareholder must request permission to remodel the roof of the building in which they reside in order to install skylights or sola tubes.

The Physical Property Department of the Golden Rain Foundation is hereby authorized to: (a.) approve individual requests by shareholders for the installation of skylights and/or Sola tubes in any room, in permanent patio roof extensions and (b.) is authorized to issue a building permit subject to the following conditions:

1. All skylight and Sola tube installations require a permit from the City of Seal Beach and the Physical Property office of Golden Rain Foundation.
2. The contractor performing the work must be a contractor licensed in the State of California as a General Contractor and the work to be performed at the expense of the requesting shareholder.
3. The contract form to be used will be the standard contract form as developed by the Physical Property Department.
4. The construction will conform to the plans and specifications approved by the Mutual Board and the Physical Property Department.
5. Shareholder agrees that title to the remodeling and addition shall vest in the Mutual Corporation. However, the dome remains the responsibility of a homeowner.
6. Skylights with an electric motor: the motor is to be maintained by the shareholder.

Location and Size:

7. A skylight may be placed in any room of a unit when the Mutual Board determines attic space at the place of choice does not inhibit a particular installation. In the kitchen and original bathroom area, a skylight shall not exceed 24" x 24" and the "tunnel" may be flared. In other approved locations the skylights may be 36" x 60" and the tunnel may be flared, ~~unless allowed by the Mutual Board.~~

(draft created on 08-07-18 ka)

(draft amended on 8-15-18 ka)

MUTUAL OPERATIONS**AMEND****PHYSICAL PROPERTY****Skylights and/or Sola Tubes for Kitchens, Bathrooms, and permanent Patio Extensions – Mutual Five****Number:**

8. Mutual Five permits a maximum of three (3) skylights per two-bedroom unit and a maximum of two (2) skylights in a one bedroom unit. **The board may increase the maximum number by Resolution at any Board Meeting, after proper notification, if extenuating circumstances warrant.**

SOLA TUBES**Responsibilities:**

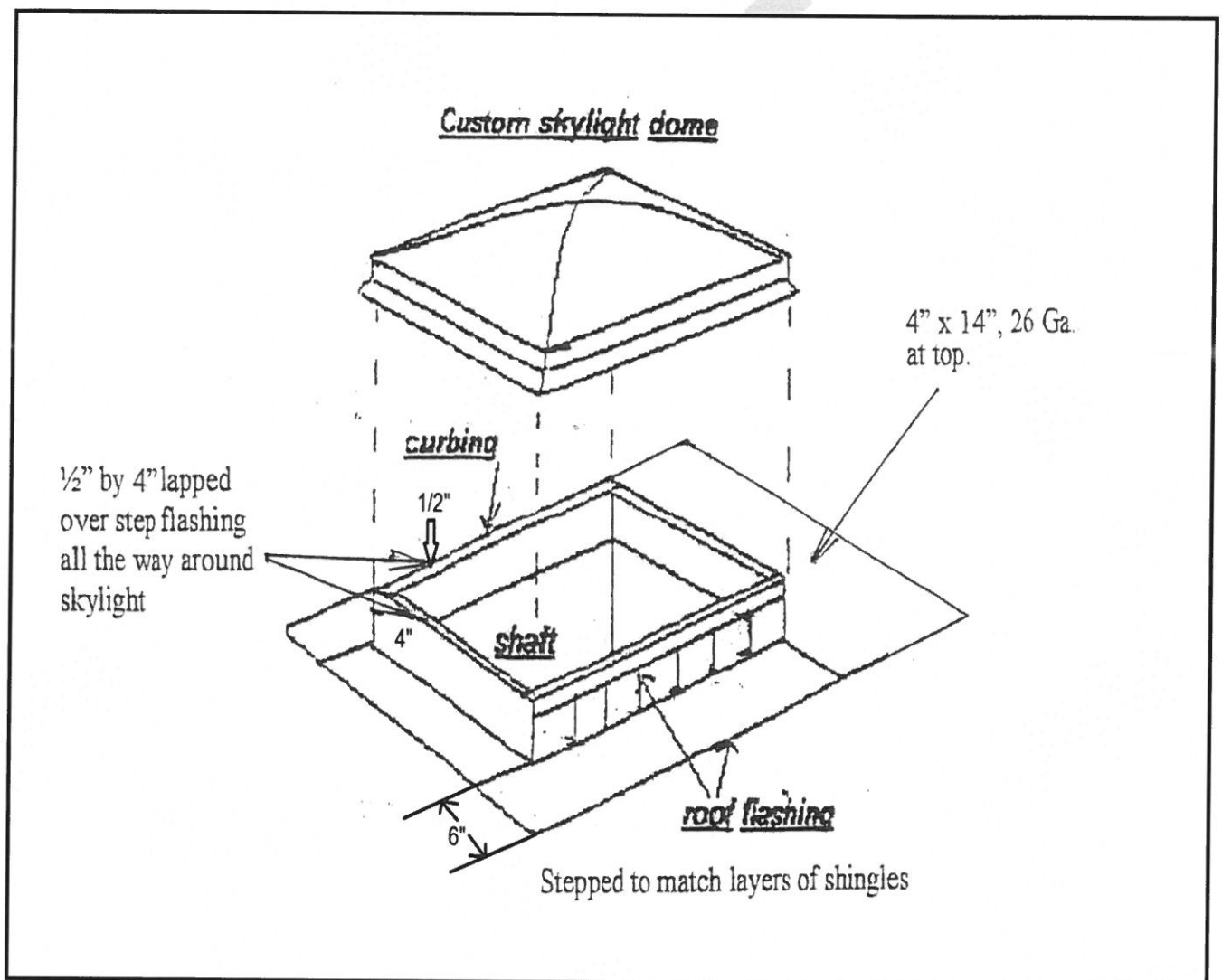
9. Whereas Article 11 of the occupancy agreement states that pertaining to the maintenance of the roofs (a) (3) "The member agrees to repair and maintain his dwelling unit at his own expense as follows: any repairs or maintenance of floors and ceiling of the dwelling unit."
10. Skylights and Sola tubes must be installed using the manufacturers specifications and conform to all applicable building codes.
11. During the warranty period, the contractor is responsible for the entire Skylight and Sola tube installation. After the warranty period, the following responsibilities apply:
- a. Mutual: The Mutual is responsible for the curbing and flashing since this will normally be changed when the building is reroofed.
 - b. Shareholder: The shareholder is responsible for the skylight dome, the skylight operating mechanism, the shaft (including painting), and the ceiling grid (**See Diagram 1**).
 - c. Shareholder is responsible for the Sola tube dome and shaft.
 - d. In the event of a roof leak as a result of the Skylight or Sola tube installation, the shareholder shall be responsible for all associated costs to repair and maintain the system, including labor and material costs.
12. Preventive Maintenance: At the time of the fire inspections, the Physical Property Inspector shall identify and provide Service Maintenance with a list of units that have cracked or faulty Skylights or Sola tubes. Maintenance and repairs shall be at the expense of the shareholder.
13. All fasteners at the roof flashing shall be self-sealing screws by use of a rubber grommet and shall have sealant applied over the top of the fastener.

(draft created on 08-07-18 ka)

(draft amended on 8-15-18 ka)

MUTUAL OPERATIONS**AMEND****PHYSICAL PROPERTY****Skylights and/or Sola Tubes for Kitchens, Bathrooms, and permanent Patio Extensions – Mutual Five**

The skylight curbing shall consist of 2" x 6" framing with a minimum 4" rise above roof sheathing and flashing (**See Diagram 1**).



(draft created on 08-07-18 ka)
 (draft amended on 8-15-18 ka)

MUTUAL OPERATIONS

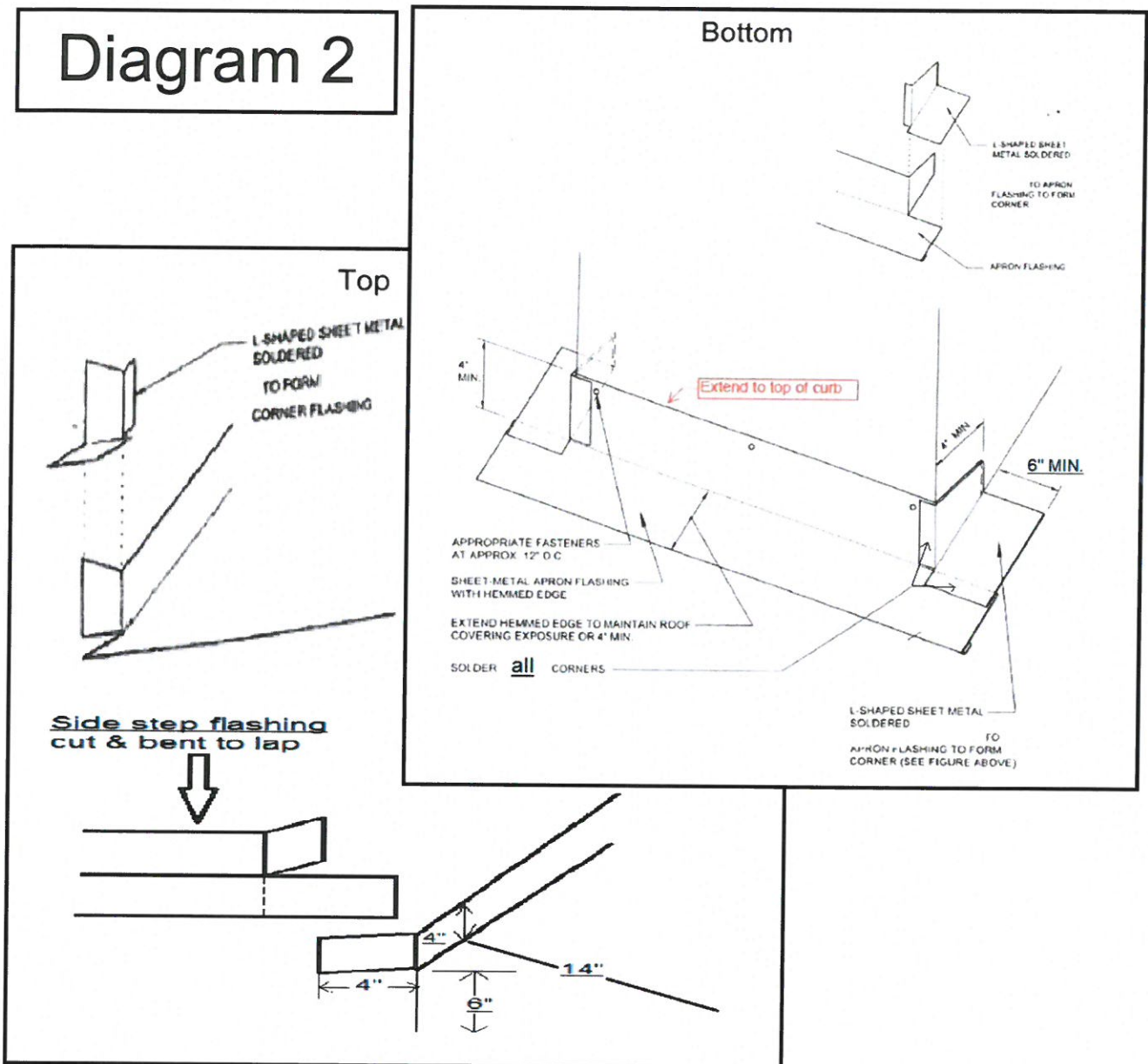
AMEND

PHYSICAL PROPERTY

Skylights and/or Sola Tubes for Kitchens, Bathrooms, and permanent Patio Extensions
– Mutual Five

Only curb-mounted skylights shall be allowed in the Mutual. Self-flashing skylights are prohibited (See Diagram 2).

Diagram 2



MUTUAL ADOPTION

AMENDMENT(S)

FIVE: 03-15-17

(draft created on 08-07-18 ka)

(draft amended on 8-15-18 ka)

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO ADOPT POLICY 7541- CO-OCCUPANTS, QUALIFIED PERMANENT RESIDENTS AND HEALTH CARE PROVIDERS
(UNFINISHED BUSINESS ITEM E)
DATE: SEPTEMBER 19, 2018
CC: MUTUAL FILE

At the August 15, 2018, Board Meeting, it was the consensus of the Board of Directors to postpone the adoption of Policy 7541 – Co-Occupants, Qualified Permanent Residents and Health Care Providers pending further research.

At the September 19, 2018, the Board of Directors will vote to adopt Policy 7541 – Co-Occupants, Qualified Permanent Residents and Health Care Providers.

I move to adopt Policy 7541 – Co-Occupants, Qualified Permanent Residents and Health Care Providers on a preliminary basis until the 30-day posting period is completed.

MUTUAL OPERATIONS**DRAFT****RESIDENT REGULATIONS****Co-Occupants, Qualified Permanent Residents and Health Care Providers**

The community facilities of the Golden Rain Foundation are maintained for the use of members of Leisure World Seal Beach with the following exceptions:

1. Co-Occupants

- a. Senior citizens, as defined in California Civil Code Section ~~51.3(c)(1)~~ **51.3(b)(1)**, who are not members but are approved by the Mutuels to reside with a stockholder, shall be entitled to use all of the community facilities upon payment of a fee equal to the Amenities Fee listed in Policy 5061-31. (Forms 9001 and 9002)
- b. In order to comply with section 51.3 of the California Civil Code, the following classes of citizens may reside in Leisure World Seal Beach.
 - i.) Is 55 years of age or older
 - ii.) Has completed the Co-Occupant Application
 - iii.) Has written authorization from the Mutual President, or any Mutual Officer so designated by the Mutual President, to reside in the dwelling unit.
 - iv.) Has paid the required Amenities Fee to the Golden Rain Foundation

2. Qualified Permanent Residents

- a. Persons who are not senior citizens as defined in California Civil Code Section ~~51.3(c)(1)~~ **51.3(b)(1)**, who can present proof that they are eligible to be classified as Qualified Permanent Residents under California Civil Code Section ~~51.3(c)(2)~~, **51.3(b)(2)**, shall be entitled to use all of the community facilities upon payment of a fee equal to the Amenities Fee listed in Policy 5061-31. (Forms 9003 and 9004)

3. Health Care Providers

- a. Permitted health care residents, as defined in California Civil Code Section ~~51.3(c)(6)~~ **51.3(B)(7)**, shall be required to obtain a Caregiver Pass and are not entitled to use any of the community facilities. The administration shall furnish each Mutual a monthly report of those health care providers residing in the Mutual.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE/DENY CONTRACT WITH JC KRESS
(NEW BUSINESS ITEM A)
DATE: SEPTEMBER 19, 2018
CC: MUTUAL FILE

I move to approve/deny the contract with JC Kress for stove hoods in Buildings 109, 111 and 118 during the roofing project, at a cost not to exceed \$_____ and authorize the President to sign the contract.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE/DENY CONTRACT FOR TERMITE/DRY
ROT REPAIR (NEW BUSINESS ITEM B)
DATE: SEPTEMBER 19, 2018
CC: MUTUAL FILE

I move to approve/deny the contract with Bruno Alvarez to complete the termite/dry rot repair, patch paint, and cutting end beams during the roofing project for Buildings 109, 111, and 118, at a cost not to exceed \$ _____ and authorize the President to sign the contract.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE/DENY AMOUNT OF ADDITIONAL GUEST PASSES FOR 2019 (NEW BUSINESS ITEM C)
DATE: SEPTEMBER 19, 2018
CC: MUTUAL FILE

At the October 5, 2017, Board meeting it was the consensus of the Mutual Board of Directors, concerning Guest Passes, that no change is needed for 2018-2019.

In accordance with GRF Policy 5536.1-33, up to four (4) additional guest passes may be issued to a Shareholder/Member per Policy terms and conditions. The GRF Executive Director and Mutual Administration Director, as agents for the Mutual Board, do hereby seek approval to issue up to four (4) Guest Passes or a lesser number of Guest Passes, as duly approved by the Mutual Board.

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 2019.

Date Board Approved: _____, 2018

Signature: _____, Print Name: _____
Board President or Secretary

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE/DENY THE SEPERATION OF MINUTES
AND ATTACHMENTS (NEW BUSINESS ITEM C)
DATE: SEPTEMBER 19, 2018
CC: MUTUAL FILE

I move to approve/deny that Mutual Five publish all meeting minute reports as a separate attachment packet.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE/DENY TRANSFER OF FUNDS FROM
OPERATING EXPENSE TO APPLIANCE RESERVE
(CHIEF FINANCIAL OFFICERS REPORT ITEM A)
DATE: SEPTEMBER 19, 2018
CC: MUTUAL FILE

I move to approve/deny the transfer of \$20,000 from Operating Expenses to Appliance Reserves.