

AGENDA
REGULAR MONTHLY CONFERENCE CALL MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
August 17, 2022
Meeting begins at 9:00 a.m.
Building 5, Conference Room B / Zoom Video and Conference Call

TO ATTEND: The Shareholder will be provided with instructions on how to access the call via telephone upon the Shareholder contacting Mutual Administration and requesting the call-in information. Please submit your information, including your name, Unit number, and telephone number, via e-mail at mutualsecretaries@lwsb.com, by no later than 3:00 p.m., the business day before the date of the meeting.

TO PROVIDE COMMENTS DURING MEETING: In order to make a comment during the open Shareholder forum, the Shareholder must (i) notify their parcel director of their intent to speak during Shareholder open forum, or (ii) submit their information, including their name, Unit number, and telephone number, via e-mail at mutualsecretaries@lwsb.com, by no later than 3:00 p.m., the business day before the date of the meeting.

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

Ms. Sedgwick, Executive Director
Mr. Thompson, GRF Representative
Mr. Meza, Building Inspector
Ms. Barua, Portfolio Specialist
Ms. Vasquez, Recording Secretary

5. **GUEST SPEAKER** Ms. Sedgwick
6. APPROVAL OF MINUTES:
 - a. **Regular Meeting Minutes of July 20, 2022.**
7. **GRF REPRESENTATIVE** Mr. Thompson
8. **BUILDING INSPECTOR'S REPORT** Mr. Meza
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (pp.3-5)
9. **UNFINISHED BUSINESS**
 - a. Discuss and vote to ratify adopted Rule 05-7111-1 - Rules of Conduct (pp.6-8)
 - b. Discuss and vote to ratify adopted Fees 05-7111-2 - Rules of Conduct – Fees (pp.9-10)
 - c. Discuss and vote to ratify adopted Rule 05-7557-1 – Caregivers (pp.11-16)
 - d. Discuss and vote to ratify adopted Rule 05-7210-1 – Election Rules (pp.17-39)
 - e. Discuss and vote to ratify adopted Rule 05-7403-1 – Building Alterations or

Additions (pp.40-42)

- f. Discuss and vote to ratify adopted Rule 05-7403.6-1 – Ceiling Fans and Microwave Ovens(pp.43-44)
- g. Discuss and vote to ratify rescinded policies 7557 – Caregivers, 7401 - Contractor License, 7401.1 – Licensed and Insured Contractors List, 7402.05 – Working Hours, 7404 – Notification of Remodeling, 7441.05 – Building Permit Signature, 7403 – Building Alterations of Additions, 7403.6 – Microwave Ovens, 7403.7 – Ceiling Fans, and 7210.05 – Annual Elections (pp.45-68)

10. **NEW BUSINESS**

- a. Monthly Finances (p.69)
- b. Discuss and vote to approve the transfer of the 2021 Excess Income (p.70)

STAFF BREAK BY 11:00 A.M.

- 11. SECRETARY / CORRESPONDENCE Ms. Gardner
- 12. CHIEF FINANCIAL OFFICER'S REPORT Mr. Cude
- 13. PRESIDENT'S REPORT Ms. DeRungs
- 14. PORTFOLIO SPECIALIST Ms. Barua
- 15. ANNOUNCEMENTS

- a. **NEXT REGULAR MEETING:** Wednesday, September 21, 2022, at 9:00 a.m., Building 5, Conference Rm B and Zoom Video/ Conference Call.

- 16. COMMITTEE REPORTS
- 17. DIRECTORS' COMMENTS
- 18. ADJOURNMENT
- 19. EXECUTIVE SESSION

STAFF WILL LEAVE THE MEETING BY 12:00 P.M.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE **INSPECTOR: Mike Meza**

MUTUAL BOARD MEETING DATE: August, 2022

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	Improvement Values	RECENT INSPECTION	CONTRACTOR
117-J	UNIT REMODEL	BOTH	07/05/21	02/20/22	\$135,200	FINAL 04/11/22	JC KRESS
121-G	NEW PATIO	GRF	08/30/21	02/20/22	\$0	FINAL 02/09/22	MP CONSTRUCTION
121-G	UNIT REMODEL	BOTH	08/30/21	01/30/21	\$165,000	FINAL 02/09/22	MP CONSTRUCTION
103-I	KITCHEN REMODEL/WALL	BOTH	11/15/21	01/20/22	\$41,250	FINAL 02/15/22	LOS AL BUILDER
91-F	FLOORING THRU OUT	GRF	12/08/21	01/08/22	\$8,630	FINAL 02/09/22	FAMILY FLOOR
109-E	PATIO FLOORING	GRF	12/13/21	01/30/22	\$875	FINAL 02/03/22	LW DÉCOR
115-J	SOLA TUBE/ WINDOWS	BOTH	12/13/21	03/30/22	\$13,500	FINAL 03/30/22	MP CONSTRUCTION
126-K	HEAT PUMP	BOTH	12/15/21	03/15/22	\$3,800	FINAL 02/09/22	GREENWOOD
117-C	FLOORING	GRF	12/30/21	01/30/22	\$800	FINAL 05/11/22	KARYS CARPET
91-A	CEILING FAN	GRF	01/11/22	01/18/22	\$0	FINAL 02/18/22	BERGIN ELECTRIC
98-D	HEAT PUMP	BOTH	01/19/22	04/19/22	\$4,050	FINAL 03/03/22	GREENWOOD
96-L	ICE MAKER LINE	GRF	01/19/22	01/22/22	\$200	FINAL 05/11/22	OGAN CONSTRUCTION
105-D	RETRACTABLE SCREEN	GRF	01/27/22	02/27/22	\$750	FINAL 02/18/22	NATIONWIDE
117-G	CARPET FLOORING	GRF	01/30/22	03/01/22	\$1,400	FINAL 02/03/22	KARYS CARPET
113-H	PATIO CARPET	GRF	02/01/22	03/01/22	\$1,400	FINAL 02/28/22	KARYS CARPET
115-J	ENTRY DOOR	GRF	02/01/22	05/31/22	\$600	FINAL 07/01/22	LW DÉCOR
120-K	SHOWER CUT DOWN	BOTH	02/07/21	03/07/22	\$2,815	FINAL 03/03/22	NUKOTE
112-D	SHOWER CUT DOWN	BOTH	02/09/21	03/09/22	\$3,695	FINAL 03/04/22	NUKOTE
123-K	UNIT REMODEL	BOTH	02/10/22	08/10/22	\$50,000	FINAL 06/28/22	NATIONWIDE
115-I	HEAT PUMP	BOTH	02/14/22	05/14/22	\$3,800	FINAL 04/05/22	GREENWOOD
108-C	SHOWER CUT DOWN	BOTH	02/14/21	03/14/22	\$2,815	FINAL 05/11/22	NUKOTE
119-J	MICROWAVE	BOTH	02/14/22	02/28/22	\$745	FINAL 03/28/22	OGAN CONSTRUCTION
91-A	WASHER/DRYER FLOORING	BOTH	02/15/22	05/30/22	\$10,550	waiting on contractor	BA CONSTRUCTION
107-E	FLOORING	GRF	02/15/22	03/30/22	\$3,700	FINAL 03/01/22	KARYS CARPET
117-D	WASHER/DRYER FLOORING	BOTH	02/18/22	04/30/22	\$8,080	FINAL 04/11/22	LOS AL BUILDER
109-D	ELECTRICAL OUTLETR	BOTH	02/21/22	05/30/22	\$250	FINAL 07/01/22	MP CONSTRUCTION
102-F	ENTRY WALK WAY	GRF	02/22/22	03/31/22	\$1,025	FINAL 03/31/22	BERGKVIST
115-D	PORCH FLOORING	GRF	02/28/22	03/30/22	\$3,000	FINAL 03/07/22	KARYS CARPET
117-L	FLOORING THRU OUT	GRF	02/28/22	04/30/22	\$7,600	FINAL 04/30/22	KARYS CARPET
93-A	CEILING FAN CUT OUT	GRF	03/05/22	04/05/22	\$750	FINAL 04/05/22	UNIVERSAL ABATEMENT
123-K	UNIT ASBESTOS REMOVAL	GRF	03/08/22	03/31/22	\$3,200	FINAL 03/31/22	SIRRIS ABATEMENT
72-G	PATIO ELECTRICAL OUTLET	BOTH	03/10/22	05/10/22	\$350	FINAL 07/01/22	LW DÉCOR
103-G	KITCHEN REMODEL	BOTH	03/12/22	05/30/22	\$28,540	FINAL 05/17/22	LOS AL BUILDER
111-L	SHOWER VALVE	BOTH	03/10/22	03/17/22	\$1,685	FINAL 03/20/22	A-1 TOTAL SERVICE
103-H	HEAT PUMP	BOTH	03/14/22	06/14/22	\$3,600	FINAL 04/05/22	GREENWOOD
103-H	FLOORING THRU OUT	GRF	03/15/22	04/30/22	\$3,750	FINAL 04/30/22	KARYS CARPET
92-C	HEAT PUMP	BOTH	03/22/22	06/22/22	\$11,123	FINAL 04/05/22	GREENWOOD
103-L	CENTRAL AIR SYSTEM	BOTH	03/25/22	06/25/22	\$7,548	FINAL 06/08/22	GREENWOOD
90-J	HEAT PUMP	BOTH	03/31/22	06/30/22	\$4,100	FINAL 04/11/22	GREENWOOD
110-F	ADDED 3/4 BATH	BOTH	04/01/22	08/31/22	\$15,900		BA CONSTRUCTION
118-D	FLOORING	GRF	04/11/22	05/31/22	\$3,295	FINAL 07/01/22	B&B CARPET
101-K	ADDED SHOWER	BOTH	04/11/22	05/11/22	\$15,104	waiting on contractor	REBORN CABINETS
93-I	PORCH ELECT. OUTLET	BOTH	04/12/22	06/30/21	\$600	FINAL 05/10/22	MP CONSTRUCTION
111-F	FLOORING THRU OUT	GRF	04/20/22	05/20/22	\$8,000	FINAL 04/26/22	KARYS CARPET
115-J	SLIDING DOOR	BOTH	04/20/22	07/30/22	\$2,150	FINAL 06/23/22	LW DÉCOR
125-C	HEAT PUMP	BOTH	04/25/22	07/25/22	\$3,750	FINAL 05/26/22	GREENWOOD
111-F	HEAT PUMP	BOTH	04/28/22	06/15/22	\$9,700	FINAL 05/17/22	SWIFT HEATING & AIR
102-I	COUNTER TOP	BOTH	05/01/22	07/30/22	\$6,000	FINAL 06/27/22	LW DÉCOR
104-B	PATIO FLOORING	GRF	05/01/22	06/01/22	\$3,000	FINAL 05/23/22	KARYS CARPET
109-K	FLOORING THRU OUT	GRF	05/09/22	06/30/22	\$6,390	FINAL 06/30/22	B&B CARPET
122-B	WINDOWS, DOORS, ELEC	BOTH	05/16/22	06/20/22	\$17,130	FINAL 05/25/22	OGAN CONSTRUCTION
112-G	PATIO FLOORING	GRF	05/16/22	07/08/22	\$3,283	FINAL 06/22/22	BERGKVIST
119-J	COUNTER TOP AND SINK	BOTH	05/20/22	06/30/22	\$6,400	FINAL 06/23/22	MP CONSTRUCTION
100-A	KITCHEN REM, WAS/DRYER	BOTH	06/10/22	11/30/22	\$35,500		BA CONSTRUCTION
122-B	FLOORING	GRF	06/15/22	07/15/22	\$4,725	FINAL 06/28/22	KARYS CARPET

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE		INSPECTOR: Mike Meza					
MUTUAL BOARD MEETING DATE:		August, 2022					
70-F	COUNTERTOP KIT, BATH	BOTH	06/15/22	08/30/22	\$9,600	FINAL 07/29/22	MP CONSTRUCTION
113-A	WASHER/DRYER	BOTH	06/20/22	07/29/22	\$8,175	FINAL 08/02/22	VICKERS CONSTRUCTION
113-H	WINDOWS	BOTH	06/27/22	07/27/22	\$9,900	FINAL 07/27/22	VICKERS CONSTRUCTION
122-B	PATIO TILE	GRF	06/30/22	07/30/22	\$3,000	FINAL 08/10/22	KARYS CARPET
71-A	WINDOWS, SLIDER	BOTH	07/13/22	09/30/22	\$4,000		MP CONSTRUCTION
70-F	FLOORING	GRF	07/15/22	08/30/22	\$8,600		KARYS CARPET
100-D	HEAT PUMP	BOTH	07/21/22	08/21/22	\$4,800		ALPINE HEATING & AIR
95-L	BATHROOM FLOORING	GRF	07/22/22	08/30/22	\$9,500	ROUGH PLUMBING 08/09/22	JC KRESS
114-B	FLOORING	GRF	07/25/22	08/30/22	\$1,700	FINAL 07/26/22	KARYS CARPET
109-K	WASHER AND DRYER	BOTH	07/25/22	08/26/22	\$8,000	PLUM/FRAM/ELEC 07/27/22	MARCO CONSTRUCTION
126-A	FLOORING	GRF	07/30/22	08/30/22	\$5,118		KARYS CARPET
113-A	NEW SKYLIGHT	BOTH	08/01/22	09/30/22	\$3,635		M&M SKYLIGHTS
101-I	CENTRAL AIR SYSTEM	BOTH	08/09/22	09/09/22	\$10,400		ALPINE HEATING & AIR
101-I	SHOWER CUT DOWN	BOTH	09/27/22	10/28/22	\$5,116		NUKOTE

ESCROW ACTIVITY							
Unit #	NMI	PLI	NBO	FI	FCOEI	ROF	ACTIVE, CLOSING, CLOSED
71-A		11/02/21	03/01/22	03/04/22	03/18/22	04/05/22	9 4 19
71-H		04/15/22	06/07/22	06/09/22	06/23/22	07/25/22	
91-A		11/08/21	12/28/21	12/28/21	01/12/22	02/12/22	
93-A		12/10/20					
94-J		03/03/22	04/13/22	04/20/22	05/04/22	05/31/22	
96-E		05/03/22	05/26/22	06/01/22	06/15/22	06/29/22	
98-H		06/01/22					
101-B		06/21/22					
101-I		07/09/21	03/10/22	03/10/22	109-K		
103-G		08/24/21					
103-H		05/13/22	5/25/22	05/25/22	06/09/22	06/28/22	
103-L		10/01/21	03/17/22	03/21/22	04/01/22	05/23/22	
105-D		09/30/20					
107-E		11/19/21	01/24/22	01/25/22	02/07/22	03/22/22	
108-A		06/21/22	07/21/22				
109-H		10/21/21	12/20/21	12/23/21	01/10/22	02/16/22	
109-K		05/17/22	06/28/22	06/28/22			
110-A		03/15/22	05/24/22	06/01/22	06/13/22	07/25/22	
110-C		10/27/20					
110-I	03/31/22						
111-F		11/05/21	02/10/22	02/10/22	02/23/22	03/09/22	
113-A		04/19/22	05/04/22	05/11/22	05/25/22	06/10/22	
113-H		02/23/22	03/22/22	04/07/22	04/21/22	06/23/22	
114B		07/26/22					
114-L		07/09/20					
115-I		01/05/22	02/09/20	02/09/20	02/24/22	03/22/22	
115-J		10/01/21	10/18/21	10/18/21	11/01/21		
116-K		02/18/22	04/14/22	04/14/22	04/27/22	05/27/22	
116-G		09/17/21	11/03/21	11/03/21	11/18/21		
117-G		02/18/22	03/09/22	03/14/22	3/28/22	05/27/22	
117-L		04/19/22	05/10/22	05/13/22	05/27/22	06/13/22	
118-D		04/26/22	07/01/22	07/11/22	07/25/22	08/11/22	
121-K		01/25/22	02/02/22	02/02/22	02/15/22	03/09/22	
123-K		10/21/21	10/26/21	11/03/21	11/18/21		

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE	INSPECTOR: Mike Meza
MUTUAL BOARD MEETING DATE: August, 2022	

SHADED AREAS HAVE BEEN SIGNED OFF

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

CONTRACTS

CONTRACTOR	PROJECT
J&J LANDSCAPE AUGUST 8th 2025	Landscaping & Irrigation
EMPIRE PIPE DECEMBER 31st 2022	Annual inspection
FENN MAY 31st 2023	Pest and rodent control services
ROOFING PROJECT	Buildings 70, 100, 101, 113, 120 Start date: 09/06/2022

SPECIAL PROJECTS

Contractor	Discription of Work

SHAREHOLDER AND MUTUAL REQUEST

101-C Ceiling fan issues	Inspect mutual sidewalks
109-F Install water heater access panel	Building 113 inspect for insects
70-C Basin stoppage	Meeting with Ken Cude and Linda DeRungs regarding concrete repair at building 100-F
101-I Inspect porch ceiling fan	
124-A Inspect entry sidewalk	
120-E Follow up with water damage	
94-H Inspect for roof leak	
120-F Meet with shareholders son	
109-K Unit issues	
98-H Porch issues	
118-K Bird nesting in flower pot	
124-A Inspect walk light	
70-F Toilet leak	
114-K Front door sticking	
120-F Provide information to insurance	
100-I No power at kitchen lights	

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY ADOPTED RULE 05-7111-1 - RULES OF CONDUCT (UNFINISHED BUSINESS, ITEM A)
DATE: AUGUST 17, 2022
CC: MUTUAL FILE

I move to ratify adopted Rule 05-7111-1 - Rules of Conduct; the 28-day posting requirement has been met.

SEAL BEACH NO. FIVE**ADOPT****Shareholder Regulations – Rules of Conduct****PURPOSE**

The purpose of the Authorized Resident (AR) Rules of Conduct are to protect Mutual 5 residents and board directors, GRF staff, and service providers contracted by GRF, Mutual 5 and its shareholders.

1. The Rules of Conduct apply to Mutual 5 Shareholders, Qualified Permanent Residents, Co-occupants, Renters/Lessees, caregivers, and visitors.

2. APPLICATION

- 2.1 Shall apply on all Mutual 5 property.
- 2.2 Shall apply on Mutual Property for behavior and actions toward GRF staff and service providers contracted by GRF and Mutual 5 who are working in Mutual 5.
- 2.3 Mutual 5 shareholders are responsible for the actions of all those associated with their property, including the following: Qualified Permanent Residents, Co-occupants, Renters/Lessees, Caregivers, and visitors.

3. RULES OF CONDUCT

Interactions with others must be respectful and non-abusive, both verbally and physically. Behaviors such as the following are prohibited:

- 3.1. Verbal or physical violence, implied or actual (threats).
- 3.2. Personal insults and yelling.
- 3.3. Any form of discrimination.
- 3.4. Unwanted or offensive touching, filming, photography, and recording.
- 3.5. Sexually suggestive language.
- 3.6. Directing objects or substances at another person with intent to harm or intimidate.
- 3.7. Disruptive behavior, personal attacks, or harassment during GRF meetings.
- 3.8. Creating a hostile work environment for GRF staff, Mutual 5 directors, and GRF and Mutual 5 contracted service providers while working in Mutual 5.
- 3.9. Bodily odor or cleanliness that would be considered offensive and a health and safety hazard to others.
- 3.10. Willful damage, destruction, or defacing of Mutual 5 property, or unauthorized/unlawful entry, use or trespass upon Mutual 5 property.
- 3.11. Theft of any Mutual 5 property or services provided by Mutual 5.
- 3.12. Egregious behavior of any kind.

(Aug 2022)

SEAL BEACH NO. FIVE

ADOPT

Shareholder Regulations – Rules of Conduct

3.13. Non-compliance with Mutual 5 Governing Documents.

4. **NON-COMPLIANCE**

4.1 Non-compliance will result in a penalty for each violation. See ____ -2 for schedule of fines and penalties.

4.2 For offenses governed by City, State or Federal laws the appropriate authorities will be contacted.

5. **NOTIFICATION OF VIOLATION AND RIGHT TO HEARING**

See Procedure 05-7111-3 for Notification of Violation and Right to Hearing procedures.

Document History

Adopted: 17 Aug 2022 Action

Keywords: Rules of Conduct

DRAFT

(Aug 2022)

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY ADOPTED FEES 05-7111-2 - RULES OF CONDUCT – FEES (UNFINISHED BUSINESS, ITEM B)
DATE: AUGUST 17, 2022
CC: MUTUAL FILE

I move to ratify adopted Fees 05-7111-2 - Rules of Conduct – Fees; the 28-day posting requirement has been met.

SEAL BEACH MUTUAL NO. FIVE

**Shareholder Regulations – Authorized Resident Rules of Conduct
Procedure for Notification of Violation and Right to Hearing**

PURPOSE

ADOPT

- 1. Implementing fines and penalties for non-compliance with Rules of Conduct is intended to:
 - 1.1 Encourage voluntary compliance;
 - 1.2 Penalize violators who do not comply with the Rules of Conduct;
 - 1.3. Protect Mutual 5 residents, the Mutual’s property and assets, Mutual 5 directors, staff, and service providers contracted by Mutual 5, GRF or Mutual 5 residents, and visitors.

- 2. **NON-COMPLIANCE FINE SCHEDULE**
 - 2.1. First Offense \$100.00
 - 2.2. Second Offense \$200.00
 - 2.3. Third Offense \$500.00.
 - 2.4. Fines and Penalties for further offenses will be subject to the Mutual 5 Board of Directors’ discretion and dependent upon the severity of the infraction.
 - 2.5. Egregious offenses will be reviewed by the Board of Directors and appropriate fines, or penalties will be assessed by Board of Director action, under applicable terms of the California Civil Code.

- 3. **LEGAL ACTION**
 - 3.1. For infractions that rise to a criminal level type as stated in City, State or Federal laws, the appropriate authorities will be notified.
 - 3.2. Mutual 5 will seek legal action when necessary to protect Mutual 5 property and its directors, GRF staff and service providers contracted by Mutual 5 or GRF while working in Mutual 5.
 - 3.3. The prevailing party may be entitled to recover reasonable legal costs.

Document History

Adopted: **17 Aug 2022** Action

Keywords: Resident Rules
Conduct

(Aug 2022)

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY ADOPTED RULE 05-7557-1 – CAREGIVERS
(UNFINISHED BUSINESS, ITEM C)
DATE: AUGUST 17, 2022
CC: MUTUAL FILE

I move to ratify adopted Rule 05-7557-1 – Caregivers; the 28-day posting requirement has been met.

SEAL BEACH MUTUAL NO. FIVE**ADOPT****Shareholders Regulations – Caregivers****Rules****1. Purpose**

To safeguard the physical and financial well-being of Mutual 5 authorized residents who use the services of home-based care, any person or entity, including a family member/s, who assists a Mutual 5 authorized resident with activities of daily living; routine, non-medical health regimens; and/or live-in, long-term or terminal health care in the authorized resident's Mutual 5 unit, must abide by the following rules.

2. Eligibility Requirements

- 2.1. All applicants for caregiver authorization must fulfill all the following qualifications:
 - 2.1.1. Be at least 18 years of age.
 - 2.1.2. Attest that they have not been convicted of a felony; or a misdemeanor involving moral turpitude (e.g., fraud, perjury, criminal threats).
- 2.2. All caregivers (including family members) being compensated (compensation shall include provisions of money, lodging or food in exchange for care [Civil Code §51.3(i)] by an individual, private company or government entity for their caregiving services must possess a properly registered and current Seal Beach business license. The license may be registered in the name of the caregiving service or in the caregiver's own name.
 - 2.2.1. Caregivers who are assigned directly by a private caregiver service that holds a City of Seal Beach business license to care for a Mutual 5 authorized resident are exempt from the requirement for a Seal Beach business license.
- 2.3. Complete the GRF and Mutual 5 application procedures outlined in 7557-3.

3. Types of Caregivers

- 3.1. Non-Residential Caregiver

Any person, including a family member, who visits a Mutual 5 unit between 6 a.m. and 9 p.m. in order to assist an authorized Mutual 5 resident with activities of daily living; assist in routine, non-medical health regimens; provide other physical or emotional support; or offer long-term or terminal health care, will be designated as a non-residential caregiver.
- 3.2. Residential Caregiver
 - 3.2.1. Any person, including a family member, who is present in a Mutual 5 unit

(Aug 2022)

SEAL BEACH MUTUAL NO. FIVE**ADOPT****Shareholders Regulations – Caregivers**

between 11 p.m. and 6 a.m. in order to assist an authorized Mutual 5 resident with activities of daily living; assist in routine, non-medical health regimens; provide other physical or emotional support; or offer long-term or terminal health care, will be designated as a residential caregiver.

- 3.2.2. In no case shall the number of persons, including the caregiver, remaining in a Mutual 5 unit between the hours of 11 p.m. and 6 a.m. exceed two people in a one-bedroom unit, or three people in a two-bedroom unit.

4. Restrictions

- 4.1. No Mutual 5 authorized resident shall house more than one residential caregiver, including family members, during any single day between 11 p.m. until 6 a.m.
- 4.2. No caregiver shall bring family members, pets, or guests onto Mutual 5 property.
- 4.3. Entry Pass
- 4.3.1. Every caregiver must apply for a GRF caregiver entry pass, which must be displayed to Security Department personnel each time the caregiver enters Leisure World.
- 4.3.2. If the caregiver operates their own motor vehicle within Leisure World, the entry pass must be displayed in clear view upon the driver's side dashboard of their vehicle during the entire time their vehicle is on GRF or Mutual property.
- 4.3.3. No caregiver shall transfer or permit the use of their entry pass by any other individual.
- 4.4. Caregiver Identification
- 4.4.1. Any caregiver must wear in clear sight the LWSB caregiver photo ID while outside the authorized resident's unit.
- 4.4.2. Caregivers shall not transfer their caregiver identification for use by any other individual.
- 4.5. Caregiver use of amenities
- No caregiver may utilize GRF amenities, other than as necessarily incidental to provide support to their associated authorized resident.
- 4.5.1. Laundry
- Caregivers are subject to laundry use rules outlined in Mutual 5 policy 7575.
- 4.5.1.1. Non-residential caregivers can only use Mutual 5 laundry facilities to launder the clothes, linens and other articles of the Authorized

(Aug 2022)

SEAL BEACH MUTUAL NO. FIVE**ADOPT****Shareholders Regulations – Caregivers**

Resident for whom they provide care.

4.5.1.2. Residential caregivers may use Mutual 5 laundry facilities to launder their own clothes, linens and other articles as well as those of the Authorized Resident for whom they provide care.

4.5.1.3 Any caregiver who use Mutual 5 laundry facilities for any other purpose is liable for the forfeiture of their entry authorization and their Mutual 5 caregiver identification documents.

4.6. **Caregiver Vehicle Parking**

Caregivers are subject to all vehicle usage and parking rules specified in Mutual 5 policies 05-7506-1 and 05-7583-1, respectively.

4.6.1. Caregivers must always display a designated caregiver entry authorization on the driver's side vehicle dashboard while operating or parking their vehicle on Mutual 5 property.

4.6.2. Non-residential caregivers may not park their vehicles on Mutual 5 property or carports between the hours of 11 p.m. and 6 a.m.

4.6.3. If the authorized resident associated with the caregiver does not own a vehicle, the authorized resident may petition the Mutual 5 board to permit the caregiver to use the associated resident's carport for parking their own vehicle.

4.6.4. Caregivers are allowed to park their vehicles on Mutual 5 property or carports only in connection with providing the actual services for which they were hired. Caregivers must remove their vehicles from Mutual 5 property when they are not providing services.

5. Residential Caregiver's Use of Resident's Unit

5.1. Mutual 5 may give written permission for a residential caregiver to reside in the associated resident's unit during their absence of up to 90 days if all the following conditions are met:

5.1.1. The authorized resident is absent from the unit due to hospitalization or other necessary medical treatment; and

5.1.2. The authorized resident expects to return to the unit within 90 days from the date the resident absented the unit; and

5.1.3. The authorized resident associated with the residential caregiver submits a written request asking that the resident caregiver be allowed to remain in order to be present when the authorized resident returns to reside in the unit.

5.2. If, after 90 days, the authorized resident is still absent the residential caregiver shall vacate the associated resident's unit on or before the 91st day after the resident has absented the unit.

5.3. Excepting the circumstances above, no caregiver can remain in the associated Mutual 5 resident's unit during the resident's overnight absence.

(Aug 2022)

SEAL BEACH MUTUAL NO. FIVE**ADOPT****Shareholders Regulations – Caregivers****6. Termination of Caregiver's Association with a Mutual 5 Authorized Resident**

Any individual's role as a caregiver to an authorized resident shall be considered terminated, and all caregiver entry access and caregiver ID documents must be immediately surrendered to the GRF Stock Transfer Office and/or the GRF Security Department, if any of the following conditions apply:

- 6.1. The caregiver has not filed for caregiver status within three (3) days of beginning their service.
- 6.2. The associated resident, and/or the direct employer of the caregiver has terminated the caregiver's services.
- 6.3. The caregiver does not renew their caregiver registration on a date before their current caregiver registration has expired.
- 6.4. The caregiver has been convicted of a felony or misdemeanor as defined previously in this document.
- 6.5. The authorized resident can no longer corroborate that the residential caregiver's services to assist with necessary daily activities or medical treatment, or both, are required from the caregiver.
- 6.6. The Mutual 5 Board of Directors or other authorized body has determined, with proper notice given to the authorized resident associated with the caregiver, that the caregiver, due to one or more violations of the governing rules of Mutual 5 or GRF, is no longer authorized to provide caregiving services to the authorized resident.
- 6.7. The authorized resident associated with the caregiver has been under medical care and absent from the unit and:
 - 6.7.1. The authorized resident or their legal representative has not submitted a written request to the Board of Directors asking for the residential caregiver be allowed to remain in the unit in order to be present when the authorized resident returns to their residence before a 90-day period of absence has lapsed; or
 - 6.7.2. The authorized resident under care has not returned to their unit for more than 90 days from the first day of their absence.
- 6.8. The authorized resident associated with the permitted health care resident has died.
- 6.9. In all cases, termination of the right of a caregiver will be immediate unless that action would endanger the health and/or life of the authorized resident. In such case, the disqualified caregiver may remain, with the consent of the authorized resident, for not more the 30 days to accommodate the search for a qualified replacement.

7. Enforcement

- 7.1. The Mutual 5 Board of Directors is obligated to investigate and evaluate any credible reporting of a violation of this caregiver policy.

(Aug 2022)

SEAL BEACH MUTUAL NO. FIVE

ADOPT

Shareholders Regulations – Caregivers

- 7.2. The Mutual 5 Board of Directors will impose any disciplinary measures through the process outlined in Mutual 5 policy 7585.
- 7.3. The individual who owns the unit’s stock certificate is responsible for all monetary punishments associated with any fines associated with their unit.

Document History

Adopted: 17 Aug 2022 Action

Keywords: Caregivers

DRAFT

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY ADOPTED RULE 05-7210-1 – ELECTION RULES (UNFINISHED BUSINESS, ITEM D)
DATE: AUGUST 17, 2022
CC: MUTUAL FILE

I move to ratify adopted Rule 05-7210-1 – Election Rules; the 28-day posting requirement has been met.

Stockholders Meeting – Election Rules

TABLE OF CONTENTS

Table of Contents.....i

Article 1: Definitions 1

 1.1 “Association” 1

 1.2 “Board” or “Board of Directors” 1

 1.3 “Bylaws” 1

 1.4 “CC&Rs” 1

 1.5 “Davis Stirling Act” 1

 1.6 “Development” 1

 1.7 “Director” 1

 1.8 “Inspector of Election” 1

 1.9 “Member” 1

 1.10 “Quorum” 1

 1.11 “Separate Interest” 1

Article 2: Membership Meetings..... 1

 2.1 Generally..... 1

 a. Annual Meetings 1

 b. Special Meetings 2

 c. Date, Time and Location of Meetings 2

 2.2 Notice Requirements. 2

 a. Notice of Annual Meetings or Special Membership Meetings Called by the Board 2

 b. Notice of Special Meetings Called by Petition of the Members 2

 c. Notice for Ballot-Counting Meetings 3

 d. Notice Contents and Other Requirements 3

 e. Delivery Requirements 3

 2.3 Chair and Secretary of Meeting 4

 2.4 Recording of Meetings 4

Article 3: Voting Rights 4

 3.1 Number of Votes 4

 3.2 Co-Owners 4

 3.3 Proof of Membership..... 4

 3.4 Presumption of Consent. 4

 3.5 Voting for Properly Nominated Candidates 4

 3.6 Electing Board Seats with Different Terms 5

 3.7 Record Date 5

 3.8 Proxies 5

 a. Generally 5

 b. Proxy Form..... 5

Stockholders Meeting – Election Rules

c. Vote by Proxyholder.....5
d. Who May Be Proxyholder.....5
3.9 *No Cumulative Voting*..... 5
3.10 *Quorum*.....5
3.11 *Lack of Quorum and Adjournment*.....6
3.12 *Loss of Quorum*.....6
3.13 *Approval Requirements*.....6
a. Generally6
b. By Ballot6
Article 4: Nominations6
4.1 *Nomination Procedures and Notice*.....6
4.2 *Self-Nomination*..... 7
4.3 *Candidate Statement*..... 7
4.4 *Floor Nominations and Write-In Candidates* 7
4.5 *Election by Acclamation (Uncontested Elections)*..... 7
Article 5: Director Elections7
5.1 *Number and Term of Directors*..... 7
5.2 *Candidate and Director Qualifications*..... 7
a. Candidates Must Be Members.....7
b. Prior Ownership for One Year.....8
c. Member in Good Standing8
d. Co-Owners Eligible for only One Position.....8
e. Criminal Conviction8
f. Internal Dispute Resolution8
5.3 *Impersonal Entities*..... 8
5.4 *Trusts*.....9
5.5 *One Directorship Only*9
Article 6: Inspector(s) of Election9
6.1 *Selection*..... 9
a. Process.....9
b. Eligible Inspector(s). 9
6.2 *Duties*10
a. Membership.....10
b. Validity of Proxies.....10
c. Closing and Reopening of Polls.10
d. Receive Ballots.....10
e. Custody.....10
f. Challenges.10
g. Counting Ballots.....11
h. Appoint Assistants.....11
i. Results.11
j. Impartiality.11
k. Miscellaneous.....11

Stockholders Meeting – Election Rules

6.3 Removal.....11

Article 7: Action by Ballots.....11

 7.1 *Secret Ballots*11

 7.2 *Power of Attorney*.11

 7.3 *Pre-Ballot Notice*12

 7.4 *Candidate List and Voter List*12

 7.5 *Verification of Lists*12

 7.6 *Ballot Package*12

 a. *Secret Ballot – Generally*12

 b. *Secret Ballot – Content*12

 c. *Inner Envelope*.....12

 d. *Outer Envelope*.....13

 e. *Delivery*13

 7.7 *Extended Voting Deadline*.....13

 7.8 *Election Rules*.13

 7.9 *Counting Ballots*.....13

Article 8: Post-Election Results13

 8.1 *Breaking a Tie*.....13

 8.2 *Results of an Election*.....14

 8.3 *Handling and Storage of Election Materials after the Election*14

 8.4 *Election Recount or Other Challenge*14

Article 9: Campaigning.....15

 9.1 *Access to Media*.....15

 a. *Association Media*15

 b. *Membership List*.....15

 c. *Exception*.....15

 9.2 *Use of Common Area During Election Campaign*15

 a. *Purpose*15

 b. *Reservation*15

 9.3 *No Use of Association Funds for Campaign Purposes*.16

 9.4 *Improper Electioneering*.16

 a. *Prohibited Activities*.16

 b. *Report Violations*.16

 c. *Fines*.16

Article 10: Canvassing and Petitioning.....17

 10.1 *Generally*17

 10.2 *Impermissible Conduct*17

Article 11: Distributing Information17

 11.1 *Generally*17

Stockholders Meeting – Election Rules

Article 12: Petitions	17
<i>12.1 Purpose.....</i>	<i>17</i>
<i>12.2 Signatures.....</i>	<i>17</i>
<i>12.3 Invalidity of Signatures.....</i>	<i>18</i>
<i>12.4 Setting the Date</i>	<i>18</i>
<i>12.5 Recall Petitions.....</i>	<i>18</i>

Stockholders Meeting – Election Rules

**ELECTION RULES
SEAL BEACH MUTUAL NO. FIVE
a California domestic stock corporation**

These Election Rules revoke all previous election rules, and all amendments thereto, and substitute in their place these Election Rules.

ARTICLE 1: DEFINITIONS

1.1
“Association” means the Seal Beach Mutual No. Five, a California domestic stock corporation.

1.2
“Board” or “Board of Directors” means the Board of Directors of the Association.

1.3
“Bylaws” means the Association’s bylaws.

1.4
“CC&Rs” means the Association’s declaration as the term is defined in the Davis-Stirling Act.

1.5
“Davis Stirling Act” means and refers to the Davis-Stirling Common Interest Development Act, which is the portion of the California Civil Code beginning with Section 4000, that governs common interest developments.

1.6
“Development” has the same meaning as such time is defined in the Association’s CC&Rs.

1.7
“Director” means any member of the Association’s Board of Directors.

1.8
“Inspector of Election” means an inspector of elections as defined in the Davis-Stirling Act.

1.9
“Member” means a Member of the Association as defined in the Association’s CC&Rs.

1.10
“Quorum” means a quorum of the Membership as defined in the Association’s Bylaws and hereinafter.

1.11
“Separate Interest” means a separate interest as defined in the Association’s CC&Rs.

ARTICLE 2: MEMBERSHIP MEETINGS

2.1
Generally.

- a. *Annual Meetings.* The Association must hold an annual meeting each year (1) to count ballots for the election of Directors at the expiration of the corresponding Director’s term and at least once every four years, (2) to announce the outcome of

Stockholders Meeting – Election Rules

the Director election by membership vote, and (3) to conduct any other Association business. Such meetings may include ballot counting for other types of elections as well.

- b. *Special Meetings.* Special meetings may be called for any lawful purpose by any of the following: (i) President of the Association, (ii) a majority of a quorum of the Board and (iii) Vice President and Secretary of the Association. In addition, special meetings of Members for any lawful purpose may be called by ten (10) percent or more of the Members, or as otherwise required by law. If a special meeting is called by Members of the Association, the request must be submitted to the Board in writing, specifying the nature of the business to be transacted. The Director or officer receiving the request must promptly deliver the request to the remaining Directors.
- c. *Date, Time and Location of Meetings.*
 - i. *Selected by the Board.* Annual meetings of the membership must be set on the second Tuesday of June each year.
 - ii. *Selected by the Membership.* If the date, time and/or location of a membership meeting selected by petitioning Members is unreasonable or contrary to the governing documents and/or statutory requirements, the Board is empowered to reschedule the date, time and/or location to something reasonable, relatively close to the original date, time and location requested by the Members calling the meeting, and compliant with the governing documents and statutory requirements.
 - iii. *Location of Membership Meetings.* Annual and special membership meetings will be held at a suitable location in or reasonably close to the development.

2.2 Notice Requirements.

- a. *Notice of Annual Meetings or Special Membership Meetings Called by the Board.* Except where one or more different periods are required by superseding provisions of the Davis-Stirling Act, notice of annual meetings or special membership meetings called by the Board must be given not less than ten (10) days nor more than sixty (60) days before the date of the meeting. (Corp. Code 601.)
- b. *Notice of Special Meetings Called by Petition of the Members.* Except where one or more different periods are required by superseding provisions of the Davis-Stirling Act, notice of special meetings called by the Members must be given by the Board within twenty (20) days of the Board's receipt of such request. If the Board fails to give notice, the persons calling the special meeting may give notice consistent with these Elections Rules. Member-initiated special membership

Stockholders Meeting – Election Rules

meetings must be held not less than thirty-five (35) days nor more than one hundred and sixty (60) days following the Board’s receipt of the request.

- c. *Notice for Ballot-Counting Meetings.* If secret ballots are to be counted at a Membership meeting or Board meeting, at least thirty (30) days’ notice, or any longer period of notice required by the Bylaws or the Davis-Stirling Act, must be given to every member before the voting deadline.
- d. *Notice Contents and Other Requirements.*
 - i. *Generally.* The notice must specify at least the place, date, and time of the meeting.
 - ii. *Special Membership Meetings.* In the case of a special membership meeting, the notice must include the general nature of the business to be transacted as specified by those persons calling the meeting. No other business may be transacted except as specified in the notice.
 - iii. *Annual Membership Meetings.* In the case of the regular annual meeting, the notice must include those matters which the Board intends to present for action by the Members. When the authorized Quorum for a regular membership meeting is less than one-third of the voting power, then only matters, the general nature of which was given in the notice, may be voted upon. Otherwise, any proper matter may be presented at the meeting.
 - iv. *Membership Meetings Conducted Entirely By Electronic Means.* A membership meeting may be conducted entirely by electronic means, without any physical location being held open for the attendance of any Director or Member, if all notices and other conditions required in Civil Code §5450 are met. If the conditions of Civil Code §5450 cannot be met or do not apply, membership meetings may still be conducted by electronic means if the notice requirements of Corporations Code §601 and the meeting requirements of Corporations Code §600 are met.
- e. *Delivery Requirements.* Notice of any membership meeting must be delivered as follows:
 - i. *Method of Delivery.* Either personally, by electronic transmission (when consented to by the Member and not revoked), by first-class mail, charges prepaid, or by any other means permitted by law.
 - ii. *Location of Delivery.* To the Member: (a) at the Member’s preferred delivery method, and, if specified, the Member’s alternate or secondary delivery method as specified in a written notice provided by the Member to the Association pursuant to Civil Code §4041(a); or (b) if the Member fails to provide such notice, the last mailing address provided in writing by

Stockholders Meeting – Election Rules

the Member; or (c) if none of the above, the property address of the Member’s Separate Interest.

- iii. *Delivery Deemed Given.* Notice of a membership meeting is deemed given when delivered personally, deposited in the mail, or upon completion of electronic transmission to those Members who have consented to same.

2.3 Chair and Secretary of Meeting. The President of the Board or, in the President’s absence, the Vice President or any other person designated by the Board must call the membership meeting to order and must chair the meeting. The Secretary of the Board must act as Secretary. In the absence of the Secretary, the presiding Officer must appoint someone to serve as acting Secretary for the meeting.

2.4 Recording of Meetings. Audio and video recording of membership meetings are prohibited by anyone other than a person authorized by the Board to record the meetings for the sole purpose of preparing official Association minutes.

ARTICLE 3: VOTING RIGHTS

3.1 Number of Votes. For each matter submitted to the Membership for a vote, Members are entitled to one (1) vote for each Separate Interest (regardless of the number of Members having an interest in the Separate Interest). The Association may not suspend the voting rights of Members.

3.2 Co-Owners. Where there is more than one owner of a Separate Interest subject to the Association’s CC&Rs, all such co-Owners are Members and may attend any meeting of the Association, but only one co-Owner is entitled to exercise a vote to which the Separate Interest is entitled. Fractional votes are not permitted. In the event more than one ballot is cast for a particular Separate Interest on the same matter, only the first ballot received will be opened and counted.

3.3 Proof of Membership. No person or entity may exercise the rights of membership without an ownership interest in a Separate Interest subject to the Association’s CC&Rs. If the Board requests proof of ownership, the required proof is a recorded deed showing the required ownership or, if the property was transferred within the past thirty (30) days and a copy of the newly-recorded deed is not yet available, a completed escrow closing statement is sufficient.

3.4 Presumption of Consent. Unless the Inspector(s) of Election receive a written objection prior to the close of balloting from a co-owner, it is conclusively presumed that a voting owner acted with the consent of his or her co-owners.

3.5 Voting for Properly Nominated Candidates. Members must vote only for those candidate(s) who have been properly nominated prior to the close of nominations.

Stockholders Meeting – Election Rules

3.6 Electing Board Seats with Different Terms. In any election where different Board seats to be filled have different terms, the elected candidate(s), in the order of the most votes received, will fill the longest terms available first.

3.7 Record Date. For Membership elections where written ballots are used, the record date for voting in the election will be the first date any ballots are distributed to the Membership. However, if a ballot-counting meeting (whether a Membership meeting or a Board meeting) for a Membership election is adjourned, the Board may establish a new record date and if so, must give notice of the adjourned meeting to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. Only Persons who are/were Members on the original or new record date are entitled to vote for their respective Separate Interest(s). Nothing in this subsection permits the casting of more than one ballot for each Separate Interest. Persons acquiring title on other than a record date may attend the ballot-counting election meeting but are not entitled to vote. For any Membership election where a written ballot is not used, the Board is permitted to set a record date for an election no more than sixty (60) days before the date of the election meeting.

3.8 Proxies.

- a. *Generally.* The Association may use and accept proxies as permitted by law and the Association’s governing documents, provided that the Association is not required to prepare or distribute proxies. Proxies are not permitted to be construed or used in lieu of a ballot for any purpose.
- b. *Proxy Form.* Any instruction given in a proxy issued for an election that directs the manner by which the proxyholder is to cast the vote must be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain. Proxies must meet all requirements of Chapter 6 of Article 4 of the Davis-Stirling Act, other laws, and the Association’s governing documents.
- c. *Vote by Proxyholder.* The proxyholder must cast the Member’s vote by secret ballot unless the proxy is revoked by the Member prior to the receipt of the ballot by any Inspector of Election.
- d. *Who May Be Proxyholder?* As provided for in Civil Code §5130(a)(1), proxyholders must be Members.

3.9 No Cumulative Voting. Cumulative voting is not permitted.

3.10 Quorum. Unless otherwise provided by law or the Bylaws, the Quorum requirement for membership meetings or elections is one-third (1/3) of the voting power of the Association. A Quorum may be represented by any combination of Members physically present, virtually present by electronic video screen communication, conference telephone, or other means of remote communication, as permitted by Corp. Code §601(a), present by proxy as such term is defined by Civil Code §5130, and/or present by casting a ballot as provide for in Civil

Stockholders Meeting – Election Rules

Code §5115(d). Under the Davis-Stirling Act, the Quorum for an election to approve an assessment increase is more than fifty percent (50%) of the members.

3.11 Lack of Quorum and Adjournment. In the absence of a Quorum at the beginning of a membership meeting, no business may be transacted, except to adjourn the meeting to another date and time by the vote of at least a majority of the Members represented at the meeting. However, excepting only the circumstances described in the first sentence of this paragraph, a ballot-counting meeting for a Membership election, whether conducted at a Membership meeting or a Board meeting, may be adjourned to another date and time selected by vote of the Board of Directors. The date of any adjourned ballot-counting or other meeting must be announced by the Board at the Membership or Board meeting, and written notice of the date, time, and place the adjourned meeting must be given to the Members within the notice period required by law. Any adjournment must be to a date not less than five (5) days nor more than thirty (30) days from the date the original meeting was called.

3.12 Loss of Quorum. The Members present at a duly called membership meeting at which a Quorum is initially present may continue to transact business until adjournment, notwithstanding the loss of a Quorum, so long as the business must be approved by enough Members to constitute at least a majority of a Quorum had a Quorum been present.

3.13 Approval Requirements.

- a. *Generally*. The approval requirement for all matters decided by the Membership is the affirmative vote of a majority of the votes represented and voting in a duly held election in which a Quorum is represented, which affirmative votes also constitute a majority of the required Quorum, unless otherwise specified in the Bylaws or the CC&Rs.
- b. *By Ballot*. Approval by written ballot (secret or non-secret) is valid only when: (i) the number of votes cast by ballot by the specified deadline equals or exceeds the Quorum (if any) required to be present at a meeting authorizing the action; and (ii) the number of votes cast equals or exceeds the number of votes that would be required to approve the action at a meeting.

ARTICLE 4: NOMINATIONS

4.1 Nomination Procedures and Notice. Prior to the election of Directors, the Board must, by written notice to all Members, solicit nominees. The solicitation must specify the qualifications for candidates for the Board the procedure and deadline for submitting a nomination. The deadline must be at least thirty (30) days after giving notice. Delivery of the solicitation must be by general notice or, if individual notice is requested by a Member before the solicitation is given, by individual notice, pursuant to Civil Code §4040. Nominees must be

Stockholders Meeting – Election Rules

listed as candidates on the ballot provided (i) they meet candidate and Director qualifications and (ii) their nomination is made prior to the date and time set for the close of nominations.

4.2 Self-Nomination. Any qualified person may nominate himself or herself for election to the Board of Directors by submitting to the Association a written statement signed and dated by the person nominating himself or herself. The Association must set a cut-off date for the receipt of self-nomination statements, which date must be publicized in advance to the Members.

4.3 Candidate Statement. A candidate for the Board of Directors may submit a short biography of qualifications and/or a candidate statement to be included in the mailing of ballots, not to exceed three hundred (300) words. The Mutual shall not edit or redact any content from any such biography of qualifications and/or candidate statement, but may include a statement specifying that the candidate, and not the Mutual, is responsible for the content. Other than the foregoing, any candidate or member advocating a point of view will not be provided access to any Mutual media, newsletter, or internet website during a campaign.

4.4 Floor Nominations and Write-In Candidates. Once nominations have been closed, no write-in candidates are allowed on ballots and no floor nominations of candidates can be made at the ballot-counting meeting.

4.5 Election by Acclamation (Uncontested Elections). When, as of the deadline for submitting nominations provided for in Civil Code §5115(a), the number of qualified candidates is not more than the number of vacancies to be elected, as determined by the inspector or inspectors of the elections, the Association may, but is not required to, consider the qualified candidates elected by acclamation if all the conditions set forth in Civil Code §5103 are met.

ARTICLE 5: DIRECTOR ELECTIONS

5.1 Number and Term of Directors. The Board will consist of seven (7) Directors. The term of each Director is two (2) years and until a qualified successor is elected to fill his/her seat. Four (4) Directors will be elected in even-numbered years and three (3) Directors will be elected in odd-numbered years.

5.2 Candidate and Director Qualifications. Members must meet the qualifications in the subsections hereafter to be eligible for nomination as a candidate for, or to serve as a Director on, the Board.

- a. *Candidates Must Be Members*. The Association must disqualify the nomination of a candidate who is not a Member of the Association at the time of nomination. Proof of membership must be a recorded deed. Persons holding a fee simple interest in a Separate Interest merely as security for the performance of an obligation are not eligible to either be a candidate for or to serve on the Board.

Stockholders Meeting – Election Rules

- b. *Prior Ownership for One Year.* To be eligible for nomination and/or to serve on the Board, a candidate for the Board or serving Director must be the record Owner of a Separate Interest for a period of at least one year.
- c. *Member in Good Standing.* To be eligible for nomination and/or to serve on the Board, the person or impersonal entity must not be delinquent in the payment of any regular or special Assessment, except:
 - i. A person may not be disqualified from nomination for nonpayment of fines, fines characterized as assessments, collection charges, late charges or costs levied by a third party.
 - ii. A person may not be disqualified from nomination because the person has paid the regular or special assessment under protest.
 - iii. A person may not be disqualified from nomination due to delinquent assessments if the person has entered into a payment plan with the Association pursuant to Civil Code §5665 and is fulfilling the terms of the payment plan.
- d. *Co-Owners Eligible for only One Position.* To be eligible for nomination and/or to serve on the Board, the person or impersonal entity must not have a record fee simple ownership interest in a Separate Interest which is part of the Development with another person or impersonal entity concurrently serving as a Director. Where two or more co-owners concurrently seek election to the Board, only the first nomination will be effective.
- e. *Criminal Conviction.* The Association may disqualify a candidate or Director that discloses, or if the Association is aware or becomes aware of, a past criminal conviction that would, if the person was elected, either prevent the Association from purchasing the insurance required by Civil Code §5806 or terminate the Association’s existing insurance coverage required by Civil Code §5806 as to that person. Each nominee, at the time of nomination, shall disclose the existence of any past criminal conviction, with sufficient details to allow the Board to determine whether the criminal conviction will prevent the Association from purchasing the required insurance coverage or result in the termination of such insurance coverage.
- f. *Internal Dispute Resolution.* Before any candidate for nomination or serving Director may be disqualified, the person or impersonal entity must be provided the opportunity to engage in internal dispute resolution as provided in the Davis-Stirling Act.

5.3 Impersonal Entities. If title to a Separate Interest is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person to be a Member for the purpose of candidacy or serving on the Board. The

Stockholders Meeting – Election Rules

designation by the impersonal legal entity must be in writing with documentation confirming both the designation and its authority to do so.

5.4 Trusts. If title is held in the name of one or more trustees, subject to a trust, a sole trustee or one of several trustees is permitted to be a candidate for a position on the Board or to serve on the Board subject to all qualifications and/or requirements of the Association’s governing documents and/or the law. The designation of one of several trustees must be in writing with documentation confirming both the designation and the authority of the designator to do so.

5.5 One Directorship Only. No Member who is a natural person is permitted to be a candidate for and/or to hold multiple positions on the Board, regardless of the number of Separate Interests owned by such Member. No natural person designated by a Member who is not a natural person to be a candidate for and/or to serve on the Board is permitted to hold multiple candidacies for or positions on the Board, regardless of the number of Separate Interests owned by such Member. No Member who is not a natural person can designate more than one person to be a candidate and/or to serve on the Board, regardless of the number of Separate Interests owned by such Member. Any Director, whose term extends beyond a current election and who wishes to become a candidate for that election, must first resign his/her seat on the Board. This rule does not apply to a candidate whose term is expiring and who wishes to run for re-election.

ARTICLE 6: INSPECTOR(S) OF ELECTION

6.1 Selection.

- a. *Process*. Prior to the date ballots are first sent out, the Board of Directors must, at an open meeting of the Board, select three (3) Person(s) as Inspector(s) of Election.
- b. *Eligible Inspector(s)*. The Board may select as Inspector(s) of Election, any person or entity or subdivision of a business entity not currently employed or under contract to the Association. Eligible Inspectors include, but are not limited to:
 - i. *Poll Workers*. A volunteer poll worker with the County Registrar of Voters;
 - ii. *Accountants*. A licensee of the California Board of Accountancy, not under contract to the Association;
 - iii. *Notary Public*. A notary public commissioned by the California Secretary of State;

Stockholders Meeting – Election Rules

- iv. Association Members. Members of the Association, but not: (i) members of the Board, (ii) candidates for the Board, (iii) persons related to a member of the Board, or (iv) persons related to a candidate for the Board;
- v. Professional Inspectors. Third party persons or entities who provide professional election services who contract with the Association solely to serve as an Inspector of Election.

6.2 Duties. Duties of Inspector(s) of Election include the following:

- a. *Membership*. Determine the number of memberships entitled to vote and the voting power of each.
- b. *Validity of Proxies*. Determine the authenticity, validity and effect of proxies, if any.
- c. *Closing and Reopening of Polls*. Determine when the polls close, including any desired extensions of the voting period, and determine whether to reopen the polls to allow Members to cast ballots if the polls were previously closed, all consistent with the Association’s other governing documents.
- d. *Receive Ballots*. Receive all ballots. Once received by an Inspector of Election, ballots are irrevocable.
- e. *Custody*. Sealed ballots, signed voter envelopes, voter list, proxies, and candidate registration list shall at all times be in the custody of the Inspector(s) of Election or at a location designated by the Inspector(s) until after the tabulation of the vote, and until the time allowed by Civil Code §5145 for challenging the election has expired, at which time custody shall be transferred to the Association. No person, including a Member of the Association or an employee of the management company, is permitted to open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. The Inspector(s) of Election or the Inspector(s) appointee(s) may verify the Member’s information and signature on the outer envelope prior to the meeting at which ballots are tabulated and, on request of the Board of the Directors, will share such information with the Board to allow it to solicit votes when necessary or desirable.
- f. *Challenges*. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote. If there is a recount or other challenge to the election process, the Inspector(s) of Election must make the ballots available for inspection and review by an Association Member or the Member’s authorized representative, upon written request. An Association Member may authorize a representative to review the ballots on his or her behalf. Any recount must be conducted in a manner that preserves the confidentiality of the vote.

Stockholders Meeting – Election Rules

- g. Counting Ballots.* Count and tabulate all votes. All votes must be counted and tabulated by the Inspector(s) of Election or the Inspector(s) appointee(s) in public at a properly noticed open meeting of the Board of Directors or Members or, if the ballot counting and tabulation is conducted by video conference, as permitted by Civil Code §5450, the camera must be placed in a location to allow Members to witness the Inspector of Election doing so. During in-person ballot counting and tabulating, candidates and Members may witness, but not interfere with, the counting and tabulation of the ballot and must remain at least two (2) feet away from the Inspector(s) and his/her/their appointee(s) at all times.
- h. Appoint Assistants.* Appoint and oversee additional independent third parties to verify signatures, and to count and tabulate votes as the Inspectors of Election deem appropriate provided that such persons are independent third parties.
- i. Results.* Determine the tabulated results of the election.
- j. Impartiality.* Perform all duties impartially, in good faith, to the best of the ability of the Inspector(s) of Election, as expeditiously as is practical, and in a manner that protects the interests of all Members of the Association. Any report made by the Inspector(s) of Election is *prima facie* evidence of the facts stated in the report.
- k. Miscellaneous.* Perform any acts as may be proper to conduct the election with fairness to all Members in accordance with the Civil Code, the Corporations Code, the Association’s governing documents, and all applicable rules of the Association regarding the conduct of the election that are not in conflict with the Civil Code.

6.3 Removal. The Board has the power to remove any Inspector(s) who cease(s) to meet the required qualifications, are unable or unwilling to perform their duties, or for any other good reason, and to appoint one or more replacement Inspectors.

ARTICLE 7: ACTION BY BALLOTS

7.1 Secret Ballots. The use of secret ballots is only necessary when required by law. When secret ballots are not required by law, elections may be conducted by secret ballot, non-secret written ballot, or any other method permitted by law. Any action which may be taken at any meeting of Members may be taken without a meeting (except to count ballots, which can be done at either a Membership meeting or a Board meeting) if the Association distributes a secret written ballot to every Member entitled to vote on the matter.

7.2 Power of Attorney. The Association cannot deny a ballot to a person with general power of attorney for a Member. The ballot of a person with a general power of attorney must be counted if timely returned.

Stockholders Meeting – Election Rules

7.3 Pre-Ballot Notice. For Director and recall elections only, at least thirty (30) days before the ballots are distributed, the Association must provide general notice (or individual notice to a Member who requested it) which includes:

- a. The date, time, and physical address to mail or hand deliver ballots to the Inspector(s);
- b. The date, time and location of the ballot counting meeting; and
- c. A list of candidates to appear on the ballots.

7.4 Candidate List and Voter List. The candidate list must include the name and address of individuals nominated as a candidate for election to the board of Directors. The voter list must include name, voting power, and either the physical address of the voter’s Separate Interest, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list if it differs from the physical address of the voter’s Separate Interest or if only the parcel number is used. The Association must retain, as Association election materials, both a candidate registration list and a voter list.

7.5 Verification of Lists. The Association must permit Members to verify the accuracy of their individual information on the candidate registration list, if applicable, and the voter list at least 30 days before the ballots are distributed. The Association or Member must report any errors or omissions to either list to the Inspector(s) of Election who must make the corrections within two business days. Reports of any errors or omissions should be made early enough to allow for corrections to be made before the ballots are distributed.

7.6 Ballot Package. All secret ballots mailed or otherwise delivered to the membership must include a double-envelope system and voting instructions for completing and returning the secret ballots as provided for in the Davis-Stirling Act. Ballots seeking approval to amend or restate governing documents must be delivered to the Members with the text of the proposed amendment.

- a. *Secret Ballot – Generally*. Secret ballots must be marked to indicate the Member’s selections, if any. Blank ballots will still count toward Quorum requirements. Secret ballots do not require a signature but are not invalidated by Member signatures.
- b. *Secret Ballot – Content*. Ballots must: (i) set forth the proposed action; (ii) provide an opportunity to approve or disapprove each item submitted for a vote; (iii) set forth the number of ballots needed to satisfy the Quorum requirement, if any; (iv) specify the percentage of votes required to pass the proposal; (v) state a deadline by which the ballot must be returned to be counted; and (vi) in the case of a Director election, the candidates’ names identified in the pre-ballot notice.
- c. *Inner Envelope*. The Association will provide two envelopes. To preserve secrecy, the secret ballot is to be placed within an inner envelope with no

Stockholders Meeting – Election Rules

identifying information. However, extraneous information written on the inner envelope by a Member will not invalidate the ballot. The inner envelope containing the secret ballot is to be placed into a second outer envelope containing identifying information.

- d. Outer Envelope.* In the upper left-hand corner of the outer envelope containing a secret ballot, the voting Member must sign his/her name and indicate (print, type, etc.) his/her name and the address entitling the voter to vote. The outer envelope must be addressed to the Inspector(s) of Election.
- e. Delivery.* The completed outer envelope containing the inner envelope and ballot may be (1) mailed by first-class mail to the address on the outer envelope or hand-delivered to the Inspector(s) of Election as specified on the pre-ballot notice or, (2) where there is no pre-ballot notice, as specified in the voting instructions. Delivery must be made to every Member entitled to vote at least thirty (30) days before the initial voting deadline. Any Member may request a receipt for delivery.

7.7 Extended Voting Deadline. The Inspector may reopen the polls and extend the voting deadline to allow additional balloting to achieve a Quorum or to permit additional participation by the Members in an election when desirable or appropriate. If the voting deadline is extended, the Board is empowered to adjourn the ballot-counting meeting to a date at or beyond the extended voting deadline and Members who have not previously voted may do so up to the extended voting deadline.

7.8 Election Rules. At least thirty (30) days before the voting deadline, the Inspector(s) of Election must deliver, or cause to be delivered, the election operating rules to all Members. Such rules may be delivered (1) by individual delivery (Civil Code §4040) or (2) by posting the rules on an internet website and including the website address (URL) on the ballot with the phrase, in at least 12-point font: “The rules governing this election may be found here:”

7.9 Counting Ballots. Inspectors of election must oversee the opening and tabulating of all ballots before the membership at a properly noticed open meeting of the Board or membership as provided for in the Election Rules. No person is permitted to open or otherwise review any ballot prior to the time and place at which the ballots are opened and counted.

ARTICLE 8: POST-ELECTION RESULTS

8.1 Breaking a Tie. In the event of a tie leaving the outcome of the election unresolved, the following will apply:

- a. The Inspector(s) of Election, and any designees, will immediately conduct a recount of the ballots. If there is a charge, the Association will bear the expense. Members may observe the recount under the same conditions as the original ballot counting.

Stockholders Meeting – Election Rules

- b. Following the immediate recount, if the tie remains, all other newly elected Directors will immediately begin serving their terms. An incumbent Director whose seat was tied will continue in office until a runoff election determines the winner for his/her seat. Only candidates who tied for the seat will be in the runoff.
- c. In lieu of a runoff and if the tied candidates agree, the winner may be decided by a coin toss or the drawing of names by the Inspector(s) of Election.

8.2 Results of an Election. The tabulated results of the election must be announced immediately after all the ballots have been counted. The tabulated results of the election must be promptly reported to the Board of Directors and must be recorded in the minutes of the next Board meeting. Within fifteen (15) days of the election, the Board must publicize the tabulated results of the election in a communication directed to all Members.

8.3 Handling and Storage of Election Materials after the Election. The sealed ballots, signed voter envelopes, voter list, proxies, and candidate registration list shall at all times be in the custody of the Inspector(s) of Election or at a location designated by the Inspector(s) until after the tabulation of the vote, and until the time allowed by Civil Code §5145 for challenging the election has expired, at which time custody must be transferred to the Association. The Association must maintain Association election materials for one year after the election.

8.4 Election Recount or Other Challenge. If there is a recount or other challenge to the election process, the Inspector(s) of Election shall, upon written request, make the ballots available for inspection and review by an Association Member or the Member’s authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote. Election recounts, other than the automatic recount following a tie leaving the outcome of an election unresolved, will be conducted as follows:

- a. Any Member of the Association may demand a recount of the ballots provided (i) demand is made in writing to the Inspector(s) of Election within five (5) days after the election results have been announced, and (ii) the Member pays in advance for the estimated cost of the recount, which estimate will be provided by the Inspector(s) of Election. Monies advanced by the Member must be refunded if the outcome of the election is changed by the recount.
- b. The recount must be commenced within seven (7) days of the request for the recount and must be done by or under the supervision of the Inspector(s) of Election. If any Inspector of Election declines to perform the recount, the Board may appoint a replacement Inspector of Election, using the criteria specified in these rules and the replacement Inspector will assume custody of the ballots.
- c. Any recount may be observed by Members of the Association. No election materials may be touched or handled by any person without the express consent of the Inspector(s) of Election and under the supervision of the Inspector(s). The results of the recount must be reported to the Board of Directors and must be

Stockholders Meeting – Election Rules

recorded in the minutes of the next Board meeting and reported to the membership.

ARTICLE 9: CAMPAIGNING

9.1 Access to Media.

- a. *Association Media.* Neither candidates nor Members may use the Association’s newsletter, website, or any other Association media for campaign purposes.
- b. *Membership List.* Candidates and Members have the right to request a copy of the Association’s membership list for the purposes of distributing, at their own expense, materials which advocate a point of view reasonably related to an election, or as otherwise permitted by Civil Code §4515. Candidates and Members also have the right to contact Members who have opted out of the membership list through the alternate means of communication permitted under California Civil Code §5220 for the purposes of distributing, at their own expense, materials which advocate a point of view reasonably related to the election or as otherwise permitted by Civil Code §4515.
- c. *Exception.* If any candidate or Member advocating a point of view is provided access to Association media, newsletters, or internet websites during a campaign, for purposes that are reasonably related to that election, equal access shall be provided to all candidates and Members advocating a point of view, including those not endorsed by the Board, for purposes that are reasonably related to the election. The Association shall not edit or redact any content from these communications but may include a statement specifying that the candidate or member, and not the association, is responsible for that content. The Association and its Directors, officers, and agents are immune from liability for the content of those communications to the fullest extent provided by law.

9.2 Use of Common Area During Election Campaign.

- a. *Purpose.* Regarding any Association election, each candidate, Member, or resident is permitted to use, if available, the Association’s common area at no cost for a purpose relating to Association elections as described in Civil Code §4515, including to advocate a point of view reasonably related to the election.
- b. *Reservation.* Each candidate, Member, or resident, who wants to use the common area pursuant to Civil Code §§4515 or 5105 must make a reservation in advance of the date and time requested. Such requests to use the common area are granted on a first-come, first-served basis, provided that the area is not already reserved. In order to assure fairness, each candidate may not reserve or use the common area for more than two (2) hours on any particular date. In addition, each candidate or Member is permitted to make only one (1) reservation per day to use the common area.

Stockholders Meeting – Election Rules

9.3 No Use of Association Funds for Campaign Purposes. Association funds may not be used for campaign purposes in connection with any Board election and may not be used for campaign purposes in connection with any other Association election except to the extent necessary to comply with duties of the Association imposed by law. The Association is not permitted to include the photograph or prominently feature the name of any candidate on a communication from the Association or its Board. Directors, in their capacities as Members, are permitted to advocate for the election or defeat of any issue or candidate on the ballot at their own expense and are not permitted to use Association funds for that purpose in any capacity.

9.4 Improper Electioneering.

- a. *Prohibited Activities.* In addition to any of the prohibitions under this Article, candidates, Members, and residents, including their tenants, families, employees, agents, visitors, and licensees, are prohibited from engaging in any of the following activities:
- i. Causing any printed campaign or other election related materials to be placed upon or affixed to (1) residents' vehicles, (2) common area walls, doors, or windows, (3) mailboxes or mailbox structures, or (4) any portion of the common area not expressly permitted in these rules without prior authorization from the Board or management;
 - ii. Attempt to solicit either a vote or proxy from another Member, or their power of attorney, through deceit, harassment, intimidation, improper influence, undue coercion, or force;
 - iii. Attempt to prevent a Member from casting a vote or delegating their right to vote via proxy through deceit, harassment, intimidation, improper influence, undue coercion, or force;
 - iv. Interfere with the counting or tallying of votes;
 - v. Solicit the vote of a Member while in that Member's immediate presence or residence and during the time he or she knows the Member is voting;
 - vi. Induce other Members to divert ballots away from the Inspector(s) of Elections; or
 - vii. Interfere with any candidate's ability to distribute authorized campaign materials.
- b. *Report Violations.* Members are encouraged to report any electioneering violations they witness to the Board or management.
- c. *Fines.* The Board is permitted to levy a fine of up to \$100 for each violation of this section.

Stockholders Meeting – Election Rules
ARTICLE 10: CANVASSING AND PETITIONING

10.1 Generally. Canvassing and petitioning the Members, the Board, and residents for purposes permitted in Civil Code §4515, by telephone and/or personal visits to private residences in the development, is limited to the hours of 8:00 a.m. until 8:00 p.m. However, any Member or resident who declines to be contacted on any issue, including for a purpose specified in Civil Code §4515, must not be contacted by telephone or personal visits thereafter.

10.2 Impermissible Conduct. Nothing in this section permits a Member or resident to contact another Member or resident in a manner that constitutes (1) a breach of the Member’s or resident’s quiet enjoyment or (2) a nuisance.

ARTICLE 11: DISTRIBUTING INFORMATION

11.1 Generally. Reasonably distributing and circulating information for any purposes described by Civil Code §4515, is permitted and restricted as follows:

- a. Members or residents may distribute or circulate printed information for purposes specified in Civil Code §4515 to other Members or residents by (1) mail, (2) placing printed materials under front doors, front door mats, and/or behind screen doors, and/or (3) handing out printed material in the common area to Members and residents willing to accept such materials. The handing out of materials in the common area is limited to the hours of 8:00 a.m. until 8:00 p.m.
- b. Members and residents may not cause any printed materials, including those for any purposes specified in Civil Code §4515, to be placed upon or affixed to (1) residents’ vehicles, (2) common area walls, doors, or windows, (3) mail boxes or mail box structures, or (4) any portion of the common area not expressly permitted in these rules without prior authorization from the Board or management.
- c. Members and residents distributing and circulating printed materials permitted in these rules, such as those left at front doors or in other permissible locations in the development, are responsible to collect and discard any such materials that remain uncollected after twenty-four (24) hours from distribution or circulation.

ARTICLE 12: PETITIONS

12.1 Purpose. The purpose of the petition for a membership meeting must be set forth in the petition so Members know what they are signing. Meetings may only be called for a proper purpose.

12.2 Signatures. Only Members may sign petitions. Signatures by persons not on title are invalid. The Association may validate signatures by comparing them against signatures on file with the Association or by contacting signers to verify their signatures. Any person on title to

Stockholders Meeting – Election Rules

a property can sign on behalf of the property but it counts only once. For example, if there are ten owners on title for one unit, all of whom sign a petition, it counts as one signature not ten.

12.3 Invalidity of Signatures. A petition can be rendered invalid if a sufficient number of signatures are found invalid or rescinded for good cause (such as fraud, mistake, undue influence, or other valid grounds for rescission), such that the number of remaining signatures falls below five percent (5%) of total voting power of the membership.

12.4 Setting the Date. The date of the special meeting for a recall must be set in the manner provided for in these Election Rules above and the law.

12.5 Recall Petitions. Recalls are not permitted to be started against the Board as a whole or any individual Director if: (a) the Board or Director has held office during the current term for less than ninety (90) days; (b) a recall election has been determined in the Board’s or Director’s favor within the last six (6) months; (c) for the recall of a Board, when an annual meeting will be held within six (6) months or less or (d) for the recall of individual Directors, when their term will end within six (6) months or less. Additionally, if a recall of the entire Board fails, a six (6)-month waiting period must be observed before recall petitions may be filed against individual Directors who served on that Board.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY ADOPTED RULE, 05-7403-1 – BUILDING ALTERATIONS OR ADDITIONS (UNFINISHED BUSINESS, ITEM E)
DATE: AUGUST 17, 2022
CC: MUTUAL FILE

I move to ratify adopted Rule 05-7403-1 – Building Alterations or Additions; the 28-day posting requirement has been met.

SEAL BEACH MUTUAL NO. FIVE**ADOPT****Mutual Operations****Physical Property – Building Alterations and Additions****1. Construction Permit**

A GRF permit for alterations or additions to buildings in Mutual 5 will not be issued by the Physical Property Department until a written, signed proposal and contract between the shareholder and the contractor have been presented to the Physical Property Department along with the application for issuance of a building permit.

- 1.1. The application must contain the following information:
 - 1.1.1. The work to be done by the contractor.
 - 1.1.2. The fee for the proposed work.
 - 1.1.3. The start date and completion date for the work.
- 1.2. Mutual Five requires the signature of the Mutual president or chair of the physical property committee on any building permit, building plan, or change order issued for unit remodeling. In their absence, those documents may be signed by any officer of the Mutual 5 board.

2. Contractor License Requirements

- 2.1. Shareholders undertaking any modification of their units, with the exception of interior painting, window treatments and closet interiors, must employ a state-licensed contractor.
- 2.2. The Physical Property Office makes available to shareholders a list of contractors who have proper license credentials and who have presented evidence of adequate liability and Worker's Compensation Insurance to perform work in the City of Seal Beach. Inclusion on this list of contractors does not constitute a recommendation, approval, or warranty as to the contractor's ability to perform, quality of work, reputation in the community or other such considerations for hiring a contractor that shareholders are required to judge for themselves.

3. Electrical Upgrades

- 3.1 Any electrical additions or electrical changes that increase the electrical load or number of circuits on the existing electrical panel will require upgrading the service panel at the shareholder's expense.

4. Notification of Remodeling

- 4.1. The contractor of record for a remodeling project must notify all adjacent apartments sharing common entryways at least 24 hours before work is to begin of the intent and scope of all proposed work. Adjacent residents unable to be notified will have a letter mailed to them indicating the intent and scope of remodeling work to be performed.

(Aug 2022)

SEAL BEACH MUTUAL NO. FIVE**ADOPT****Mutual Operations****Physical Property – Building Alterations and Additions**

- 4.2. A record of all such notifications will be maintained by the Physical Property Department.

5. Limitation of Work Hours

Any contractor engaged by a Mutual 5 shareholder to perform interior or exterior remodeling, and/or install or remove equipment or appliances in their units, shall do so only between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday.

6. Penalty for Construction Delay

- 6.1. A penalty of \$100 per day shall be assessed to the contractor by the Mutual for every calendar day that the construction exceeds the completion date as listed on the GRF permit. The affected shareholder will receive all penalty fees.
- 6.2. The Mutual Board, or its designee, may make an exception to the completion date and award an extension to the contractor without penalty due to unforeseen delays or problems.

Document History

Adopted: **17 Aug 2022** Action

Keywords: Building Alterations Additions

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY ADOPTED RULE 05-7403.6-1 – CEILING FANS AND MICROWAVE OVENS (UNFINISHED BUSINESS, ITEM F)
DATE: AUGUST 17, 2022
CC: MUTUAL FILE

I move to ratify adopted Rule 05-7403.6-1 – Ceiling Fans and Microwave Ovens; the 28-day posting requirement has been met.

SEAL BEACH MUTUAL NO. FIVE

ADOPT

Physical Property – Ceiling Fans and Microwave Ovens

1. Ceiling Fans

- 1.1 Notwithstanding previous Mutual 5 board action, ceiling fans are permitted in any reasonable location in an apartment or porch.
- 1.2 The ceiling heat in said rooms must be disabled and an approved alternate heat source must be installed and/or the existing heat must be operational.
- 1.3 Fan blades must meet the specification of a 6'8" clearance from blades to the floor.
- 1.4 Ceiling fans must be installed or removed by a GRF approved contractor with a permit.
- 1.5 Shareholders will assume responsibility for maintenance.

2. Microwave Ovens

- 2.1. Shareholders may install a microwave oven in the kitchen of the unit in place of a stove hood or install it in some other suitable location in the kitchen.
- 2.2. The installed microwave will become a permanent non-standard fixture in the unit to be maintained by the shareholder.
- 2.3. The microwave must be installed or removed by a GRF approved contractor with a permit.

3. Electrical Upgrades

- 3.1 Any electrical additions or electrical changes relating to the installation of a ceiling fan or microwave oven that increase the electrical load or number of circuits on the existing electrical panel will require upgrading the service panel at the shareholder's expense.

Document History

Adopted: 17 Aug 2022 Action

Keywords: Microwaves Ceiling Fans

(Aug 2022)

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RESCINDED POLICIES 7557 – CAREGIVERS, 7401 - CONTRACTOR LICENSE, 7401.1 – LICENSED AND INSURED CONTRACTORS LIST, 7402.05 – WORKING HOURS, 7404 – NOTIFICATION OF REMODELING, 7441.05 – BUILDING PERMIT SIGNATURE, 7403 – BUILDING ALTERATIONS OF ADDITIONS, 7403.6 – MICROWAVE OVENS, 7403.7 – CEILING FANS, AND 7210.05 – ANNUAL ELECTIONS (UNFINISHED BUSINESS, ITEM G)
DATE: AUGUST 17, 2022
CC: MUTUAL FILE

I move to ratify rescinded policies 7557 – Caregivers, 7401 - Contractor License, 7401.1 – Licensed and Insured Contractors List, 7402.05 – Working Hours, 7404 – Notification of Remodeling, 7441.05 – Building Permit Signature, 7403 – Building Alterations of Additions, 7403.6 – Microwave Ovens, 7403.7 – Ceiling Fans, and 7210.05 – Annual Elections; the 28-day posting requirement has been met.

MUTUAL OPERATIONS

RESCIND

PHYSICAL PROPERTY

Contractor License Except Mutuals–Twelve, Fourteen and Seventeen

~~WHEREAS, the California State Contractor License law, as interpreted by the Contractors State License Board, requires that electrical, plumbing construction and other forms of building repair work which will cost more than \$500 be performed by a State-licensed contractor, and~~

~~WHEREAS, this Corporation desires to comply with the statute and gain the advantages of the licensing regulations and insurance protection that is included within the regulation for the protection of the Corporation and the residents,~~

~~NOW, THEREFORE, BE IT RESOLVED that this Mutual Corporation will not permit the employment of unlicensed individuals to make repairs, alterations and other such work which will cost more than \$500, and the Physical Property Department is instructed to assist in enforcing this regulation.~~

<u>MUTUAL</u>	<u>ADOPTION:</u>	<u>AMENDMENT</u>	<u>RESCINDED</u>
ONE:	01-25-79	09-27-90,	08-24-06
TWO:	02-19-70	09-20-90	11-16-06
THREE:	02-16-70	09-14-90	09-08-06
FOUR:	02-23-70	11-05-90	09-13-06
FIVE:	02-19-70	09-27-90	08-16-06
SIX:	07-28-78	10-23-90	08-22-06
SEVEN:	03-20-70	09-21-90	08-18-06
EIGHT:	05-28-74	09-23-90	08-28-06
NINE:	03-18-70	09-10-90	09-11-06
TEN:	02-25-70	09-26-90	09-27-06
ELEVEN:	02-17-77	10-18-90	08-17-06
TWELVE:	05-07-70	09-13-90	09-14-06 (08-29-16 See 7401.12)
FOURTEEN:	03-26-70	09-28-90	08-22-06 (01-16-18 See 7401.14)
FIFTEEN:	03-16-70	09-17-90	08-21-06
SIXTEEN:	03-12-70	09-17-90	09-18-06
SEVENTEEN:	08-24-06		11-07-17

(Jan 18)

MUTUAL OPERATIONS

RESCIND

PHYSICAL PROPERTY

Licensed and Insured Contractors List – Except Mutual Two, Fourteen

~~WHEREAS, this Mutual permits remodeling of its apartments by shareholders, upon approval of plans for work to be performed by a properly licensed and insured contractor, at the expense of the shareholder; and~~

~~WHEREAS, some shareholders desiring to make alterations request assistance in locating a licensed contractor;~~

~~NOW, THEREFORE, BE IT RESOLVED, that the Physical Property Supervisor is requested and directed to maintain a list of contractors who have presented proper license credentials for performing work in the City of Seal Beach and have presented evidence of adequate liability and Workers' Compensation Insurance, so that shareholders of this Mutual requesting such information may be furnished a copy of the current list.~~

~~RESOLVED FURTHER, that the list shall clearly warn it is not a recommendation, approval or warranty as to ability to perform, quality of work, reputation in the community, or other such considerations which the shareholder is obliged to judge for himself.~~

<u>MUTUAL</u>	<u>ADOPTION</u>	<u>RESCINDED</u>
ONE	Mar 78	
TWO	Mar 78	01-18-18
THREE	Mar 78	
FOUR	Apr 78	
FIVE	Mar 78	
SIX	Mar 78	
SEVEN	Apr 78	
EIGHT	Mar 78	
NINE	Mar 78	
TEN	Mar 78	
ELEVEN	Jun 78	
TWELVE	Mar 78	
FOURTEEN	Jun 78	01-16-18 (See Policy 7401.14)
FIFTEEN	Mar 78	
SIXTEEN	Mar 78	

(Jan 18)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Working Hours – Contractors – Mutual Five

~~THAT NOTWITHSTANDING previous action by the Board, it is hereby resolved that contractors engaged by a resident for the purpose of performing interior or exterior remodeling, or installing or removing equipment and/or appliances associated with such work on the apartments in this Mutual, will be permitted to do so only between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday;~~

DRAFT

MUTUAL ADOPTION: _____ **AMENDMENT(S)**

FIVE: _____ 02-15-17 _____

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Notification of Remodeling

~~THAT the Physical Property Inspection Section is instructed to notify all adjacent apartments that share common entryways of the intent and scope of all proposed remodeling work.~~

~~THAT adjacent residents unable to be notified will have a letter mailed to them indicating the intent and scope of remodeling work to be performed.~~

~~FURTHER that a record of all notifications be maintained in the Physical Property Department.~~

MUTUAL ADOPTION

ONE	N/A
TWO	07-19-90
THREE	07-13-90
FOUR	08-06-90
FIVE	09-20-95
SIX	07-27-90
SEVEN	07-20-90
EIGHT	07-23-90
NINE	10-14-91
TEN	07-25-90
ELEVEN	07-19-90
TWELVE	07-12-90
FOURTEEN	07-27-90
FIFTEEN	07-16-90
SIXTEEN	07-16-90
SEVENTEEN	Not Applicable

(Sept 95)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

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 any building permit, building plan, or change orders issued for unit remodeling.~~

DRAFT

MUTUAL

ADOPTION

AMENDMENTS

FIVE:

02-15-17

02-22-18

(Apr 18)

MUTUAL OPERATIONS**RESCIND****PHYSICAL PROPERTY****Building Alterations or Additions – Except Mutual Eight and Nine**

A GRF permit for alterations or additions to buildings in this Mutual will not be issued by the Physical Property Department until a written, signed proposal and contract between the shareholder and the contractor (describing the work to be done by the contractor, the fees to be charged, and the start and completion dates for the work) has been presented to the Physical Property Department along with the application for issuance of a building permit.

The following paragraph applies to all Mutuals except Seven, Nine and Seventeen:

Further, a penalty of \$100 per day shall be assessed to the contractor by the Mutual for every calendar day that the construction exceeds the completion date as listed on the GRF permit. The Mutual Board, or its designee, may make an exception to the completion date and award an extension to the contractor without penalty due to unforeseen delays or problems. The shareholder or homeowner will receive all penalty fees.

The following paragraph applies to Mutuals Seven and Twelve only:

Further, a penalty of \$250 per day (\$150 per day Mutual Twelve only) shall be assessed to the contractor by the Mutual and paid to the Mutual for every calendar day that the construction exceeds the completion date as listed on the GRF permit. The Mutual Board may make an exception to the completion date and award an extension to the contractor without penalty due to unforeseen delays or problems.

<u>MUTUAL ADOPTION</u>	<u>AMENDMENTS</u>	<u>AMENDMENTS</u>
ONE	03-25-71	01-25-07
TWO	02-18-71	01-18-07
THREE	11-16-70	11-08-06
FOUR	03-01-71	12-13-06
FIVE	12-16-70	01-17-07
SIX	01-22-71	01-23-07
SEVEN	02-19-71	12-15-06** 03-18-11
EIGHT	02-22-71	01-22-07 02-23-15 (See Policy 7403.1.8)
NINE	02-09-71	01-08-07*, 03-18-11, 06-13-16 (See Policy 7403.9)
TEN	01-27-71	01-24-07
ELEVEN	03-18-71	01-18-07
TWELVE	03-11-71	01-11-07
FOURTEEN	12-11-70	01-23-07

(June 16)

Page 1 of 2

MUTUAL OPERATIONS

RESCIND

PHYSICAL PROPERTY

Building Alterations or Additions – Except Mutual Eight and Nine

FIFTEEN	12-16-70	01-15-07
SIXTEEN	03-11-71	01-15-07
SEVENTEEN	12-05-06*	

*First and fourth paragraphs apply

**First and third paragraphs apply

*****First, second and third paragraphs apply – Mutual Twelve**

DRAFT

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Microwave Ovens

RESOLUTION:

~~THAT Mutual No. ____ approve and adopt the plans and specifications of the Ad hoc Committee on Standardization of Apartment Alterations for installation of a special model microwave oven in place of the stove hood, and authorize the Physical Property Department to issue permits for such installation by licensed contractors, costs to be borne by the resident, and~~

~~FURTHER, that the oven will become a permanent installation to be maintained by the resident and on resale of Mutual stock for the apartment, the new resident will assume responsibility for maintenance.~~

MUTUAL ADOPTION

- ~~ONE _____ 01-22-81~~
- ~~TWO _____ 08-20-81~~
- ~~THREE _____ 12-15-80~~
- ~~FOUR _____ 12-01-80~~
- ~~FIVE _____ 11-17-82~~
- ~~SIX _____ 08-26-83~~
- ~~SEVEN _____ 12-19-80~~
- ~~EIGHT _____ 01-26-81~~
- ~~NINE _____ 01-12-81~~
- ~~TEN _____ 03-28-84~~
- ~~ELEVEN _____ 12-18-80~~
- ~~TWELVE _____ 04-09-81~~
- ~~FOURTEEN _____ 01-23-81~~
- ~~FIFTEEN _____ 05-17-82~~
- ~~SIXTEEN _____ 01-08-81~~
- ~~SEVENTEEN _____ N/A~~

(Mar 84)

MUTUAL OPERATIONS

RESCIND

PHYSICAL PROPERTY

Ceiling Fans

RESOLUTION:

~~THAT ceiling fans may be installed in the kitchen only in Mutual _____, with permit from Physical Property Department and to be installed by a licensed contractor, providing that it meets the City's specifications of a 6'8" clearance from blades to floor.~~

Mutual Three – Effective 10-13-00

~~NOTWITHSTANDING previous Mutual No. Three Board actions, ceiling fans are permitted in any location in an apartment provided ceiling heat in said room has been disabled and an approved alternate heat source has been installed and is operational. Installation shall be by permit only.~~

Mutual Four – Effective 11-6-00

~~NOTWITHSTANDING previous Mutual No. Four Board action, ceiling fans are permitted in any location in an apartment; and that their installation shall be by permit only.~~

Mutual Five – Effective 1-13-92

~~NOTWITHSTANDING PREVIOUS Mutual Five Board actions, ceiling fans are permitted in any location in an apartment; and that their installation shall be by permit only.~~

Mutual Eleven – Effective 1-21-99

~~Ceiling fans are permitted in any location in an apartment providing ceiling heat in said room has been disabled and approved alternate heat source has been installed and is operational. Installation shall be by permit only.~~

Mutual Twelve – Effective 2017-07-13

~~Ceiling fans are permitted in any reasonable location within a separate interest. If a room where a fan is to be installed has ceiling heat it must be disabled and an approved alternate heat source must be installed and operational prior to fan installation. Installation shall be by GRF building permit only.~~

(Jul 17)

MUTUAL OPERATIONS

RESCIND

PHYSICAL PROPERTY

Ceiling Fans

MUTUAL ADOPTION

AMENDED

ONE	04-25-85	
TWO	04-15-82	
THREE	11-09-84	10-13-00
FOUR	12-07-81	11-06-00
FIVE	07-17-85	01-13-92
SIX	09-25-81	
SEVEN	07-02-85	
EIGHT	10-03-85	
NINE	07-08-85	
TEN	06-24-83	
ELEVEN	07-18-85	01-21-99
TWELVE	10-11-84	07-13-17
FOURTEEN	07-24-84	
FIFTEEN	07-15-85	
SIXTEEN	09-19-83	
SEVENTEEN	N/A	

MUTUAL OPERATIONS**SHAREHOLDER REGULATIONS****RESCIND****Caregivers - Mutual Five Only****1. Licensing Requirements**

~~a. Shareholder or responsible person must ensure that caregiver will report to Stock Transfer Office within three days of employment to register as required under this policy.~~

~~b. In order to work as a caregiver in Mutual Five, caregiver should have a valid Seal Beach Business License or work for an agency with a valid Seal Beach Business License, per Seal Beach City Ordinance 1435. A copy of the license should be in the possession of caregiver at all times unless a caregiver works with an agency.~~

~~Exemption: A family member (of a Shareholder) who is acting in the capacity of a caregiver is exempt from possessing a business license.~~

~~c. A caregiver working in Mutual Five must have a valid driver's license if driving a vehicle into Leisure World.~~

2. Pass and Badge Requirements

~~a. All caregivers, whether working as a family member, as an individual, or through an agency, must apply and receive a caregiver's pass and clear badge holder through the Golden Rain Foundation Stock Transfer Office.~~

~~1) The pass must be renewed every six months.~~

~~2) The pass must be worn in clear sight at all times.~~

~~3) Passes or badge holders may not be transferred or lent to anyone.~~

3. Use of Laundry Facilities

~~a. Part-time caregivers may use laundry facilities for Shareholder's laundry only. *Part-time caregivers who use Mutual laundry facilities for their personal or family use will be barred from using laundry room facilities.*~~

~~b. Caregivers who are 24-hour live-ins may use washers and dryers for their personal use, but may not use the washers and dryers for other family members or friends.~~

~~c. Washers and dryers are to be cleaned after every use.~~

~~d. Only two washers and dryers may be used at a time.~~

~~e. Washed items are not allowed to be hung on home patios.~~

(Jul 13)

MUTUAL OPERATIONS

SHAREHOLDER REGULATIONS

RESCIND

Caregivers - Mutual Five Only

~~f. Part-time caregivers who use Mutual laundry facilities for their personal or family use will be permanently barred from Leisure World.~~

4. General Requirements

- ~~a. Caregiver must cease any noise that could be considered disruptive after 10 p.m., i.e., no loud televisions, radios, or talking, so as not to disturb the quiet enjoyment of neighbors.~~
- ~~b. Caregivers are not allowed to bring family members or friends to the unit.~~
- ~~c. Caregivers are not allowed to bring pets into Leisure World.~~
- ~~d. Caregivers are not allowed to use any community facilities.~~

5. Parking Regulations

- ~~a. If Shareholder does not have a vehicle, caregiver may use the carport space for their own vehicle after obtaining a temporary parking pass through the Stock Transfer Office.~~
 - ~~1) The temporary parking pass must be clearly displayed on dashboard of caregiver's vehicle at all times.~~

MUTUAL ADOPTION ~~_____~~ **AMENDMENT(S)**

FIVE: ~~11-19-08~~ ~~03-21-12, 07-17-13~~

MUTUAL OPERATIONS**RESCIND****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Five Only****SEAL BEACH MUTUAL NO. FIVE****ANNUAL ELECTION POLICY**

In accordance with State Law and the Mutual By-Laws, the following policy is established for the general election of directors to Seal Beach Mutual No. Five's Board of Directors (hereinafter referred to as the "Mutual" on occasion).

1) Board Directors, Alternating Years of Election

- a. The election of the Board of Directors shall be held at the annual meeting of the Mutual. Four (4) Board positions shall be filled at such election in even-numbered years, and three (3) Board positions shall be filled in odd-numbered years, on an alternating basis. The Board of Directors shall consist of seven (7) persons in total. By-Laws Article V Section 3.

2) Two Year Term

- a. Each Board member will serve a two (2) year term, or until the next election, whichever is longer.

3) Vacant Board Positions

- a. Vacant Board positions will be filled by Board member appointment until the next election applicable to the vacant seat filled by such appointment.

4) Candidate Must Be a Shareholder

- a. A candidate for the Board of Directors must be a current shareholder of the Mutual. Hereinafter, a shareholder may also be referred to as a "member" of the Mutual. Nominations may be made by any Shareholder including nominating oneself. The Mutual will disqualify a person from nomination as a candidate if the person is not a member of the Mutual at the time of nomination. If title to a separate interest parcel is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person to be a member for the purposes of being a candidate. See Civil Code section 5105(b)(2).

(November 2020)

Page 1 of 11

MUTUAL OPERATIONS**RESCIND****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Five Only****5) ~~Candidate Disqualification~~**

a. ~~A candidate will be disqualified:~~

- 1) ~~if the candidate has a prior criminal conviction that prevents the Mutual from acquiring a fidelity bond or would result in the termination of any such bond,~~
- 2) ~~if such candidate's election would result in joint shareholders of a separate interest serving on the Board at the same time, and/or~~
- 3) ~~if such candidate is delinquent in assessment payments (and not for failure to pay fines), unless~~
 - a. ~~the candidate has paid the same under protest,~~
 - b. ~~has entered into an assessment payment plan, or~~
 - c. ~~has not been provided the opportunity to engage in IDR.~~

b. ~~See Civil Code section 5105(c). However, any such disqualified person will be given the opportunity to engage in Internal Dispute Resolution. See Civil Code section 5105(e).~~

6) ~~One Vote per Unit, No Cumulative Voting~~

a. ~~The shareholder (or shareholders, jointly) of each unit may cast one vote for each board position to be filled at a given election. The candidates receiving the highest number of votes shall be elected as directors and shall take office immediately following their election. There shall not be cumulative voting. See the By-Laws Article IV Section 7.~~

7) ~~Optional Biographical information and/or Candidate Statement, No other Media Access~~

a. ~~A candidate for the Board of Directors may submit a short biography of qualifications and/or a candidate statement to be included in the mailing of ballots, not to exceed three hundred (300) words. The Mutual shall not edit or redact any content from any such biography of qualifications and/or candidate statement, but may include a statement specifying that the candidate, and not the Mutual, is responsible for the content. Other than the foregoing, any candidate or member advocating a point of view will not be provided access to any Mutual media, newsletter, or interne website during a campaign.~~

(November 2020)

MUTUAL OPERATIONS**RESCIND****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Five Only****8) ~~Canvassing and Petitioning, Reasonable Hours set Forth~~**

- a. ~~Shareholders will be allowed to canvass and petition shareholders, Board members and residents in a reasonable manner with respect to elections. A shareholder will also be allowed to reasonably distribute and circulate information about elections and candidates. Such activity may include mailing or sliding flyers under front doors, door mats or behind any screen. Such activity may also include passively handing out flyers in the common area. These activities must all be within reasonable hours and may not be made with such aggressiveness as to create a nuisance.~~
- b. ~~Flyers shall not be affixed to common area walls, doors, windows, and the like, nor to private vehicles. Shareholders and residents should not be disturbed before 8:00 a.m. nor after 8 p.m. Civil Code sections 4515(b)(4) & (5).~~

9) ~~Common Area Meeting Space Available~~

- a. ~~Candidates and shareholders will be allowed to use any suitable common area, or a community room, recreational hall and/or clubhouse meeting room, for the peaceful assembly and meeting with other members or residents, their invitees or guests, to conduct a "Meet the Candidate Forum" or the like for any election to the Board of Directors, or to conduct a "Town Hall Meeting" for persons to express points of view concerning other matters subject to membership vote, when not otherwise in use.~~
- b. ~~There will be no charge for the use of any such meeting place, nor will the applicant for such space be required to make a deposit, pay a fee, buy a liability policy of insurance or pay a premium or deductible on the Mutual's insurance policy for such use. An area of separate interest with the consent of the applicable member may also be used for such an assembly or meeting. Civil Code sections 4515(b)(1) & (3).~~

10) ~~Three Inspectors of Election~~

- a. ~~The Board of Directors shall appoint three (3) inspector(s) of election. Civil Code section 5110(a). The decision or act of a majority shall be effective in all respects as the decision or act of all. Civil Code section 5110(d). Any inspector report is prima facie evidence of the facts stated in such report. Civil Code section 5110(d).~~

11) ~~Who may Serve as an Inspector?~~

- a. ~~An inspector of elections may be a shareholder of the Mutual but not a director on the Board of Directors or a candidate for the Board of Directors or related to a director on the Board of Directors or a candidate for the Board of Directors.~~

(November 2020)

MUTUAL OPERATIONS**RESCIND****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Five Only**

- b. ~~An inspector of elections may be an independent third party, including but not limited to a volunteer poll worker with the county register of voters, a licensee of the California Board of Accountancy, and/or a notary public, but may not be a person or business entity who is currently employed or under contract to the Mutual for any compensable services other than as an inspector of elections. Civil Code section 5110(b).~~

12) ~~Powers of Inspector~~

- a. ~~The inspector(s) of elections shall determine the number of memberships entitled to vote and the voting power of each; determine the authenticity, validity, and effect of proxies if any; receive ballots; hear and determine all challenges and questions in any way arising out of or in connection with the right to vote; count and tabulate all votes; determine when the polls shall close; determine the results of the election; and perform any acts as may be proper to conduct the election with fairness to all members. Civil Code section 5110(c).~~
- b. ~~An inspector shall perform all duties impartially, in good faith, to the best of the inspector's ability, as expeditiously as is practical, and in a manner that protects the interest of all members of the Mutual. Civil Code section 5110(d).~~

13) ~~Nomination Process, Nominations May be Made from the Floor~~

- a. ~~The process for nominating a candidate to run for the board of directors shall be as follows in this section:~~
- i) ~~Self-Nomination. Any member of the Mutual qualified to serve on the Board of Directors may nominate himself or herself by personally delivering or mailing a letter or other writing advising the Board of Directors of his or her intent to run for a position on the Board of Directors, received by the Mutual no later from the Fortieth (40th) day before the ballot counting meeting of the membership, to be included on the written ballot mailed to shareholders. A member may also self-nominate thereafter or from the floor of the election meeting before the close of any additional nominations.~~
- ii) ~~Nomination by Third Party. If the name of a candidate is proposed into nomination by someone other than the candidate, the candidate must verify his/her willingness to be placed on the ballot.~~
- iii) ~~Close of Nominations. Candidate Nominations will be closed at 4:00 p.m. on the Fortieth (40th) day before the ballot counting meeting, with respect to such nominee's name being printed on the ballot. Only written nominations (including~~

(November 2020)

MUTUAL OPERATIONS**RESCIND****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Five Only**

~~the nominating committee's list of nominees and any self-nominations) personally delivered on or before the close of nominations will be accepted. Any nominee(s) thereafter or from the floor at the election meeting must be handwritten in on a blank space to be provided on the written ballot, by the member so voting.~~

14) Notice of Nomination Procedures, Pre-Ballot Notice and Ballot Materials.

- a. ~~At least thirty (30) days before the deadline for nominations and approximately one hundred and five (105) days before the voting deadline, the Mutual will send out to members a General Notice of Nominations Procedures and Deadlines (so as to be listed on the mailed out ballots and to be nominated thereafter). The deadline for submitting candidate nominations will be at least thirty (30) days after the mailing date of such General Notice of Nomination Procedures and Deadlines. Individual notice of such will be made only if requested by a member beforehand. See Civil Code section 5115(a).~~
- b. ~~At least thirty (30) days after the General Notice of Nomination Procedures and Deadlines was sent, and at least thirty (30) days before the ballots are distributed, the Mutual will send out to members a Pre-Ballot Notice. In such Pre-Ballot Notice to shareholders, the Board shall state 1) the date, time and physical address for ballots to be mailed or hand delivered to inspectors, 2) the date, time and meeting location for the ballot counting meeting, and 3) the preliminary list of candidates whose names will appear on the mailed out ballot. Individual notice of such will be made only if requested by a member beforehand. See Civil Code section 5115(b).~~
- c. ~~About sixty (60) to sixty five (65) days before the voting deadline, members will be permitted to verify the accuracy of his/her information on the preliminary candidate list and voter list, until forty (40) days before the voting deadline. The inspector will then change and correct such lists within two (2) business days of any error or omission being reported by the Mutual or member. See Civil Code section 5105 (a)(7). All qualified candidates nominated at least forty (40) days before the election will be listed on the mailed ballots.~~
- d. ~~The ballot materials for the annual election of the Board of Directors shall be mailed to each member of the Mutual or otherwise delivered between the thirty-fifth (35th) and thirtieth (30th) days before the annual meeting of the members during which the ballots will be counted. These ballot materials will include the ballot(s). These ballot materials will also include a copy of the election rules or will include and internet website address on the ballot together with the phrase, in at least twelve (12) point font: "The rules governing this election may be found here", while posting the election operating rules on this same internet website. See Civil Code sections 5105(g)(4)(B)(i) & (ii).~~

(November 2020)

MUTUAL OPERATIONS**RESCIND****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Five Only****15) ~~Secret Ballots~~**

- a. ~~Ballots and two pre-addressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Mutual to every member not less than 30 days prior to the deadline for voting. A voter may not be identified by name, address, or unit number on the ballot.~~
- b. ~~The Mutual shall use the following procedures~~
 - i) ~~The ballot itself is not signed by the voter but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter prints and signs his or her name, address, and unit number that entitles him or her to vote.~~
 - ii) ~~The second envelope is addressed to the inspector or inspectors of election, who will be tallying the votes. The envelope may be mailed or delivered by hand to a location specified by the inspector or inspectors of election. The member may request a receipt for delivery at the beginning of the voting process.~~

16) ~~Custody of Cast Ballots at Designated Location~~

- a. ~~The sealed ballots at all time shall be in the custody of the inspector or inspectors of election or at a location designated by the inspector or inspectors until after the tabulation of the vote.~~

17) ~~Record Date for Voting~~

- a. ~~The record date for voting shall be the date when ballots are distributed. See Civil Code section 5105(g)(1).~~

18) ~~Correction of Voter List and/or Candidate Registration List~~

- a. ~~Members will be allowed to verify the accuracy of his/her/their information on the voter lists and/or the candidate list until forty (40) days before the voting deadline. The Inspector of Elections will correct any errors on the same within two (2) business days.~~
- b. ~~The voter list shall include the name, voting power, and either the physical address of the voter's separate interest, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list if it differs from the physical address of~~

(November 2020)

MUTUAL OPERATIONS**RESCIND****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Five Only**

~~the voter's separate interest or if only the parcel number is used. Civil Code section 5105(a)(7).~~

19) ~~Ballots Will Generally Not be Denied~~

- ~~a. Ballots will not be denied to a member for any reason other than not being a member at the time of the record date for voting. A ballot will not be denied to a person with a general power of attorney for a member and will be counted if returned in a timely manner. See Civil Code sections 5105(g)(1), (2) & (3).~~

20) ~~Verification of Voter's Signature prior to Meeting, Cast Ballot is Irrevocable~~

- ~~a. The inspector of elections, or the designee of the inspector, may verify the member's information and signature on the outer envelope prior to the meeting at which the ballots are tabulated. Once a secret ballot is received by the inspector of elections, it shall be irrevocable. Civil Code section 5120(a).~~

21) ~~Quorum~~

- ~~a. The holders of one-third (1/3) of the members entitled to vote thereat, present in person, or represented by proxy, shall constitute a quorum. If such holders shall not be present or represented at such election meeting, the members entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, until the requisite amount of voting shares shall be present. See the By-Laws Article IV Section 5.~~

22) ~~Votes Tabulated~~

- ~~a. All votes shall be counted and tabulated by the inspector or inspectors of election in public at a properly noticed open meeting of the Mutual. Any candidate or other member of the Mutual may witness the counting and tabulation of the votes. No person, including a member of the Mutual or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. See Civil Code section 5120(a).~~

23) ~~Election Results~~

- ~~a. The results of the election shall be promptly reported to the Board of Directors of the Mutual and shall be recorded in the minutes of the next meeting of the Board of~~

(November 2020)

MUTUAL OPERATIONS**RESCIND****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Five Only**

~~Directors and shall be available for review by members of the Mutual. Within fifteen (15) days of the election, the Board shall publicize the results of the election in a communication directed to all members. See Civil Code section 5120(b).~~

24) Storage of Ballots after Election

- a. ~~After tabulation, election ballots, the signed voter envelopes, the voter list, any proxies and the candidate registration list shall be stored by the inspector of elections in a secure place at his or her designation, for no less than one year after the date of the election. Thereafter, the Mutual shall keep such ballots.~~
- b. ~~In the event of a recount or other challenge to the election process, the Mutual shall, upon written request, make the ballots available for inspection and review by Mutual members or their authorized representatives. Signed voter envelopes may be inspected but not copied. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote. See Civil Code sections 5105 and 5200.~~

25) Election Rule Amendments

- a. ~~These election operating rules shall not be amended to be applicable less than ninety (90) days prior to an election, but any such amendment will be applied if required by law. See Civil Code section 5105(h).~~

26) Election Rules may Supersede other Governing Documents

- a. ~~These election rules may contain provisions mandated by the Davis-Stirling Act under California state law, and as such, may supersede any conflicting provisions in the Mutual's Bylaws.~~

27) Actions by Shareholder or Contractor that Intimidates

- a. ~~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.~~

(November 2020)

MUTUAL OPERATIONS

RESCIND

STOCKHOLDERS MEETINGS

Annual Elections – Mutual Five Only

28) ~~Election Timeline~~

- a. ~~An election timeline is attached hereto as Exhibit "A"~~

DRAFT

MUTUAL OPERATIONS

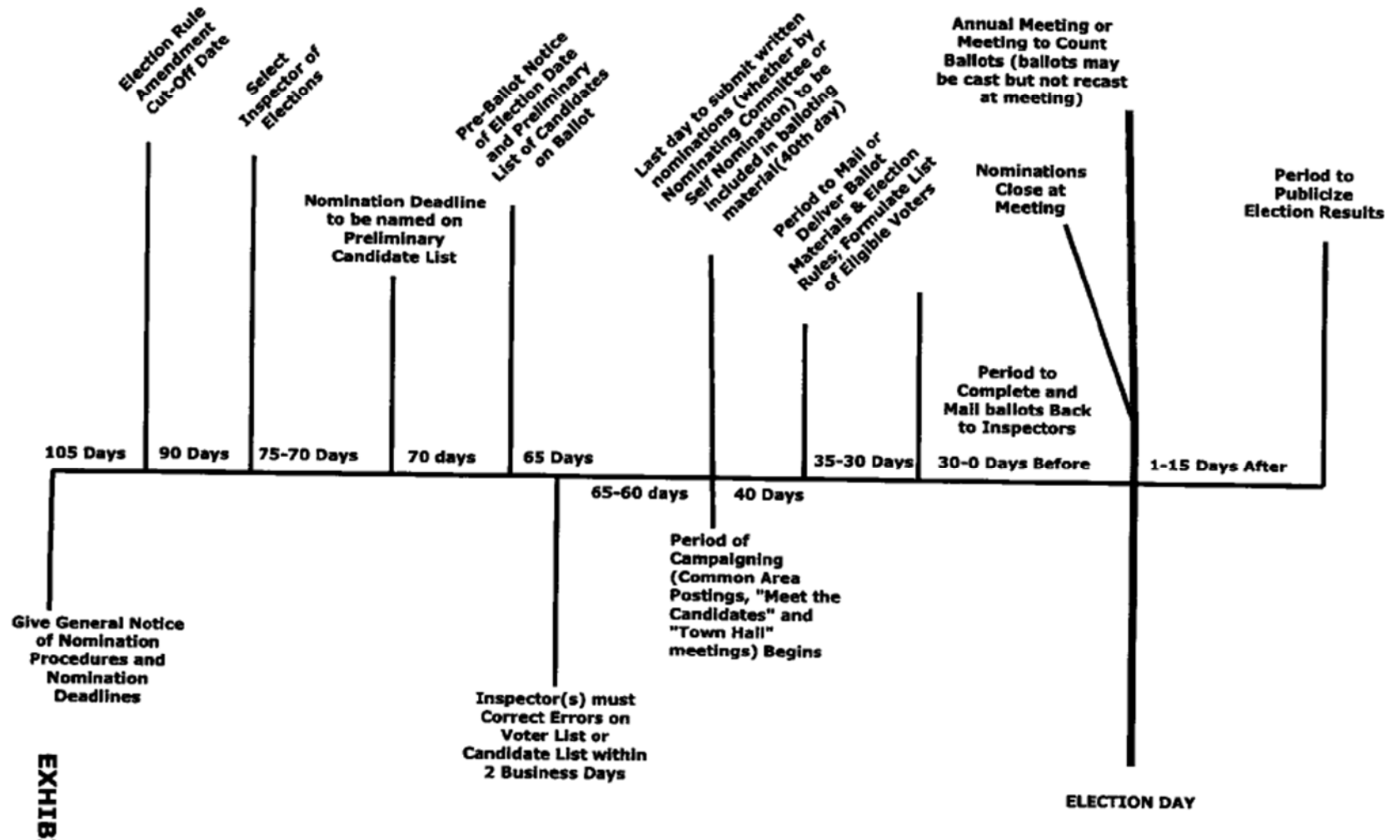
STOCKHOLDERS MEETINGS

Annual Elections – Mutual Five Only

RESCIND

EXHIBIT A

ELECTION TIMELINE (BOARD OF DIRECTORS AND BALLOT MEASURES)



EXHIBIT

MUTUAL OPERATIONS

RESCIND

STOCKHOLDERS MEETINGS

Annual Elections – Mutual Five Only

<u>MUTUAL</u>	<u>ADOPTION</u>	<u>AMEND</u>
FIVE:	04-18-18	11-18-20

DRAFT

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVAL OF MUTUAL MONTHLY FINANCES (NEW BUSINESS, ITEM A)
DATE: AUGUST 17, 2022
CC: MUTUAL FILE

I move to acknowledge, per the requirements of the Civil Code Section 5500(a)-(f), a review of the reconciliations of the operating and reserve accounts, operating revenues and expenses compared to the current year's budget, statements prepared by the financial institutions where the Mutual has its operating and reserve accounts, an income and expense statement for the Mutual's operating and reserve accounts, the check registers, monthly general ledger and delinquent assessment receivable reports for the month of July 2022.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE THE TRANSFER OF THE 2021 EXCESS INCOME (NEW BUSINESS, ITEM B)
DATE: AUGUST 17, 2022
CC: MUTUAL FILE

I move to approve the transfer of the 2021 Excess Income in the amount of \$64,814 identified in the Mutual 05 2021 Audit Report to the following accounts: \$44,814 to the Contingency Operating Funds Reserves; and, \$20,000 to the Emergency Reserves; and instruct the GRF Accounting Department to record the transfers.