

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TEN
February 22, 2017
(Meeting begins 9:00 a.m.)

1. CALL TO ORDER
2. BOARDROOM DECORUM
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):
 - Mr. Scheuermann, GRF Representative
 - Ms. Hopkins, Mutual Administration Director
 - Ms. Knapp, Stock Transfer Supervisor
 - Mr. Black, Building Inspector
 - Mrs. Aquino, Recording Secretary
5. SHAREHOLDER(S)' COMMENTS (limited to 3 minutes per shareholder)
6. APPROVAL OF MINUTES: **Regular Board Meeting of January 25, 2017**
Special Meeting Minutes of January 31, 2017 (page A)
Special Meeting Minutes of February 13, 2017 (page B)
7. BUILDING INSPECTOR Mr. Black
 - Permit Activity; Escrow Activity; Contracts & Projects; Shareholder & Mutual Requests
(**pages 3-4**)
8. UNFINISHED BUSINESS
 - a. Roofing Project Update
 - b. Waterline Project Update
 - c. 2016 Tree Planting Update
 - d. Tree Removal Update – Unit 246-K
 - e. Policy 7405.10 – Flooring and Floor Covering Permits (**pages 5-6**)
 - f. Mutual Ten Fire Safety/Health Inspections
 - g. "Notice of Intent to Withdraw – Update
 - h. Special Election February 9, 2017 – Update
 - i. Attorney review of By-Laws (**pages 7-8**)
 - j. Towing Policy Committee UpdateMs. Knapp
Ms. Knapp
9. NEW BUSINESS
 - a. Pesticide Application
 - b. Ornamental Pear Trees
 - c. JLS Small Projects
 - d. Replacement Tree 246 – A
 - e. Transformer Area 242 – L
 - f. Grass at Flowerbed 243 – L
 - g. Parking Policy Committee
 - h. Annual Notice from Mutual ten Board to Shareholders (**page 9**)
 - i. Policy 7210.10 – Elections (Mutual Ten Only) (**pages 10-12**)

STAFF SECRETARY BREAK (TIME TO BE DETERMINED BY PRESIDENT)

10. SECRETARY CORRESPONDENCE Ms. Arlart
 - Correspondence – letter request
 - Cares and Concerns Ms. Cummings
11. CFO REPORT Mr. Giles
12. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
13. GRF REPRESENTATIVE Mr. Scheuermann
14. ANNOUNCEMENTS
 - May 17, 2017, Annual Meeting and Election
 - Candidate Applications – February 16 through March 18 (extended to March 20th due to the weekend)
 - Ballot includes Directors and Bylaw Amendments
 - Annual Meeting, Wednesday, May 17, 2017, 10:00 a.m. Clubhouse 4
15. DIRECTORS' REMARKS (Time permitting, to be determined by President.)
 - a. PRESIDENT.....President Arlart
 - b. VICE PRESIDENT.....Vice President Cummings
 - c. EMERGENCY PREPAREDNESS COUNCIL.....Advisory Director Houck
 - d. FINANCE/BUDGET COMMITTEE.....CFO Giles
 - e. LANDSCAPE COMMITTEE.....Director Atkinson
 - f. PHYSICAL PROPERTIES COMMITTEE.....Vice President Cummings
 - g. OTHER COMMITTEES:
 - DRAFT PARKING POLICY COMMITTEE.....
 - DRAFT TOWING POLICY COMMITTEE.....
 - SOCIAL EVENT COMMITTEE.....
16. ADJOURNMENT
17. EXECUTIVE SESSION (legal and member issues)

DATES TO REMEMBER:

Next regular Board Meeting March 22, 2017 at 9:00 a.m. [A]

CFO Council: Wednesday, March 1, 2017 at 10:00 a.m. [B]
Presidents' Council: Thursday, March 2, 2017, at 9:00 a.m. [B]
Emergency PIC: Friday, March 3, 2017, at 10:00 am [A]
Special Meeting; Monday, March 13, 2017, at 2:30 p.m. [A]
Landscape Council: Friday, April 15, 2017, at 10:00 a.m. [B]
Roundtable: Friday, March 17, 2017, at 1:00 p.m. [A]
Physical Property Council: Thursday, April 6, 2017, at 1:30 p.m. [B]

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

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TEN
January 31, 2017**

In accordance with the Corporation Bylaws, and pursuant to due notice to the Directors and Shareholders, a Special Meeting of the Board of Directors of Seal Beach Mutual Ten on Tuesday, January 31, 2017, was called to order by President/Secretary Arlart at 2:31 p.m. in Building 5, Conference Room B.

Those members present were: President/Secretary Arlart, Vice President Cummings, CFO Giles, Directors Atkinson, Newman, Stipcich, Winkler, and Advisory Director Thompson. Director Phillips and Advisory Director Houck were absent. Also, present were Building Inspectors Black and Wyngaarden.

The purpose of the meeting was to schedule the Fire/Safety/Health Inspections, roofing bid project packet, and building re-piping (postponed).

Inspector Wyngaarden left the meeting at 3:30p.m.

Director Newman Left the Meeting at 3:55 p.m.

Director Winkler left the meeting at 4:15 p.m.

The meeting was adjourned at 4:34 p.m.

Attest

Ruthann Arlart, President/Secretary
SEAL BEACH MUTUAL TEN

ka:2/13/17

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TEN
February 13, 2017**

In accordance with the Corporation Bylaws, and pursuant to due notice to the Directors and Shareholders, a Special Meeting of the Board of Directors of Seal Beach Mutual Ten on Monday, February 13, 2017, was called to order by President/Secretary Arlart at 2:30 p.m. in Conference Room A of the Administration Building.

Those members present were: President/Secretary Arlart, Vice President Cummings, CFO Giles, Directors Atkinson, Newman, Phillips, Stipcich, Winkler, and Advisory Director Thompson. Advisory Director Houck was absent. Also, present was Building Inspector Black.

The purpose of the meeting was to discuss Physical Property projects and discussion of the Building Inspectors report.

The meeting was adjourned at 4:00 p.m.

Attest
Ruthann Arlart, President/Secretary
SEAL BEACH MUTUAL TEN
ka:2/14/17

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (10) TEN

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **FEBRUARY 22 2017**

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
10-247G	shower cut down w/enclosure	both	12/06/16	01/15/17			Nu Kote
10-253H	patio fence and gate	GRF	11/15/16	12/20/17			kress
10-257K	remodel	both	01/23/17	03/23/17		ground work 1/26/17- lath	ogan

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
10-260I				4.27.16	5.9.16		
10-246D		06/22/16	07/11/16	07/12/16	07/22/16		
10-244F			09/22/16	09/28/16	10/10/16		
10-241G			12/16/16	12/21/16	01/03/17		
10-250C		01/13/17	01/25/17	02/09/17	02/21/17		

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

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (10) TEN

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **FEBRUARY 22 2017**

CONTRACTS and PROJECTS	
CONTRACTOR	PROJECT
JLS Landscaping	Mutual gardening and lawns - on going, (Lawn spraying of oxalis)
Rain Gutters	on going depending on weather conditions
Class One Arboriculture	Tree Maintenance - contract is signed trying to start rain delay
Fenn Pest and Termite	termite and pest control: termite report in and yearly contract bill paid -
Tree Pruning	I need to analyze reports for M10 full reports this year
Roofing	contract ready with high priority list and as much of medium priority list max 12,000.00
Concrete	RFP packet in proof reading - plan on 2 roofs this year
Dry rot / Termite / Paint lists	Looking for areas to R/R. 240D-E, 256D, 251F-G
Re-piping	finishing up walking the mutual and typing list for repairs and paint
	planning on doing 6 more buildings this year
SHAREHOLER and MUTUAL REQUESTS	
10-238L - pull box vault, caulk blocks?	
physical property meeting 2/13/17	
10-245D - wants to add heavy duty curtains for patio	(see insert)
flooring permit policy - C.O.F. rating	
10-238A - roof leak, field leak - completed	
10-244L - roof leak, bath flashing - complete	
10-259E - roof leak - complete	
10-256B - roof leak, into maintenance to repair termite dam	
10-241I - roof leak - not looked at yet	

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Flooring and Floor Covering Permits – Mutual Ten****Building Permit – to include all floor coverings**

Effective immediately, Mutual Ten **(10)** requires a GRF Building Permit for all floor covering, including carpet installed at shareholder expense. Both interior and patio/porch floor covering will require a GRF Building Permit, if original flooring is disturbed this will require all abatement procedures for asbestos. All testing reports and EPA/AQMD permits will be required as needed. Copies of permits and testing reports shall be filed with GRF flooring permit.

Reason for this requirement includes:

- Assurance that no asbestos contained material is removed or compromised.
- No Mutual property is damaged
- ~~Interior/exterior~~ Patio/porch flooring is appropriate (for example, – if tile: non-skid rating ~~if tile on patio and interior of the unit – nonskid, C.O.F. min. 6.0~~)
- Shareholder understands what is and what is not allowed
- Shareholder understands that Mutual Ten **(10)** is not responsible for damage to, or failure of, flooring purchased and installed by shareholders or their successor shareholders.

FURTHER, That this policy dated _____ 2017 be attached to the permit and signed by the shareholder and installer or contractor (see page 2).

DRAFT

PHYSICAL PROPERTY

Flooring and Floor Covering Permits – Mutual Ten

Shareholder Unit # _____ Shareholder Signature: _____

Printed Name: _____

Date: _____

Contractor/Installer Signature: _____ Date: _____

Printed Name: _____

Mutual Inspector Signature: _____ Date: _____

Printed Name: _____

MUTUAL ADOPTION:

TEN: (ratified date)

(2-13-17ka)

Questions and attorney response in caps to Bylaw Amendments:

At its meeting last week, the Mutual Ten Board of Directors reviewed your correspondence of December 9, 2016, specifically the multiple bylaw amendments. The directors instructed me to ask you for clarification regarding the following three items:

- 1) Regarding Article IV, Section 4 of the bylaws, the proposed second paragraph: What would the reasoning be for removing a director without cause? Should it say "(A) removing a director *with* cause?"

CALIFORNIA LAW PERMITS THE REMOVAL OF DIRECTORS WITHOUT CAUSE BY A VOTE OF THE OWNERS. HOWEVER, THE INTENT TO CONDUCT SUCH VOTE MUST BE INCLUDED IN THE NOTICE OF THE MEETING. TO RECALL (REMOVE) A DIRECTOR, YOU JUST HAVE TO SUBMIT TO THE BOARD A PETITION SIGNED BY AT LEAST 5% OF THE MEMBERS REQUESTING A SPECIAL MEETING OF THE MEMBERS TO RECALL ONE, SOME, OR ALL OF THE BOARD MEMBERS. YOU DON'T HAVE TO GIVE A REASON. IN MY EXPERIENCE, SUCH PETITIONS MOST COMMONLY ARISE OUT OF DISAGREEMENTS OVER HOW A BOARD MEMBER (OR THE BOARD) IS MANAGING THE PROJECT OR A PARTICULAR POLICY THAT THE BOARD HAS OR HAS NOT ADOPTED, BUT WE HAVE ALSO SEEN PETITIONS ARISE PURELY OUT OF PURE ILL WILL BETWEEN THE PETITIONERS AND A BOARD MEMBER.

- 2) Regarding Article V, Section 10 of the bylaws, the proposed new section: Are there exceptions to the "Board Action Without Meeting" rule such as phone polls? Where is this cited in Civil Code?

SEVERAL YEARS AGO, THE LEGISLATURE TOOK AWAY THE ABILITY OF BOARDS TO TAKE ACTION OUTSIDE OF A MEETING, EVEN IF BY UNANIMOUS WRITTEN CONSENT (AS PERMITTED BY THE CORPORATIONS CODE. THE ONLY EXCEPTION IS FOR EMERGENCIES. THE BOARD CAN ALSO, AT A DULY-CALLED MEETING, DELEGATE IN ADVANCE CERTAIN TASKS TO AN OFFICER OF THE ASSOCIATION OR THE PROPERTY MANAGER. SO, IN THEORY, THE BOARD COULD VOTE TO GIVE THE PRESIDENT THE AUTHORITY TO MAKE DECISIONS IN BETWEEN MEETINGS RELATED TO "X." THE PRESIDENT COULD POLL THE OTHER BOARD MEMBERS ABOUT THEIR OPINION OF "X" BUT THE ULTIMATE DECISION WOULD BE MADE BY THE PRESIDENT.

CIVIL CODE SECTION 4910 PROVIDES AS FOLLOWS:

"4910. (a) The board shall not take action on any item of business outside of a board meeting.

(b) (1) Notwithstanding Section 7211 of the Corporations Code, the board shall not conduct a meeting via a series of electronic transmissions, including, but not limited to, electronic mail, except as specified in paragraph (2).

(2) Electronic transmissions may be used as a method of conducting an emergency board meeting if all directors, individually or collectively, consent in writing to that action, and if the written consent or consents are filed with the minutes of the board meeting. These written consents may be transmitted electronically." (Emphasis added).

CIVIL CODE SECTION 4155 STATES AS FOLLOWS:

"4155. "Item of business" means any action within the authority of the board, except those actions that the board has validly delegated to any other person or persons, managing agent, officer of the association, or committee of the board comprising less than a quorum of the board." (Emphasis added).

- 3) As the Board plans on moving forward with six (6) bylaw amendments, do you advise that the ballot have six (6) separate approve/disapprove set of boxes for members to cast their votes on the individual amendments, or one (1) approve/disapprove set of boxes on the ballot to serve as an all-or-nothing vote for the members?

WE CAN DO IT EITHER WAY. I THINK ONLY ITEMS NO. 2 (PROXIES) AND NO. 4 (NUMBER OF DIRECTORS AND QUALIFICATIONS) ARE LIKELY TO GENERATE ANY OPINIONS. THE OTHER ITEMS ARE JUST BRINGING THE DOCUMENTS INTO CONFORMITY WITH CALIFORNIA LAW. IF YOU THINK ITEMS NO. 2 AND 4 WILL BE CONTENTIOUS, I WOULD SEPARATE THEM OUT. IF YOU DON'T ANTICIPATE A PROBLEM, I WOULD PROBABLY DO JUST A STRAIGHT ALL-OR-NOTHING VOTE.

Thank you for your assistance.

ANNUAL NOTICE TO SEAL BEACH NO. TEN SHAREHOLDERS

(Civil Code Section 4041)

Dear Shareholder:

Pursuant to California law, each shareholder is obligated to provide the following information to the Leisure World Seal Beach Stock Transfer Office on an annual basis. Please complete this form and return it to the Stock Transfer Office on or before _____, 2017:

- 1) The address or addresses to which notices from the Mutual Ten Board, Mutual Administration or the Stock Transfer Office are to be delivered:

- 2) An alternative or secondary address to which notices from Mutual Ten, Mutual Administration or Stock Transfer Office are to be delivered:

- 3) The name and address of your legal representative, if any, including any person with a power of attorney or other person who can be contacted in the event of your extended absence from Leisure World Seal Beach:

- 4) Whether your unit is occupied or vacant.

Please be advised that, by law, if you fail to provide the Stock Transfer Office, as Agent for the Mutual Board and Mutual Administration, with the information set forth in (1) and (2) above, the property address of the unit will be deemed to be the address to which notices are delivered.

Thank you for your cooperation.

Mutual Ten Board of Directors

MUTUAL OPERATIONS**DRAFT POLICY****STOCKHOLDERS MEETINGS**Elections – Mutual Ten Only

In accordance with State Law and the Mutual Bylaws, the following policy is established for the general election of directors to the Mutual Board of Directors. The general election of Mutual Ten is held every other year during odd numbered years. Directors' terms are for two years.

1. Candidates**a. Candidate Eligibility**

In accordance with the Mutual Bylaws, all members in good standing are eligible to run for election to the Mutual Board of Directors. "Good Standing" means that the member is not delinquent in the payment of monthly or special assessments in an amount equal to or greater than one month's assessment for a period of time greater than 30 days. all candidates for election to the Mutual Ten Board of Directors must be shareholders of Mutual Ten and at least eighteen (18) years of age. Additionally no person may be a candidate if the person: (A) is delinquent by more than sixty (60) sixty days in the payment of any assessment levied by the Mutual Corporation; (B) has been declared of unsound mind by a final order of the court or has been convicted of a felony; or (C) is the Co-owner of a unit and another Co-owner of the unit is a candidate for the Board or already a member of the Board. With regard to Units owned in whole or part by an entity (e.g. a trust, partnership, corporation or limited liability), a "Co-owner" shall mean a trustee of such trust, partner of such partnership, an officer, director and/or shareholder of such corporation, or a member of the limited liability company, as the case may be

b. Notification of Nominations for Election of Directors

The Mutual Board of Directors shall place a notice in the *Golden Rain News* and the Mutual laundry rooms not less than 90 days prior to the annual meeting that any member shareholder of the Mutual in good standing who meets the candidate eligibility may place their name into nomination for the election of directors.

c. Self-Nomination by Shareholders

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

d. Nominations from the Floor