

**MINUTES OF THE REGULAR MONTHLY MEETING  
OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL TEN  
November 30, 2016**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Ten was called to order by President Arlart on Wednesday, November 30, 2016, at 9:02 a.m. in Conference Room A of the Administration Building.

**ROLL CALL**

|                     |  |
|---------------------|--|
| Present:            | President/Secretary Arlart, Vice President Cummings, CFO Giles, Directors Newman, Phillips, and Winkler, and Advisory Director Houck |
| Absent:             | Director Atkinson and Advisory Director Thompson   |
| GRF Representative: | Absent   |
| Guests:             | Five Mutual Ten shareholders   |
| Staff:              | Ms. Hopkins, Mutual Administration Director<br>Mr. Black, Building Inspector<br>Ms. Day, Recording Secretary                         |

**INTRODUCTION**

President Arlart welcomed the staff and guests to the meeting.

**SHAREHOLDER(S)' COMMENTS**

Several shareholders made comments.

**MINUTES**

President/Secretary Arlart asked if there were any corrections to the Regular Monthly Meeting minutes of October 26, 2016. There being no corrections, the minutes were approved as printed.

President/Secretary Arlart asked if there were any corrections to the Special Meeting minutes of November 14, 2016. There being no corrections, the minutes were approved as written.

**BUILDING INSPECTOR**

Building Inspector Black updated the Board on activity in the Mutual (attached).

Following a discussion, and upon a MOTION duly made by Vice President Cummings and seconded by Director Newman, it was

**UNFINISHED BUSINESS**

RESOLVED, To accept, in part, Class One Arboriculture's bid to trim, first all high priority trees, and second as many of the medium priority trees as can be accomplished, for a cost not to exceed \$12,000.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Vice President Cummings and seconded by Director Winkler, it was

RESOLVED, To plant six (6) trees in the areas where trees have previously been removed, at a cost not to exceed \$2,000.

The MOTION passed with one "no" vote (Phillips).

Building Inspector Black left the meeting at 9:37 a.m.

The Board discussed amending Policy 7505.10 – Maintenance Responsibility (attached). Upon a MOTION duly made by Vice President Cummings and seconded by CFO Giles, it was

RESOLVED, To rescind the current Policy 7505.10 – Maintenance Responsibility and replace it with the new Policy 7505.10 which includes the requirement for sellers to purchase a one-year Home Warranty Plan to cover each non-standard appliance and provide said warranty plan in the escrow packet, on a preliminary basis until the 30-day posting period is completed.

The MOTION passed with one "no" vote (Phillips).

Following a discussion, and upon a MOTION duly made by Vice President Cummings and seconded by Director Winkler, it was

RESOLVED, To ratify the telephone poll on Wednesday, November 9, 2016, to authorize the Mutual Ten attorney to proceed to revise the Mutual By-Laws to bring them more in line with the current laws, at a cost not to exceed \$2,000.

The MOTION passed.

Following a discussion, it was the consensus of the Board members to schedule a Special Meeting to review the Mutual By-laws that will be sent to the Mutual attorney for revising.

**NEW BUSINESS**

Following a discussion, and upon a MOTION duly made by Vice President Cummings and seconded by Director Newman, it was

RESOLVED, To prepare and distribute a letter from the Board to all shareholders of Mutual Ten stating the reasons for the increase in the monthly assessments for 2017.

Following further discussion, and upon a MOTION duly made by Vice President Cummings and seconded by Director Newman, it was

RESOLVED, To prepare and distribute a letter from the Board to all shareholders of Mutual Ten stating the reasons for the increase in the monthly assessments for 2017, and that the letter be sent to each unit by Mutual Administration.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Vice President Cummings and seconded by Director Winkler, it was

RESOLVED, To authorize the Vice President to prepare and distribute holiday greetings to the shareholders and to the staff of the Golden Rain Foundation departments from the Board, at a cost not to exceed \$60.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by President/Secretary Arlart and seconded by CFO Giles, it was

RESOLVED, To authorize the GRF Executive Director or Mutual Administration Director to issue zero (0) additional Guest Passes, in accordance with GRF Policy 5536.1-33. Each Guest Pass shall carry a unique identification number with a monthly report provided by the GRF Stock Transfer Office to the Mutual Board of Guest Passes issued noting the Shareholder/Member name as responsible party for the Guest.

The MOTION failed with three "yes" and three "no" votes.

Following further discussion, and upon a MOTION duly made by Vice President Cummings and seconded by Director Winkler, it was

**NEW BUSINESS (continued)**

RESOLVED, To authorize the GRF Executive Director or Mutual Administration Director to issue four (4) additional Guest Passes, in accordance with GRF Policy 5536.1-33. Each Guest Pass shall carry a unique identification number with a monthly report provided by the GRF Stock Transfer Office to the Mutual Board of Guest Passes issued noting the Shareholder/Member name as responsible party for the Guest

The MOTION passed with one “no” vote (Arlart).

**SECRETARY/CORRESPONDENCE**

President/Secretary Arlart received one letter which will be discussed in Executive Session. Vice President Cummings reported that several cards were sent out.

**CHIEF FINANCIAL OFFICER’S REPORT**

CFO Giles presented his Mutual financial report (attached).

**MUTUAL ADMINISTRATION DIRECTOR**

Ms. Hopkins discussed Mutual Administration activity.

**ANNOUNCEMENTS**

President/Secretary Arlart made the following announcements:

Next Regular Board Meeting: Wednesday, January 25, 2017, at 9:00 a.m. (A)  
Presidents’ Council: Thursday, December 1, 2016, at 9:00 a.m. (C4)  
CFO Council: Wednesday, December 7, 2016, at 10:00 a.m. (B)  
Presidents’ Council: Thursday, January 5, 2017, at 9:00 a.m. (C4)  
Physical Property Council: Thursday, January 5, 2017, at 1:30 p.m. (B)  
Next Special Meeting: Monday, January 16, 2017, at 2:30 p.m. (B)  
Landscape Council: Friday, January 20, 2017, at 10:00 a.m. (B)  
Roundtable: Friday, January 20, 2017, at 1:00 p.m. (A)

**ADJOURNMENT**

President/Secretary Arlart adjourned the meeting at 10:44 a.m. and announced an Executive Session would follow to discuss member issues.



Attest

Ruthann Arlart, President/Secretary  
SEAL BEACH MUTUAL TEN  
cd:12/07/16  
Attachments

**NEXT MEETING: WEDNESDAY, JANUARY 25, 2017, at 9:00 a.m.**

**BUILDING CAPTAINS AND SHAREHOLDERS: PLEASE DO NOT LEAVE THE  
MONTHLY MINUTES AT EMPTY APARTMENTS. THANK YOU.**

**REMINDER: THE SWEEPING DAY FOR MUTUAL TEN'S TRUST STREETS IS THE  
4th WEDNESDAY NIGHT OF EACH MONTH. PLEASE DO NOT PARK ON  
INTERLACHEN, ST. ANDREWS, OR NORTHWOOD STREETS AT THIS TIME.**

**Mutual Ten shareholders can access the monthly minutes on  
the Mutual website at:**

**[www.lwsb.com](http://www.lwsb.com) – go to “MUTUALS” – click on “Mutual 10”**

RESOLUTIONS IN THE REGULAR  
MONTHLY MEETING OF NOVEMBER 30, 2016

11/30/16      RESOLVED, To accept, in part, Class One Arboriculture's bid to trim, first all high priority trees, and second as many of the medium priority trees as can be accomplished, for a cost not to exceed \$12,000.

RESOLVED, To plant six (6) trees in the areas where trees have previously been removed, at a cost not to exceed \$2,000.

RESOLVED, To rescind the current Policy 7505.10 – Maintenance Responsibility and replace it with the new Policy 7505.10 which includes the requirement for sellers to purchase a one-year Home Warranty Plan to cover each non-standard appliance and provide said warranty plan in the escrow packet, on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To ratify the telephone poll on Wednesday, November 9, 2016, to authorize the Mutual Ten attorney to proceed to revise the Mutual By-Laws to bring them more in line with the current laws, at a cost not to exceed \$2,000.

RESOLVED, To prepare and distribute a letter from the Board to all shareholders of Mutual Ten stating the reasons for the increase in the monthly assessments for 2017, and that the letter be sent to each unit by Mutual Administration.

RESOLVED, To authorize the Vice President to prepare and distribute holiday greetings to the shareholders and to the staff of the Golden Rain Foundation departments from the Board, at a cost not to exceed \$60.

RESOLVED, To authorize the GRF Executive Director or Mutual Administration Director to issue four (4) additional Guest Passes, in accordance with GRF Policy 5536.1-33. Each Guest Pass shall carry a unique identification number with a monthly report provided by the GRF Stock Transfer Office to the Mutual Board of Guest Passes issued noting the Shareholder/Member name as responsible party for the Guest.

# INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(10) TEN**

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **November 30th 2016**

## PERMIT ACTIVITY

| UNIT #  | DESCRIPTION OF WORK             | GRF/CITY PERMIT | START DATE | COMP. DATE | CHANGE ORDER | RECENT INSPECTION          | CONTRACTOR / COMMENTS   |
|---------|---------------------------------|-----------------|------------|------------|--------------|----------------------------|-------------------------|
| 10-260L | 2 skylights, micro, lighting    | both            | 08/22/16   | 10/28/16   | no           | framing/electrical 10/5/16 | Los Al builders         |
| 10-244G | counter tops new fixture/applia | both            | 09/12/16   | 09/20/16   | yes          |                            | granite transformations |
| 10-260L | carport cabinet                 | GRF             | 10/27/16   | 11/10/16   | no           |                            | cortez carpentry        |
| 10-251L | carport cabinet                 | GRF             | 10/27/16   | 11/20/16   |              |                            | cortez carpentry        |
| 10-260L | flooring                        | GRF             | 11/07/16   | 11/22/16   |              |                            | Bixby Plaza             |
| 10-247G | shower cut down w/enclosure     | both            | 12/06/16   | 01/15/16   |              |                            | Nu Kote                 |
| 10-253H | patio fence and gate            | GRF             | 11/15/16   | 12/20/16   |              |                            | kress                   |
|         |                                 |                 |            |            |              |                            |                         |
|         |                                 |                 |            |            |              |                            |                         |

## 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 |     |                     |
| 10-247B |     | 09/08/16 | 11/15/16 | 11/17/16 |          |     |                     |
| 10-244F |     |          | 09/22/16 | 09/28/16 | 10/10/16 |     |                     |
| 10-238I |     |          |          |          |          |     | canceled prelisting |
|         |     |          |          |          |          |     |                     |
|         |     |          |          |          |          |     |                     |

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: November 30th 2016

## CONTRACTS and PROJECTS

| CONTRACTOR              | PROJECT  |
|-------------------------|--|
| JLS Landscaping         | Mutual gardening and lawns - on going, ( agenda items for repair landscap  |
| Rain Gutters?           | when please?   |
| Class One Arboriculture | Tree Maintenance -   |
| Fenn Pest and Termite   | Pest and Termite management - still in process of walking mutual up to (24 |
| Reserve Study Inc.      | reserve study - completed  |
| Tree Pruning RFP        | RFP's have been sent, return date is 10/14/16 @4pm                         |
| Empire Pipe Cleaning    | sewer cleaning set for 10/20/16 through 10/25/16, out bound only this year |
|                         | this is the last year of the contract, has been completed no report yet    |
| Roofing                 | spoke with Mr. Rudge on Monday of last week about RFP packets, he spok     |
|                         | with Esther about this.  |
| Concrete                | Looking for areas to R/R. 240D-E, 256D,                                    |
|                         |  |
|                         |  |
|                         |  |

## SHAREHOLER and MUTUAL REQUESTS

|  |  |
|--|--|
| 10-249i - termites                                       |  |
| 10-244F - escrow questions                               |  |
| 10-245C - check on lawn area, cart drove on              |  |
| 10-255C - roof leakl                                     |  |
| 10-244F - meet with maintenace about stove and burner is |  |
| 10-256K - check on electrical panel                      |  |
| 10-251H - took and sent photos of tree to Class One      |  |
| 10-244F - inspection, post for 11/4/16                   |  |
| 11/9/16 - empty unit check with Ms Arlart                |  |
| 11/14/16 - physical property BOD meeting                 |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |



**MUTUAL OPERATIONS****SHAREHOLDER REGULATIONS****DRAFT POLICY FOR ADOPTION****Maintenance Responsibility – Mutual Ten**

The Occupancy Agreement in Seal Beach Mutual Ten contains a provision under Article 11, Repairs, paragraph (b), whereby the Corporation shall (among other things) provide and pay for all necessary repairs, maintenance and replacements, except as specified in clause (a) of this Article.

Clause A of Article 11 of the Occupancy Agreement stipulates that:

Even though all expansions or permanent fixtures and appliances to the apartment become Mutual property when attached to the building; under the Mutual Corporation's residential permit for alterations or additions, the ~~owner/member~~ resident **shareholder** agrees not to look to the Golden Rain Foundation or the Mutual Corporation for reimbursement for the cost of the addition or the alteration, ..." and

NOW, THEREFORE BE IT RESOLVED, That any repairs, maintenance, or replacement of any cosmetic or non-standard additions and/or alterations to the original building structure be the responsibility of, and all charges and costs for the maintenance, repair or replacement of same be paid by the ~~owner/member~~ resident **shareholder** originally applying for the addition or alteration permit, and to the successor ~~owner/member~~ resident **shareholder** of that apartment. Cosmetic items and non-standard additions and/or alterations shall include, but not be inclusive of etched or paned windows, non-standard front doors, decorative non-standard window/door framing or molding, skylights, brick or other material facing, non-standard electrical and lights, non-standard flooring, counters made of non-standard material, non-standard appliances and plumbing fixtures, non-standard bathroom fixtures, and non-standard cabinetry.

RESOLVED, That a copy of this resolution, together with a list of all such cosmetic and non-standard additions and/or alterations added to the original apartment building, be attached to the escrow agreement between the existing ~~owner/member~~ resident **shareholder** and the successor ~~owner/member~~ resident **shareholder** in order to inform all new successor ~~owner/member~~ resident **shareholders** of such items, and of their obligation for the ongoing maintenance, repair, and replacement of such items at their expense.

BE IT FURTHER RESOLVED, That the existing ~~owner/member~~ resident **shareholder**, upon the resale or sale of the apartment, shall obtain a one-year Home Warranty Plan to cover each non-standard appliance and provide said warranty plan in the escrow packet.

**MUTUAL ADOPTION****AMENDMENTS**

TEN: **\*ratified date\***

**(date)**

**CFO Report - Mutual 10**  
**October 31, 2016**

| Account Description                     | \$ Variance | % Variance | Explanation   |
|---|-------------|------------|---|
| Total Other Income                      | \$ 5,200    | 13.6%      | This and past months Total Income is better than budget due to increase of unit sales. This should continue through the last two months of the year.                              |
| Utilities                               | \$ (7,095)  | -9.0%      | Utilities are better than budget, however the last four months water usage has been over budget, bringing the surplus closer to budget. Should end the year with a small surplus. |
| Professional Fees                       | \$ (3,207)  | -23.1%     | Currently Professional Fees are better than budget, however this surplus will decrease by year end as legal work in process is billed   |
| Outside Services                        | \$ (16,372) | -9.9%      | Outside services is better than budget as the surplus is less than last month and will continue to be closer to the budget at year end  |
| Taxes & Insurance                       | \$ 6,827    | 11.8%      | In past month Insurance has been over budget due to an accounting procedure which improved at the end of October and the variance will continue to improve by year end.           |
| Excess Inc / (Exp) Before Off-Bdgt Item | \$ 25,053   | 0.0%       | October ended better than budget.   |
|   |             |            |   |
|   |             |            | Year ending October is better than budget and this should continue through the end of the year leaving a small budget surplus.  |
|   |             |            |   |

**SEAL BEACH MUTUAL NO. 10**  
**FINANCIAL STATEMENTS RECAP**  
For the 10 months ending October 31, 2016

| October          |                  |              |   | YTD                 |                   |              |
|------------------|------------------|--------------|---|---------------------|-------------------|--------------|
| Actual           | Budget           | Variance     | Account   | Actual              | Budget            | Variance     |
| 67,592           | 67,592           | 0.0%         | Regular Assessment                              | 675,931             | 675,920           | 0.0%         |
| 17,399           | 17,399           | 0.0%         | Reserve Funding                                 | 173,990             | 173,990           | 0.0%         |
| <b>84,991</b>    | <b>84,991</b>    | <b>0.0%</b>  | <b>Total Regular Assessment</b>                 | <b>849,921</b>      | <b>849,910</b>    | <b>0.0%</b>  |
| 567              | 582              | -2.6%        | Service Income                                  | 5,601               | 5,820             | -3.8%        |
| 1,787            | 2,487            | -28.1%       | Financial Income                                | 19,082              | 24,870            | -23.3%       |
| 2,006            | 768              | 161.2%       | Other Income                                    | 18,887              | 7,680             | 145.9%       |
| <b>4,360</b>     | <b>3,837</b>     | <b>13.6%</b> | <b>Total Other Income</b>                       | <b>43,570</b>       | <b>38,370</b>     | <b>13.6%</b> |
| <b>\$ 89,351</b> | <b>\$ 88,828</b> | <b>0.6%</b>  | <b>Total Mutual Income</b>                      | <b>\$ 893,491</b>   | <b>\$ 888,280</b> | <b>0.6%</b>  |
| 39,785           | 39,785           | 0.0%         | Trust Maintenance Cost                          | 397,850             | 397,850           | 0.0%         |
| 8,205            | 7,905            | 3.8%         | Utilities                                       | 71,955              | 79,050            | -9.0%        |
| 721              | 1,386            | -48.0%       | Professional Fees                               | 10,653              | 13,860            | -23.1%       |
| 17,812           | 16,550           | 7.6%         | Outside Services                                | 149,128             | 165,500           | -9.9%        |
| 1,982            | 5,804            | -65.9%       | Taxes & Insurance                               | 64,867              | 58,040            | 11.8%        |
| 17,399           | 17,399           | 0.0%         | Contributions To Reserves                       | 173,990             | 173,990           | 0.0%         |
| <b>\$ 85,904</b> | <b>\$ 88,829</b> | <b>-3.3%</b> | <b>Operating Expenses Before Off-Budget</b>     | <b>\$ 868,443</b>   | <b>\$ 888,290</b> | <b>-2.2%</b> |
| <b>\$ 3,447</b>  | <b>(1)</b>       |              | <b>Excess Inc / (Exp) Before Off-Bdgt Items</b> | <b>\$ 25,048</b>    | <b>(5)</b>        |              |
|                  |                  |              | Depreciation (Off-Budget Item)                  |                     |                   |              |
| <b>\$ 3,447</b>  | <b>\$ (1)</b>    |              | <b>Excess Inc / (Exp) After Off-Bdgt Items</b>  | <b>\$ 25,048</b>    | <b>\$ (5)</b>     |              |
|                  |                  |              | <b>Restricted Reserve</b>                       |                     |                   |              |
| (5,794)          |                  |              | Appliance Reserve                               | 21,947              |                   |              |
| 669              |                  |              | Painting Reserve                                | 134,837             |                   |              |
| 16,730           |                  |              | Roofing Reserve                                 | 1,592,487           |                   |              |
| -                |                  |              | Emergency Reserve                               | 227,696             |                   |              |
| (5,687)          |                  |              | Infrastructure Reserve                          | 155,509             |                   |              |
| -                |                  |              |   | -                   |                   |              |
| <b>\$ 5,918</b>  |                  |              | <b>Total Restrcted Reserve</b>                  | <b>\$ 2,132,476</b> |                   |              |

**MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL TEN**

**November 14, 2016**

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 November 14, 2016, was called to order by President Arlart at 2:30 p.m. in Building 5, Green Room.

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

The purpose of the meeting was the Physical Property Committee projects, and discussion with Building Inspector Black.

The meeting was adjourned at 3:45 p.m.

  
\_\_\_\_\_  
Attest

Ruthann Arlart, President/Secretary  
SEAL BEACH MUTUAL TEN

cd:11/22/16