

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TEN
September 28, 2016**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Ten was called to order by President Arlart on Wednesday, September 28, 2016, at 9:00 a.m. in Conference Room A of the Administration Building.

ROLL CALL

Present: President/Secretary Arlart, Vice President Cummings, CFO Giles, Directors Atkinson, Phillips, and Winkler (9:03 a.m.), and Advisory Director Thompson, and Houck (9:08 a.m.).

Absent: Director Newman

GRF Representative: Absent

Guests: Mr. Guerrero, Security Chief
Four Mutual Ten shareholders

Staff: Mrs. Hopkins, Mutual Administration Director
Mr. Black, Building Inspector
Mrs. Aquino, Recording Secretary

INTRODUCTION

President Arlart welcomed the staff and guests to the meeting.

GUEST SPEAKER – JAIME GUERRERO

Security Chief Guerrero spoke to the Board about Policy 7582 – Towing Vehicles.

Mr. Guerrero left the meeting at 9:30 a.m.

SHAREHOLDER COMMENTS

Several shareholders made comments.

MINUTES

President Arlart asked if there were any corrections to the Regular Monthly Meeting minutes of August 24, 2016. A correction was noted on page 3: first resolution under New Business should be rescinded and the second resolution is the correct resolution. The minutes were approved as corrected.

President Arlart asked if there were any corrections to the Special Meeting minutes of September 19, 2016. There being no corrections, the minutes were approved as written.

Following a discussion it was the consensus of the Board to postpone the Reserve Study discussion until the next regular Board Meeting.

BUILDING INSPECTOR

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

Inspector Black also updated the Board on several items that were pending that have been completed.

Inspector Black left the meeting at 10:30 a.m.

UNFINISHED BUSINESS

Tree maintenance 2017 bid packets sent out and due back October 14.

Following a discussion, the Water Delivery System Re-Pipe Project is now complete at Building 244.

Following a discussion, it was noted that Vice President Cummings will Chair the Policy Committee. Also added to the committee were CFO Giles and Director Atkinson.

NEW BUSINESS

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

RESOLVED, To approve payment to John's Landscape for the removal of the tree at Unit 259-I, not to exceed \$600.

The MOTION passed.

NEW BUSINESS (continued)

Following a discussion, and upon a MOTION duly made by Director Atkinson and seconded by Director Winkler, it was

RESOLVED, To remove the ficus tree at Unit 252-L due to the invasion of roots under the foundation, not to exceed \$880.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Atkinson and seconded by Director Winkler, it was

RESOLVED, To remove the ficus tree at Unit 246-E due to the invasion of roots under the foundation, not to exceed \$880.

The MOTION passed.

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

RESOLVED, To remove the Ginkgo tree at Unit 254 J-K at the request of the shareholder, due to odor from the fruit and the structure and stability of the tree, not to exceed \$580.

The MOTION passed

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

RESOLVED, To remove the large main trunk of the Melaleuca tree that extends over the sidewalk, not to exceed \$180.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Atkinson and seconded by Director Phillips, it was

RESOLVED, To approve the repair of grass at Unit 240-E.

Following further discussion, the MOTION was withdrawn due to the revision of plans at Unit 240-E.

NEW BUSINESS (continued)

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

RESOLVED, To approve the grass repair at Unit 242-F, at a cost not to exceed \$90.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Atkinson and seconded by Director Winkler, it was

RESOLVED, To approve the grass repair at Unit 254-A, at a cost not to exceed \$120.

The MOTION passed.

President Arlart called a break from 10:50 a.m. to 11:10 a.m.

Advisory Director Houck and Vice President Cummings discussed the Shakeout Drill that will be taking place on October 20, 2016, at 10:20 a.m.

CORRESPONDENCE

President Arlart stated there was no correspondence received.

Several get well cards were sent out by Vice President Cummings. She expressed to the Board that if they have any other cares or concerns that need to be sent, to let her know.

CHIEF FINANCIAL OFFICER'S REPORT

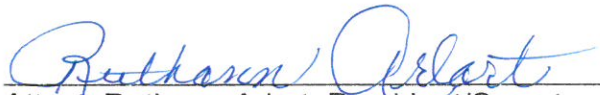
CFO Giles presented his Mutual Financial Report (attached).

MUTUAL ADMINISTRATION DIRECTOR

Ms. Hopkins discussed Mutual Administration activity.

ADJOURNMENT

President Arlart adjourned the meeting at 11:57 a.m. and announced an Executive Session would follow to discuss member issues.



Attest, Ruthann Arlart, President/Secretary

SEAL BEACH MUTUAL TEN

ka:9/28/16

Attachments

NEXT MEETING: WEDNESDAY, OCTOBER 26, 2016 at 900 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 – go to “MUTUALS” – click on “Mutual 10”

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF SEPTEMBER 28, 2016**

- 09/28/16 RESOLVED, To approve payment to John's Landscape for the removal of the tree at Unit 259-I, not to exceed \$600.
- RESOLVED, To remove the ficus tree at Unit 252-L due to the invasion of roots under the foundation, not to exceed \$880.
- RESOLVED, To remove the ficus tree at Unit 246-E due to the invasion of roots under the foundation, not to exceed \$880.
- RESOLVED, To remove the Ginkgo tree at Unit 254 J-K at the request of the shareholder, due to odor from the fruit and the structure and stability of the tree, not to exceed \$580.
- RESOLVED, To remove the large main trunk of the Melaleuca tree that extends over the sidewalk, not to exceed \$180.
- RESOLVED, To approve the repair of grass at Unit 240-E.
- RESOLVED, To approve the grass repair at Unit 242-F, at a cost not to exceed \$90.
- RESOLVED, To approve the grass repair at Unit 254-A, at a cost not to exceed \$120.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(10) TEN**

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **September 28th, 201**

PERMIT ACTIVITY

| UNIT # | DESCRIPTION OF WORK | GRF/CITY PERMIT | START DATE | COMP. DATE | CHANGE ORDER | RECENT INSPECTION | CONTRACTOR / COMMENTS |
|---------|---------------------------------|-----------------|------------|------------|--------------|-------------------|-------------------------|
| 10-252F | flared bath skylight solar | both | 08/04/16 | 09/09/16 | no | | M & M |
| 10-250J | ductless heat pump | both | 08/10/16 | 12/18/16 | no | | greenwood |
| 10-260L | 2 skylights, micro, lighting | both | 08/22/16 | 10/28/16 | no | | Los Al builders |
| 10-249C | ducted HVAC repl. | both | 08/29/16 | 11/30/16 | no | | greenwood |
| 10-244G | counter tops new fixture/applia | both | 09/12/16 | 920/16 | yes | | granite transformations |
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ESCROW ACTIVITY

| UNIT # | NMI | PLI | NBO | FI | FCOEI | ROF | DOCUMENTS/COMMENTS |
|---------|-----|----------|----------|----------|----------|-----|--------------------|
| 10-260I | | | | 4.27.16 | 5.9.16 | | |
| 10-260L | | 5.13.16 | 06/14/16 | 06/14/16 | 06/23/16 | | |
| 10-246D | | 06/22/16 | 07/11/16 | 07/12/16 | 07/22/16 | | |
| 10-248B | | | 07/21/16 | 07/27/16 | 08/08/16 | | |
| 10-252C | | | 07/22/16 | 07/22/16 | 08/03/16 | | |
| 10-245H | | | 09/02/16 | 09/02/16 | 09/15/16 | | |
| 10-247B | | 09/08/16 | | | | | |
| 10-238C | | 09/13/16 | | | | | |
| 10-244F | | | 09/22/16 | | | | |
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NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation
 FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

CFO Report - Mutual 10
August 31, 2016

| Account Description | \$ Variance | % Variance | Explanation |
|-----------------------------------------|-------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Other Income | \$ 4,966 | 16.2% | Again this month Total Income is better than budget due to Inspection Fees being better than budget, however part of this surplus is offset by less Tax Exempt interest income. |
| Utilities | \$ (8,941) | -14.1% | As in the past months Utilities are better than budgett due to less use of electricity and water. However, water usage for last three months has increased. |
| Professional Fees | \$ (2,956) | -26.7% | Professional Fees are better than budget due to legal items in process and not billed. This will correct in September bring the expense in line wiht the budget. |
| Outside Services | \$ (14,273) | -10.8% | Outside Services are better than budget in all areas however this is expected to correct in future months with work in process and not paid. |
| Taxes & Insurance | \$ 9,413 | 20.3% | As in past months Insurance is over budget due to an accounting procedure which will correct by year-end. |
| Excess Inc / (Exp) Before Off-Bdgt Item | \$ 21,730 | 0.0% | August ended better than budget. |
| | | | |
| | | | As in past months the YTD ending August is better than budget this will correct as seasonal expense come in along with some unexpected repairs. |
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SEAL BEACH MUTUAL NO. 10
FINANCIAL STATEMENTS RECAP
For the 8 months ending August 31, 2016

| August | | #NAME? | | YTD | | |
|--------------------|------------------|--------------|-------------------------------------------------|---------------------|-------------------|--------------|
| Actual | Budget | Variance | Account | Actual | Budget | Variance |
| 67,592 | 67,592 | 0.0% | Regular Assessment | 540,746 | 540,736 | 0.0% |
| 17,399 | 17,399 | 0.0% | Reserve Funding | 139,192 | 139,192 | 0.0% |
| 84,991 | 84,991 | 0.0% | Total Regular Assessment | 679,938 | 679,928 | 0.0% |
| 625 | 582 | 7.4% | Service Income | 4,505 | 4,656 | -3.2% |
| 1,880 | 2,487 | -24.4% | Financial Income | 15,525 | 19,896 | -22.0% |
| 2,252 | 768 | 193.2% | Other Income | 15,632 | 6,144 | 154.4% |
| 4,757 | 3,837 | 24.0% | Total Other Income | 35,662 | 30,696 | 16.2% |
| \$ 89,748 | \$ 88,828 | 1.0% | Total Mutual Income | \$ 715,600 | \$ 710,624 | 0.7% |
| 39,785 | 39,785 | 0.0% | Trust Maintenance Cost | 318,280 | 318,280 | 0.0% |
| 8,440 | 7,905 | 6.8% | Utilities | 54,299 | 63,240 | -14.1% |
| 2,905 | 1,386 | 109.6% | Professional Fees | 8,132 | 11,088 | -26.7% |
| 15,697 | 16,550 | -5.2% | Outside Services | 118,127 | 132,400 | -10.8% |
| 7,040 | 5,804 | 21.3% | Taxes & Insurance | 55,845 | 46,432 | 20.3% |
| 17,399 | 17,399 | 0.0% | Contributions To Reserves | 139,192 | 139,192 | 0.0% |
| \$ 91,266 | \$ 88,829 | 2.7% | Operating Expenses Before Off-Budget | \$ 693,875 | \$ 710,632 | -2.4% |
| \$ (1,518) | (1) | | Excess Inc / (Exp) Before Off-Bdgt Items | \$ 21,725 | (5) | |
| | | | Depreciation (Off-Budget Item) | | | |
| \$ (1,518) | \$ (1) | | Excess Inc / (Exp) After Off-Bdgt Items | \$ 21,725 | \$ (5) | |
| | | | Restricted Reserve | | | |
| (3,948) | | | Appliance Reserve | 29,195 | | |
| 669 | | | Painting Reserve | 133,499 | | |
| 16,730 | | | Roofing Reserve | 1,559,027 | | |
| (3,282) | | | Emergency Reserve | 227,696 | | |
| (36,830) | | | Infrastructure Reserve | 161,196 | | |
| - | | | | - | | |
| \$ (26,661) | | | Total Restrictcd Reserve | \$ 2,110,613 | | |

**Mutual Administration Director's Report
September, 2016**

A Few Pet Rules:

- Pets must be walked on a leash no longer than six feet (City of Seal Beach Ordinance).
- Retractable leashes are not allowed.
- Cleanup all waste deposited by your pet.
- Maintain liability insurance on your pet.
- Coyotes are natural predators.

Pet Registration with Leisure World and the City of Seal Beach is Required Under **Policy 7501**

| Requirements for Dogs | | Requirements for Cats | |
|--------------------------------|-----|--------------------------------|-----|
| City of Seal Beach Pet License | Yes | City of Seal Beach Pet License | No |
| Proof of Spay or Neuter | Yes | Proof of Spay or Neuter | Yes |
| Proof of Pet Inoculations | Yes | Proof of Pet Inoculations | No |
| Proof of Liability Insurance | Yes | Proof of Liability Insurance | Yes |
| Proof of Pet Dog's Weight | Yes | | |

All City Dog Licenses will expire on December 31, 2016.

City of Seal Beach – Pet Licensing Website

<http://www.sealbeachca.gov/City-Services/Animal-Control#pet-licensing>

Liability Insurance is your Responsibility

If you are uninsured and it is determined that you are the cause of a fire or water damage resulting in large scale serious damage to your apartment, or your neighbor's apartment or to the structure of the building or surrounding buildings, and common areas, you may be held financially responsible for those losses as noted in Article 5, Premises To Be Used For Residential Purposes Only. Practice fire safety, stove top fires can be deadly and devastating to those persons involved, as well as very costly. A pot or pan left carelessly on an active burner can cause damage to an entire building and its surroundings and possible loss of life.

THE MUTUAL INSURANCE DEDUCTIBLE as of today is \$50,000.00.

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TEN
September 19, 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 September 19, 2016, was called to order by President Arlart at 2:30 p.m. in Building 5, Conference Room B.

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

The purpose of the meeting was to discuss Physical Property Committee projects with Building Inspector Black.

The meeting was adjourned at 3:50 p.m.



Attest

Ruthann Arlart, President/Secretary
SEAL BEACH MUTUAL TEN

cd:9/20/2016