

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL TWO**  
**January 21, 2021**  
**Meeting begins at 9:00 a.m.**  
**Zoom Video and Call Conference Meeting**

**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](mailto: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 submit all the necessary information stated above, via email at [mutualsecretaries@lwsb.com](mailto:mutualsecretaries@lwsb.com), and state their intent to speak. Please send in your request no later than 3:00 p.m., the business day before the date of the meeting.

1. CALL TO ORDER
2. SHAREHOLDERS' COMMENTS (2 minutes per shareholder agenda items only)
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):
  - Mr. Pratt, GRF Representative
  - Ms. Snowden, GRF Representative
  - Mr. Rocha, Security Services Director
  - Mr. Rudge, Physical Property Manager
  - Ms. Hopkins, Mutual Administration Director
  - Mr. Jones, Building Inspector
  - Ms. Gamboa, Portfolio Specialist
  - Ms. Dullaart, Recording Secretary
5. APPROVAL OF MINUTES:
  - a. **Regular Meeting Minutes of December 17, 2020**
  - b. **Telephone Poll Minutes of December 14, 2020 (p. 3)**
  - c. **Special Meeting Minutes of January 11, 2021 (p. 4)**
6. GUEST SPEAKER Mr. Rocha
  - a. Discuss the Security Guide (pp. 5-8)
7. GUEST SPEAKER Mr. Rudge
  - a. Discuss adding cameras to all laundry rooms
8. BUILDING INSPECTOR'S REPORT Mr. Jones

Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (pp. 9-17)
9. GRF REPRESENTATIVE Ms. Snowden and Mr. Pratt

10. CONSENT CALENDAR
  - a. Discuss and vote to authorize transfer of funds for Mutual Two (p. 18)
  
10. UNFINISHED BUSINESS
  - a. Discuss and vote to respectfully accept Director Sandifur's resignation (p. 19)
  
11. NEW BUSINESS
  - a. Monthly Mutual Finances (p. 20)
  - b. Discuss and vote to approve sending out the Opt-Out Notice to Mutual Two shareholders (p. 21)
  - c. Discuss and vote to approve the estimate by Service Maintenance to service all outside breaker panels and replace failed breakers as necessary (p. 22-23)
  - d. Discuss and vote to approve the proposal for a drought-tolerant park to be established in the greenbelt (p. 24-25)
  - e. Discuss and vote to approve J&J Landscaping proposal to trim tree roots (p. 26-27)
  - f. Discuss and vote to approve the reinvestment of two Certificates of Deposit (p. 28-29)
  - g. Discuss and vote to approve having Juan Pablo Ocampo dust and clean all carport stalls (p. 30-32)
  - h. Discuss and vote to appoint Laura Sporcich as Mutual Secretary (p. 33)
  - i. Discuss and review Policy 7210.2 – Annual Election Procedures (pp. 34-45)
  - j. Discussion on Fire & Safety inspections
  - k. Discussion on Edison Grant – 3<sup>rd</sup> quarter of 2021 – electric vehicles (3 chargers)
  - l. Discussion on Director reports for Board of Director meetings and Board of Director minutes
  - m. Discussion on requested letters from Mutual Administration
  - n. Discussion on carport checking/fines and Director's checking carports in parcels
  - o. Discussion on new Director
  - p. Discussion on Bylaws committee
  - q. Discussion on Staghorn ferns throughout Mutual Two

**STAFF BREAK BY 11:00 a.m.**

- |     |                                  |              |
|-----|----------------------------------|--------------|
| 12. | SECRETARY / CORRESPONDENCE       | Ms. MacLaren |
| 13. | CHIEF FINANCIAL OFFICER'S REPORT | Mr. Brooks   |
| 14. | MUTUAL ADMINISTRATION DIRECTOR   | Ms. Hopkins  |
| 15. | ANNOUNCEMENTS                    |              |

**NEXT BOARD MEETING: Thursday, February 18, 2021 at 9:00 a.m. via Zoom**

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

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

**MINUTES OF THE TELEPHONE POLL MEETING OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL TWO  
December 14, 2020**

**Purpose of the telephone poll** — Chris Abel is proposing the removal about 20 of the remaining staghorn ferns on the bldg. 70 tree and re-positioning them on other Brazilian Pepper trees throughout the Mutual. This will entail purchasing plastic-encased wire and hooks and clamps to hold the fern to the trunk of the tree until it is able to secure itself. The fern securing to its new home would probably take a year. However, we need to get the plants attached now, while it is dormant. Waiting for BOD approval in late January 2021 may well hinder the plant, since in CA spring often comes early. As the plant awakens from its winter "sleep" it will need adequate moisture (rain) to help it grow and mature.

I would also like to attach half-sheet signs to inform shareholders about the fern and encourage them to give the fern a shot of water once in a while until the plants secure themselves to the tree. This will include half-sheet protectors and push pins. **Total supplies should run about \$30 from Petty Cash.**

And finally, I would like to have an assistant (JuanPablo Ocampo) who has a golf cart with a flatbed to help move and reinstall the ferns. I am estimating about 10 hours' worth of work and would like to pay him **\$200-250 for his help.**

**Motion:** I move to approve the removal of staghorn ferns (except the remaining 5 ferns) from the Brazilian Pepper tree (#25) by building 70 and reattach the ferns to other Brazilian Pepper trees around the mutual. Also, to write and attach temporary weather-protected notices to each tree with explanations as to what the fern is, that it poses no harm to the tree, and that shareholders are encouraged to water the ferns about once every two weeks until the ferns have acclimated to the tree at **a cost not to exceed \$300.** Funds to be taken from Landscape Extras.

MUTUAL 2 BOARD OF DIRECTORS --

Peggy Keller	<u>YES</u>	NO
Holly Maclaren - NA	<u>YES</u>	NO
Christopher Abel	<u>YES</u>	NO
Christine Harris	<u>YES</u>	NO
Travis Brooks	<u>YES</u>	NO
Karen Sandifur	<u>YES</u>	NO
Laura Sporcich -- NA	<u>YES</u>	NO
Lori Schulte	<u>YES</u>	NO
Teri Nugent	<u>YES</u>	NO

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Attest, Holly MacLaren, Secretary  
SEAL BEACH MUTUAL TWO  
kd: 12/21/2020

MINUTES OF A SPECIAL MEETING OF THE  
BOARD OF DIRECTORS  
SEAL BEACH MUTUAL TWO  
01/11/2021

In accordance with the Corporation Bylaws, and pursuant to posted due notice of the Shareholders, a special Meeting of the Board of Directors of Seal Beach was called to order by President Keller at 9:00 a.m. via Zoom.

Those Directors present were: President Keller, Vice President Nugent, CFO Brooks, Secretary Maclaren, and Directors Abel, Harris, & Schulte. Director Sporcich was not in attendance. Four (4) shareholders attended.

The purpose of the meeting was to discuss and prepare the agenda for the Mutual 2, January 21<sup>st</sup> BOD meeting.

No votes were taken at the meeting.

The meet was adjourned at 10:42 a.m.

Attest Peggy Keller, Secretary  
Seal Beach Mutual Two

### ***Knob Lock Procedures***

A knob lock device is designed to lock around a door knob to prevent the knob from turning and accessing the keyhole. These devices are used by security to secure a residence for a variety of reasons. The most important reason a residence is 'knob locked' is to ensure anyone accessing the residence (such as after a death of a resident) has the legal authority to do so.

Security may be asked to install a knob lock by:

- Stock Transfer Department
- Mutual President

All requests for use of a knob lock will be noted on a Knob Lock Report. This report documents information regarding the initial request, who installed the device, and who removed the device.

Some knob lock devices will not fit certain types of locks (such as custom locks). Mutuals may have other types of locking devices or systems to secure a door. Any additional type of equipment or device beyond the basic knob lock system (such as boarding up a unit with plywood) will be ordered and installed by the Mutual or installed by the Service Maintenance Department.

### ***Resident Welfare Checks***

The Security Department conducts resident checks after being notified by someone who is concerned about a resident's safety. When a security officer is called out to a residence to conduct a resident check:

- Whenever possible, two security officers should be present when entry is made to the residence.
- Knock on the door loudly and state you are from the Security Department.
- If there is no answer, use the residence key found in the lockbox to gain entry.
- When entering the residence state in a loud voice you are from the Security Department.

If all rooms are checked and no one is found, please ensure you have checked the following areas for someone:

- Shower
- Underneath the bed
- All closets
- Underneath large piles of clothes or blankets

If a person is found and they require immediate medical attention:

- Call 911 immediately from the resident's phone.
- If a resident's phone is not available, use a two-way radio to advise dispatch to call 911 immediately.
- After calling 911, security officers should remain outside of the residence and wait for police, fire, and/or a coroners' unit to arrive.

The watch commander will complete the Resident Check Log to document the resident check.

## ***Occupancy Checks***

An occupancy check is a procedure where a Mutual verifies all people residing inside a unit to ensure that all regulations of the occupancy agreement are being followed.

If it is not an emergency and a Mutual representative wishes to conduct an occupancy check, please refer them to the Mutual Administration Department. Mutual Administration has the expertise to advise a Mutual of the best course of action to take to ensure occupancy agreement compliance.

If it is decided that an occupancy check is warranted, Mutual Administration will send an e-mail request and approval to the watch commander. The patrol unit completing the occupancy check will complete an Occupancy Check Report and send a copy to the Mutual Administration Department.

## ***Death Investigations***

If security is called to a location where someone is deceased or if during a resident check a person is found deceased:

- Call 911 immediately from the resident's phone.
- If a resident's phone is not available, use a two-way radio to advise dispatch to call 911 immediately.

On most occasions, police and coroner units will be taking over the investigation. Remain outside of the residence until the police and/or coroner clear the scene.

When there is activity of this type at a residence, other resident's may ask a security officer what is happening at the location. To maintain confidentiality, Security will advise anyone who is asking about the incident, "We received a request for medical aid at this address." *EXCEPTION: If a Mutual President or Director ask about this type of incident, the security officer may share that there is an on-going death investigation at the scene.*

The security officer at the scene will complete a Death Investigation Report as soon as possible after the incident. If the Mutual President was not at the scene, the watch commander on duty will immediately e-mail the Mutual President to advise them of the incident.

## ***Interactions Involving Family Members at a Death Investigation***

The loss of a loved one is a very stressful event for a family. As the security officer at the scene, you may be dealing with a wide range of emotions, even if a death was expected.

When loved ones are at a residence of a deceased person, be patient and give family members the time to grieve. **NEVER** say to a grieving person:

- "He's in a better place."
- "It was his time."
- "There's a reason for everything."
- "I know how you feel."

**It is best to be silent or you may simply say, “I’m sorry for your loss.”**

### ***Establishing Legal Authority***

After a death investigation is completed, security must ensure that anyone who wants to stay at the residence after the scene has been cleared by police and/or coroner has ‘legal authority’ to remain inside the residence.

Establishing who has legal authority to remain at a residence with unlimited in and out and overnight stay privileges can be confusing. Family members and/or caregivers may be advise you that they have legal authority of a residence due to the fact they have a “Power of Attorney”, an “Executor of a will”, a “Non-resident co-owner” or “Head of a trust and an inheritor.”

*The only people with legal authority to stay in a residence after a resident death are:*

- Member resident
- Co-Occupant

**Security officers do not have the power to review or interpret legal documents or determine who has legal authority to stay in a residence. All legal authority issues must be reviewed and approved by the Stock Transfer Department.**

Caregivers have no authority to stay after a resident is deceased.

Security may not allow any unauthorized person to stay at a residence of deceased shareholder. Security should advise anyone remaining in the unit in a firm but polite manner:

*“I’m Security Officer \_\_\_\_\_. Your name, Sir/Ms. \_\_\_\_\_? Mr/Ms \_\_\_\_\_, unfortunately, since there is no member resident or a co-occupant present, I must ask you to leave. You may call the Stock Transfer Office during regular business hours and they will be able to assist you in how to gain access to the unit.”*

If unauthorized people still refuse to leave the unit, The Security Officer will state:

*“Please understand we must protect the interest of the deceased, so I must ask you to leave.”*

If unauthorized people continue to stay, the security officer will notify the watch commander. The watch commander will notify the Mutual President immediately regarding the refusal to leave, regardless of the date or time. The Mutual President has the authority to allow someone to stay in a unit or ask them to leave.

If the Mutual President denies anyone from staying in the unit and they still refuse to leave, the Mutual President can ask us to contact the Seal Beach Police Department for assistance. Security will follow the instructions of the police department at the scene. If police officers allow unauthorized persons to stay in the unit and police will take no further action, ensure you receive the name and serial number of the police officer at the scene to document on the report.

If a Mutual President allows someone to stay in the unit, ensure this information is noted in the report.

### ***Coroner's Investigations***

When a Coroner is conducting a death investigation they may place a 'Coroners Seal' on the door when they leave the residence. This seal forbids anyone from entering the residence (including those who have legal authority to do so) until they have completed their investigation.

After a Coroner's investigation is completed, they will usually notify the next of kin to the deceased that their investigation is complete and they may enter the residence. However, there are two important issues to remember:

- Even though the next of kin are stating the Coroner is allowing entry, this information must be verified with the Orange County Sheriff-Coroner/Coroner Division. This information will be documented by the watch commander on a Coroner's Information Report.
- If the coroner verifies that entry is allowed, the Security Department must ensure that the next of kin must have legal authority to enter the residence. If the next of kin does not have legal authority, they may not enter.

Refer any next of kin claiming legal authority to the Stock Transfer Department.

# INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(02) TWO**

INSPECTOR: **RAY JONES**

DATE: **THURSDAY 01/21/2021**

## PERMIT ACTIVITY

4-L	WINDOWS/DOOR	GRF	10/26/20	11/13/20	YES	12/29/20 FINAL	SEAPORT SASH AND DOOR
4-L	FRAMING	GRF	10/26/20	11/13/20	YES	12/10/20	SEAPORT SASH AND DOOR
4-L	INSULATION	GRF	10/26/20	11/23/20	YES	12/14/20	SEAPORT SASH AND DOOR
4-L	DRYWALL	GRF	10/26/20	11/23/20	YES	12/16/20	SEAPORT SASH AND DOOR
5-G	BATH RM REMODEL	BOTH	03/31/20	12/31/20	NO	01/04/21 FINAL	RS BUILT CONSTRUCTION
5-G	ROUGH ELECTRICAL	BOTH	03/31/20	12/31/20	NO	09/29/20	RS BUILT CONSTRUCTION
5-G	GROUND PLUMBING	BOTH	03/31/20	12/31/20	NO	09/29/20	RS BUILT CONSTRUCTION
5-G	DRYWALL	BOTH	08/31/20	12/31/20	NO	10/06/20	RS BUILT CONSTRUCTION
15-A	REMODEL	BOTH	05/15/20	07/31/20	YES	1/10/21 NONE	JSB HOME IMPROVEMENT
15-A	FOOTINGS/FOUNDATIO	BOTH	05/15/20	07/31/20	YES	09/25/20	JSB HOME IMPROVEMENT
15-A	GROUND WORK	BOTH	05/15/20	07/31/20	YES	10/09/20	JSB HOME IMPROVEMENT
15-A	ROUGH PLUMBING	BOTH	05/15/20	07/31/20	YES	10/09/20	JSB HOME IMPROVEMENT
15-A	FRAMING	BOTH	05/15/20	07/31/20	YES	10/09/20	JSB HOME IMPROVEMENT
15-A	ROUGH ELECTRICAL	BOTH	05/15/20	07/31/20	YES	10/27/20	JSB HOME IMPROVEMENT
15-A	EX. LATHE	BOTH	05/15/20	07/31/20	YES	11/18/20	JSB HOME IMPROVEMENT
15-A	SCRATCH COAT	BOTH	05/15/20	07/31/20	YES	11/20/20	JSB HOME IMPROVEMENT
15-A	BROWN COAT	BOTH	05/12/20	07/31/20	YES	11/25/20	JSB HOME IMPROVEMENT
26-F	A.C. UNIT	BOTH	12/12/20	02/12/20	NO	12/29/20 FINAL	GREENWOOD
28-E	4' SIDEWALK/HDY BRD	GRF	09/21/20	10/30/20	NO	11/13/20	JOHN M. BERGKVIST
28-E	REMOVE PATIO CARPE	GRF	09/01/20	11/15/20	NO	01/11/21 FINAL	LOS AL BUILDERS
32-F	BATH RM REMODEL	BOTH	01/05/21	01/22/21	NO	1/22/21 NONE	OGAN CONSTRUCTION
32-F	FRAMING	BOTH	01/05/21	01/22/21	NO	01/06/21	OGAN CONSTRUCTION
32-F	ROUGH WIRING	BOTH	01/05/21	01/22/21	NO	01/06/21	OGAN CONSTRUCTION
32-F	GROUND WORK	BOTH	01/05/21	01/22/21	NO	01/06/21	OGAN CONSTRUCTION
35-J	A.C. UNIT	BOTH	10/07/20	01/07/20	NO	12/21/20 FINAL	GREENWOOD HEATING & AIR
38-L	FLOORING	GRF	11/18/20	11/25/20	NO	12/21/20 FINAL	FAMILY FLOORS
42-J	SM. KITCHEN REMODEL	BOTH	11/12/20	11/20/20	NO	12/17/20 FINAL	CAL CUSTOM INTERIORS
45-F	REMODELL	BOTH	10/14/20	03/10/21	NO	03/10/21 NONE	LOS AL BUILDERS
45-F	FOOTING/FOUNDATION	BOTH	10/14/20	03/10/21	NO	12/15/20	LOS AL BUILDERS
45-F	GROUND WORK	BOTH	10/14/20	03/10/21	NO	01/06/21	LOS AL BUILDERS
45-F	ROUGH PLUMBING	BOTH	10/14/20	03/10/21	NO	01/06/21	LOS AL BUILDERS
47-E	NEW CEILING	BOTH	10/30/20	01/15/20	NO	01/15/21 NONE	LOS AL BUILDERS
47-E	DRYWALL NAILING	BOTH	10/30/20	01/15/20	NO	10/19/20	LOS AL BUILDERS
48-C	WASHER/DRYER	BOTH	09/28/20	11/15/20	NO	11/15/20 NONE	ROBERTS CONSTRUCTION
48-C	GROUND WORK	BOTH	09/28/20	11/15/20	NO	10/15/20	ROBERTS CONSTRUCTION

# INSPECTOR MONTHLY MUTUAL REPORT

<b>MUTUAL: (02) TWO</b>		<b>INSPECTOR: RAY JONES</b>					
<b>DATE:</b>		<b>THURSDAY 01/21/2021</b>					
48-C	ROUGH ELECTRICAL	BOTH	09/28/20	11/15/20	NO	11/18/21	ROBERTS CONSTRUCTION
53-J	WINDOWS/DOORS	BOTH	08/20/20	09/20/20	NO	02/12/21 NONE	SWENMAN COMPANY
53-J	A.C. UNIT	BOTHY	11/12/20	02/12/21	NO	12/30/20 FINAL	GREENWOOD HEATING & AIR
55-F	REMODEL	BOTH	10/08/19	10/08/20	YES	03/01/21 NONE	JLP ELECTRIC
55-F	UNDERGROUND PLUMB	BOTH	10/08/19	10/08/20	YES	04/06/20	JLP ELECTRIC
55-F	ROUGH ELECTRICAL	BOTH	10/08/19	10/08/20	YES	04/06/20	JLP ELECTRIC
55-F	BAY WINDOW FOUND.	BOTH	10/08/19	10/08/20	YES	07/22/20	JLP ELECTRIC
55-F	FRAMING	BOTH	10/08/19	10/08/20	YES	12/01/20	JLP ELECTRIC
55-F	ROUGH PLUMBING	BOTH	10/08/19	10/08/20	YES	12/01/20	JLP ELECTRIC
55-F	ROUGH ELECTRICAL	BOTH	10/08/19	10/08/20	YES	12/01/20	JLP ELECTRIC
55-F	INSULATION/LATHING	BOTH	10/08/19	10/08/20	YES	12/14/20	JPL ELECTRIC
55-F	DRYWALL	BOTH	10.08/19	12/08/02	YES	12/29/20	JPL ELECTRIC
55-F	HARDIE BRD./SHOW.PN	BOTH	10/08/19	12/08/20	YES	12/29/20	JPL ELECTRIC
55-F	INTER. LATHE	BOTH	10/08/19	12/08/20	YES	01/04/21	JPL ELECTRIC
58-B	CARPORT STORAGE	GRF	12/07/20	01/20/20	NO	12/17/20 FINAL	J&J HANDYMAN
59-K	WASH/DRYER	BOTH	08/17/20	10/31/20	NO	12/22/20 FINAL	B.A. CONSTRUCTION
59-K	FRAMING	BOTH	08/17/20	10/31/20	NO	10/14/20	B.A. CONSTRUCTION
59-K	ROUGH WIRING	BOTH	08/17/20	10/31/20	NO	10/14/20	B.A. CONSTRUCTION
59-K	ROUGH MACHANICAL	BOTH	08/17/20	10/31/20	NO	10/14/20	B.A. CONSTRUCTION
59-K	GROUND WORK	BOTH	08/17/20	10/31/20	NO	10/14/20	B.A. CONSTRUCTION
59-K	ROUGH PLUMBING	BOTH	08/17/20	10/31/20	NO	10/14/20	B.A. CONSTRUCTION
BLD. 59	ROOFING BLD.	BOTH	09/14/20	10/13/20	YES	12/29/20 FINAL	HAWORD ROOFING
BLD. 59	SHEATHING NAILING	BOTH	09/14/20	10/13/20	YES	10/08/20	HAWORD ROOFING
60-L	WASDH/DRYER	BOTH	10/31/20	01/31/21	NO	01/31/21 NONE	BRUNO H. ALVEREZ
60-L	FRAMING	BOTH	10/31/20	01/31/20	NO	12/02/20	BRUNO H. ALVEREZ
60-L	ROUGH WIRING	BOTH	10/31/20	01/31/20	NO	12/02/20	BRUNO H. ALVEREZ
60-L	MACHANICAL	BOTH	10/31/20	01/31/20	NO	12/02/20	BRUNO H. ALVEREZ
60-L	GROUND PLUMBING	BOTH	10/31/20	01/31/20	NO	12/02/20	BRUNO H. ALVEREZ
60-L	ROUGH PLUMBING	BOTH	10/31/20	01/31/20	NO	12/02/20	BRUNO H. ALVEREZ
62-L	SM. REMODEL	BOTH	11/04/20	12/28/20	NO	12/17/20 FINAL	KH DESIGN & CONSTRUCTION
BLD. 63	SHEATHING NAILING	BOTH	09/08/20	10/13/20	YES	12/01/20 NONE	RS BUILT CONSTRUCTION
66-C	ENTRY DOOR	BOTH	12/21/20	01/10/21	NO	01/11/21 FINAL	JSB HOME IMPROVEMENT
69-C	SM. REMODELL	BOTH	12/02/21	02/20/21	NO	01/12/21 FINAL	MORCO CONSTRUCTION
69-I	REPAIR STUCCO WALL	GRF	10/12/20	10/31/20	NO	01/12/21 FINAL	MJ JURADO
BLD.70	ROOFING BLD.	BOTH	09/08/20	10/13/20	NO	10/13/20 NONE	KONRAD CONSTRUCTION
BLD 70	SHEATHING NAILING	BOTH	09/08/20	10/13/20	NO	10/08/20	KONRAD CONSTRUCTION INC.

# INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(02) TWO**

INSPECTOR: **RAY JONES**

DATE: **THURSDAY 01/21/2021**

	NMO	PRILISTING	NBO	FINAL	FCOEI	ROF			
3-A		12/4/2019	01/22/20	1/23/2020					
4-I		3/15/2019	04/16/19	5/1/2019	5/21/2019				
4-A		9/14/2020	11/30/20	12/1/2020	12/15/2020	12/21/2020			
5-L		6/6/2019	11/08/19	2/12/2020					
6-H		3/6/2019	09/30/19	10/4/2019	12/15/2020	12/21/2020			
7-B		12/22/2020							
8-K	11/15/2019								
10-H		6/19/2020	06/09/20	6/10/2020					
13-F		08/17/20	01/06/21	01/06/21					
14-J		12/03/20							
19-A		09/02/20	10/23/20						
22-I		10/04/18	11/16/18	11/19/18					
15-A		12/18/19	02/13/20	02/13/20					
19-A		12/08/20	12/08/20						
19-F		04/08/19	08/19/20	08/24/20					
20-H		05/23/19	07/01/19	07/02/19					
22-D		10/09/20							
22-J		10/09/20	01/08/21	01/08/21	01/08/21				
23-G		11/18/19							
23-L		02/04/19	05/31/19	06/07/19	06/18/19				
24-B		12/21/20							
24-E		06/28/18							
26-C		12/16/20							
26-I		10/19/18	04/08/19	04/08/19					
27-K		06/26/18							
27-K		06/26/18	08/09/19	09/12/19					
28-J		03/06/18	04/16/18	04/28/18	05/08/18				
31-I		04/26/19	07/30/19	08/01/19					
32-L		10/30/20	11/24/20	12/01/20	12/15/20	12/21/20			
34-J		09/28/20	11/05/20	11/05/20	11/20/20	12/22/20			
34-H		10/06/20	11/23/20	11/30/20	12/14/20	12/21/20			
35-G		09/12/18	03/27/19	03/27/19					
39-D		06/06/18	06/11/18						



# INSPECTOR MONTHLY MUTUAL REPORT

<b>MUTUAL:</b> (02) TWO	<b>INSPECTOR:</b> RAY JONES
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<b>DATE:</b>	THURSDAY 01/21/2021
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66-K		12/06/19	50/18/20	05/22/20	06/04/20				
68-I		07/06/18	08/26/18	10/01/18	10/15/18				
70-F		04/26/18	05/11/18	05/22/18	06/06/18				
70-C		10/25/19	04/24/20	04/27/20					
71-I	10/26/2020								

## CONTRACTS

BERGKVIST GOOD THROUGH 2020	TERMITE AND DRYROT REPAIRS
J&J LANDSCAPE GOOD THROUGH 2021	MUTUAL 2
B&A CONSTRUCTION GOOD THROUGH 2020	TERMITE AND DRYROT REPAIRS

## CALLS AND VISITS TO UNITS 73

ant treatment		11-J							
meet w/Nukote		69-L							
meet w/ Nukote		70-I							
check garbage disposal		12-C							
sprinkler needs ajusted		30-F							
check for moister damage at bth rm		46-F							
leak at hosebib		45-F							
termites		carport #23 sp.32							
check on refer.		9-K							
final inspection on roof		bld. 59							
irrigation line leaking		45-F							
check for mjer damage at patio		52-K							
check main breaker		15-A							
check skylight for damage		52-B							
meet with contractor		15-A							
electrical issues		52-B							
check for back to back plumbing		30-H-30-G							
check bath rm drain		62-A							
check skylight install		63-F							
had non-permitted bidet removed		52-B							
meet w/ Nukote		52-B							
check skylight leak issues		13-G							
termites at patio		66-C							
low water pressure		48-I							
check her tripped breaker due to overload circuit		52-B							
termites at patio		30-H							
check skylight install on nail in shaft		63-B							
check skylight crank on wrong side		63-F							
drop off contractor book		41-L							



# INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(05) Five**

INSPECTOR: **Eric Kranda**

MUTUAL BOARD MEETING DATE: **February 15, 2017**

Print Date: 2/15/2017

## PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
70-L	TUB	BOTH	03/15/17	05/15/17	NO	ROUGH	BUENOS
71-D	HEAT PUMP	BOTH	02/06/17	04/28/17	NO	NONE	GREENWOOD
94-A	REMODEL	BOTH	12/15/16	05/01/17	YES	NAILING	LW DÉCOR
95-J	REMODEL	BOTH	02/15/17	04/15/17	NO	NONE	MCCOY
97-G	HEAT PUMP	BOTH	03/13/17	06/23/17	NO	FINAL	GREENWOOD
97-A	REMODEL	BOTH	02/15/17	04/15/17	NO	FINAL	MCCOY
99-G	ROOM ADDITION	BOTH	11/07/16	05/04/17	NO	LATH	ALPHA MASTER
109-F	REMODEL	BOTH	01/30/17	03/10/17	NO	ROUGH	OGAN
119-K	REMODEL	BOTH	03/20/17	04/05/17	NO	FINAL	OGAN
1117-D	SHOWER CUT DOWN	BOTH	10/26/16	11/26/16	NO	FINAL 01/19/17	NUKOTE
122-C	WINDOWS/ELECTRICAL	BOTH	02/25/17	04/30/17	NO	ROUGH	BJ
122-G	HEAT PUMP	BOTH	02/14/17	05/28/17	NO	NONE	GREENWOOD

UNIT #	ESCROW ACTIVITY						DOCUMENTS/COMMENTS
	NMI	PLI	NBO	FI	FCOEI	ROF	
69-G		09/07/16	03/07/17	03/13/17	03/23/17		
72-K		02/16/17	03/14/17	03/21/17	03/31/17		
93-D		02/16/17					
94-A		11/01/16					
95-C		03/24/15					
96-F		01/04/17	02/23/17	03/01/17	03/13/17		
104-E		06/20/16					
105-E		10/12/16					
105-I		01/24/17	03/07/17	03/08/17	03/20/17		
106-H		04/01/16					
106-I		04/01/16					
108-K		09/30/16					
109-D		01/24/17	03/20/17	04/06/17			
109-F		07/25/16					
112-D		02/23/17	03/30/17	03/30/17	04/11/17		
113-I		03/14/17	04/14/17				
115-F		07/03/16	03/16/17	03/21/17	03/31/17		
115-J		06/14/16					
119-I		11/18/16	01/05/17	01/11/17	01/23/17		
119-K		09/23/16	11/05/16	11/05/16	11/15/16		
124-F		01/04/17	03/22/17	04/05/17			
125-A		12/16/16					
125-D		02/16/17					
125-G		03/03/17	03/17/17	03/20/17	03/27/17		

**NMI** = New Member Inspection **PLI** = Pre-Listing Inspection **NBO** = New Buyer Orientation

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

			<b>CONTRACTS</b>						
				<b>PROJECT</b>					
FENN GOOD UNTIL 03/2017									
ANDRES GOOD UNTIL 10/2017									

		<b>SPECIAL CONTRACTS</b>							
				<b>PROJECT</b>					
KELLIE VAUGHN				BUILDING 91 COMPLETE START 93					
KRESS				STOVE HOODS 93					

# Mutual Corporation No. Two

## MEMO

**TO:** MUTUAL TWO BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO AUTHORIZE TRANSFERS OF FUNDS FOR MUTUAL TWO (CONSENT CALENDAR, ITEM A)  
**DATE:** JANUARY 14, 2021  
**CC:** MUTUAL FILE

I move that the Mutual Two Board authorizes the following transfers of funds per detailed and dated resolutions.

<i>Transfer/ Invoice Date</i>	<i>Amount</i>	<i>Originating/Destination Accounts or Payee</i>
11/2/2020 12/2/2020	\$23,898.00	Invoice #1050 & 1059 – Payee: RS Built Construction
12/8/2020	\$32,601.71	Transfer funds from US Bank Restricted Money Mkt to US Bank Non-Restricted Money Mkt
12/8/2020	\$45,000.00	Transfer funds from US Bank Non-Restricted Money Mkt to US Bank Checking
12/10/2020 12/17/2020	\$46,545.00	Invoice #1006925 & 1006938 – Payee: J&J Landscaping
12/14/2020	\$19,985.13	Transfer funds from US Bank Restricted Money Mkt to US Bank Non-Restricted Money Mkt
12/17/2020	\$23,460.00	Invoice #1006938 – Payee: J&J Landscaping
12/21/2020	\$52,438.03	Transfer funds from US Bank Restricted Money Mkt to US Bank Non-Restricted Money Mkt
12/22/2020	\$175,000.00	Transfer funds from US Bank Non-Restricted Money Mkt to US Bank Checking
12/23/2020	\$126,786.66	Transfer funds from US Bank Checking to US Bank Restricted Money Mkt
12/29/2020	\$11,000.00	Sale of 4A – Check #055993 – Payor: Trans-National Escrow
12/7/2020	\$293,043.00	Transfer funds from US Bank Checking to GRF-US Bank Checking
12/8/2020	\$137,229.98	Transfer funds from US Bank Checking to US Bank Impound

# *Mutual Corporation No. Two*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RESPECTFULLY ACCEPT THE RESIGNATION OF  
MUTUAL TWO DIRECTOR, KAREN SANDIFUR (UNFINISHED BUSINESS, A)  
**DATE:** JANUARY 21, 2021  
**CC:** FILE

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I move to respectfully accept the resignation of Mutual Two Director, Karen Sandifur, effective December 9, 2020.

# *Mutual Corporation No. Two*

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## MEMO

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**TO:** MUTUAL TWO BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF MONTHLY FINANCES (NEW BUSINESS, ITEM A)  
**DATE:** JANUARY 21, 2021  
**CC:** MUTUAL FILE

---

I move to acknowledge, per the requirements of Civil Code Section 5500(a)-(f), a review has been completed of the Mutual's 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, income and expense statement for the Mutual's operating and reserve accounts, the check registers, the monthly general ledger and delinquent assessment receivable reports, for the month of December 2020.

# *Mutual Corporation No. Two*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE SENDING THE OPT-OUT NOTICE TO  
MUTUAL TWO SHAREHOLDERS (NEW BUSINESS, ITEM B)  
**DATE:** JANUARY 21, 2021  
**CC:** FILE

---

I move to approve that Mutual Administration send the Opt-Out Notice, allowing the shareholder to remove their name, property address, mailing address, and/or e-mail address from the membership list, per Civil Code §5220 Membership List Opt-Out.

# *Mutual Corporation No. Two*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE THE ESTIMATE BY SERVICE MAINTENANCE TO SERVICE ALL OUTSIDE BREAKER PANELS AND REPLACE FAILED BREAKERS AS NECESSARY (NEW BUSINESS, ITEM C)  
**DATE:** JANUARY 21, 2021  
**CC:** FILE

---

I move to approve the estimate submitted by Service Maintenance to service all outside breaker panels and replace failed breakers as necessary at a cost not to exceed \$40,000.00. Funds to come from Infrastructure Reserve, to be billed on SRO report.

BIDG	Need	BIDG	Need	BIDG	Need
1	-8 + 2	30	-8 = 4	59	-12 = 0
2	-5 + 7	31	-11 = 0	60	-11 = 0
3	-8 + 7	32	-8 = 4	61	-11 = 0
4	-8 + 7	33	-10 = 0	62	-12 = 0
5	-8 + 8	34	-9 = 0	63	-10 = 0
6	-9 + 8	35	-10 = 2	64	-10 = 0
7	-8 + 4	36	-12 = 0	65	-11 = 0
8	-7 + 5	37	-12 = 0	66	-10 = 0
9	-7 + 5	38	-12 = 0	67	-12 = 0
10	-12 = 0	39	-12 = 0	68	-10 = 0
11	-7 + 4	40	-7 = 0	69	-11 = 0
12	-7 + 3	41	-10 = 0	70	-10 = 0
13	-10 = 0	42	-9 = 0	71	-9 = 0
14	-11 + 1	43	-11 = 0	72	-12 = 0
15	-12 = 0	44	-11 = 0		
16	-9 + 2	45	-12 = 0		
17	-7 + 5	46	-11 = 0		
18	-10 + 2	47	-10 = 0		
19	-11 + 1	48	-11 = 0		
20	-11 = 0	49	-10 = 0		
21	-10 = 0	50	-11 = 0		
22	-10 + 2	51	-10 = 0		
23	-12 = 0	52	-10 = 0		
24	-9 = 3	53	-12 = 0		
25	-8 = 2	54	-11 = 0		
26	-12 = 0	55	-7 = 0		
27	-12 = 0	56	-11 = 0		
28	-12 = 0	57	-11 = 0		
29	-12 = 0	58	-11 = 0		
				72	

# *Mutual Corporation No. Two*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE THE PROPOSAL FOR A DROUGHT-TOLERANT PARK TO BE ESTABLISHED IN THE GREENBELT (NEW BUSINESS, ITEM D)  
**DATE:** JANUARY 21, 2021  
**CC:** FILE

---

I move to approve the proposal for a drought-tolerant park to be established in the greenbelt between the sidewalks located between buildings 15 and 16. This is an area of approximately 3,350 square feet and will be accessible to all Leisure World shareholders. J&J Landscaping will remove turf, grade the area, and install a low-water drip system. J&J Landscaping will also handle the placement of decomposed granite sand, coarse sand, and gravel, plus the placement of rocks and boulders of various sizes, berms, and possibly a narrow "dry creek bed" to aid storm drainage. Planting (not included in this motion) will be deferred to 2022. At a cost not to exceed \$24,000.00. Funds to come from Landscaping Reserves.



# *Mutual Corporation No. Two*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE J&J LANDSCAPING PROPOSAL TO TRIM TREE ROOTS (NEW BUSINESS, ITEM E)  
**DATE:** JANUARY 21, 2021  
**CC:** FILE

---

I move to approve J&J Landscaping proposal to trim tree roots at unit 45-A, re-sod at unit 31-H, and unit 31-I. Put a root barrier at unit 57-L and put a French drain at unit 37-A. At a cost not to exceed \$1,000.00, funds to come from Landscape Reserves, and authorize the President to sign the Work Order.



**J & J**  
 Landscaping  
 Lic# 790032

# PROPOSAL

(562) 650-1511  
[CD\\_Juventud@yahoo.com](mailto:CD_Juventud@yahoo.com)

11535 Belcher St.,  
 Norwalk, CA 90650

Attention:  
 Mutual No. 2  
 Golden Rain Foundation  
 P.O. Box 2069  
 Seal Beach, CA 90740  
 Date: 1-6-21  
 Project Title: Mutual No.2

Description	Quantity	Unit Price	Cost
45A trim roots of jacaranda going into building.			\$ 80
31 I and H ; after maintenance put new sidewalks , add dirt and sod			\$ 250
57L 30 ft of root barrier ; 18 inches deep			\$ 390
37A French drain ; 20 ft long 3 ft deep			\$ 325
<b>Labor and materials</b>		Total	

Thank you for choosing J & J Landscaping!

# *Mutual Corporation No. Two*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE THE REINVESTMENT OF TWO CERTIFICATES OF DEPOSIT (NEW BUSINESS, ITEM F)  
**DATE:** JANUARY 21, 2021  
**CC:** FILE

---

Certificate of Deposit Summary Table attached.

I move to approve the reinvestment of \$400,000.00 from two (2) certificates of deposit maturing on December 31, 2020 held in US Bancorp laddered certificate of deposit account. Certificate of deposit investments to be in an amount less than \$250,000.00 with staggered maturity dates.

MUTUAL 02 - US BANCORP INVESTMENTS  
11/30/20

Interest Accrual Calculation:

Purchase	Maturity	Other Investments - US Bancorp	Rate	Par Value	Purchase Price	Annual Interest	Paste Spec Val Int Accrual Beginning	Int Accrual Monthly	Interest Paid (Memo)	Copy Int Accrual Ending	
12/17/18	12/17/20	CIT Bk Natl Assn Pasadena CA	3.05%	200,000	200,000.00	6,100.00	2,533.31	508.33		3,041.64	
12/19/18	12/21/20	Barclays Bank Wilmington DE	3.05%	200,000	200,000.00	6,100.00	2,533.31	508.33		3,041.64	
02/22/18	02/22/21	Morgan Stanley BK NA Salt Lake City UT	2.60%	200,000	200,000.00	5,200.00	1,307.12	433.33		1,740.45	
03/27/19	03/29/21	Wells Fargo Bank Natl Assn Sioux Falls SD	2.55%	200,000	200,000.00	5,100.00	395.88	(8.15)	433.15	387.73	
04/24/18	04/26/21	Chitbank Natl Assn Sioux Falls SD	2.80%	150,000	150,000.00	4,200.00	(17.25)	350.00		332.75	
09/27/19	09/27/21	BMTW Bk Salt Lake City UT	1.85%	129,000	129,000.00	2,386.50	192.34	198.88		391.21	
09/27/19	09/27/21	New York Cmnty Bk Flushing NY	1.85%	76,000	76,000.00	1,406.00	113.32	117.17		230.48	
09/30/19	09/30/21	Merrick Bk South Jordan UT	1.85%	245,000	245,000.00	4,532.50	365.33	(7.24)	384.95	358.09	
USBancorp Totals				8	1,400,000	1,400,000.00	35,025.00	7,423.34	2,100.65	818.10	9,523.99

Interest Accrual JE:

5397000	(2,100.65)
5397500	0.00
1134000	2,100.65

# *Mutual Corporation No. Two*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE HAVING JUAN PABLO OCAMPO DUST AND CLEAN ALL CARPORT STALLS (NEW BUSINESS, ITEM G)  
**DATE:** JANUARY 21, 2021  
**CC:** FILE

---

I move to approve having Juan Pablo Ocampo working/paid through J&J Landscape to dust and clean all carport stalls at \$2.00 per stall, at a cost not to exceed \$1,800.00. Funds to come from Standard Maintenance.



**J&J**  
 Landscaping  
 Lic# 790032

# PROPOSAL

(562) 650-1511  
[CD\\_Juventud@yahoo.com](mailto:CD_Juventud@yahoo.com)

11535 Belcher St.,  
 Norwalk, CA 90650

Attention:  
 Mutual No. 2  
 Golden Rain Foundation  
 P.O. Box 2069  
 Seal Beach, CA 90740  
 Date:  
 Project Title: Mutual No.2

Description	Quantity	Unit Price	Cost
Juan Pablo Ocampo working with J&J Landscaping will dust & clean all Mutual 2 carport stalls @ \$2.00 per stall. Total cost not to exceed \$1800.00. Funds to be taken from Miscellaneous Operations.		<i>\$2.00            per stall</i>	<i>\$1800.—</i>
<b>Labor and materials</b>		Total	<i>1800.—</i>

Thank you for choosing J & J Landscaping!



**J&J**  
Landscaping  
Lic# 790032

# INVOICE

(562) 650-1511  
[CD\\_Juventud@yahoo.com](mailto:CD_Juventud@yahoo.com)

11535 Belcher St.,  
Norwalk, CA 90650

Attention:  
Mutual No. 2  
Golden Rain Foundation  
P.O. Box 2069  
Seal Beach, CA 90740  
Date:  
Project Title: Mutual No.2

Description	Quantity	Unit Price	Cost
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Clean & dust all Mutual 2 carport stalls @ the rate of \$2.00 per stall. Funds not to exceed \$1800.00; to be taken from Miscellaneous Operations. Juan Pablo Ocampo will be completing the job working with J&J Landscaping.

**Labor and materials**

Total \$ 1800.<sup>00</sup>/<sub>100</sub>

Thank you for choosing J & J Landscaping!

# *Mutual Corporation No. Two*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPOINT LAURA SPORCICH AS MUTUAL SECRETARY (NEW BUSINESS, ITEM H)  
**DATE:** JANUARY 21, 2021  
**CC:** FILE

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I move to appoint Director Laura Sporcich as the Mutual Secretary to complete the 2020-2021 term, ending June 2021.

**MUTUAL OPERATIONS****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Two Only****SEAL BEACH MUTUAL NO. TWO****ELECTION AND VOTING RULES AND REGULATIONS****INTRODUCTION**

The Board of Directors (“Board”) of Seal Beach Mutual No. Two (“Mutual”) has adopted these Election and Voting Rules and Regulations (“Election Rules”), in accordance with Civil Code §5105, et seq., to establish certain procedural rules for the successful management of meetings of the Mutual’s shareholders (“Shareholders”) and the implementation of the relevant provisions of the Mutual’s Bylaws concerning elections and voting. These Election Rules are not intended to replace or supersede the provisions of the Mutual’s Bylaws. Notwithstanding the foregoing, these Election Rules were revised and adopted by the Board to comply with the changes to California Civil Code §§ 5100; 5105; 5110; 5115; 5125; and 5145 which take effect on January 1, 2020, pursuant to California Senate Bill 323. As such, any inconsistency between these Election Rules and the Bylaws shall be governed in accordance with the Civil Code.

These Election Rules shall not be amended less than ninety (90) days prior to an election.

**RULES AND REGULATIONS**

1. Qualifications of Candidates and Directors/Elected Positions
  - a. Candidates for election to the Board shall be Shareholders of the Mutual, and the Board shall be composed of nine (9) persons who shall, at all times, be Shareholders of the Mutual.
  - b. In order to be a candidate for election for Director or any other elected position, such Shareholder, as of the date ballots are distributed: (a) must be current in the payment of Regular and Special assessments ; (b) must not have a joint ownership interest, either directly or indirectly, in the same separate interest as another candidate or incumbent Director; (c) must have been a Shareholder of the Mutual for not less than one (1) year; (d) must not have a past criminal conviction that, if elected, would either prevent the Mutual from purchasing the fidelity bond coverage required by Civil Code §5806, or terminate the Association’s existing fidelity bond coverage. 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 Shareholder for purposes of running for and serving on the Board. Notwithstanding the foregoing, the candidate shall not be disqualified for election for Director for failure to be

(DEC 19)

**MUTUAL OPERATIONS****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Two Only**

current in payment of Regular and Special assessments if either of the following circumstances is true:

- i. The candidate has paid the Regular or Special assessment under protest pursuant to Civil Code §5658;
- ii. The candidate has entered into a payment plan pursuant to Civil Code §5665.

Furthermore, the Mutual shall not disqualify the candidate pursuant to this Section 1(b) if he or she has not been provided the opportunity to engage in Internal Dispute Resolution pursuant to Civil Code §§5900-5920.

- c. In order to remain qualified to serve on the Board, at all times during such Shareholder's term as a Director, the Shareholder must: (a) remain current in the payment of Regular and Special assessments; (b) not enter into a joint ownership interest, either directly or indirectly, in the same separate interest as another Director; (c) must remain a Shareholder of the Mutual; (d) must not be convicted of a crime that would either prevent the Mutual from purchasing the fidelity bond coverage required by Civil Code §5806 or terminate the Mutual's existing fidelity bond coverage. Notwithstanding the foregoing, the Director shall not be disqualified for failure to be current in payment of Regular and Special assessments if either of the following circumstances is true:
  - i. The Director has paid the Regular or Special assessment under protest pursuant to Civil Code §5658;
  - ii. The Director has entered into a payment plan pursuant to Civil Code §5665.

Furthermore, the Mutual shall not disqualify the Director pursuant to this Section 1(c) if he or she has not been provided the opportunity to engage in Internal Dispute Resolution pursuant to Civil Code §§5900-5920.

- d. The Board may declare vacant the seat of any Director who ceases to meet the qualifications for a Director set forth in this Section upon the occurrence of the non-qualifying event, and the Director's seat shall then be deemed vacant in accordance with the Association's Bylaws and/or the Corporations Code.

**MUTUAL OPERATIONS****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Two Only**

## 2. Nomination Procedures

- a. The Association shall send to all Shareholders a request-for-candidates form, seeking nominations for candidates for the Board and providing general notice of the procedure and deadline for submitting a nomination for election to the Board at least thirty (30) days before any deadline for submitting a nomination. Individual notice shall be delivered pursuant to Civil Code §4040 if individual notice is requested by a Shareholder.
- b. Nominations will be valid so long as the nominee has either nominated himself or herself or provides notice of acceptance of the nomination prior to the close of nominations.
- c. If a person or entity nominated is not qualified to serve on the Board pursuant to Section 1(b) of these Election Rules, and the candidate has been provided the opportunity to engage in Internal Dispute Resolution pursuant to Civil Code §§5900-5920, that candidate's name shall not appear on the ballot and that person or entity will not be permitted to serve if elected.
- d. The Inspector shall retain, as Mutual election materials, both a candidate registration list and a voter list. The voter list shall include the name, voting power, and either the physical address of the Shareholder's Unit, 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 Shareholder's Unit or if only the parcel number is used. The Mutual shall permit Shareholders to verify the accuracy of their individual information on both lists at least thirty (30) days before the ballots are distributed. The Mutual or Shareholder shall report any errors or omissions to either list to the Inspector or Inspectors who shall make the corrections within two (2) business days.

**MUTUAL OPERATIONS****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Two Only**

## 3. Voting Qualifications of Shareholders

- a. All Shareholders shall be entitled to vote in any Shareholder vote.
- b. These Election Rules expressly:
  - i. Prohibit the denial of a ballot to a Shareholder for any reason other than not being a Shareholder at the time when ballots are distributed;
  - ii. Prohibit the denial of a ballot to a person with general power of attorney for a Shareholder;
  - iii. Require the ballot of a person with general power of attorney for a Shareholder to be counted if returned in a timely manner; and,
  - iv. Require the inspector or inspectors of elections to deliver, or cause to be delivered, at least thirty (30) days before an election, to each Shareholder both of the following documents:
    - a. The ballot or ballots;
    - b. A copy of these Election Rules. Delivery of these Election Rules may be accomplished by either of the following methods:
      - i. Posting these Election Rules to an internet website and including the corresponding internet website address on the ballot together with the phrase, in at least 12-point font: “The rules governing this election may be found here.”  
<http://www.lwsbmutual02.com/policies/>
      - ii. Individual delivery.
- c. Each Shareholder shall have one (1) vote per stock owned. In no event shall more than one (1) vote be cast with respect to any stock. When more than one (1) person holds a stock, all such persons shall be deemed Shareholders, provided however, that the vote for such stock shall be exercised as a unit, in accordance with the provisions of the Mutual’s governing documents. If two or more ballots are

**MUTUAL OPERATIONS****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Two Only**

received for any one stock, the first ballot received shall be counted and the additional ballot(s) discarded.

**4. Inspector of Election**

- a. At an open meeting, the Board shall appoint one (1) or three (3) persons to serve as independent Inspector(s) of Election (“Inspector(s)”).
- b. The Inspector must be an independent third party who is not:
  - i. Currently a member of the Board or a candidate for the Board;
  - ii. Related to a member of the Board or a candidate for the Board; or
  - iii. A person, business entity, or subdivision of a business entity who is currently employed or under contract to the Mutual for any compensable services other than serving as an Inspector of Elections.
- c. The Board may select as the Inspector(s), Mutual Shareholder(s), a volunteer poll worker with the County registrar of voters, a licensee of the California Board of Accountancy, a notary public, or any other independent third-party authorized to serve as Inspector(s) under these Election Rules.
- d. The Board, in its discretion, may remove and replace the Inspector(s) at any time prior to the date of any election.
- e. The Board may pay reasonable compensation to a non-Shareholder third-party Inspector. If the Board determines that it will appoint and pay non-Shareholder third-party Inspector, the following terms must be fulfilled:
  - i. A formal written contract for the Inspector, stating that the Inspector is an independent contractor;
  - ii. The Inspector will maintain insurance with at least \$1 million CGL coverage, including completed operations coverage, and \$1 million D&O/E&O (naming the Mutual and GRF as additional insureds on both policies); and
  - iii. The contract shall require the Inspector to indemnify the Mutual for gross negligence and willful and/or malicious misconduct.
- f. If an Inspector is unwilling, unable, or does not perform his/her duties as stated in these rules or becomes ineligible to be an Inspector at any time after appointment, the Board may remove that Inspector without notice, and may appoint another Inspector in his or her place.

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- g. The Inspector shall perform his/her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical.
- h. The Inspector shall have the duty to:
  - i. Determine the number of Shareholders entitled to vote and the voting power of each;
  - ii. Determine the authenticity, validity, and effect of proxies, if required by statute;
  - iii. Receive ballots;
  - iv. Verify the Shareholder's information and the presence of a signature on the outer envelope. For mailed ballots, the Inspector(s) may verify the Shareholder's information and presence of a signature on the outer envelope prior to the election;
  - v. Determine the existence of a quorum, if required by statute or the governing documents. For the purposes of determining a quorum, each ballot received by the Inspector(s) shall be treated as a Shareholder present, except in the case of duplicate ballots or multiple ballots from the same stock;
  - vi. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
  - vii. Count and tabulate all votes;
  - viii. Determine when the polls shall close, consistent with the governing documents;
  - ix. Determine the tabulated results of the election;
  - x. Report the tabulated results of the election or balloting promptly to the Board of Directors to ensure that the Board can publicize the results to the Shareholders within fifteen (15) days of the election; and
  - xi. Perform any acts as may be proper to conduct the election with fairness to all Shareholders in accordance with Civil Code section 5110, the Corporations Code, and all applicable rules of the Mutual.
- i. The Inspector may meet and discuss election issues amongst themselves and/or with Mutual counsel.
- j. If there are three (3) Inspectors, the decision or act of two (2) or more Inspectors shall be effective in all respects as the decision or act of all.

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- k. The Inspector may appoint and oversee additional persons to verify Shareholders' information and signatures and to count and tabulate votes as the Inspector deems appropriate.
- l. The Inspector's report of the election, once signed to certify the election, is prima facie evidence of the facts stated in the report.

#### **5. Access to Association Media**

- a. No candidate or Shareholder shall be provided access to Mutual media, newsletters or internet web sites during the campaign except with the express consent of the Board, and solely for purposes that are reasonably related to that election. The Board's consent may be withheld at its sole discretion and for any reason.
- b. In the event access to Mutual media, newsletter or internet web sites is granted to any candidate or Shareholder advocating a point of view, during any campaign for purposes that are reasonably related to that election, then all candidates and Shareholders advocating a point of view, including those not endorsed by the Board, shall be provided equal access for purposes reasonably related to that election.
- c. In the event access to Mutual media, newsletter or internet websites is granted, the Mutual shall not censor, edit or redact any content from the communications of the candidates and Shareholders advocating a point of view, but may include a statement specifying that the candidate or Shareholder, and not the Association, is responsible for the content of the message. The following statement may be published by the Mutual:

*“The views expressed are those of its author and do not reflect the view of the Mutual, its directors, managers, employees or agents. The author is solely responsible for its content. The Mutual was required by law to publish the communication as written, regardless of content.”*

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## 6. Access to Common Area Meeting Space

- a. If any Common Area meeting space exists within the Mutual, access to such meeting space shall be made available at no cost to all candidates, including those who are not incumbents, and to all Shareholders advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election or vote, upon reasonable request.

## 7. Mutual Funds

- a. Mutual funds shall not be used for campaign purposes in connection with any election except to the extent necessary to comply with the duties of the Mutual imposed by law.

## 8. Proxies

- a. The Mutual is not required to prepare and distribute proxies. All proxies shall be in writing, dated and filed with the Secretary before the appointed time of each meeting. Each proxy shall be revocable and shall automatically cease upon conveyance by the Shareholder of his or her stock, or upon receipt of notice by the Secretary or the Board of the death or judicially declared incompetence of a Shareholder, or upon the expiration of three (3) years from the date of the proxy. The authenticity, validity and effect of proxies submitted by Shareholders shall be determined by the Inspector(s), consistent with the Mutual's Governing Documents and any statutory requirements. If a Shareholder submits both a proxy and a ballot to the Inspector(s), the ballot will supersede the proxy. Proxies may not be used in lieu of a ballot. Proxies may not be revoked once a proxyholder has submitted a ballot to the Inspector(s). Only a Shareholder may serve as a proxyholder.

## 9. Voting Period

- a. The Board shall generally determine the dates upon which polls will open and close, consistent with the governing documents and applicable law.
- b. The Mutual shall provide general notice of all of the following at least thirty (30) days before the ballots are distributed:

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- i. The date and time by which, and the physical address where, the ballots are to be returned by mail or handed to the Inspector or Inspectors of Elections;
  - ii. The date, time, and location of the meeting at which ballots will be counted;
  - iii. The list of all candidates' names that will appear on the ballot;
  - iv. Individual notice of the above shall be delivered pursuant to Civil Code §4040 if individual notice is requested by a Shareholder.
- c. All candidates shall have a reasonable opportunity to communicate their qualifications to Shareholders and to solicit votes.

**10. Secret Balloting Procedures**

- a. The Mutual shall utilize a secret ballot process pursuant to Civil Code section 5115 for the following matters
  - i. A vote of the Shareholders regarding assessments per Civil Code section 5605;
  - ii. Election of members of the Board;
  - iii. Amendments to the governing documents;
  - iv. Grant of Exclusive Use Common Area pursuant to Civil Code section 4600;
  - v. Removal of Directors; and
  - vi. Any other Shareholder vote which the law requires to be conducted via the secret ballot process.
- b. Notwithstanding Paragraph 10(a) herein, the Mutual may utilize a secret ballot process for any other Shareholder vote, if allowed by law or the governing documents.
- c. A ballot and two pre-addressed envelopes (Envelopes # 1 and # 2) with instructions on how to return the ballot shall be mailed by first-class mail or delivered by the Mutual to every Shareholder at least thirty (30) days prior to the deadline for voting.
- d. The ballot shall contain the names of any candidates known to the Mutual at the time the ballot is mailed. If no candidates are known or if there are fewer candidates than the number of Directors to be elected, the Mutual will send out a ballot which has the names of the known candidates.
- e. Cumulative voting is permitted in all elections.

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- f. Write-in candidates and nominations from the floor shall not be permitted.
- g. A voter may not be identified by name, unit number, or address on the ballot.
- h. The ballot itself is not signed by the Shareholder voting, but rather, is to be inserted into Envelope # 1 that is sealed by the Shareholder. Envelope # 1 is then inserted into Envelope # 2, which is then sealed by the Shareholder.
- i. Envelope # 2 is addressed to the Inspector(s). In the upper left-hand corner of Envelope # 2, the voter shall sign his or her name, print his or her name, and indicate the address or separate interest identifier that entitles him or her to vote.
- j. Envelope # 2 may be mailed or delivered by hand to a location specified by the Inspector(s). The Shareholder may request a receipt for delivery.
- k. Once a ballot has been cast, it cannot be revoked.
- l. Only the Mutual's ballots and envelopes which are sent out to the Shareholders by the Mutual or are provided by the Mutual at the membership meeting will be accepted by the Inspector(s).

**11. Vote Tabulation**

- a. All votes shall be counted and tabulated by the Inspector(s), or the duly authorized persons appointed by the Inspector(s), in public at a properly noticed Shareholders meeting.
- b. The ballots shall not be opened or otherwise reviewed prior to the time and place which the ballots are counted and tabulated.
- c. Any candidate or Shareholder may witness the counting and tabulation of the votes. Shareholders are prohibited from speaking to the Inspector(s) of Elections or their designee(s) during the tabulation process or from interrupting the tabulation process in any way.
- d. The Inspector(s), or his or her designee, may verify the Shareholder's information and signature on Envelope #2 prior to the meeting at which ballots are tabulated.

**12. Election Results**

- a. The Inspector(s) shall promptly report the results of the election to the Board. The Board shall record the results of the election in the minutes of the next Board meeting and make them available to the Shareholders for review.

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- b. Within fifteen (15) days of the election, the Board shall publicize the results of the election in a communication directed to all Shareholders.

**13. Custody, Storage and Retention of Ballots**

- a. The sealed ballots, signed voter envelopes, voter list, proxies, and candidate registration list (collectively referred to as “election materials”) shall, at all times be in the custody of the Inspector(s), 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 the ballots shall be transferred to the Mutual.
- b. If there is a recount or other challenge to the election process, the Inspector(s) shall, upon written request, make the ballots available for inspection and review by a Shareholder or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.
- c. After the transfer of the ballots to the Mutual, the election materials shall be stored by the Mutual in a secure place for no less than three (3) years following the date of the election.
- d. The Inspector shall retain, as Mutual election materials, both a candidate registration list and a voter list. The voter list shall include the name, voting power, and either the physical address of the voter’s Unit, 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 Unit or if only the parcel number is used.

**MUTUAL OPERATIONS****STOCKHOLDERS MEETINGS****Annual Elections – Mutual Two Only****SB 323 GENERAL REFERENCE ELECTION TIMELINE**

120 Days Prior	Deadline for giving notice of any amendment to the Election Rules requiring a 28-day comment period.
110 Days Prior	Send out call for candidates and procedure for nominations by general notice* (provide 30 days to return nominations).
90 Days Prior	Cut-off for adopting amendment to Election Rules.
80 Days Prior	Cut-off for receipt of nominations.
79 Days Prior	Send out notice of disqualification to any nominees who are not qualified to run, advising that nominee has 7 days from date of notice to request IDR in writing, which, if requested, will be completed within 15 days of the date of the notice of disqualification.
64 Days Prior	Deadline for completing IDR with disqualified candidates. Candidate list finalized.
60 Days Prior	<ul style="list-style-type: none"> <li>• Provide general notice* containing all of the following: <ul style="list-style-type: none"> <li>○ The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the inspector;</li> <li>○ The date, time and location of the meeting at which ballots will be counted; and</li> <li>○ The list of all candidates' names that will appear on the ballot.</li> </ul> </li> <li>• Deadline for members to verify the accuracy of their individual information on the candidate registration list and voter list upon request.</li> </ul>
30 Days Prior	<ul style="list-style-type: none"> <li>• Ballots and double envelopes sent to members.</li> <li>• Copy of election operating rules delivered to members by either of the following methods: <ul style="list-style-type: none"> <li>○ Posting the election operating rules to a website and including the website address on the ballot together with the phrase, in at least 12-point font: "The rules governing the election may be found here;" or</li> <li>○ Individual delivery.</li> </ul> </li> </ul>
Day of Election	Inspector opens and counts ballots at open meeting.
Within 15 days After Election	Provide general notice* of election results to members.

***\*If a member has requested individual delivery of all Association notices, the Association will have to provide individual notice to any member so requesting.***

**Mutual Adoption**

Two : 12-19-2019