

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL ONE**  
**February 28, 2019**  
**Open Forum 9:00 a.m. – Meeting begins at 9:15 a.m.**  
**Building Five, Conference Room B**

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUESTS:  

Ms. Perrotti, GRF Representative  
Mr. Stone, GRF Representative  
Ms. Hopkins, Mutual Administration Director  
Mr. Wyngaarden, Building Inspector  
Ms. Kemp, Recording Secretary
4. APPROVAL OF MINUTES:
  - a. **Regular Meeting Minutes of January 24, 2019**
  - b. **Special Meeting Minutes of February 19, 2019 (p. 3)**
5. BUILDING INSPECTOR'S REPORT Mr. Wyngaarden  
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (p. 4-7)
  - a. Discuss and vote to approve/deny concrete bids (p. 8)
  - b. Discuss and vote to approve/deny proposal for replacement of walkway lights (p. 9-10)
6. GRF REPRESENTATIVES Ms. Perrotti & Mr. Stone
7. **UNFINISHED BUSINESS**
  - a. Discuss and vote to ratify Policy 7582.01 – Towing Vehicles (p. 11-13)
8. **NEW BUSINESS**
  - a. Discuss and vote to approve/deny transfers of funds from First Foundation Bank to U.S. Bank (p. 14)
  - b. Discuss Policy 7499.1 – Air Conditioning/HVAC Heat Pumps (p. 15-19)
  - c. Discuss and vote to approve/deny Board resolution authorizing transfer of funds by GRF-Mutual (p. 20-24)
  - d. Discuss and vote to approve/deny Department Appointment Setting Commitment by Mutual Board of Directors (p. 25)

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

9. SECRETARY / CORRESPONDENCE Ms. St .Aubin
10. CHIEF FINANCIAL OFFICERS REPORT Mr. Schweitzer
11. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
12. ANNOUNCEMENTS  
**NEXT MEETING: March 28, 2019 – Open Forum begins at 9:00 a.m. and Meeting begins at 9:15 a.m., in Building Five, Conference Room B**
13. COMMITTEE REPORTS  
a. Update on BrightView trees Ms. Gambol  
b. Update on J & J Landscaping Ms. St. Aubin  
c. Update on Town Hall meetings Mr. Singer
14. DIRECTORS' COMMENTS
15. SHAREHOLDERS' COMMENTS (2-3 minutes)
16. ADJOURNMENT
17. EXECUTIVE SESSION

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

**MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF DIRECTORS  
SEAL BEACH MUTUAL ONE  
FEBRUARY 19, 2019**

A Special Meeting of the Board of Directors of Seal Beach Mutual One was called to order by President Luther-Stark at 9:03 a.m. on Tuesday, February 19, 2019, in Building Five, Physical Property Conference Room.

Those members present were: President Luther-Stark, Vice President Collazo, Secretary St. Aubin, Directors Barreras, Singer, and Tous, and Advisory Director Weber. CFO Schweitzer, and Directors Brennan and Gambol were absent.

One shareholder was present.

The purpose of the meeting was to discuss agenda items for the February 28, 2019, Regular Monthly Board Meeting.

President Luther-Stark adjourned the meeting at 10:45 a.m.

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Attest

JoAnn St. Aubin, Secretary  
SEAL BEACH MUTUAL ONE  
ck:02/21/2019

**(These are tentative minutes subject to approval by the Board of Directors at the next Regular Board of Directors Meeting.)**

# INSPECTORS MUTUAL REPORT

MUTUAL : **(01) ONE**

INSPECTOR : **ERIC WYNGAARDEN**

MUTUAL BOARD MEETING DATE:

**2/28/19 FEBUARY REPORT**

## PERMIT ACTIVITY

| UNIT # | DESCRIPTION OF WORK | GRF/CITY PERMIT | PERMIT ISSUE | COMP. DATE | CHANGE ORDER | RECENT INSPECTION | CONTRACTOR / COMMENTS  |
|--------|---------------------|-----------------|--------------|------------|--------------|-------------------|------------------------|
| 6-G    | HEAT PUMP           | BOTH            | 12/20/18     | 04/01/19   | NO           | NONE              | GREENWOOD              |
| 6-H    | SHOWER              | GRF             | 02/11/19     | 03/11/19   | NO           | NONE              | NU-KOTE                |
| 6-J    | SHOWER              | GRF             | 01/10/19     | 02/10/19   | NO           | 1/28/19 FINAL     | NU-KOTE                |
| 14-B   | WINDOWS             | BOTH            | 02/22/19     | 03/28/19   | NO           | NONE              | ROBERTS CONSTRUCTION   |
| 15-H   | SHOWER              | BOTH            | 03/25/19     | 04/25/19   | NO           | NONE              | NU-KOTE                |
| 19-B   | GOLF CART PAD       | GRF             | 12/05/18     | 01/05/19   | NO           | NONE              | ANGUIANO LAWN CARE     |
| 19-B   | REMODEL             | BOTH            | 01/25/19     | 06/30/19   | NO           | 1/28/19 FINAL     | LW DÉCOR, INC          |
| 19-I   | SYLLIGHT DOMES      | GRF             | 01/10/19     | 03/01/19   | NO           | 1/29/19 FINAL     | SOLATUBE HOME          |
| 24-H   | FRONT DOOR          | GRF             | 12/17/18     | 01/25/19   | YES          | 1/30/19 FINAL     | SUNRISE GLASS & MIRROR |
| 28-D   | SKYLIGHTS           | BOTH            | 01/17/19     | 01/31/19   | NO           | 2/8/19 FINAL      | SOLATUBE HOME          |
| 29-K   | PATIO CARPET        | GRF             | 01/15/19     | 02/15/19   | NO           | 2/6/19 FINAL      | KARYS CARPET           |
| 31-B   | COUNTERTOPS         | BOTH            | 03/11/19     | 04/19/19   | NO           | NONE              | MP CONSTRUCTION        |
| 32-G   | REMODEL             | BOTH            | 12/03/18     | 05/30/19   | NO           | NONE              | LOS AL BLDRS           |
| 33-I   | HEAT PUMP           | BOTH            | 01/18/19     | 04/30/19   | NO           | NONE              | GREENWOOD              |
| 39-I   | HEAT PUMP           | BOTH            | 02/14/19     | 05/14/19   | NO           | NONE              | GREENWOOD              |
| 41-G   | WASHER/DRYER        | BOTH            | 03/04/19     | 05/03/19   | NO           | NONE              | MP CONSTRUCTION        |
| 41-L   | FLOORING            | GRF             | 02/01/19     | 03/01/19   | NO           | 2/15/19 FINAL     | KARYS CARPET           |
| 51-I   | SHOWER              | GRF             | 02/27/19     | 05/27/19   | NO           | NONE              | NU-KOTE                |
| 56-I   | HEAT PUMP           | BOTH            | 02/11/19     | 05/11/19   | NO           | NONE              | GREENWOOD              |
| 61-H   | FLOORING            | GRF             | 01/07/19     | 02/07/19   | NO           | 1/28/19 FINAL     | KARYS CARPET           |
| 65-C   | SLIDING DOORS       | BOTH            | 02/11/19     | 04/11/19   | NO           | NONE              | NATIONWIDE PAINTING    |
| 66-D   | FLOORING            | GRF             | 01/26/19     | 02/26/19   | NO           | 2/13/19 FINAL     | KARYS CARPET           |
| 66-D   | HEAT PUMP           | BOTH            | 02/11/19     | 05/11/19   | NO           | NONE              | GREENWOOD              |
| 67-J   | SHOWER              | GRF             | 03/07/19     | 04/07/19   | NO           | NONE              | NU-KOTE                |
| 66-F   | REMODEL             | BOTH            | 12/18/18     | 02/28/19   | YES          | NONE              | PEEK CONSTRUCTION      |
| 69-C   | FLOORING            | GRF             | 01/20/19     | 02/20/19   | NO           | 2/15/19 FINAL     | KARYS CARPET           |
| 69-I   | REMODEL             | BOTH            | 12/18/18     | 02/28/19   | YES          | 1/16/19 FINAL     | M&M CONSTRUCTION       |

# INSPECTORS MUTUAL REPORT

MUTUAL : **(01) ONE**

INSPECTOR : **ERIC WYNGAARDEN**

MUTUAL BOARD MEETING DATE:

**2/28/19 FEBUARY REPORT**

|      |               |     |          |          |    |              |                 |
|------|---------------|-----|----------|----------|----|--------------|-----------------|
| 70-B | SECURITY DOOR | GRF | 01/21/19 | 01/31/19 | NO | 2/7/19 FINAL | MP CONSTRUCTION |
|------|---------------|-----|----------|----------|----|--------------|-----------------|

## ESCROW ACTIVITY

| UNIT # | NMI | PLI      | NBO      | FI       | FCOEI    | ROF | DOCUMENTS/COMMENTS |
|--------|-----|----------|----------|----------|----------|-----|--------------------|
| 4-A    |     | 12/13/18 | 02/13/19 | 02/20/19 | 03/05/19 |     |                    |
| 5-G    |     | 10/18/18 |          |          |          |     |                    |
| 5-K    |     | 04/12/18 |          |          |          |     |                    |
| 6-A    |     | 12/10/18 |          |          |          |     |                    |
| 8-J    |     | 09/24/18 |          |          |          |     |                    |
| 8-K    |     | 01/30/19 |          |          |          |     |                    |
| 9-D    |     | 12/20/18 |          |          |          |     |                    |
| 11-D   |     | 01/25/19 |          |          |          |     |                    |
| 13-C   |     | 02/27/18 |          |          |          |     |                    |
| 15-A   |     | 12/21/18 |          |          |          |     |                    |
| 17-B   |     | 01/02/19 |          |          |          |     |                    |
| 23-D   |     | 11/14/18 |          |          |          |     |                    |
| 25-D   |     | 11/08/18 |          |          |          |     |                    |
| 26-E   |     | 08/13/18 |          |          |          |     |                    |
| 27-C   |     | 07/30/18 |          |          |          |     |                    |
| 29-E   |     | 11/15/18 |          |          |          |     |                    |
| 29-K   |     | 02/06/19 |          |          |          |     |                    |
| 29-L   |     | 11/15/18 |          |          |          |     |                    |
| 31-C   |     | 02/05/19 | 02/15/19 | 02/20/19 | 03/06/19 |     |                    |
| 33-E   |     | 11/16/18 |          |          |          |     |                    |
| 34-A   |     | 11/19/18 |          |          |          |     |                    |
| 35-F   |     | 02/11/19 |          |          |          |     |                    |
| 37-G   |     | 11/09/18 |          |          |          |     |                    |
| 39-C   |     | 12/10/18 |          |          |          |     |                    |
| 40-L   |     | 05/23/18 |          |          |          |     |                    |

# INSPECTORS MUTUAL REPORT

MUTUAL : **(01) ONE**

INSPECTOR : **ERIC WYNGAARDEN**

MUTUAL BOARD MEETING DATE:

**2/28/19 FEBUARY REPORT**

|      |  |          |          |          |          |          |  |
|------|--|----------|----------|----------|----------|----------|--|
| 42-H |  | 02/07/19 |          |          |          |          |  |
| 42-J |  | 07/24/18 |          |          |          |          |  |
| 44-L |  | 01/10/18 |          |          |          |          |  |
| 48-K |  | 10/29/18 |          |          |          |          |  |
| 54-H |  | 08/08/18 |          |          |          |          |  |
| 55-B |  | 06/26/18 |          |          |          |          |  |
| 56-A |  | 11/06/18 |          |          |          |          |  |
| 57-A |  | 10/17/18 |          |          |          |          |  |
| 61-G |  | 10/04/18 |          |          |          |          |  |
| 63-B |  | 12/12/18 |          |          |          |          |  |
| 63-F |  | 08/24/18 |          |          |          |          |  |
| 66-D |  | 01/23/19 |          |          |          |          |  |
| 67-L |  | 06/04/18 | 10/29/18 | 10/30/18 | 11/14/18 |          |  |
| 69-C |  | 08/08/18 | 11/28/18 | 12/05/18 | 01/25/19 | 02/08/19 |  |
| 70-E |  | 11/13/18 |          |          |          |          |  |
| 70-I |  | 11/01/18 | 01/30/19 | 01/30/19 | 02/13/19 |          |  |

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

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

## MUTUAL AND SHAREHOLDER REQUEST

ASSOCIATION RESERVES GOOD THROUGH 2020

FENNS CONTRACT GOOD THROUGH 2020 ----- PROJECT --- TERMITES,PESTS AND GOPHERS

J&J LANDSCAPING CONTRACT GOOD THROUGH 2021----- PROJECT--- LANDSCAPING

BRIGHTVIEW CONTRACT GOOD THROUGH 2021---- PROJECT--- TREE ARBORIST

INNOVATIVE CLEANING SERVICES ---- PROJECT --- LANUDRY ROOMS TWICE A MONTH

# INSPECTORS MUTUAL REPORT

MUTUAL : **(01) ONE**

INSPECTOR : **ERIC WYNGAARDEN**

MUTUAL BOARD MEETING DATE: **2/28/19 FEBUARY REPORT**

A-1 TOTAL SREVICE PLUMBING CONTRACT GOOD FOR 69 BUILDINGS

APPROVE OR DENY THE SIDEWALK CONCRETE REPAIR BY MJJURADO.... TOTAL COST = \$142,299.75

LAUNDRY ROOM LIGHTS INSTALLED ON ALL 18 LAUNDRY ROOM

A-1 TOTAL SERVICE PLUMBING RELINING PROJECT BUILDINGS 2-70 -- THEIR ON BUILDING 13

A-1 TOTAL SERVICE PLUMBING RELINING PROJECT BUILDING 40.... EMERGENCY REPAIR

A-1 TOTAL SERVICE PLUMBING RELINING PROJECT BUILDING 11 --- TOTAL COST = \$ 32,643.18 ,, NOT \$38,643,18

A-1 TOTAL SERVICE PLUMBING RELINING PROJECT BUILDING 12--- TOTAL COST = \$32,643.18

## MUTUAL & SHARE HOLDER REQUEST

CALLS AND VISITS TO UNITS 68

# *Mutual Corporation No. One*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY CONCRETE BIDS (BUILDING INSPECTOR'S REPORT, ITEM A)  
**DATE:** FEBRUARY 28, 2019  
**CC:** MUTUAL FILE

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*I move to approve/deny concrete repairs to be completed by MJ Jurado, at a cost not to exceed \$50,000 for Phase Three, \$55,000 for Phase Four, and \$40,000 for Phase Five, and authorize the President to sign the contract.*



# *Mutual Corporation No. One*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY PROPOSAL FOR REPLACEMENT OF WALKWAY LIGHTS (BUILDING INSPECTOR'S REPORT, ITEM B)  
**DATE:** FEBRUARY 28, 2019  
**CC:** MUTUAL FILE

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*I move to approve/deny a proposal from Schlick Services, Inc., for the replacement of area walkway lights located at \_\_\_\_\_, at a cost not to exceed \$12,586, and authorize the President to sign the contract.*

# Schlick Services, Inc.

P.O.Box 6829  
 Santa Ana, CA 92706  
 714-541-6292  
 Fax 714-541-6293

# Estimate

|           |            |
|-----------|------------|
| Date      | Estimate # |
| 1/11/2019 | 002894     |

Leisure World Seal Beach  
 Golden Rain Foundation  
 Mutual 1  
 P.O. Box 3519  
 SEAL BEACH, CA 90740

| W.O. #  | Attention | Fax #        | Page # | Gate...             | Key #        | KS/KS        |             |
|---|-----------|--------------|--------|---------------------|--------------|--------------|-------------|
|   | Jerry A.  | 562-431-5316 |        |                     |              |              |             |
| DESCRIPTION   |           |              |        |                     | Total        |              |             |
| RE: Area walkway lights. (Mutual one)<br><br>Cost to replace 385 pole light globes (12" White acrylic) with new.<br><br>Proposal includes disposal of original globes.<br><br>UNIT COST: \$32.69<br>ESTIMATE TOTAL 385 UNITS  |           |              |        |                     | 12,585.65    |              |             |
| PAYMENT SCHEDULE<br>Special order deposit 50% to start - \$6,292.00<br>Balance due upon completion - \$6,293.65   |           |              |        |                     | 0.00<br>0.00 |              |             |
| Terms and conditions of acceptance: This document becomes a binding contract.<br>Proposal void after 60 days. Terms of payment: 30 days unless otherwise stipulated on this form.<br>Liability is limited to the amount stated on the approved contract. Interest of 1.5% per month after 30 days.<br>Contractor's License #BC-10 HIC 753-406 |           |              |        |                     |              |              |             |
| Authorized<br>Signature _____   |           |              |        | Date ____/____/____ |              | <b>Total</b> | \$12,585.65 |

# *Mutual Corporation No. One*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RATIFY POLICY 7582.01 – TOWING VEHICLES  
(UNFINISHED BUSINESS, ITEM A)  
**DATE:** FEBRUARY 28, 2019  
**CC:** MUTUAL FILE

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At the July 23, 1987, Board Meeting, the Board of Directors adopted Policy 7582 – Towing Vehicles.

At the December 27, 2018, Board Meeting, the Board of Directors voted to rescind Policy 7582 – Towing Vehicles and adopt Policy 7582.01 – Towing Vehicles.

The 30-day posting requirement has been met and on February 28, 2019, the Board of Directors will vote to ratify Policy 7582.01 – Towing Vehicles (attached).

***I move ratify Policy 7582.01 – Towing Vehicles.***

**MUTUAL OPERATIONS****ADOPT****SHAREHOLDER REGULATIONS****Towing Vehicles**

A towing program is hereby established which permits the Security Department to remove and store vehicles parked on Mutual property that are inoperable, abandoned, blocking a fire lane or are parked in such a manner as to constitute a hazard. The authority for this action is contained in Section 22658(a) of the California Vehicle Code (CVC).

In conformance with the CVC, an appropriate sign will be posted at both entrance gates warning all who enter Leisure World that it is private property and unauthorized or illegally parked vehicles will be towed away at the vehicle owner's expense.

**A. Abandoned or Inoperable Vehicles**

Prior to removing an abandoned or inoperable vehicle, the Security Department will:

1. Attach a 72-hour warning notice to the vehicle advising of the violation and intent to tow.
2. After a 72-hour follow-up is made, a registered letter will be sent advising the registered and legal owner of the intent to tow the vehicle away in 10 days if not moved. (See attached form letter.)
3. Before any vehicle is towed, Security personnel will contact the Seal Beach Police Department advising them of intention to tow. They will describe the circumstances and the vehicle, including license plate number, the towing company and at which location the vehicle will be stored.
4. A California Highway Patrol Form 180, Storage Report, will be completed by Security personnel at that time.
5. A tow truck will be called to remove the vehicle and store it at the designated tow storage facility.
6. The Security Department will maintain a current log of all towing transactions in order to provide registered owners information concerning stored vehicles.

(draft created on 12-18-18 ka/sls)  
(draft further updated on 12-27-18 ka)

**MUTUAL OPERATIONS**

**ADOPT**

**SHAREHOLDER REGULATIONS**

**Towing Vehicles**

B. Immediate action will be taken to tow vehicles when they are:

1. Parked in such a manner as to constitute a hazard.
2. Blocking a fire lane.
3. Parked in a carport, not their own without permission from the shareholder.

The Golden Rain Foundation and Mutual One liability will cease when the towing service removes the vehicle from Leisure World property.

DRAFT

**MUTUAL**  
ONE:

**ADOPTION**

(draft created on 12-18-18 ka/sls)  
(draft further updated on 12-27-18 ka)

# *Mutual Corporation No. One*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY TRANSFERS OF FUNDS FROM FIRST FOUNDATION BANK TO U.S. BANK (NEW BUSINESS, ITEM A)  
**DATE:** FEBRUARY 28, 2019  
**CC:** MUTUAL FILE

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*I move to ratify two wire transfers completed on February 6, 2019, the first in the amount of \$327,246.08 from First Foundation Bank to U.S. Bank Restricted Funds, and the second in the amount of \$827,893.00 from First Foundation Bank to U.S. Bank Non-Restricted Funds.*

## MUTUAL OPERATIONS

### PHYSICAL PROPERTY

#### Air Conditioning/HVAC Heat Pumps – Mutual One Only

Each shareholder shall be required to follow the procedures set forth below for the installation of all ducted and ductless air conditioning and/or heat pumps (“HVAC Unit”):

1. **Permit Application.** Prior to any modification to or installation of HVAC Units, each shareholder must comply with the permit application process and secure approval as set forth in Mutual Operations Policy 7403.1.
2. **Mutual Policy Requirements.** Each HVAC Unit shall be installed with the following minimum requirements:
  - a. Ducted HVAC Units shall not be installed at apartments B through E and H through K unless the unit’s exterior compressor and interior mechanical-electrical platform does not encroach on the Mutual’s property and/or obstruct clear passage through the Mutual’s attic, and condensers do not exceed the shareholder’s allotted existing flowerbed line.
  - b. In the case of Building 16, ducted HVAC Units may not be installed at apartments B, C, D, E, F, G, H, I, J, or K unless the unit’s compressor and interior mechanical-electrical platform does not encroach on the Mutual’s property and/or the interior catwalk, and condensers do not exceed the shareholder’s allotted existing flowerbed line.
  - c. If the compressor is larger than the existing flowerbed line, the shareholder may extend the flowerbed line a maximum of 36 inches from the base of the building. Should the flowerbed line be extended, the shareholder shall be required to move the complete flowerbed line in front of all contiguous apartments on the side of the building that the HVAC Unit is installed. In repositioning the flowerbed line, the shareholder shall also be required to relocate the sprinkler lines and install replacement sod. The shareholder shall bear the complete expense of moving the flowerbed line, sprinkler lines, and replacement sod so as to ensure a uniform and aesthetically pleasing flowerbed line.
  - d. All flowerbed line changes, including the reconstruction of the flowerbed area, are subject to the discretionary approval of the Board of Directors (the “Board”).
  - e. Ducted HVAC Units installed at apartments A & L shall be installed at the gable-end flowerbed of the building. No HVAC Units shall be installed in the triangle garden areas. Where an A & L apartment is adjacent to the laundry clothesline enclosure, ducted HVAC Units shall be installed within the laundry line enclosure.

(Sept 11)

**MUTUAL OPERATIONS****PHYSICAL PROPERTY****Air Conditioning/HVAC Heat Pumps – Mutual One Only**

- f. For ducted HVAC Units installed at apartment end units F & G, the HVAC Unit must be installed at the carport end of the building. All new installations and change outs will require a 3½"-thick concrete mechanical platform or foam-filled fiberglass pad.
  - g. For all installation of new or replacement HVAC Units, PVC lattice type of screening materials shall be used in a manner to conceal the HVAC Unit. All proposed materials and layout plan to conceal the HVAC Unit must be approved by the Board.
  - h. The service opening of the HVAC Unit shall be required to face the shareholder's apartment.
  - j. The HVAC Unit shall be limited to 2.5 ton 13 Seer.
3. **Attic Access: Ducted HVAC Units only.** Attic access is required from the inside of the shareholder's unit (usually in the kitchen or bathroom) or from the outside (for end apartments only) for servicing and maintaining the HVAC Unit. The attic access shall be a minimum 22" x 30", and the cover shall be a combination of plywood laminated to a 5/8" type "X" drywall, with the drywall facing the attic side.
  4. **Placement.** Ducted HVAC Units shall be placed in front of the apartment, as close to the center as feasible, and shall be located within the drip line. All new installations and change outs will require a 3½"-thick concrete mechanical platform or foam-filled fiberglass pad.
  5. **Split Systems.** Split ductless HVAC Units shall be required to sit on a poured-in-place concrete mechanical platform that is a minimum 6½" thick that will be either three inches below grade and three and a half inches above grade, or three and a half inches level with the grade, as approved by the Mutual during the permit application process. The fiberglass pad supplied by the manufacturer shall be anchored to the concrete mechanic platform, and shall be used according to manufacture specifications.
  6. **Refrigerant Lines.** All exposed refrigerant lines on the exterior walls of the building shall be covered by a sheet metal line set cover. All exposed line set cover openings (beginning and end) must be covered with metal bird screen and/or expandable foam so they are not accessible to rodents, vermin or insects. All refrigerant lines and line sets must be installed within the building drip line.
  7. **Condensation Lines.** All condensation lines located in the attic shall be rodent-proofed. Condensation tie-ins at the kitchen sink vent shall be:

(Sept 11)



**MUTUAL OPERATIONS****PHYSICAL PROPERTY****Air Conditioning/HVAC Heat Pumps – Mutual One Only**

- a. If using PVC pipe, use 1½" x ¾" PVC tee with 1½" no hub bands with ¼" mesh around pipe;
  - b. If using copper pipe, use 1½" x ¾" PVC tee with 1½" no hub bands. If the apartment is a remodel, run the condensation line to the washer/dryer hookup or a y-branch tail piece at the bathroom sink.
8. **Change of Ownership.** When change of ownership occurs, if the HVAC unit is found to be in need of replacement or leveling, the Shareholder shall be required to bring the HVAC Unit in compliance with items 8a and/or 8b of this section. Item 8c shall be required for all change of ownerships. In the event the Mutual incurs any costs to bring said HVAC Unit into compliance, all costs to bring the HVAC Unit in compliance will result in a charge against the seller's escrow:
- a. Existing ducted HVAC Units will require a 3½"-thick concrete mechanical platform or foam-filled fiberglass pad. The site shall be level and compacted. Additionally, per Board approval, a PVC lattice type of blind will be required.
  - b. Existing ductless HVAC Units not currently on an authorized and code compliant base shall be corrected by complying with Item 5 of this policy.
  - c. Existing ducted and ductless HVAC Units will be inspected and serviced as needed and condensation drain lines and line set covers will be rodent- proofed.
9. **Applicable Codes.** All ductless and ducted HVAC Units shall be installed in such a way as to ensure compliance with all current state and local building, electrical, and plumbing codes. Both Golden Rain Foundation and City of Seal Beach building permits are required.
10. **Noise Levels.** All new installations shall conform to the current local interior and exterior noise ordinances at the time of installation. The compressor is not to exceed 50 decibels, measured as stated in Seal Beach Municipal Code Section 7.15.035, and the air handler in the attic cannot exceed interior noise levels as stated in Seal Beach Municipal Code Section 7.15.020.

If the noise level specified above exceeds either of the two levels, the shareholder shall be responsible for having the unit(s) repaired within 30-days of written notice by the Board to the shareholder. If the HVAC Unit is not repaired by the shareholder within the 30-day written notice period, the HVAC Unit may not be used by the shareholder.

(Sept 11)

**MUTUAL OPERATIONS****PHYSICAL PROPERTY****Air Conditioning/HVAC Heat Pumps – Mutual One Only**

The Mutual may elect after the 30-day notice period to repair the HVAC unit. Should the Mutual elect to repair the HVAC Unit, the shareholder will be billed for all expenses relating to the repair. The shareholder will be required to pay for the HVAC Unit repair costs within 30-days of being invoiced by the Mutual.

11. **Wall Heaters.** Permits are required for all wall heaters and window/wall AC units. In all construction work or remodels where wall heaters replace the original ceiling heat source, a metal conduit or armored cable shall be used for the last six feet of line running from the breaker panel to the wall heater(s).
12. **Maintenance and Repairs.** Maintenance and repairs of wall heaters, heat pumps, and HVAC units are the responsibility of the shareholder and subsequent shareholders on stock/ownership changes.
13. **Energy-Efficiency.** In an effort to make the unit more energy-efficient (to reduce heat loss in the winter months and increase cooling efficiency in the summer months), the Mutual recommends the shareholder replace the ceiling insulation with new R-30 insulation. In addition, in apartments that have more than one skylight, the Mutual recommends the shareholder replace the insulation with new R-13 “batting type” insulation in the shaft(s) of the skylight(s).

**MUTUAL OPERATIONS**

**PHYSICAL PROPERTY**

**Air Conditioning/HVAC Heat Pumps – Mutual One Only**

**MUTUAL ADOPTION**

**Amendments**

ONE: 10-22-87

10-22-98, 10-28-99, 09-28-00, 09-22-11

# *Mutual Corporation No. One*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY BOARD RESOLUTION  
AUTHORIZING TRANSFER OF FUNDS BY GRF-MUTUAL ONE (NEW  
BUSINESS, ITEM B)  
**DATE:** FEBRUARY 28, 2019  
**CC:** MUTUAL FILE

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In compliance with new legislation, Assembly Bill 2912 (AB 2912) – *Association Finances*, which as of January 1, 2019, has gone into effect, the Board of Directors are now required to provide a review of all Financials. This bill is intended to require the Board of Directors to provide a greater oversight of the finances of their associations in an effort to better protect against fraudulent activity and potential loss.

On February 28, 2019, the Mutual Board of Directors will vote to approve/deny the Board Resolution Authorizing the Transfer of Funds by GRF for Mutual No. One.

***I move to approve/deny the Board resolution titled, “Resolution to Authorize Fund Transfers for Golden Rain Foundation,” as written and presented herewith.***

# SEAL BEACH MUTUAL NO. ONE

## RESOLUTION TO AUTHORIZE FUND TRANSFERS

### FOR GOLDEN RAIN FOUNDATION

This Resolution to Authorize Fund Transfers for Golden Rain Foundation (“Resolution”) is made as of the date set forth below, pursuant to the following facts:

**WHEREAS**, Seal Beach Mutual No. **One** (hereinafter, the “Mutual”), through its volunteer Board of Directors (“Board”), is responsible for management, control and administration of a residential common interest development (the “Community”), as regulated by the Federal Housing Commissioner, and on behalf of its Members, under the Articles of Incorporation (“Articles”), Bylaws, Rules, Resolutions, Policies, Occupancy Agreement, Subscription Agreement, and Declaration of Trust (“Declaration”) recorded **July 10, 1962**, and amended on **February 26, 2014** as Instrument Number **6172**, and all subsequent amendments thereto;

**WHEREAS**, Golden Rain Foundation (hereinafter, “GRF”) through its volunteer Board of Directors, has the authority to manage and govern the Mutual and the community facilities located within its trust property, under the Declaration;

**WHEREAS**, the Mutual is solely responsible for the enforcement of its own governing documents and the Board directs GRF to take action on the Mutual’s behalf, pursuant to the Management Agreement, and pursuant to applicable law;

**WHEREAS**, pursuant to Article 9 of the Occupancy Agreement, “The [Mutual] shall provide necessary management, operation and administration of the project; pay or provide for the payment of all taxes or assessments levied against the project; procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance” as required by any mortgage on the property in the project, and such other insurance as the Mutual deems advisable;

**WHEREAS**, the Management Agreement between GRF and the Mutual states that GRF has the duty to “operate and maintain the Project according to the highest standards achievable consistent with the overall plan of the [Mutual] and the interests of the consenting parties...GRF shall be expected to perform such other acts and deeds as are reasonable, necessary and proper in the discharge of its duties under this Agreement.” (Management Agreement, FOURTH, Section (m));

**WHEREAS**, the Management Agreement between GRF and the Mutual states that GRF has the duty to “establish and maintain, in a bank whose deposits are insured by the Federal Deposit Insurance Corporation and in a manner to indicate the custodial nature thereof, a separate bank account as Agent of the Mutual for the deposit of the moneys of the Mutual, with authority to draw thereon for any payments to be made by the Agent to discharge any liabilities or obligations incurred pursuant to this Agreement, and for the payment of the Agent fee, all of which payments shall be subject to the limitations in this Agreement.” (Management Agreement, FIFTH);

**WHEREAS**, the Management Agreement between GRF and the Mutual states that GRF has a duty to “[T]ake such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises placed thereon by any federal, state, county, or municipal authority having jurisdiction thereover.” (Management Agreement, FOURTH, Section (f));

**WHEREAS**, GRF is consequently responsible for management, control and administration of the Mutual under all applicable law, including the Davis-Stirling Common Interest Development Act (“DSA”);

**WHEREAS**, pursuant to *Corporations Code* Section 7210, “the board may delegate the management of the activities of the corporation to any person or persons, management company, or committee however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the board;”

**WHEREAS**, pursuant to *Civil Code* Section 5380(a), “A managing agent of a common interest development who accepts or receives funds belonging to the association shall deposit these funds that are not placed into an escrow account with a bank, savings association, or credit union or into an account under the control of the association, into a trust fund account maintained by the managing agent in a bank, savings association, or credit union in this state;”

**WHEREAS**, pursuant to *Civil Code* Section 5380(b), the written request of the Board of Directors is required for GRF, who accepts or receives funds on its behalf, to deposit said funds into an interest-bearing account in a bank, savings association, or credit union in the State of California;

**WHEREAS**, and by way of example, pursuant to Article III, Section 3 of the Bylaws, all subscription funds received from applicants shall be subject to withdrawal, or transfer to the account of the Mutual, “only upon certification by the President and Secretary of the Corporation;”

**WHEREAS**, the Board wishes to authorize GRF or any authorized GRF employee, to make said deposits and transfers, electronic or otherwise, as required by the Mutual;

**NOW, THEREFORE**, be it resolved that the Mutual hereby adopts the following resolution concerning authorizing fund transfers by GRF or any authorized GRF employee:

1. The Mutual, through the Board, pursuant to *Civil Code* Section 5380, hereby exclusively engages GRF or any authorized GRF employee, to accept or receive funds on behalf of the Mutual, and deposit same into an interest-bearing account, provided the following requirements are met:

(a) The account is in the name of the Mutual;

(b) All of the funds in the account are covered by insurance provided by an agency of the federal government or private institution offering coverage equal to, or exceeding, such government backed insurance;

(c) GRF and/or the authorized GRF employee discloses to the Board, via account summaries, statements or otherwise, the nature of the account, how interest will be calculated and paid, whether service charges will be paid to the depository and by whom, and any notice requirements or penalties for withdrawal of funds from the account;

(d) No interest earned on funds in the account shall inure directly or indirectly to the benefit of GRF or any other party; and

(e) Transfers of greater than ten thousand dollars (\$10,000) or five percent (5%) of the Mutual's total combined reserve and operating account deposits, whichever is lower, shall not be authorized from the account without prior written approval from the Board; for purposes of this Section 1(e), this Resolution shall be deemed the "prior written approval from the Board" as required by Civil Code Section 5380.

**SEAL BEACH MUTUAL NO. ONE**

By: \_\_\_\_\_ Print Name: \_\_\_\_\_  
Its: President

Dated: \_\_\_\_\_

**SEAL BEACH MUTUAL NO. ONE**

By: \_\_\_\_\_ Print Name: \_\_\_\_\_  
Its: Secretary

Dated: \_\_\_\_\_

**CERTIFICATE OF SECRETARY**

I, the undersigned, being the duly elected and acting Secretary of **SEAL BEACH MUTUAL NO. ONE a California Non-Profit Mutual Benefit Corporation**, do hereby certify that the foregoing Resolution was adopted on \_\_\_\_\_, 2019.

This Certificate is executed under penalty of perjury on \_\_\_\_\_, 2019, in \_\_\_\_\_, California.

**SEAL BEACH MUTUAL NO. ONE**

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Its: Secretary



# Mutual Corporation No. One

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY APPOINTMENT SETTING COMMITMENT BY MUTUAL BOARD OF DIRECTORS (NEW BUSINESS, ITEM C)  
**DATE:** FEBRUARY 28, 2019  
**CC:** MUTUAL FILE

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The GRF staff provides valuable services to all Mutuals. To maintain these valuable services, we are again soliciting all Mutual Board of Directors to help support our united mission to maintain our collective community for the betterment of all. To facilitate this mission and to help control time, focus and, most importantly, expense, I need to take this opportunity to kindly request action from all Mutual Board of Directors to help us support you, so that we may insure all goals and tasks are accomplished in a timely and productive manner.

Observe that appointments are required to meet with the following departments and staff: Mutual Administration, Accounting, Physical Property, Service Maintenance and Purchasing Department.

Yes, there are emergencies, and emergencies can be readily defined as:

- Posing an immediate threat to life, health, property, or environment
- Has already caused loss of life, health detriments, property damage, or environmental damage
- Has a high probability of escalating to cause immediate danger to life, health, property, or environment

In this, our commitment to you is:

- Response to all requests for appointments:
  - If request is made **before** 1 p.m. (business day), the same day
  - If request is made **after** 1 p.m. (business day), the next business day by 10 a.m.

***I move to approve/deny a commitment by the Board of Directors of Mutual One, to help and support the unified mission of the collective Mutuals of Leisure World Seal Beach, to insure appointments are made to meet with GRF staff.***