

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL SIXTEEN
June 02, 2020

Meeting begins at 9:30 a.m.
Zoom Video and Call Conferencing 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, 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 (i) notify their parcel director of their intent to speak during Shareholder open forum, or (ii) submit their information, including their name, Unit number, and telephone number, via e-mail at mutualsecretaries@lwsb.com, by no later than 3:00 p.m., the business day before the date of the meeting.

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

Ms. Isom, GRF Representative
Ms. Hopkins, Mutual Administration Director
Mr. Harper, Building Inspector
Ms. Givehand, Recording Secretary

4. SHAREHOLDERS' COMMENTS (2-3 minutes per shareholder)
5. APPROVAL OF MINUTES:
 - a. **Regular Meeting Minutes of March 3, 2020**
6. BUILDING INSPECTOR'S REPORT Mr. Harper
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (p. 3)
 - a. Fenn Pest and Termite 3-year contract (p.4)
7. GRF REPRESENTATIVE Ms. Isom
8. **UNFINISHED BUSINESS**
 - a. Discuss and vote to ratify rescission of policies 7331 Impound, 7331.2 Impound Account Agreement, 7334 Investment Records and 7310 Mutual Budgets (p.5)
9. **NEW BUSINESS**
 - a. Discuss and vote to Approve Monthly Financials (p.6)
 - b. Intent to vote Cumulatively (p.7)
 - c. Appoint Inspector of Elections, Accurate Voting (p.8)
 - d. Discuss and vote to ratify the Resolution from the Special Executive Teleconference Call held on March 25, 2020 (p. 9)

- e. Discuss and vote to amend Policy 7585.16 Compliance Corrective Measures and Fines (pp.10-19)

STAFF BREAK BY 11:00 a.m.

- 10. SECRETARY / CORRESPONDENCE Mrs. Clawson
- 11. CHIEF FINANCIAL OFFICER'S REPORT Mr. Gillespie
- 12. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
- 13. ANNOUNCEMENTS
 - a. **NEXT REGULAR BOARD MEETING: Tuesday, July 7, 2020, at 9:30 a.m.**
Location: TBA
- 14. COMMITTEE REPORTS
 - a. Grounds and Physical Property
 - b. Emergency Preparedness
- 15. DIRECTORS' COMMENTS
- 16. ADJOURNMENT
- 17. EXECUTIVE SESSION

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

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **16**

INSPECTOR: **Rich Stolarz**

MUTUAL BOARD MEETING DATE: **June 2, 2020**

Mark Harper

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	FINAL INSPECTION	CONTRACTOR / COMMENTS
52	ROOFING	BOTH	03/30/20	05/30/20	NO	NONE	JORDAN ROOFING
53	ROOFING	BOTH	03/30/20	05/30/20	NO	NONE	JORDAN ROOFING
53-A	SOLATUBE	BOTH	04/01/20	04/30/20	NO	NONE	JOHN BERGKVIST
50-K	HEAT PUMP	BOTH	05/11/20	08/11/20	NO	NONE	GREENWOOD

Escrow Activity

UNIT#	NMI	PLI	NBO	FI	FCOEI	COE Date	ROF
53-G		03/17/20					
54-E		11/22/19					
54-G		04/08/20					

NMI: New Member Inspect **PLI:** Pre Listing Inspect **NBO:** New buyer Orientation **FI:** Final Inspect **FCOEI:** Final COE Inspect **COE:** Close of Escrow **ROF:** Release of Funds

Contract Services

Project Discription

Fenn Pest & Termite	Termite Inspections Ex 2020
Johns Landscape/Anguiano Lawn Care	Month to Month
Jordan Roof	Reroof Ex 10/2020
JC Kress	Kitchen Hoods for Reroof Ex 10/2020
John Bergkvist	Dryrot and Paint Repair for Reroof Ex 10/2020
Need Mutual Approval -Termite and Pest Control Bids and Contract for Years 2020/ 2021/ 2022	
Need Mutual Approval - Empire Pipe Cleaning for 3 Years - 2020 - \$326.04 / 2021 - \$313.50 / 2022 - \$326.04 - TOTAL \$ 965.58	
Roofing Project - Bldg. 52/ 53 - Roofing Project Postpone Due to Covid-19 Concerns	

Mutual and Resident Request



MUTUAL BOARD ACTION REQUEST

TO: ALL MUTUALS
FROM: PHYSICAL PROPERTY COMMITTEE (MW)
SUBJECT: PEST AND TERMITE SERVICES FOR MUTUAL PROPERTY
DATE: APRIL 1, 2020
CC: FILE

I move to award a contract to Fenn Termite & Pest Control to service and maintain Mutual Sixteen Property for Pest and Termite services for a three-year period at a total cost of \$3,600.00 and approve the cost for pest control as itemized in Exhibit A using funding from Operating Funds and to authorize the President to sign the contract.

one year cost - previous contract FENN	MUTUAL BUILDINGS -	
		2020-22
	MUTUAL	FENN
\$ 14,267.45	1	\$ 50,625.00
\$ 14,608.13	2	\$ 51,840.00
\$ 7,302.96	3	\$ 25,920.00
\$ 6,694.38	4	\$ 23,760.00
\$ 8,317.26	5	\$ 29,520.00
\$ 6,897.24	6	\$ 24,480.00
\$ 6,491.52	7	\$ 23,340.00
\$ 5,882.94	8	\$ 20,875.00
\$ 6,491.52	9	\$ 23,340.00
\$ 4,665.78	10	\$ 16,560.00
\$ 5,274.36	11	\$ 18,720.00
\$ 7,648.04	12	\$ 27,075.00
\$ 5,552.19	14	\$ 19,620.00
\$ 8,492.56	15	\$ 29,256.00
\$ 1,014.30	16	\$ 3,600.00
\$ 2,133.34	17	\$ 7,620.00

Mutual Corporation No. Sixteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS VOTE TO RATIFY RESCISSION OF POLICIES 7331 IMPOUND,
7331.2 IMPOUND ACCOUNT AGREEMENT, 7335 INVESTMENT RECORDS
AND 7310 MUTUUAL BUDGETS (UNFINISHED BUSINESS, ITEM A)
DATE: JUNE 2,2020
CC: MUTUAL FILE

I move to ratify rescission of policies 7331 Impound, 7331.2 Impound Account Agreement, 7334 Investment Records and 7310 Mutual Budgets.

Mutual Corporation No. Sixteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE MONTHLY FINANCIAL (NEW BUSINESS
- ITEM A)
DATE: JUNE 2, 2020
CC: FILE

I move to acknowledge, that 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 MARCH and APRIL 2020.

Mutual Corporation No. Sixteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS VOTE TO APPROVE INTENT TO VOTE CUMULATIVELY (NEW BUSINESS, ITEM B)
DATE: JUNE 2, 2020
CC: MUTUAL FILE

Per the Mutual's Bylaws, Article IV, Section 7, _____ Shareholder _____ Unit _____ (Unit Number _____), shareholder of Mutual Sixteen intends to vote cumulatively for the elections of Directors for the 2020-2021 term of office.

Mutual Corporation No. Sixteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS VOTE TO APPOINT AN INSPECTORS OF ELECTION (NEW BUSINESS, ITEM C)
DATE: JUNE 2,2020
CC: MUTUAL FILE

Policy 7210 – Annual Elections, Section 11 and 12 – Number of Inspectors and Who may Serve as an Inspector, states that, “The Board of Directors shall appoint one (1) to three (3) inspectors(s) of election... an inspector of elections may be an independent third party”.

On February 14, 2019, the Executive Committee and on February 25, 2020, the Golden Rain Foundation Board voted to appoint Accurate Voting Services as the Inspector of Elections.

I move to appoint Accurate Voting Services as Mutual Sixteen’s Inspectors of Election.

Mutual Corporation No. Sixteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY THE RESOLUTION FROM THE SPECIAL EXECUTIVE TELE CONFERENCE HELD ON MARCH 25, 2020 (NEW BUSINESS ITEM D)
DATE: JUNE 02, 2020
CC: FILE

I move to ratify the phone poll conducted on March 25, 2020, to accept that the Board of Directors of Seal Beach Mutual Sixteen, upon a presentation of the Financial Statements as of December 31, 2019, for the year then ended, and the proposed Accountant's report as submitted by CliftonLarsonAllen (CLA), hereby accepts the above-mentioned financial statements and reports therein, and authorize the President to sign the Management Representation Letter.

Mutual Corporation No. Sixteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS VOTE TO AMEND POLICY 7585.16 COMPLIANCE CORRECTIVE MEASURES AND FINES (NEW BUSINESS, ITEM E)
DATE: JUNE 2, 2020
CC: MUTUAL FILE

I move to amend Policy 7585.16 Compliance Corrective Measures and Fines on a preliminary basis until the 28-day posting period as been completed. The policy will be ratified at the next scheduled meeting and take effect if the Board receives no comment and take effect after Mutual Board consideration of any comments received during the review period.

AMEND**MUTUAL OPERATIONS****RESIDENT REGULATIONS**
COMPLIANCE CORRECTIVE MEASURES AND FINES**TABLE OF CONTENTS**

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Any activity, situation instance or circumstance that is an alleged violation of the governing documents will generally be processed according to the procedures outlined herein.

In the event any member of the Board of Directors or a Shareholder of Mutual 5 files an Alleged Violation Report form with the Board, the following steps will be taken:

Step No. 1 Director Complainant: Director shall make the complaint via email or letter to the President. The information to be included: Name (if known), Unit #, Nature of the violation, Policy violated (if known), Picture (if possible), any other supporting documents or complete the Alleged Violation Report. Shareholder Complainant: Shareholder shall complete the Alleged Violation Report.

Step No. 2. If it is determined that the alleged violation has potential merit, proceed with Step No. 3.

Step No. 3 Warning to Correct the President shall arrange for Mutual Administration to send a "Warning to correct" letter, which shall include:

a) nature of the alleged Violation,

b) specific governing document violated (Policy Number, Occupancy Agreement, Bylaws, etc.) and

c) the notice to "immediately correct but in no event later than 30 days." If the alleged violation is not one that is "correctible", Step No. 4 will be followed.

Step No. 4 Notice of Intent to Impose Discipline (see attached form) When an alleged violation has not been corrected by the 30th day: (or fewer days if so warned,) or if the alleged violation is not "correctible", send the "Notice of Intent to Impose Discipline" to the shareholder stating the nature of the

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AMEND**MUTUAL OPERATIONS****RESIDENT REGULATIONS
COMPLIANCE CORRECTIVE MEASURES AND FINES**

alleged violation and the member's right to appear before the Board of Directors at a hearing in executive session on at least 10 days' notice by first class mail or by personal delivery, concerning the potential imposition of monetary fine and/or any other discipline.

Step No. 5. A hearing with the Board of Directors will be held, at the shareholder's option, so that the member may be heard and may present pertinent evidence, along with the testimony and evidence of interested persons.

Step No. 6. If the shareholder is found to be in violation of the Association's governing documents, the Board may exercise any of the following options:

(a) choose to correct (or cause to be corrected) the violation and assess the shareholder for the costs and expenses of doing so, including attorney's fees; and/or

(b) impose and assess monetary fine(s) against the shareholder pursuant to the Fine Schedule;

(c) suspend the shareholder's voting or other privileges (if applicable).

(d) seek a remedy in the legal system, including, without limitation, the imposition of a lien and/or foreclosure on the shareholder's property, where allowed by law;

Step No. 7. The shareholder will be notified as to any disciplinary action rendered by the Board of Directors within 15 days after such action.

NOTE: The governing documents are defined as the Bylaws, the Occupancy Agreement and the Policies.

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MUTUAL OPERATIONS

RESIDENT REGULATIONS COMPLIANCE CORRECTIVE MEASURES AND FINES

ALLEGED VIOLATION REPORT

DATED: _____

I. PERSON MAKING REPORT
(Complainant)

NAME: _____

ADDRESS: _____

PHONE NUMBER: _____

II. Time, Place & Nature of Alleged Violation (fill in as completely as possible)

DATE: _____ TIME: _____

LOCATION: _____

NATURE OF VIOLATION: _____

III. VIOLATOR'S INFORMATION:
(Respondent)

NAME: _____

PHONE NO.: _____

ADDRESS: _____

IV. ADDITIONAL WITNESSES:

NAME: _____

ADDRESS/PHONE: _____

NAME: _____

ADDRESS/PHONE: _____

V. OTHER EVIDENCE (PHOTOGRAPHS, DOCUMENTS, ETC.) SUPPORTING

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MUTUAL OPERATIONS

**RESIDENT REGULATIONS
COMPLIANCE CORRECTIVE MEASURES AND FINES**

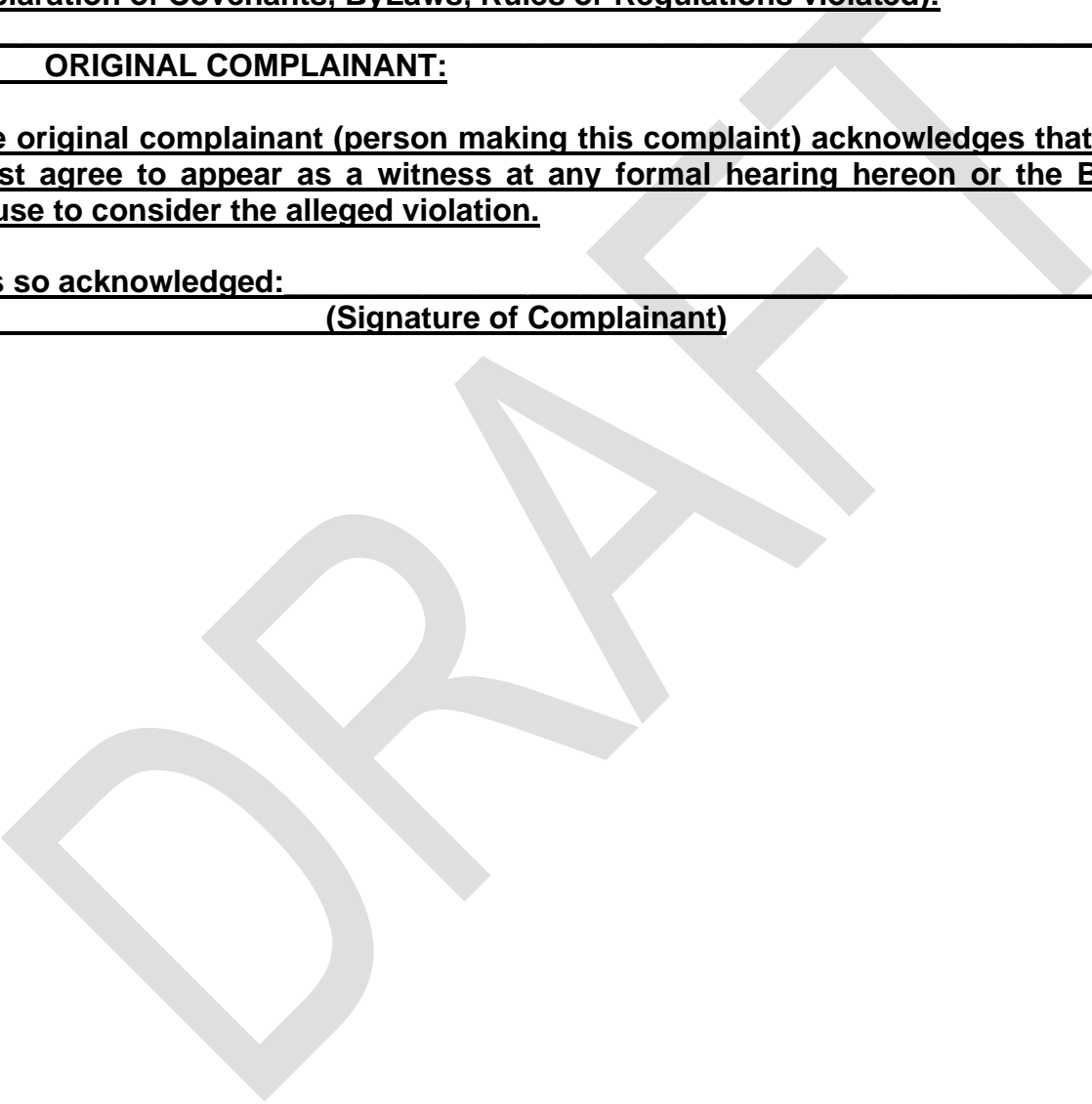
THE ALLEGED VIOLATION: _____

VI. SPECIFIC GOVERNING DOCUMENT VIOLATED (Cite exact provision of Declaration of Covenants, ByLaws, Rules or Regulations violated):

VII. ORIGINAL COMPLAINANT: _____

The original complainant (person making this complaint) acknowledges that he or she must agree to appear as a witness at any formal hearing hereon or the Board may refuse to consider the alleged violation.

It is so acknowledged: _____
(Signature of Complainant)



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MUTUAL OPERATIONS

RESIDENT REGULATIONS COMPLIANCE CORRECTIVE MEASURES AND FINES

NOTICE OF INTENT TO IMPOSE DISCIPLINE

To Shareholder:

Please be advised that you are hereby given notice that the Board of Directors will hold a hearing on:

_____ (Date)

_____ (Time)

_____ (Place)

to consider the imposition of a formal warning or a monetary fine or other disciplinary measure against you concerning an alleged violation of the Association's governing documents, that is:

You have the right to attend the hearing and address the Board of Directors and to present any pertinent evidence on your behalf.

Please acknowledge your receipt of this notice and indicate, by checking the appropriate box (1) if you will contest the alleged violation and if so (2) if you desire the hearing to be held in executive session.

Very truly yours,

BOARD OF DIRECTORS

I hereby acknowledge my receipt of this notice and:

will not oppose the alleged violation or

will oppose the alleged violation and

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MUTUAL OPERATIONS

RESIDENT REGULATIONS COMPLIANCE CORRECTIVE MEASURES AND FINES

desire a hearing in executive session.

Dated: _____ **Signed:** _____

DRAFT

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MUTUAL OPERATIONS

RESIDENT REGULATIONS COMPLIANCE CORRECTIVE MEASURES AND FINES

PROCEDURE FOR SHAREHOLDER HEARING

1. Statement of alleged violation(s) by acting chairperson.
2. Shareholder in alleged violation decides to hold hearing in executive session or not.
3. (a) Each party will be entitled to make an opening statement, starting with the complainant's case;
 (b) Each party will be entitled to produce documentary evidence and testimony and to cross-examine the opposing party and the opposing party's witnesses;
 (c) Each party will be entitled to make a closing statement;
 (d) Formal rules of evidence will not apply and all relevant evidence should be admitted, although hearsay evidence, by itself, will not be sufficient to support a finding;
 (e) Any party will be permitted to waive the right to exercise his or her rights in any part of the hearing process, and the Board will be entitled to exercise its reasonable discretion in specifying the rules by which the hearing will be conducted, as long as the alleged violator is given an opportunity to confront and to cross-examine the evidence introduced by the opposing party and to be heard in his or her own defense.
4. Alleged violator, complainant and witnesses are excused.
5. Discussion and decision by the Board, or, that the matter will be taken under submission with a determination within 35 days after the hearing. Notice to shareholder given within 15 days of the imposition of disciplinary action, if any.

6. Adjournment.

DOCUMENTATION

Name of Shareholder: _____

Phone Number: _____

Address: _____

<u>Factual</u>	<u>Findings</u>	<u>on</u>	<u>Issues:</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

MUTUAL OPERATIONS

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**RESIDENT REGULATIONS
COMPLIANCE CORRECTIVE MEASURES AND FINES**

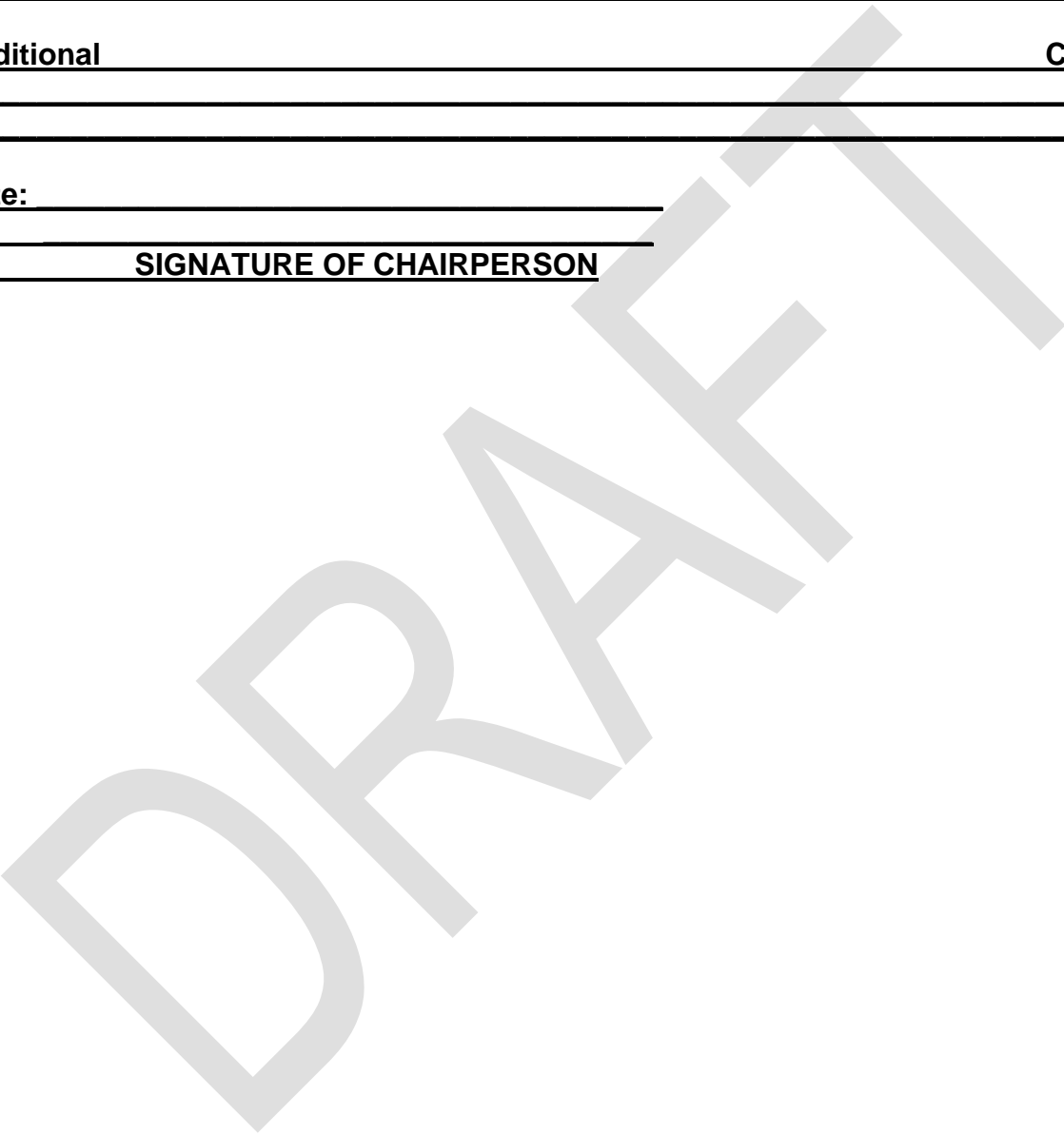
Board ruling on any discipline to be imposed:

Additional _____ **Comments:**

Date: _____

By: _____

SIGNATURE OF CHAIRPERSON



AMEND**MUTUAL OPERATIONS****RESIDENT REGULATIONS
COMPLIANCE CORRECTIVE MEASURES AND FINES****FINE SCHEDULE**

1. If a member does not oppose the alleged violation or if the result of the hearing is a decision that a violation of the governing documents existed, a fine of \$100.00 may be imposed for each separate violation of the governing documents, subject to the following:

(a) If the violation is of a continuous nature and necessitates remedial action, the failure of the member to remedy the underlying situation or circumstance within 60 days of the imposition of the first monetary fine, will constitute a new and separate violation, subject to an additional fine of \$200.00. The failure of the member to correct the violation within 120 days of the imposition of the first monetary fine will constitute a third separate violation, subject to an additional fine of \$400.00.

(b) If a member violates the same provision of the governing document on two separate occasions within any 12-month period of time, the fine for the second offense will be \$200.00. If the member violates the same provision three or more times within any 12-month time period, the fine for the third and subsequent violations will be \$400.00 each.

2. At any point, the Board may choose to use the legal system or cause a correction of a violation to effect a remedy or cure, and the member may be assessed the costs and expenses incurred by the Mutual, including attorney's fees.

3. Should a violation occur which causes the Mutual to incur a financial obligation or expense, then the member responsible for the violation shall be assessed the amount of the obligation or expense incurred by the Mutual. For example, if a member damages any common property, the repair and replacement costs will be assessed to the member.

4. The Mutual may also, under appropriate circumstances, suspend voting privileges.

MUTUAL ADOPTION AMENDMENT(S)

SIXTEEN: 10-03-17

(Draft Created on 05/28/2020)