

AGENDA
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOUR
December 9, 2020
Open Forum begins at 9:15 a.m. – Meeting begins at 9:30 a.m.
Conference Call

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 submit all the necessary information stated above, via e-mail at 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. ROLL CALL
3. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):

Marsha Gerber, GRF Representative
Victor Rocha, Security Services Director
Jodi Hopkins, Mutual Administration Director
Kevin Black, Building Inspector
Anna Gamboa, Portfolio Specialist
Kathi Dullaart, Recording Secretary

4. APPROVAL OF MINUTES
 - a. Regular Meeting Minutes of November 10, 2020
5. GUEST SPEAKER Mr. Rocha
 - a. Discuss the Security Guide (pp. 3-6)
6. BUILDING INSPECTOR'S REPORT Mr. Black

Permit activity; escrow activity; contracts & projects; shareholder and mutual requests (pp. 7-8)
7. GRF REPRESENTATIVE Ms. Gerber
8. SECRETARY / CORRESPONDENCE Mr. Russell
9. CHIEF FINANCIAL OFFICER'S REPORT Ms. Smith

10. UNFINISHED BUSINESS
 - a. Discuss and vote to ratify the rescinded **Policy 7560 – Apartment Rental** and ratify to adopt **Policy 7560.04 – Apartment Subletting Rentals** (pp. 9-12)
 - b. Discuss and vote to ratify amended **Policy 7575.04 – Laundry Room Use** (pp. 13-15)
 - c. Discuss and vote to ratify amended **Policy 7210.04 – Annual Elections** (pp. 16-27)
 - d. Continue discussion on combining apartments

11. NEW BUSINESS
 - a. Approval of mutual monthly finances (p. 28) Ms. Smith
 - b. Discuss tree trimming Ms. Smith
 - c. Discuss parking in other Mutuals Mr. Levitt

STAFF BREAK BY 11:00 a.m.

12. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
13. COMMITTEE REPORTS
 - a. Emergency Information Mr. Lessin
 - b. Mutual Administration Committee Ms. Kuhl
 - c. Recreation Ms. Kuhl
 - d. Physical Property Mr. Russell
 - e. Landscape Ms. Smith/ Mr. Conley
 - f. Special Events Ms. Smith/ Mr. Friedland
 - g. Presidents' Roundtable Mr. Levitt
 - h. President's Council Mr. Levitt

14. ANNOUNCEMENTS

NEXT MEETING: Wednesday, January 9, 2021, Open Forum begins at 9:15 a.m. and the Meeting begins at 9:30 a.m. via Conference Call

15. DIRECTORS' COMMENTS
16. SHAREHOLDERS' COMMENTS (3 minutes)
17. ADJOURNMENT
18. EXECUTIVE SESSION

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

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: **(04) FOUR**

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **NOVEMBER 10TH 2020**

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
74,75,76,87,89	roofing	both	07/10/19	05/31/20	yes comp.	nauling 74, 3/2/20 bldg. 89 nauling 111-	Roofing Standards may
4-41G	remodel w/patio/tankless	both	07/06/20	12/31/20	o. #1 date to c	BOD ok tankless 07082020 footing/groundwork 9/21/20	Ba const.
4-49F	ducted HVAC repl.	both	09/08/20	12/08/20	yes	equip. upgrade 11/13/20	greenwood
4-77F	new ducted heat pump	both	09/21/20	12/21/20	no		Greenwood
4-37A	shower cut down/grab bar	both	10/19/20	11/19/20	no		nukote
4-49F	repl. Ducted heat pump/attic access	both	10/01/20	11/30/20	no		greenwood
4-47F	patio storage	both	10/02/20	12/20/20	no	foundation 10/21- lath/insulation/10/29- drywall 11/3	alpha master builder
4-51D	new shower	both	10/19/20	11/30/20	no	rough plumb/frame/underground 10/21- shw pan 10/23-	john bergkvist
4-80A	patio	GRF	1012/20	11/30/20	no	bod ok 9/18/20 slab/footing/ 10/29/20	MJ jurado
4-85L	patio extension	grf	10/20/20	11/30/20	no	footing 11/1/20	MJ jurado
4-42L	add shower in 1/2 bath	both	11/16/20	12/28/20	no	underground frame and electrical 11/18/20 - drywall 11/24/20	marco const.
4-85H	addition	both	01/25/20	03/15/21	no		bergkvist
ESCROW ACTIVITY							
UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
4-76E		09/28/18					
4-87H		03/07/19	10/21/20				
4-85G		03/24/20	08/28/20	08/28/20	09/10/20	11/13/20	
4-46K		04/27/20	11/23/20	11/23/20	12/04/20		
4-78K		07/23/20		10/26/20	11/03/20		
4-43B		08/31/20					
4-73H		09/02/20	10/02/20	10/22/20	10/26/20	11/13/20	
4-85H		09/18/20		11/03/20			
4-87J		09/30/20		11/02/20	11/13/20		
4-86C		09/30/20	10/19/20	10/29/20	11/02/20	11/13/20	
4-46F		11/18/20					
4-46H		11/25/20					

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(04) FOUR**

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **NOVEMBER 10TH 2020**

CONTRACTOR	PROJECT
Total Landscape Maintenance- 10/8/19 contract end date	on going now
Tree Pruning:	
Fenn Pest Control - 5/31/20 contract end date	service days are Monday and Wednesday - termites on Wednesday's only
Roofing Roofing Standards 2/28/20-12/31/21	started and completing bldg. 89
stove hoods & Piping Kress Const: 2/28/20	complete with 89
dry rot / termite / attic repair B.A. Const: 2/28/20	complete with 89
Re-piping California Repipe Specialist: 12/31/2021	2021 coming for a start in January - wavier? Bldg. 37,40,41,42,44,45,48,76,88,89 - start date for bldg. 37/40 is Feb. 1
abatement ERC: 12/31/2021	2021 coming for a start in January wavier? Bldg. 37,40,41,42,44,45,48,76,88,89 - start date for bldg. 37/40 is Jan. 28/29
repipe paint touch ups Kress:	2021 coming for a start in January wavier? Bldg. 37,40,41,42,44,45,48,76,88,89
Fire Inspections	Re-inspections are on hold due to pandemic - will complete the last two buildings as - soon as we get a green light to finish bldgs. 42 and 43 dryer vents
Roofing for 2020 Roofing Standards:	combining bldgs. 75/76 into 2020 contract set to do all in 2021
Roofing 2019 Roofing Standards:	bldg. 76 material removed/ bldg. 89 complete / bldg 87 complete
reroof paint touch ups	bldg. 89 complete / bldg. 87 on going
sewer cleaning yearly Empire Pipe: 12/30/2022	sewer cleaning has been completed/ report to follow
Sidewalk Insp.	
Shareholder Visits and Mutual Requests	
44D skylite issue	
84G antenna	
waiver pick up / repiping	
78J working on faucet issue	

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY THE RESCINDED POLICY 7560 –
APARTMENT RENTAL AND RATIFY TO ADOPT POLICY 7560.04 –
APARTMENT SUBLETTING RENTALS
(UNFINISHED BUSINESS, ITEM A)
DATE: DECEMBER 9, 2020
CC: MUTUAL FILE

I move to ratify the rescinded Policy 7560 – Apartment Rental and ratify to adopt Policy 7560.04 – Apartment Subletting Rentals, the 28-day posting period is complete.

MUTUAL OPERATIONS

RESIDENT REGULATIONS

Apartment Rental

In Paragraph 5(d) of the Regulatory Agreement, all of the Mutual Corporations have agreed with the insuring agency that they will not, without prior approval of the Commissioner, given in writing, permit occupancy of any of the dwelling accommodations of the Corporation except by members of the Corporation (See Policy 9205.4).

In Article 7 of the Occupancy Agreement currently being used, all residents have agreed not to sublet his dwelling unit without the written consent of the Corporation.

Since the processing time necessary under the above regulations would normally approach 90 days, this Corporation is prepared to approve emergency rentals for not exceeding 90 days when the resident applies for permission to rent his apartment and completes the standard form (7561) requesting such permission from the Board.

MUTUAL ADOPTION	NO FURTHER RENTALS	RENTALS PENDING CLOSE OF ESCROW	OTHER	OTHER
ONE	<u>01 25 73</u>	08-22-96	<u>03 22 84</u>	
TWO	<u>08 27 72</u>	10 22 98	11 16 95	11-19-98*
THREE	<u>08 21 72</u>	06-03-91		
FOUR	<u>09 06 72</u>			01 04 89** 02-06-06**
FIVE	<u>08 16 72</u>	08-18-82		
SIX	<u>08 25 72</u>	11-26-96	<u>04 23 82</u>	
SEVEN	<u>09 15 72</u>	03-18-91		
EIGHT	<u>08 28 72</u>	08-26-02		
NINE	<u>08 14 72</u>	08-22-97	<u>08 08 83</u>	
TEN	<u>08 24 72</u>	08-27-97	<u>07 28 83</u>	
ELEVEN	<u>09 21 72</u>	03-20-80		
TWELVE	<u>08 10 72</u>	07-13-78		
FOURTEEN	<u>08 11 72</u>	08-25-95		
FIFTEEN	<u>10 16 72</u>	01-19-81		
SIXTEEN	<u>09 14 72</u>	03-08-73		

* For a period of up to 3 months to residents who are remodeling their units

** For a period of 90 days in any 12-month period to residents who are remodeling their units

(Jul 06)

SEAL BEACH MUTUAL NO. FOUR

MUTUAL OPERATIONS

ADOPT 7560.04

RESIDENT REGULATIONS

Apartment Subletting Rentals

In Article 7 of the Occupancy Agreement currently being used, all Members have agreed not to sublet his/her dwelling unit, and not to assign the Occupancy Agreement, without the written consent of Seal Beach Mutual No. _____.

Under Assembly Bill 3182, codified as California Civil Code §4741 and effective January 1, 2021, unreasonable restrictions concerning the rental or leasing of a Member's subletting of his/her dwelling unit to another will be prohibited.

The Board of Directors of Seal Beach Mutual No. Four generally forbids a Member to sublet his or her own dwelling unit, because our governing documents require that our Mutual serve as residential accommodations for seniors 55 years of age or older, meeting certain financial requirements. However, as long as Civil Code §4741 is effective and has not been overturned by the Courts or withdrawn or modified by the State Legislature, our Mutual will hereby place a sublease rental cap of twenty five percent (25%) of the dwelling units at our Mutual. Should this maximum sublease rental cap ever be met, Members wishing to sublet will be placed on a waiting list, with priority dependent on the date of any such request in writing.

Our Mutual prohibits transient or short-term rentals of a dwelling unit for a period of 30 days or less, and reiterates that our dwelling units are to be used for residential purposes and not for Airbnb short-term rentals or the like, as set forth in Article 5 of the Occupancy Agreement.

Any Member must deliver a copy of any proposed sublease to the Mutual before the same is executed, and such sublease must be in a form acceptable to the Mutual.

The aforementioned sublease must require in writing that the sublessee will abide by the terms of the applicable Member's Occupancy Agreement, and, shall give to our Mutual an irrevocable power to dispossess or otherwise act for the Member in case of default under the sublease.

The Member shall continue to be liable for all obligations under the Occupancy Agreement notwithstanding the fact that a Member may have sublet the dwelling unit with the approval of the Mutual, and shall be responsible to the Mutual for the conduct and/or misconduct of Member's sublessee, as set forth in Article 7 of the Occupancy Agreement.

Any and all costs and/or expenses from the Golden Rain Foundation presented to the Member and/or Mutual arising out of, or pertaining to, the aforementioned sublease,

May and will be passed on to the applicable Member for direct payment/or reimbursement.

Should a Member enter into an approved sublease concerning the Occupancy Agreement, then, all rights and amenities of such Member (including but not limited to the use of recreational facilities, gate access and parking) shall, and will, be assigned to such sublessee as an entire and complete assignment of such benefits to the sublessee (so that the premises are not subject to duplicate and redundant use by both the Member and the Sublessee).

All sublessees must qualify for residential status, upon the same terms and conditions of age and income as the applicable Member, and the sublessee must meet the eligibility requirements of membership as set forth in Article III of the Mutual's By-Laws.

If accepted, the sublessee must attend an orientation session, in order to become familiar with the premises, terms of the Occupancy Agreement and the Mutual's policies and practices.

The processing time necessary to comply with the above regulations would normally approach ninety (90) days, however, the Mutual is prepared to approve emergency subletting not exceeding ninety (90) days when the Member applies for permission to rent his/her apartment under urgent circumstances, as determined by the Board of Directors in its sole discretion.

All Members requesting permission to enter into a sublease agreement must complete the standard form (7561) in order to request such permission from the Board of Directors.

This policy and the rules and regulations incorporated herein shall be effective and in force on January 1, 2021.

Mutual Adoption

Four:

Five:

Sixteen:_____

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY AMENDED POLICY 7575.04–LAUNDRY ROOM USE (UNFINISHED BUSINESS ITEM B)
DATE: DECEMBER 9, 2020
CC: MUTUAL FILE

I move to ratify amended Policy 7575.04 – Laundry Room Use; the 28-day posting requirement has been met.

MUTUAL OPERATIONS

RESIDENT REGULATIONS

Laundry Room Use - Mutual Four

1. Laundry room facilities are available for use solely by residents of their respective Mutual only. The only exception to this is that a caregiver may use the laundry room facilities to do a resident's laundry, and *full-time* caregivers may do their own laundry.
2. Residents are responsible for any damage to the laundry room facilities when they or their caregiver are doing the resident's or full-time caregiver's laundry.
3. Laundry room facilities are available for use between the hours of 7 a.m. and 9 p.m. only. Each resident may only use two washers and dryers at one time out of consideration for other residents. **Sunday Laundry Hours: 8 a.m. – 9 p.m.**
4. Washers or dryers must be loaded properly, i.e. maintain the proper amount of items in the machines so as not to overload the machines. Improper loading may cause damage to the machines due to being unbalanced.
 - a. If there is uncertainty about the load, stay with the machine to ensure that the load is properly balanced. If necessary, rearrange the load in the machine.
5. Read all labels for laundry products to ensure that the product type is correct, and the amount is appropriate.
6. Laundry room facilities are to be used for washing and/or drying only. Clothing or fabrics may not be dyed or tinted in the washers or dried in the dryers.
7. Any clothing or fabric that has been cleaned in a flammable liquid may not be washed in the washers or dried in the dryers.
8. The following items may not be washed in the washers or dried in the dryers: rubber- or plastic-backed mats, rugs or runners, shoes, fiberglass curtains, sleeping bags, heavy blankets, quilts, comforters, or car covers.
9. Hand-washed clothing or other items may not be placed in the dryers due to the excess amount of water contained in them. Use the exterior clothesline for hand-washed items, if desired, or put them, if applicable, through a "rinse-only" cycle in a washer before drying.

(Jun 11)

MUTUAL OPERATIONS

RESIDENT REGULATIONS

Laundry Room Use - Mutual Four

- 10. Clothing or other items that have not been removed from a washer or dryer within 30 minutes of completion may be removed from the dryer by the next person waiting to use the machine.
- 11. When a washer or dryer is “out of order,” ~~leave a note explaining the problem on the machine and notify the Director in charge of that laundry room. Directors’ names are posted in each laundry room.~~ **Call the company directly using the phone number in the laundry room.**
- 12. The trash containers in the laundry rooms are for lint and dryer sheets only. Detergent, bleach, or softener containers or other trash must be disposed of in another location.
- 13. Clean the dryer filter after each use and dispose of lint in the trash containers.
- 14. Help keep the laundry rooms clean.
- 15. Smoking is prohibited in the laundry rooms and the exterior clothes drying area.
- 16. Laundry Room Bulletin Board Guidelines:

An additional bulletin board for shareholders has been installed next to the director’s bulletin board in some of the laundry rooms. These are for use by Mutual Four shareholders only. These guidelines must be followed:

- a. Items placed on the bulletin board must include the date it is posted and the shareholder’s name and apartment number.
- b. Items may not be posted for more than 30 days. Any items posted for longer than 30 days will be removed.
- c. Business cards may not be placed on this board.
- d. Objectionable language, pictures, etc. will not be tolerated. Please remember this is a shared bulletin board.

MUTUAL ADOPTION
Four: 11 Aug 10

AMENDMENTS
08 Jun 11

(Jun 11)

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RATIFY AMENDED POLICY 7210.04–ANNUAL ELECTIONS (UNFINISHED BUSINESS ITEM C)
DATE: DECEMBER 9, 2020
CC: MUTUAL FILE

I move to ratify amended Policy 7210.04 – Annual Elections; the 28-day posting requirement has been met.

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

SEAL BEACH MUTUAL NO. FOUR
DRAFT - AMENDED
7210 ANNUAL ELECTION POLICY

In accordance with State Law and the Mutual By-Laws, the following policy is established for the general election of directors to Seal Beach Mutual No. Four's Board of Directors (hereinafter referred to as the "Mutual" on occasion).

1) Board Directors, Annual Election of All Directors

- a. The election of the Board of Directors shall be held at the annual meeting of the Mutual. Three (3) Board positions shall be filled at such election in even-numbered years, and four (4) Board positions shall be filled in odd-numbered years, on an alternating basis. The Board of Directors shall consist of seven (7) persons in total. By-Laws Article V Section 3.

2) Two Year Term

- a. Each Board member will serve a two (2) year term, or until the next election, whichever is longer.

3) Vacant Board Positions

- a. Vacant Board positions will be filled by Board member appointment until the next election applicable to the vacant seat filled by such appointment.

4) Candidate Must Be an Owner

- a. A candidate for the Board of Directors must be a current shareholder of the Mutual. Hereinafter, a shareholder may also be referred to as a "member" of the Mutual. Nominations may be made by any shareholder including nominating oneself. The Mutual will disqualify a person from nomination as a candidate if the person is not a member of the Mutual at the time of nomination. If title to a separate interest parcel 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 member for the purposes of being a candidate. See Civil Code section 5105(b)(2).

(October 2020)

MUTUAL OPERATIONS**STOCKHOLDERS MEETINGS****Annual Elections – Mutual Four Only****5) ~~Candidate Disqualification, Certain Prior Criminal Record~~**

- ~~a. A candidate will be disqualified if the candidate has a prior criminal conviction that prevents the Mutual from acquiring a fidelity bond or would result in the termination of any such bond. See Civil Code section 5105(c)(4). However, any such disqualified person will be given the opportunity to engage in Internal Dispute Resolution. See Civil Code section 51052(e).~~

OR**5) Candidate Disqualifications**

- a. A candidate will be disqualified: 1) if the candidate has a prior criminal conviction that prevents the Mutual from acquiring a fidelity bond or would result in the termination of any such bond, 2) if such candidate's election would result in joint owners of a separate interest serving on the Board at the same time, 3) if such candidate has been a member of the Mutual for less than one (1) year, and/or 4) if such candidate is delinquent in assessment payments (and not for failure to pay fines), unless a) the candidate has paid the same under protest, b) has entered into an assessment payment plan, or c) has not been provided the opportunity to engage in IDR. See Civil Code section 5105(c). However, any such disqualified person will be given the opportunity to engage in Internal Dispute Resolution. See Civil Code 5105(e).

6) One Vote per Unit, Cumulative Voting Allowed

- a. The shareholder (or shareholders, jointly) of each unit may cast one vote for each board position to be filled at a given election. The candidates receiving the highest number of votes shall be elected as directors and shall take office immediately following their election. There shall be cumulative voting. Each unit will be entitled to cast one vote for each of the open Board director positions up for election, to cast all such votes for a single candidate, or, to be distributed among the candidates to be elected. See the By-Laws Article IV Section 7.

7) Optional Biographical Information and/or Candidate Statement, No other Media Access

- a. A candidate for the Board of Directors may submit a short biography of qualifications and/or a candidate statement to be included in the mailing of ballots, not to exceed one hundred (100) words. The Mutual shall not edit or redact any content from any such biography of qualifications and/or candidate statement, but may include a statement specifying that the candidate, and not the Mutual, is responsible for the

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content. Other than the foregoing, any candidate or member advocating a point of view will not be provided access to any Mutual media, newsletter, or internet website during a campaign.

OR

~~7) **Optional Biographical Information and/or Candidate Statement, and Other Media Access**~~

- ~~a. A candidate for the Board of Directors may submit a short biography of qualifications and/or a candidate statement to be included in the mailing of ballots, not to exceed one hundred (100) words. The Mutual shall not edit or redact any content from any such biography of qualifications and/or candidate statement, but may include a statement specifying that the candidate, and not the Mutual, is responsible for the content. Any candidate or member advocating a point of view will also be allowed to publish such biography of qualifications and/or candidate statement in any Mutual media, newsletter, or internet website during a campaign. In this regard, access to any newsletter will be restricted to any publication within forty (40) days immediately before the election, access to any internet website will be limited to a period of forty (40) days immediately before the election, and postings in the Mutual's typical areas of notice will be limited to a period of forty (40) days immediately before the election.~~

OR

~~7) **No Mutual Media Access**~~

- ~~a. A candidate for the Board of Directors may not submit any materials nor advocacy information to be included with the mailing of ballots. Any candidate or member advocating a point of view will not be provided access to any Mutual media, newsletter, or internet website during a campaign.~~

8) Canvassing and Petitioning, Reasonable Hours set Forth

- a. Shareholders will be allowed to canvass and petition shareholders, Board members and residents in a reasonable manner with respect to elections. A Shareholder will also be allowed to reasonably distribute and circulate information about elections and candidates. Such activity may include mailing or sliding flyers under front doors, door mats or behind any screen. Such activity may also include passively handing out flyers in the common area. These activities must all be within reasonable hours and may not be made with such aggressiveness as to create a nuisance. Flyers shall not be affixed

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to common area walls, doors, windows, and the like, nor to private vehicles. Shareholders and residents should not be disturbed before 8: 00 a.m. nor after 8 p.m. Civil Code sections 4515(b)(4) & (5).

OR

~~8) Canvassing and Petitioning~~

- ~~a. Shareholders will be allowed to canvass and petition shareholders, Board members and residents in a reasonable manner with respect to elections. A Shareholder will also be allowed to reasonably distribute and circulate information about elections and candidates. Such activity may include mailing or sliding flyers under front doors, door mats or behind any screen. Such activity may also include passively handing out flyers in the common area. These activities must all be within reasonable hours and may not be made with such aggressiveness as to create a nuisance. Flyers shall not be affixed to common area walls, doors, windows, and the like, nor to private vehicles. Civil Code sections 4515(b)(4) & (5).~~

9) Common Area Meeting Space Available

- a. Candidates and Shareholders will be allowed to use any suitable common area, or a community room, recreational hall and/or clubhouse meeting room, for the peaceful assembly and meeting with other members or residents, their invitees or guests, to conduct a "Meet the Candidate Forum" or the like for any election to the Board of Directors, or to conduct a "Town Hall Meeting" for persons to express points of view concerning other matters subject to membership vote, when not otherwise in use. There will be no charge for the use of any such meeting place, nor will the applicant for such space be required to make a deposit, pay a fee, buy a liability policy of insurance or pay a premium or deductible on the Mutual's insurance policy for such use. An area of separate interest with the consent of the applicable member may also be used for such an assembly or meeting. Civil Code sections 4515(b)(1) & (3).

10) Number of Inspectors

- a. The Board of Directors shall appoint one (1) to three (3) inspector(s) of election. Civil Code section 5110(a). If there are three inspectors, the decision or act of a majority shall be effective in all respects as the decision or act of all. Civil Code section 5110(d). Any inspector report is prima facie evidence of the facts stated in such report. Civil Code section 5110(d).

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11) Who may Serve as an Inspector?

- a. An inspector of elections may be a member of the Mutual but not members of the Board of Directors or candidates for the Board of Directors or related to a member of the Board of Directors or a candidate for the Board of Directors. An inspector of elections may be an independent third party, including but not limited to a volunteer poll worker with the county register of voters, a licensee of the California Board of Accountancy, and/or a notary public, but may not be a person or business entity who is currently employed or under contract to the Mutual for any compensable services other than as an inspector of elections. Civil Code section 5110(b).

12) Powers of Inspector

- a. The inspector(s) of elections shall determine the number of memberships entitled to vote and the voting power of each; determine the authenticity, validity, and effect of proxies if any; receive ballots; hear and determine all challenges and questions in any way arising out of or in connection with the right to vote; count and tabulate all votes; determine when the polls shall close; determine the results of the election; and perform any acts as may be proper to conduct the election with fairness to all members. Civil Code section 5110(c). An inspector shall perform all duties impartially, in good faith, to the best of the inspector's ability, as expeditiously as is practical, and in a manner that protects the interest of all members of the Mutual. Civil Code section 5110(d).

13) Nomination Process, Nominations May be Made from the Floor

- a. The process for nominating a candidate to run for the board of directors shall be as follows in this section:
 - i) **Self-Nomination.** Any member of the Mutual qualified to serve on the Board of Directors may nominate himself or herself by personally delivering or mailing a letter or other writing advising the Board of Directors of his or her intent to run for a position on the Board of Directors, received by the Mutual no later from the Fortieth (40th) day before the ballot counting meeting of the membership, to be included on the written ballot mailed to owners. A member may also self-nominate thereafter or from the floor of the election meeting before the close of any additional nominations.

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- ii) **Nomination by Third Party.** If the name of a candidate is proposed into nomination by someone other than the candidate, the candidate must verify his/her willingness to be placed on the ballot.
- iii) **Close of Nominations.** Candidate Nominations will be closed at 4:00 p.m. on the Fortieth (40th) day before the ballot counting meeting, with respect to such nominee's name being printed on the ballot. Only written nominations (including the nominating committee's list of nominees and any self-nominations) personally delivered on or before the close of nominations will be accepted. Any nominee(s) thereafter or from the floor at the election meeting must be handwritten in on a blank space to be provided on the written ballot, by the member so voting.

14) Notice of Nomination Procedures, Pre-Ballot Notice and Ballot Materials

At least thirty (30) days before the deadline for nominations and approximately one hundred and five (105) days before the voting deadline, the Mutual will send out to members a General Notice of Nominations Procedures and Deadlines (so as to be listed on the mailed out ballots and to be nominated thereafter). The deadline for submitting candidate nominations will be at least thirty (30) days after the mailing date of such General Notice of Nomination Procedures and Deadlines. Individual notice of such will be made only if requested by a member beforehand. See Civil Code section 5115(a).

At least thirty (30) days after the General Notice of Nomination Procedures and Deadlines was sent, and at least thirty (30) days before the ballots are distributed, the Mutual will send out to members a Pre-Ballot Notice. In such Pre-Ballot Notice to owners, the Board shall state 1) the date, time and physical address for ballots to be mailed or hand delivered to inspectors, 2) the date, time and meeting location for the ballot counting meeting, and 3) the preliminary list of candidates whose names will appear on the mailed ballot. Individual notice of such will be made only if requested by a member beforehand. See Civil Code section 5115(6).

About sixty (60) to sixty-five (65) days before the voting deadline, members will be permitted to verify the accuracy of his/her information on the preliminary candidate list and voter list, until forty (40) days before the voting deadline. The inspector will then change and correct such lists within two (2) business days of any error or omission being reported by the Mutual or member. See Civil Code section 5105 (a)(7). All qualified candidates nominated at least forty (40) days before the election will be listed on the mailed ballots.

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The ballot materials for the annual election of the Board of Directors shall be mailed to each member of the Mutual or otherwise delivered between the thirty-fifth (35th) and thirtieth (30th) days before the annual meeting of the members during which the ballots will be counted. These ballot materials will include the ballot(s). These ballot materials will also include a copy of the election rules or will include an internet website address on the ballot together with the phrase, in at least twelve (12) point font: "The rules governing this election may be found here", while posting the election operating rules on this same internet website. See Civil Code sections 5105(g)(4)(B)(i) & (ii).

15) Secret Ballot

- a. Ballots and two pre-addressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Mutual to every member not less than 30 days prior to the deadline for voting. A voter may not be identified by name, address, or unit number on the ballot.
- b. The Mutual shall use the following procedures:
 - i) The ballot itself is not signed by the voter but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left-hand corner of the second envelope, the voter prints and signs his or her name, address, and unit number that entitles him or her to vote.
 - ii) The second envelope is addressed to the inspector or inspectors of election, who will be tallying the votes. The envelope may be mailed or delivered by hand to a location specified by the inspector or inspectors of election. The member may request a receipt for delivery at the beginning of the voting process.

16) Custody of Cast Ballots at Designated Location

- a. The sealed ballots at all time shall be in the custody of the inspector or inspectors of election or at a location designated by the inspector or inspectors until after the tabulation of the vote.

17) Record Date for Voting

- c. The record date for voting shall be the date when ballots are distributed. See Civil Code section 5105(g)(1).

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18) Correction of Voter List and/or Candidate Registration List

- a. Members will be allowed to verify the accuracy of his/her/their information on the voter lists and/or the candidate list until forty (40) days before the voting deadline. The Inspector of Elections will correct any errors on the same within two (2) business days. The voter list shall include the name, voting power, and either the physical address of the voter's separate interest, 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 separate interest or if only the parcel number is used. Civil Code section 5105(a)(7).

19) Ballots Will Generally Not be Denied

- a. Ballots will not be denied to a member for any reason other than not being a member at the time of the record date for voting. A ballot will not be denied to a person with a general power of attorney for a member and will be counted if returned in a timely manner. See Civil Code sections 5105(g)(1), (2) & (3).

20) Verification of Voter's Signature prior to Meeting, Cast Ballot is Irrevocable

- a. The inspector of elections, or the designee of the inspector, may verify the member's information and signature on the outer envelope prior to the meeting at which the ballots are tabulated. Once a secret ballot is received by the inspector of elections, it shall be irrevocable. Civil Code section 5120(a).

21) Quorum

- a. The holders of one-third (1/3) of the members entitled to vote thereat, present in person, or represented by proxy, shall constitute a quorum. If such holders shall not be present or represented at such election meeting, the members entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, until the requisite amount of voting shares shall be present. See the By-Laws Article IV Section 5.

22) Votes Tabulated

- a. All votes shall be counted and tabulated by the inspector or inspectors of election in public at a properly noticed open meeting of the Mutual. Any candidate or other member of the Mutual may witness the counting and tabulation of the votes. No person, including a member of the Mutual or an employee of the management company, shall

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open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. See Civil Code section 5120(a).

23) Election Results

- a. The results of the election shall be promptly reported to the Board of Directors of the Mutual and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by members of the Mutual. Within fifteen (15) days of the election, the Board shall publicize the results of the election in a communication directed to all members. See Civil Code section 5120(b).

24) Storage of Ballots after Election

- a. After tabulation, election ballots, the signed voter envelopes, the voter list, any proxies and the candidate registration list shall be stored by the inspector of elections in a secure place at his or her designation, for no less than one year after the date of the election. Thereafter, the Mutual shall keep such ballots. In the event of a recount or other challenge to the election process, the Mutual shall, upon written request, make the ballots available for inspection and review by Mutual members or their authorized representatives. Signed voter envelopes may be inspected but not copied. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote. See Civil Code sections 5105 and 5200.

25) Election Rule Amendments

- a. These election operating rules shall not be amended to be applicable less than ninety (90) days prior to an election, but any such amendment will be applied if required by law. See Civil Code section 5105(h).

26) Election Rules may Supersede other Governing Documents

- a. These election rules may contain provisions mandated by the Davis-Stirling Act under California state law, and as such, may supersede any conflicting provisions in the Mutual's Bylaws and/or CC&Rs.

27) Election Timeline

- a. An election timeline is attached hereto as Exhibit "A".

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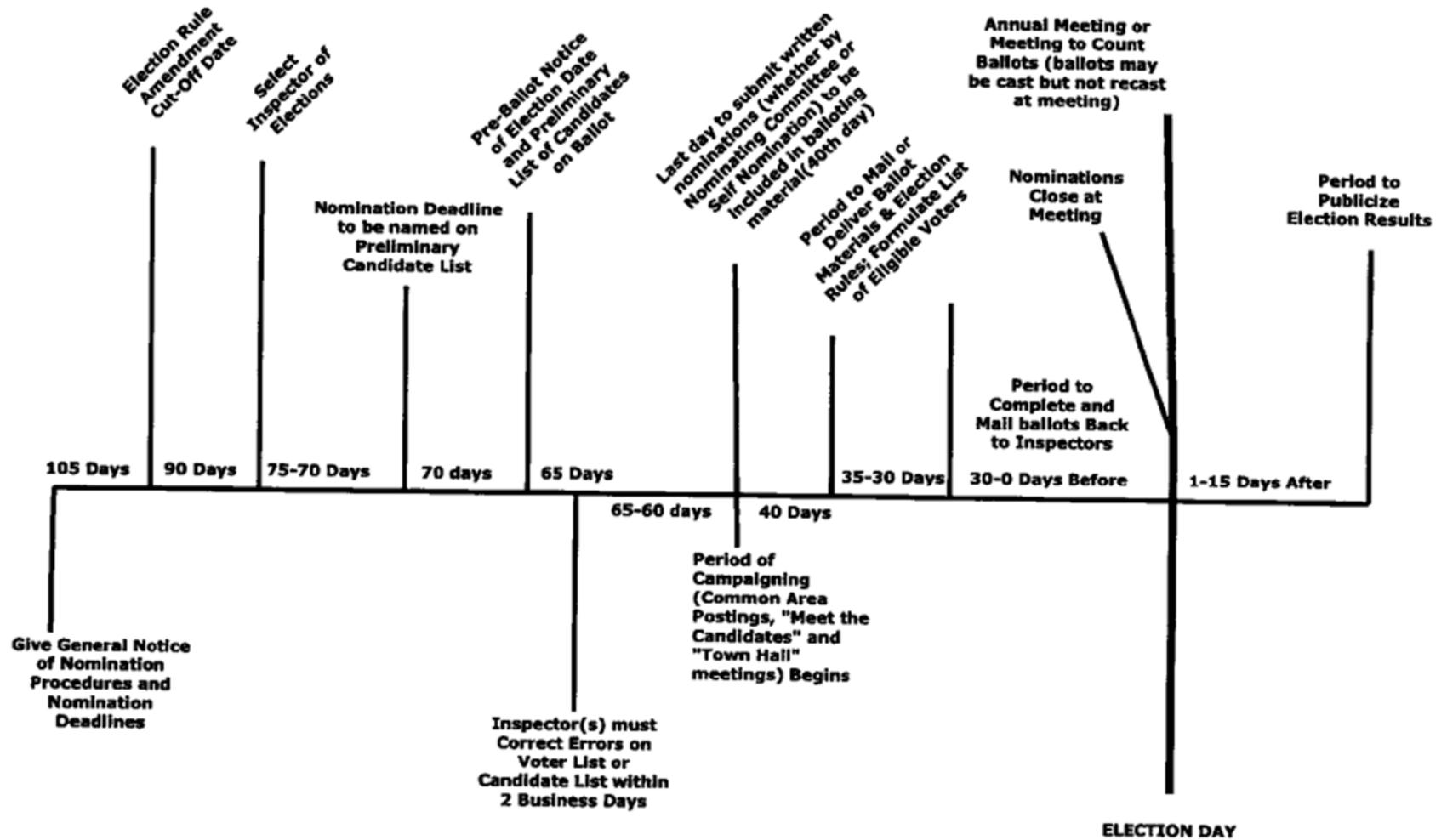
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EXHIBIT A

ELECTION TIMELINE (BOARD OF DIRECTORS AND BALLOT MEASURES)



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

MUTUAL	ADOPTION	AMENDED
FOUR	14 Feb 07	

DRAFT

Mutual Corporation No. Four

MEMO

TO: MUTUAL FOUR BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVAL OF MUTUAL MONTHLY FINANCES (NEW BUSINESS, ITEM A)
DATE: DECEMBER 9, 2020
CC: MUTUAL 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 November 2020.