

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL THREE**  
**March 8, 2019**  
**Meeting begins at 9:00 a.m.**  
**Building Five, Conference Room B**

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
2. SHAREHOLDER COMMENTS **(2-3 minutes per shareholder)**
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):
  - Ms. Stone, GRF Representative
  - Ms. Miller, Director of Finance
  - Ms. Hopkins, Mutual Administration Director
  - Mr. Van Horn, Building Inspector
  - Ms. Kemp, Recording Secretary
5. APPROVAL OF MINUTES:
  - Regular Meeting Minutes of February 8, 2019**
  - Special Meeting Minutes of February 14, 2019 (p. 3)**
  - Special Meeting Minutes of February 26, 2019 (p. 4)**
6. BUILDING INSPECTOR'S REPORT Mr. Van Horn  
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (**handout**)
7. GUEST SPEAKER Ms. Miller
  - a. Review & Acceptance of the Draft 2018 Audited Financial Statements (**p.5**)
8. GRF REPRESENTATIVE Ms. Stone
9. CONSENT CALENDAR
  - a. Discuss and vote to authorize the transfer of funds for Mutual Three (**p. 6**)
10. **UNFINISHED BUSINESS**
  - a. Discuss and vote to approve/deny contract with WASH Multifamily Laundry Systems (**p. 7**) Ms. Ginthner
  - b. Status report on upgrade of Building 3 Laundry Room Garden Mr. Campbell
11. **NEW BUSINESS**
  - a. Discuss and vote to approve/deny Mutual Finances and Board Approval of Fund Transfers (**p. 8**)
  - b. Approval of Mutual Monthly Finances (**p. 9**)
  - c. Discuss and vote to approve/deny individual invoices not be grouped together (**p. 10**)

11. **NEW BUSINESS (continued)**
  - d. Discuss and vote to approve/deny closing of First Foundation Bank Liquid CD and transfer funds to U.S. Bank Restricted MM Account (p. 11) Ms. Ledbetter
  - e. Discuss and vote to approve/deny transfer of funds from First Foundation Bank to U.S. Bank (p. 12) Ms. Ledbetter
  - f. Clearance trimming notification effective March 25, 2019 Mr. Campbell
  - g. Status on trees at Buildings 36E, 16E, 30F Mr. Campbell
  - h. Status on tree roots at south end of Building 23 Mr. Campbell
  - i. Shareholder Statement to Vote Cumulatively (p. 13)
  - j. Appoint Observers of the 2019-2020 Mutual Three Annual Election (p. 14)
  - k. Discuss and vote to approve/deny Department Appointment Setting Commitment by Mutual Board of Directors (p. 15)

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

12. SECRETARY / CORRESPONDENCE Ms. Hart
13. CHIEF FINANCIAL OFFICER'S REPORT Ms. Ledbetter
14. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
15. ANNOUNCEMENTS
  - a. **NEXT MEETING: April 12, 2019, 9:00 a.m., Building Five, Conference Room B**
  - b. **ELECTIONS: Candidate Applications begin March 14, 2019; pick up applications at Stock Transfer Office**
16. COMMITTEE REPORTS
17. DIRECTORS' COMMENTS
18. SHAREHOLDER(S)' COMMENTS (2-3 MINUTES)
19. ADJOURNMENT
20. 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 THREE**

**February 14, 2019**

A Special Meeting of the Board of Directors of Seal Beach Mutual Three was called to order by President Ginthner at 9:00 a.m. on Thursday, February 14, 2019, in Building Five, Conference Room C.

Those members present were: President Ginthner, Vice President Turis, CFO Ledbetter, Secretary Hart, and Directors Harris, Campbell, and Robertson.

The purpose of the meeting was to discuss and vote to accept proposals for sidewalk and grass projects.

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

RESOLVED, To accept MJ Jurado proposal for sidewalk project at Buildings 1 and 2, in the amount of \$26,218.25.

The MOTION passed.

Following a discussion and upon a MOTION duly made by CFO Ledbetter and seconded by Secretary Hart, it was

RESOLVED, To accept Total Landscape proposal to replace grass and fill at Buildings 1 and 2, in the amount of \$1,911.00.

The MOTION passed.

President Ginthner adjourned the meeting at 9:07 a.m.

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Attest, Dianne Hart, Secretary  
SEAL BEACH MUTUAL THREE  
ck:02-26-2019

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL THREE**

**February 26, 2019**

A Special Meeting of the Board of Directors of Seal Beach Mutual Three was called to order by President Ginthner at 11:00 a.m. on Tuesday, February 26, 2019, in Clubhouse 5, Room C.

Those members present were: President Ginthner, Vice President Turis, CFO Ledbetter, Secretary Hart, and Directors Harris, Campbell, and Robertson.

The purpose of the meeting was to establish March Board of Directors Meeting agenda.

President Ginthner adjourned the meeting at 11:43 a.m.

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Attest, Dianne Hart, Secretary  
SEAL BEACH MUTUAL THREE  
ck:02-26-2019

# *Mutual Corporation No. Three*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** REVIEW & ACCEPTANCE OF THE DRAFT 2018 AUDITED FINANCIAL STATEMENTS (GUEST SPEAKER, ITEM A)  
**DATE:** MARCH 8, 2019  
**CC:** MUTUAL FILE

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On March 8, 2019, Ms. Miller, Director of Finance, will review the Financial Statements, as of the year ending December 31, 2018, by the Accountant's Report as submitted by CliftonLarsonAllen (CLA).

***I move to accept that the Board of Directors of Seal Beach Mutual Three, upon a presentation of the Financial Statements as of December 31, 2018, 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. Three*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF MUTUAL MONTHLY FINANCES (CONSENT CALENDAR, ITEM A)  
**DATE:** MARCH 8, 2019  
**CC:** MUTUAL FILE

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*I move that the Board authorizes the following transfers of funds per detailed Resolutions.*

# *Mutual Corporation No. Three*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY CONTRACT WITH WASH  
MULTIFAMILY LAUNDRY SYSTEMS (UNFINISHED BUSINESS, ITEM A)  
**DATE:** MARCH 8, 2019  
**CC:** MUTUAL FILE

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*I move to approve/deny the five-year contract with WASH Multifamily Laundry Systems for maintenance service of 78 machines at \$16.75 per machine per month, and the purchase of 78 machines for the total of \$11,000.*

# Mutual Corporation No. Three

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY MUTUAL FINANCES AND BOARD APPROVAL OF FUND TRANSFERS (NEW BUSINESS, ITEM A)  
**DATE:** MARCH 8, 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, to better protect against fraudulent activity, and potential loss.

On March 8, 2019 the Mutual Board of Directors will vote to approve/deny the Funds Transfer as submitted by the Mutual Attorney.

***I move to approve/deny that, notwithstanding previous Board action taken on February 8, 2019, in compliance with Assembly Bill 2912 (AB 2912) – Association Finances, the Mutual Board of Directors approve the “Resolution to Authorize Transfer of Funds” and further,***

***WHEREAS, Civil Code 5380(b)(6) requires that the Board of Directors (“Board”) of Seal Beach Mutual No. Three (“Mutual”) give prior written approval for transfers of funds in amount greater than ten thousand dollars (\$10,000.00) or five percent (5%) of the Mutual’s total combined reserve and operating account deposits, whichever is lower, that the Golden Rain Foundation (“GRF”) receives on the Mutual’s behalf, into Mutual accounts.***

***WHEREAS, Civil Code 5502 requires that the Board give prior written approval for any transfers of greater than ten thousand dollars (\$10,000.00) or five percent (5%) of the Mutual’s total combine reserve or operating accounts, whichever is lower.***

***WHEREAS, the Board hereby certifies that a majority of the Board members present representing a quorum has voted on this resolution, in compliance with Civil Code Section 5380(b)(6) and/or Civil Code 5502.***



# *Mutual Corporation No. Three*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF MUTUAL MONTHLY FINANCES (NEW BUSINESS, ITEM B)  
**DATE:** MARCH 8, 2019  
**CC:** MUTUAL FILE

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*I move to acknowledge, per the requirements of the Civil Code Section 5500(a)-(f), a review of the 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, an income and expense statement for the Mutual's operating and reserve accounts, the check registers, monthly general ledger and delinquent assessment receivable reports for the month of February 2019.*

# *Mutual Corporation No. Three*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY INDIVIDUAL INVOICES NOT BE GROUPED TOGETHER (NEW BUSINESS, ITEM C)  
**DATE:** MARCH 8, 2019  
**CC:** MUTUAL FILE

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*I move to approve/deny that all individual invoices, submitted to the Finance Department on behalf of the Mutual Three Board of Directors, not be grouped with other invoices for payment, and further that all individual invoices and payment will have the required "Resolution to Authorize Transfer of Funds" accompanying each individual payment with all fields filled out accurately.*

# *Mutual Corporation No. Three*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY CLOSING OF FIRST  
FOUNDATION BANK LIQUID CD AND TRANSFER FUNDS TO U.S. BANK  
RESTRICTED MM ACCOUNT (NEW BUSINESS, ITEM D)  
**DATE:** MARCH 8, 2019  
**CC:** MUTUAL FILE

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*I move to approve/deny the closing of the First Foundation Bank Liquid CD Account of \$424,496.12, plus any interest, and transfer the funds to the U.S. Bank Restricted Money Market Account.*

# *Mutual Corporation No. Three*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY TRANSFER OF FUNDS FROM  
FIRST FOUNDATION BANK TO U.S. BANK (NEW BUSINESS, ITEM E)  
**DATE:** MARCH 8, 2019  
**CC:** MUTUAL FILE

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*I move to approve/deny the transfer of funds in the amount of \$310,827.91 from the First Foundation Bank Maximizer MM3918 to U.S. Bank.*

# *Mutual Corporation No. Three*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** SHAREHOLDER STATEMENT TO VOTE CUMULATIVELY (NEW BUSINESS, ITEM I)  
**DATE:** MARCH 8, 2019  
**CC:** MUTUAL FILE

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Per the Mutual's Bylaws, Article IV, Section 7, I, \_\_\_\_\_ **[please state your first and last name]**, shareholder of Mutual Three, intend to vote cumulatively for the election of Directors for the 2019-2020 term of office.

# Mutual Corporation No. Three

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPOINT OBSERVERS OF THE 2019-2020 MUTUAL THREE ANNUAL ELECTION (NEW BUSINESS, ITEM J)  
**DATE:** MARCH 8, 2019  
**CC:** MUTUAL FILE

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In accordance with Policy 7210 – Annual Elections, item 4, subsection b, as follows:

b. Observers of the Election Appointed by the Board of Directors

*There shall be three (3) observers of the election appointed by the Mutual Board of Directors (90) days before the annual meeting day. The Board may also appoint alternative observers of the election. The observers of the election may appoint and oversee additional assistant observers of the election in any number deemed to be reasonable by the Mutual Board of Directors.*

The Mutual Three Board of Directors appoints the following shareholders as observers of the 2019-2020 Annual Election.

1. \_\_\_\_\_, Unit \_\_\_\_\_

2. \_\_\_\_\_, Unit \_\_\_\_\_

3. \_\_\_\_\_, Unit \_\_\_\_\_

# Mutual Corporation No. Three

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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 K)  
**DATE:** MARCH 8, 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 Three, 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.***