

A G E N D A
REGULAR MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL EIGHT
January 23, 2017, at 1:30 p.m.
Administration Building, Conference Room A

CALL TO ORDER

SHAREHOLDER COMMENTS – (2-minute limit per shareholder)

ROLL CALL

INTRODUCTION OF GUESTS AND STAFF:

Mr. McGuigan, GRF Representative
Ms. Hopkins, Mutual Administration Director
Mr. Hurtado, Building Inspector
Ms. Day Recording Secretary

APPROVAL OF MINUTES: **Regular Meeting of December 27, 2016**

BUILDING INSPECTOR'S REPORT (page 3)

Mr. Hurtado

UNFINISHED BUSINESS

- a. Amend Policy 7421.8 – Building Alterations or Additions (formerly 7403.1.8) (pages 4-5)
- b. Building Captains , Co-Captains, and interested members meeting – date, time, and place

NEW BUSINESS

- a. Report on Skylight Repair
- b. Arborist Consultation Proposal: SALCO Landscape Services Certified Arborist
Survey/Inspection/Type/ Pruning /Maintenance/ Tagging No More than 300 trees \$4950
- c. Recent costs of operating Laundry Rooms in Mutual 8: Income/expense Budget Plng. 2018
- d. Insurance Requirements – Review of Policy 7701 – Personal Property Insurance (page 6)
- e. Rescind Policy 7760 – Property Tax Postponement Program (page 7)
- f. Approve Lease Agreement between Mutual 8 and GRF – Plaza/Park – Lot E
Buildings 202-203; and only for 3 yrs (pages 8-11)
- g. Motion to continue to receive other Mutual's monthly minutes
- h Notice of Intent to Withdraw – Request for Board Resolution (page 12)

STAFF SECRETARY BREAK (TIME TO BE DETERMINED BY PRESIDENT)

MUTUAL ADMINISTRATION DIRECTOR

Ms. Hopkins

GRF REPRESENTATIVE

Mr. McGuigan

CHIEF FINANCIAL OFFICER'S REPORT

Mrs. Berg

DIRECTOR(S') COMMENTS

ANNOUNCEMENTS

SHAREHOLDER COMMENTS – (2-minute limit per shareholder)

ADJOURNMENT

EXECUTIVE SESSION (member issues, legal)

STAFF SECRETARY WILL LEAVE THE MEETING BY 4:10 p.m.

**NEXT MEETING: February 27, 2017 at 1:30 p.m.
Administration Building, Conference Room A**

To have the Mutual Eight Board of Directors
minutes e-mailed to you monthly,
please send your request to:
mutual8webmaster@gmail.com

ka:1/13/17

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (08) EIGHT

INSPECTOR: George Hurtado

MUTUAL BOARD MEETING DATE: January 23, 2017

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
193H	dishwasher,micro, counter	yes	11/30/16	01/30/17	no		Los Al Builders
204G	washer dryer, brm pushout	yes	10/18/16	02/16/17	no	footing,rouhg plumb	Hadi
200E	flush beams,3/4bath,counters	yes	10/17/16	01/15/17	no		Greco
200E	carport storage cabinet	yes	12/21/16	12/31/16	no		Greco
198B	microwave	yes	12/21/16	12/23/16	no		Ogan
202A	carpet	yes	01/05/17	02/10/17	no		Karys Carpet
180E	washer dryer	yes	11/08/16	01/16/16	no	final 12.23/16	Ogan
191G	heat pump	yes	9/225/16	12/31/16	no		Greenwood

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
184K			01/13/17	01/13/17			
190D	1/11/2017						
181D		01/10/17					

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation
 FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

CONTRACTS

CONTRACTOR	PROJECT
John's Landscape	Mutual gardening
So Cal Fire Protection	laundry room fire extinguishers
Empire Pipe and Supply	Mutual sewer cleaning
Fenn	termites and pests

SPECIAL PROJECTS

CONTRACTOR	PROJECT

APARTMENT VISITS

MUTUAL OPERATIONS**AMENDED DRAFT POLICY****PHYSICAL PROPERTY**Building Alterations or Additions – Mutual Eight

Purpose: In the course redecoration, alterations, repairs or additions, modification of floors, walls, and ceilings of apartments including porches and patios involve structural components of Mutual 8 property. Selection of materials used and installation procedures are of concern to assure reasonable safety of current and future residents shareholders and guests from unnecessary hazards to health and well-being.

Accordingly:

1. A GRF permit for alterations or additions to buildings in this Mutual will not be issued by the Physical Property Department until a written, signed proposal and contract between the shareholder and the contractor (describing the work to be done by the contractor, the fees to be charged, and the start and completion dates for the work) has been presented to the Physical Property Department along with the application for issuance of a building permit.
2. Floor covering, interior and exterior, ceiling and walls: A GRF permit shall be required for removal or installation of floor/surface covering where preparation for installation or installation of floor covering involves affecting existing floor/surface materials such as removal of existing linoleum, tile or carpet; or, where installation of the new flooring surface is attached by mechanical fasteners, mastic, cement, grout or similar means, or floated upon the existing floor surfaces.
3. Tile and carpeting shall be of a material and finish appropriate to the purpose for which it is used; bathroom and exterior application shall have a low or non-slip finish when wet.
4. Carpeting shall be affixed in such a way as to minimize potential for trip hazards.
5. In the event that tiling of a floor surface shall result in a vertical misalignment with a walkway, that section of the walkway shall be replaced to provide a smooth even transition with the surface of the patio.
6. Ceiling alteration and redecoration: Refinishing or repair of floors, ceilings and walls, other than normal preparation for painting, must be performed by an approved contractor.

MUTUAL OPERATIONS**AMENDED DRAFT POLICY****PHYSICAL PROPERTY****Building Alterations or Additions – Mutual Eight**

- 7. If evidence of asbestos is found in the unit's ceilings, walls, or floors, the GRF Physical Properties Office must be notified immediately/promptly and an approved contractor qualified in removal of asbestos must be employed to resolve the issue.**
- 8.** A penalty of \$100 per day shall be assessed to the contractor by the Mutual for every calendar day that the construction exceeds the completion date as listed on the GRF Permit. The Mutual Board or its designee and the Building Inspector may, in its sole discretion, award an extension to the contractor. Extensions will generally be granted only for unforeseen delays or unexpected problems with the work, such as, hidden and unanticipated conditions which delay completion due to additional work being required or delays beyond the control of the contractor and shareholder.
- 9.** A GRF permit shall be valid for a period of 180 calendar days; it may be extended at the sole discretion of the Mutual Board and the Building Inspector. If the work has not been completed within the allotted time, the contractor and/or shareholder shall return the Mutual Building and appurtenances that were affected by the work, to a condition that is satisfactory to the Mutual and the Building Inspector within five (5) business days after expiration of the permit or extension, if applicable, or the Mutual will have any work that was requested that was not satisfactorily done, completed at the shareholder's expense or the contractor's expense, as the Building Inspector determines which party bares the fault for the incomplection of the work.

MUTUAL ADOPTION

EIGHT: 02-23-15

AMENDMENTS***Date after 30 day posting period***

(Draft created on 09-09-16 jl)
 (Policy # updated 11-2-16 jl)

Page 2 of 2

MUTUAL OPERATIONS**PHYSICAL PROPERTY****Personal Property Insurance - Mutual Four, Eight, and Fifteen Only**

Effective April 1, 2009, Mutuals Four, Eight, and Fifteen shareholders, whether residing in their apartment or not, shall carry personal property insurance to cover the personal contents of their apartment, to cover any damage to their apartment for which they are responsible, and to cover any damage, for which they are responsible, to adjacent apartments.

The following paragraph replaces paragraph one for Mutual Four only:

Effective January 2, 2010, Mutual Four shareholders, whether residing in their apartment or not, shall carry personal property insurance to cover the personal contents of their apartment, to cover any damage to their apartment for which they are responsible, and to cover any damage, for which they are responsible, to adjacent apartments.

The Golden Rain Foundation and Mutual Corporation are not responsible for personal property, or damage to personal property stored or parked on the street or in the carport, such as vehicles and other property stored in or under the storage cabinets.

Shareholder shall obtain sufficient coverage for additional living expenses should the shareholder be unable to occupy their apartment while repairs are made to their apartment.

Shareholder shall obtain personal liability insurance in an amount sufficient for the indemnification of other persons who may be injured on their property. If shareholder owns a pet, \$300,000 in personal liability coverage is recommended. If shareholder does not own a pet, it is recommended that the personal liability coverage be \$200,000.

Shareholder should consider obtaining sufficient coverage to insure the value of any artwork, jewelry, antiques or other items that would not normally be covered by an average policy for personal property.

Upon obtaining personal property insurance, and upon annual renewal of the policy, Shareholder shall provide proof of insurance to the Stock Transfer Office in the form of the policy declarations page.

MUTUAL ADOPTION

Four:	10 Nov 09
Six:	25 May 10 (See Policy 7586.G.6)
Eight:	28 Sept 09
Twelve:	14 May 09 (See Policy 7701.12)
Fifteen:	17 Aug 09

MUTUAL OPERATIONS**ADMINISTRATIVE SERVICES****Property Tax Postponement**

WHEREAS, the State of California has authorized the property tax postponement privilege under Revenue and Taxation Code Section 20630 to be extended to FHA-insured cooperatives, and

WHEREAS, the form of the Recognition Agreement and Addendum to the Recognition Agreement proposed by the Controller of the State of California has been approved by the Department of Housing & Urban Development,

THEREFORE, BE IT RESOLVED, That this Corporation

1. Approves the form of the Recognition Agreement and Addendum to the Recognition Agreement as submitted by the Controller of the State of California, and
2. Authorizes the President or Vice President to execute the Recognition Agreement and Addendum to the Recognition Agreement for any stockholder of this Corporation who requests property tax postponement.

<u>MUTUAL</u>	<u>ADOPTION DATE</u>
One	28 Jun 79
Two	19 Sept 85
Three	
Four	05 Sept 79
Five	20 Jun 79
Six	27 Jul 79
Seven	15 Jun 79
Eight	25 Jun 79
Nine	
Ten	28 Jun 79
Eleven	26 Jun 79
Twelve	
Fourteen	
Fifteen	28 Jun 79
Sixteen	

(Sept 85)

**USE AND LEASE AGREEMENT
SEAL BEACH MUTUAL EIGHT
JANUARY __, 2017**

This agreement is made on January ____, 2017, between GOLDEN RAIN FOUNDATION, 13531 St. Andrews Drive, Seal Beach, California 90740, a California Corporation (hereinafter referred to as "GRF"), and SEAL BEACH No. MUTUAL Eight, Seal Beach, California 90740, and a California Corporation (hereinafter referred to as "MUTUAL EIGHT", who agrees as follows:

I. OPENING CLAUSES

This Agreement is made with reference to the following facts:

1. The Golden Rain Foundation of Seal Beach is designated in accordance with the Declaration of Trust recorded on July 10, 1962, as the Trustee of all Trust property within the property commonly known as Leisure World of Seal Beach.
2. Section IV of the Declaration of Trust; states "... Trustee is hereby expressly granted and reserves the right to deal, for the use and benefit of the Cooperatives and their members..."
3. Section VII of the Declaration of Trust; grants the Board of the Golden Rain Foundation of Seal Beach the "...the further powers to grant, bargain, sell for cash or credit, convey, exchange, convert, lease for terms, either within or beyond the end of the Trust, for any purpose; assign, partition, divide, subdivide, improve, insure, loan, re-loan, invest and reinvest the Trust Estate or any part thereof in such manner and on such terms and conditions as Trustee deems advisable..."
4. GRF is the owner of the property described as that portion of Tract Map No. 4401 in the City of Seal Beach, County of Orange, and State of California as shown on the highlighted section of Exhibit A and further identified as Lot E on Exhibit B (hereinafter referred to as Trust, property, Lot E).
5. Under the Bylaws of the Golden Rain Foundation of Seal Beach, the Board shall have the powers to "... To sell, assign, convey, exchange, lease, mortgage, encumber, and transfer upon trust or otherwise dispose of all property, real or personal..."
6. Under the Bylaws of MUTUAL EIGHT, Section 2, Powers, Duties and Standard of Care, the Mutual Eight Board "...Each Director shall exercise such powers and otherwise perform such duties in good faith, in the manner such Director believes to be in the best interest of the corporation..."
7. The Board of MUTUAL EIGHT, by resolution at a duly posted meeting, is willing to lease the Trust property, Lot E, from GRF, pursuant to the provisions stated in this Agreement.

**USE AND LEASE AGREEMENT
SEAL BEACH MUTUAL EIGHT
JANUARY __, 2017**

8. MUTUAL EIGHT has examined the Trust property, Lot E and fully accepts its present condition.

II. TERM

The term of this lease shall be **THREE (3) years commencing January __, 2017, and shall expire on December 31, 2019.** GRF shall have the option to review this Agreement annually and renew for additional five (5) year periods. Either party retains the right to Revoke and Terminate this Agreement at any time.

III. ANNUAL RENTAL AND TAXES

GRF grants the use of Trust property, Lot E as noted in Exhibits A and B and no annual fee, provided all terms and conditions of this agreement are upheld and complied with , commencing on the date the term commences, and continuing during the term. GRF shall pay all real property taxes for the property.

IV. USAGE

MUTUAL EIGHT shall use the Trust property, Lot E and may install certain improvements on the land upon prior written approval of the GRF.

MUTUAL EIGHT's use of the Trust property, Lot E, as provided in this Agreement, shall be in accordance with the following:

MUTUAL EIGHT shall not do, bring, or keep anything in or about the Trust property, Lot E, that will cause the cancellation of any GRF insurance covering the Trust Property.

MUTUAL EIGHT shall comply with GRF policy and procedures and with all of the requirements concerning the use of the Trust Property, Lot E, including, without limitation, the obligation at MUTUAL EIGHT's cost to maintain the alterations or restore the Trust Property, Lot E, in compliance and conformity with all governing documents and laws relating to the condition, use, or occupancy of the Trust Property, Lot E, during the term without GRF's written consent.

V. MAINTENANCE

MUTUAL EIGHT shall provide and pay for all maintenance and repairs of Trust property, Lot E including but not limited to; gardening, landscaping, sprinkler repair, and tree trimming services and maintain Trust property, Lot E, in a condition acceptable to the GRF Board.

**USE AND LEASE AGREEMENT
SEAL BEACH MUTUAL EIGHT
JANUARY __, 2017**

GRF will perform routine inspections, no less than four (4) times per year. Any deficiency in the obligation of Mutual Eight to maintain Trust property, Lot E, will be reported in writing to the Mutual Eight Board, with a thirty (30) day notice to cure.

MUTUAL EIGHT shall be liable for any damage to the Trust property, Lot E resulting from the acts or omissions of MUTUAL EIGHT or its authorized representatives.

MUTUAL EIGHT shall not make any material alterations to the Trust property, Lot E without GRF's written consent. Any alterations made shall remain on and be surrendered with the Trust property, Lot E on expiration of termination of the term, except that GRF can elect within six (6) months before expiration of the term, to require MUTUAL EIGHT to remove any alteration that MUTUAL EIGHT has made to the Trust Property.

VI. INDEMNITY AND EXCULPATION

GRF shall not be liable to MUTUAL EIGHT for any damages to MUTUAL EIGHT or MUTUAL EIGHT's property from any cause. MUTUAL EIGHT waives all claims and indemnifies GRF. MUTUAL EIGHT shall indemnify, defend at its sole cost (with counsel selected by GRF) and hold GRF and its employees, agents, representatives, officers, directors, and shareholders harmless from and against any and all claims, demands, actions, liabilities, losses, damages, injuries, costs and expenses (including without limitation, actual attorney's fees and defense costs) arising directly or indirectly out of, or in connection with or related to, this Agreement or in connection with the use and/or maintenance, operation, or condition of Trust property, Lot E, including any and all claims and of Trust property, Lot E, except to the extent any such liability is due to the sole willful misconduct or gross negligence of GRF and/or its employees. This provision to indemnify GRF and its employees, agents, representatives, officers, directors, and shareholders also relates to any and all acts, errors, or omissions, statements or representations made by GRF in the performance and/or non-performance of this Agreement. The obligation of MUTUAL EIGHT to indemnify, defend and hold harmless includes but is not limited to the obligation to pay for, on a current bases, all costs of defense of GRF in any action, which costs include but are not limited to the payment of all fees and expenses for legal, expert, accounting or other professional services needed to defend any action brought by any person or entity for which indemnification and defense of GRF is called hereunder. Notwithstanding any other provision of this Agreement to the contrary, MUTUAL EIGHT's obligations under this Section shall survive the expiration and/or termination of this Agreement for any reason whatsoever. Further,

**USE AND LEASE AGREEMENT
SEAL BEACH MUTUAL EIGHT
JANUARY __, 2017**

this provision shall not be limited by any applicable insurance coverage available to MUTUAL EIGHT or GRF hereunder.

MUTUAL EIGHT will be responsible only for any willful misconduct and gross negligence where such liability is due to the sole conduct of MUTUAL EIGHT and/or its Board in the performance of its duties under this Agreement.

VII. NOTICE

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by electronic transmission.

VIII. WAIVER

Any waiver by GRF of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Agreement.

IX. ATTORNEY'S FEES

If either party becomes a party to any litigation concerning this Agreement by reason of any act or omission of the other party or its authorized representatives, the party that causes the other party to become involved in the litigation shall be liable for that party for reasonable attorney fees and court costs incurred by it in the litigation. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover the losing party reasonable attorney fees costs of suit.

X. SIGNATURE AUTHORITY

Signatures below constitutes the majority action of GRF and MUTUAL EIGHT Board of Directors at a duly posted meeting.

GOLDEN RAIN FOUNDATION

SEAL BEACH MUTUAL EIGHT

By: _____
Carole Damoci, President

By: _____

Date: _____

Date: _____

Intent to Withdraw Resolution

RESOLVED, That Mutual _____ authorizes the Board's President and/or duly appointed Officer, to act on behalf of the Board, to execute the Notice of Intent to Withdraw.

Or

RESOLVED, That any action in reference to the Notice to Withdraw for Mutual _____ requires the majority vote of the Board. Due to required agenda posting requirements, a Shareholder/Member requesting the transfer of Stock will have to be informed no action can be taken, until such Board action; this could take up to 30-days.