

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL EIGHT
February 27, 2017**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Eight was called to order by President Thompson at 1:30 p.m. on Monday, February 27, 2017, in the Administration Building Conference Room A.

ROLL CALL

Present: President Thompson, Vice President/CFO Berg, Secretary Curtin, and Directors Kline and Winslow (1:33 p.m.)

Absent: Mr. McGuigan, GRF Representative

Guests: Fourteen Mutual Eight shareholders

Staff: Ms. Hopkins, Mutual Administration Director
Mr. Hurtado, Building Inspector
Mrs. Aquino, Recording Secretary

INTRODUCTION

President Thompson welcomed the staff and guests to the meeting.

MINUTES

President Thompson asked if there were any corrections to the January 27, 2017, Regular Meeting minutes. There being none, the minutes were approved as printed.

BUILDING INSPECTOR

Building Inspector Hurtado updated the Board on activity in the Mutual (attached).

Inspector Hurtado left the meeting at 1:51 p.m.

UNFINISHED BUSINESS

Following a discussion, and upon a MOTION duly made by Director Winslow and seconded by Director Kline, it was

RESOLVED, To ratify amended/posted
Policy 7426.08 – SmartBurners

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary Curtin and seconded by President Thompson, it was

RESOLVED, To ratify amended/posted
Policy 7591.08 – Unmanned Aerial Flight
Vehicles (UAV).

The MOTION failed with two “yes” votes (Thompson, Curtin), and two “no” votes (Berg, Kline), and one abstention (Winslow).

NEW BUSINESS

Following a discussion, and upon a MOTION duly made by Director Kline, and seconded by Secretary Curtin, it was

RESOLVED, To adopt Policy 7110.08 – Board of Directors Code of Ethics on a preliminary basis until the 30-day posting period is completed.

The MOTION passed with one “no” vote (Berg).

Following a discussion, and upon a MOTION duly made by Director Winslow and seconded by Secretary Curtin, it was

RESOLVED, To allocate \$1,200.00 for five cement corners in Mutual Eight by John’s Landscape on provision of specifications, city code, and warranty.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary Curtin and seconded by President Thompson, it was

RESOLVED, To postpone discussion on Policy 7502.08 – Vehicle Parking Policy Rules and Policy 7581.08 – Enforcement of Community Traffic Regulations until the next Regular Board Meeting.

The MOTION passed.

NEW BUSINESS (continued)

Following a discussion, and upon a MOTION duly made by Secretary Curtin and seconded by Director Kline, it was

RESOLVED, To have the Mulberry Trees trimmed at Buildings 199, 201, 179-180, 180-194, at a cost not to exceed \$5,000 and the funds to be taken out of the Landscape extras.

The MOTION passed.

Following a discussion, it was the consensus of the Board to postpone discussion on Policy 7531.08 – Inspection of Vacant, Unoccupied or Seasonal-Use Units until Facilities Director Weaver and Facilities Manager Gonzalez have reviewed the additions to the policy.

Following a discussion, it was the consensus of the Board to postpone the adoption of the Physicians Letter for Escrow Approval until the next Regular Monthly Board meeting.

DIRECTORS COMMENTS

Several Directors made comments.

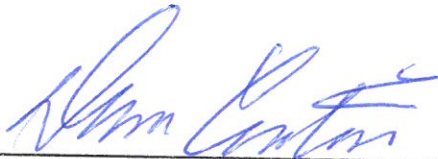
President Thompson adjourned the meeting to go into Executive Session at 2:54 p.m.

February 27, 2017

President Thompson reconvened the Regular Board Meeting at 4:05 p.m.

ADJOURNMENT

There being no further business to conduct, President Thompson adjourned the meeting at 4:10 p.m.



Attest, Dan Curtin, Secretary
SEAL BEACH MUTUAL EIGHT

ka:2/28/17

Attachments

NEXT MEETING: MONDAY, MARCH 27, 2017
Meeting starts at 1:30 p.m.

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

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF FEBRUARY 27, 2017**

- 2/27/17 RESOLVED, To ratify amended/posted Policy 7426.08 – SmartBurners
- RESOLVED, To adopt Policy 7110.08 – Board of Directors Code of Ethics on a preliminary basis until the 30-day posting period is completed.
- RESOLVED, To allocate \$1,200.00 for five cement corners in Mutual Eight by John's Landscape on provision of specifications, city code, and warranty.
- RESOLVED, To postpone discussion on Policy 7502.08 – Vehicle Parking Policy Rules and Policy 7581.08 – Enforcement of Community Traffic Regulations until the next Regular Board Meeting.
- RESOLVED, To have the Mulberry Trees trimmed at Buildings 199, 201, 179-180, 180-194, at a cost not to exceed \$5,000 and the funds to be taken out of the Landscape extras.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (08) EIGHT

INSPECTOR: George Hurtado

MUTUAL BOARD MEETING DATE: February 27, 2017

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
204G	washer dryer, brm pushout	yes	10/18/16	02/16/17	no	footing, rough plumb	Hadi
202A	carpet	yes	01/05/17	02/10/17	no		Karys Carpet
200E	flush beam, bath kit remodel	yes	10/17/17	01/15/17	no		Greco
180D	washer dryer	yes	02/02/17	03/01/17	no		Ogan
187B	ADA shower	yes	02/08/17	03/21/17	no		Nu Kote
186A	bath tub	yes	02/08/17	03/15/17	no		IMS
189D	20 amp outlet	yes	02/08/17	02/27/17	no		Ogan
192L	countertop, dishwasher	yes	02/02/17	03/28/17	no		Kress
185K	kit skylight	yes	02/14/17	07/20/17	no		Mamuscia

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
198G	2/14/2017						
193J		02/13/17					
181D		01/10/17	01/26/17	01/27/17	02/08/17		
180H		01/31/17					

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

Roof Leaks

184E patio
183E bath
191K livingroom
202F livingroom
184H patio
198A livingroom
194I livingroom
180D patio
183F patio enclosure

197B carport 96 space 8
183J kitchen
179D livingroom
190L bath
187D bath
177I bedroom / enclosure
194A livingroom
185L patio enclosure
179A dining room
204H bedroom

CFO Report: 2/27/2017

Good Afternoon: It's nice to see you all here today; thank you for coming.

Financial Report: It's nice to report that the total net worth and liabilities of Mutual 8 is now over 4 million (4,001,652.68). The income for the month was slightly down, most likely because our sales for the month were low. Coins collected in January for the laundry rooms amounted to 949.50. However, the Mutual didn't spend the total amount budgeted so we're on track for a good year. Having reported that, remember we had a lot of rain in February and the bills for the roof repairs have not yet been totaled. In addition, the Mutual will need fairly significant tree work which is expensive.

The other concern for the future involves Southern California Edison. The electricity bill was the most I'd seen for a very long time, 2,774. The budget for the month was less than 50% than actual. SCE has changed their billing practice and no longer uses Net Metering for the Mutual. Mark Weaver is aware of this and is working with SCE and hopefully that will be successful.

BNY Melon

The Mutual's investments with BNY Melon earned 4.69% interest in January, with a total of 4,555.65 earned year-to-date. A 50,000 bond was purchased on January 20, 2017 with Southwest Higher Education. Total earnings over 2017 is expected to be 55,206.23.

See the overview and recap on the web site. Next month Carolyn Miller, the Comptroller will be with us to present the 2016 audited budget.

If you have questions or concerns, please contact me. Your support is much appreciated.

Ruth G. Mullins Berg, PhD, RN, CPNP

562-936-1274; rgmullins@sprintmail.com

Financial Overview

Income

Month (January 31, 2017)

This Month

Year-to-date

Total current income & contributions to capital

**(Including Regular Assessment, Reserve Funding, Service Income,
Interest income)**

Actual
112,303

Budget
113,524

Actual
112,303

Budget
113,524

Variance: (1,221)

Variance: (1,221)

Excess income after off-budget items: (1,799)

Expenses

**(Including Trust Maintenance, Utilities, Professional
Fees, outside services, Taxes, Insurance, Contribution to Reserves,
Depreciation)**

Actual
109,649

Budget
113,527

Actual
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Budget
116,527

Variance: 3,878

Variance: 3,878

Annual unused budget: 1,252,644

Restricted Reserves

Appliance Reserve: 36,259

Painting Reserve: 14,187

Roofing Reserve: 1,639,492 Total: 1,956,342

Emergency Reserve: 58,701

Infrastructure Reserve: 207,701

Total Net Worth & Liabilities

4,001,653.68

Financial Overview

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Total: 1,956,342

Emergency Reserve: 58,701

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Total Net Worth & Liabilities

4,001,653.68

P.O. Box 2069
Seal Beach CA 90740

Jan Actual	Jan Budget		2017 Y-T-D Actual	2017 Y-T-D Budget
82,688	82,688	Carrying Charges	82,688	82,688
26,699	26,700	Reserve Funding	26,699	26,700
109,387	109,388	Total Regular Assessments	109,387	109,388
950	790	Service Income	950	790
1,493	1,506	Financial Income	1,493	1,506
473	1,840	Other Income	473	1,840
2,916	4,136	Total Other Income	2,916	4,136
112,303	113,524	Total Mutual Income	112,303	113,524
50,352	50,352	GRF Trust Maintenance Fee	50,352	50,352
6,914	8,161	Utilities	6,914	8,161
2,049	1,135	Professional Fees	2,049	1,135
15,368	20,101	Outside Services	15,368	20,101
8,268	7,078	Taxes & Insurance	8,268	7,078
26,699	26,700	Contributions to Reserves	26,699	26,700
109,649	113,527	Total Expenses Before Off-Budget	109,649	113,527
2,654	(3)	Excess Inc/(Exp) Before Off-Budget	2,654	(3)
854	0	Depreciation Expense	854	0
1,799	(3)	Excess Inc/(Exp) After Off-Budget	1,799	(3)
		Restricted Reserves		
(558)	0	Appliance Reserve Equity	36,259	0
2,167	0	Painting Reserve	10,347	0
6,667	0	Roofing Reserve	1,639,493	0
1,449	0	Emergency Reserve Equity	58,701	0
14,750	0	Infrastructure Reserve	207,702	0
24,474	0	Total Restricted Reserves	1,952,502	0

Presidents Report

Camille Thompson

2/27/17 MU08

Contacts with members: 40

Contacts with vendors: 3

Maintenance: 6 with humans plus 4 online requests at
LWBS.com Mutual 08- Contact Section at bottom of
page

GRF staff: 5

Meetings: 4

Best Part of MU08: All the kindness and toughness to live through big puddles, mini-rivers and lakes, mud, flooded sidewalks and broken gutters. After the January downpour (20 year flood level), Donna from John's Landscape, Landscape Director Ron Kline, John's staff, George Hurtado and Maintenance cleared all the small drains in the Mutual. There are still some at 184 that are clogged up. Then came the wind and rain in February. Drains performed much better. The young trees along the RV wall were the only trees that were knocked down!! Smaller Branches came down all over the Mutual but we had requested and paid for bigger branches over sidewalks, buildings, dangerous limbs to be cut during January. **It paid off.** Thanks to everyone who pulled leaves off of drains during the storms.

Worst Part of MU08: Three Carport areas have had furniture, wood, microwaves, big wooden boxes, broken furniture and Porta-Potties (???) left outside at trash

bins (Carport 100, 93-92, 103). We have had to pay Maintenance to haul away this trash to the Garden Area where the big walk-in trash is located. Please make sure that you, your family and workers do not leave trash outside the bins. It is not allowed and we can charge you for removal if we know who it is....Did the rain make you do it?. All the shareholders in MU08 had to pay for the removal.

Laundry Room 179- The person that put cardboard/tape into the coin slot instead of a quarter, STOP IT. Call myself or any Director and we will give you the quarter. Camille 760-219-0852. Our phone numbers are in the Laundry Rooms, posted.

Resident/Shareholders Who Have Been Patient:

Over twenty resident/shareholders have reported leaks since January. Three were very bad. All roof leaks are bad. The worst roof repairs are fixed but the inside of the apartments that have these leaks are not finished and back to normal. It is upsetting to the resident, the shareholders and the Board of Directors to have any leak. Please check out your ceilings, walls, etc for water damage. We, as a Mutual, have less leaks than some other Mutuals in Leisure World.

We are scheduled to begin roofing and piping in 2020. That has been the plan for years. New roofs and new pipes in the attic to each unit costs 55K plus 35K per building. **90K per building.** We have good reserves

ready to spend starting in 3 years. So if you want to be active in maintaining our Mutual please.....

Run for the Board of Directors! It's the only way to use your expertise, wisdom and *caritas* in your cooperative community. We need you to volunteer, especially residents in skilled trades, to keep our Mutual in good stead. Roofs are a _____. It has to be done right. **Applications are at Stock Transfer to apply for Board of Directors.** I ran for Director because of a roof issue at Building 204. The deadline to declare your candidacy for Board of Directors is **3/23/17.**

We need people from the skilled trades, management: mid level desired, health care, residents who had to maintain properties in this marine environment and retired accountant/auditor types. We need your wisdom and best judgement skills to run the Mutual. If being a Director is not your commitment level then ask to be a Building Captain or CoCaptain. These are wonderful positions for service in our Cooperative.

SmartBurners: Have requests from 32 residences for installation in this first phase. We have 58 more to be placed in units in 2017. Please call the President or any Director or Maintenance to have a Smart Burner installed in your unit.

It may take a few months for the install, but eventually all units will have fire suppression installed. **This is a free upgrade to each resident/shareholder for their**

unit. The funds have been saved in a reserve account since 2016. Cooking class on Smart Burners coming in May. Compliments of MU05.

General Cooperative Living: Please call a Director for problems, help and fixing things. Ants have been continuing in the Mutual.. I think everyone got the phone numbers for Directors last month on a goldenrod flyer. You can go online at lwsb.com then go over the black top bar to Mutuals and select Mutual 8. It's all there.

Please read the new **Vehicle Parking Regulations** in the February Agenda MU08 Website or ask GRF Admin staff for a print copy. 562-431-6586 X319 Kheara Aquino for Mutual 08. We will probably vote at the March-April Meeting on these policies.

No For Sale signs on cars, golf carts or other vehicles on GRF Trust streets like El Dorado, etc. Once a month, the 4th Saturday, they will have a Used Vehicle Round-up at Clubhouse 6 parking lot for everyone to sell their cars, etc. There will be bargains for all to see.

Please remind all visitors, guests, work crews, caregivers, and anyone you admit to Leisure World **PASSES MUST BE DISPLAYED ON THE DASHBOARD WHEN VISITING and PARKING.** This rule is being enforced. Second offense has a fine of \$20.00.

2017 GRF & Mutual Election and Annual Meeting Schedule

	Mu.	No. of Units	Quorum	No. of Directors Being Elected	Candidate Application Begins (90 days before election)*	Candidate Application Deadline (60 days before election)**	Ballots Mailed (30 days before election)***	Meeting Day	Meeting Date	Meeting Time	Notes
MAY	10	276	92	6	Thurs. 2/16	Sat. 3/18	Mon. 4/17	3 rd Wed.	5/17	10 a.m.	Election in odd-numbered years; directors reduced from 8 to 6
	14	328	110	7	Fri. 2/17	Sun. 3/19	Tues. 4/18	3 rd Thurs.	5/18	10 a.m.	No more cumulative voting; directors reduced from 9 to 7
	7	384	128	6	Sat. 2/18	Mon. 3/20	Wed. 4/19	3 rd Fri.	5/19	10 a.m.	Parcels eliminated in 2017
	8	348	116	5	Tues. 2/21	Thurs. 3/23	Sat. 4/22	4 th Mon.	5/22	10 a.m.	No conflict with Memorial Day
	4	396	132	7	Thurs. 2/23	Sat. 3/25	Mon. 4/24	4 th Wed.	5/24	10 a.m.	In 2017, 7 directors will be elected but terms will be staggered.
	16	60	20	5	Thurs. 2/23	Sat. 3/25	Mon. 4/24	4 th Wed.	5/24	2 p.m.	2017 meeting will be held in Administration Conference
	11	312	104	6	Fri. 2/24	Sun. 3/26	Tues. 4/25	4 th Thurs.	5/25	10 a.m.	Annual Meeting only; elect. even-numbered years
	9	384	128	7	Sat. 2/25	Mon. 3/27	Wed. 4/26	4 th Fri.	5/26	10 a.m.	
JUNE	Golden Rain Foundation				Candidate Application Begins (90 days before election)*	Candidate Application Deadline (60 days before election)**	Ballots Mailed (30 days before election)***	Ballot Counting Meeting Day	Ballot Counting Meeting Date	Ballot Counting Meeting Time	Notes
	Mutuals 1, 3, 5, 7, 9, 11, 15, 17				Wed. 3/8	Fri. 4/7	Sun. 5/7	1 st Tues.	6/6	10 a.m.	New directors will be installed at GRF Annual Meeting on 6/13
	Mu.	No. of Units	Quorum	No. of Directors Being Elected	Candidate Application Begins (90 days before election)*	Candidate Application Deadline (60 days before election)**	Ballots Mailed (30 days before election)***	Meeting Day	Meeting Date	Meeting Time	Notes
JUNE	12	452	151	7	Fri. 3/10	Sun. 4/9	Tues. 5/9	2 nd Thurs.	6/8	10 a.m.	
	2	864	288	4	Sat. 3/11	Mon. 4/10	Wed. 5/10	2 nd Fri.	6/9	10 a.m.	Staggered Elections
	1	844	282	4	Tues. 3/14	Thurs. 4/13	Sat. 5/13	2 nd Mon.	6/12	10 a.m.	Staggered Elections
	5	492	164	7	Wed. 3/15	Fri. 4/14	Sun. 5/14	2 nd Tues.	6/13	10 a.m.	In 2016, # of directors reduced from 8 to 7. Applicable in 2017.
	3	432	144	7	Thurs. 3/16	Sat. 4/15	Mon. 5/15	2 nd Wed.	6/14	10 a.m.	In 2017, 7 directors will be elected but terms will be staggered.
	15	502	168	7	Sat. 3/18	Mon. 4/17	Wed. 5/17	3 rd Fri.	6/16	10 a.m.	
	6	408	136	7	Sat. 3/25	Mon. 4/24	Wed. 5/24	4 th Fri.	6/23	10 a.m.	
	17	126	42	2	Wed. 3/29	Fri. 4/28	Sun. 5/28	4 th Tues.	6/27	10 a.m.	Staggered Elections

NOTE:

* = If the date to apply as a candidate falls on a Saturday or Sunday, applications may be picked up the previous Friday.

** = On deadlines that fall on a Saturday or Sunday, applications will be accepted the following Monday. Candidate applications must be received in Stock Transfer Office by no later than 4:30 p.m. on the deadline day.

*** = If the date to mail ballots (30 days before the election) falls on a Friday, Saturday or Sunday, the ballots will be mailed the previous Thursday.

Landscape Director Report
February 2017 Board of Directors
Ron Kline

I. Shareholder/Residents

- a. 10 members concerned about grass or garden area issues
- b. 16 members called for tree issues
- c. 9 members had questions about trees, grass, gutters, weeding
- d. 12 members calling about their gutters
- e. 15 meetings with Residents
- f. 13 meetings about trees and grass

II. Staff contacts and Meetings

- a. meetings with John's Landscape staff 2 (Donna)
- b. 2 meetings with tree consultant-
- c. 10 meetings with Jesse (John's landscape supervisor)
- d. Other-Standing water in Mutual 8
- e. Water Drains- Clean out with George, John's Landscape (Donna and Jesse), GRF Maintenance.

Big Drains cleaned in 2015;
2/07 and 2/08/17- small drains

180A-196G

184-187-189

178-196

Mutual 8 Building Captains Meeting, also for anyone with medical training willing to volunteer for emergency planning and preparation.

Place: Clubhouse 1

Date: March 22, 2017

Time: 12:00 pm

Purpose: Emergency Preparedness Luncheon.
(Hot Dogs and Soda will be served.)

We need to be prepared in an emergency situations; which means we have to plan.

1. We will be discussing Building Captains functions during an emergency.
2. Having an overview of Mutual 8's Emergency plan.
3. Questions and Answers to emergency situations.

Please RSVP with Mutual 8 Director Dan Curtin at:

dcurtinla@gmail.com or call 323-788-1206



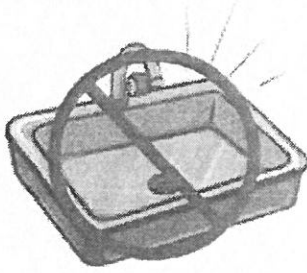
Golden Rain Foundation

Member Resource and Assistance Liaison

The Member Resource and Assistance Liaison is dedicated to improving the quality of life for residents. The Member Resource Liaison is available for crisis intervention, linkages to community resources, and support. For confidential and free service please contact this department if you are:

- Grieving the loss of a loved one
- Caring for an ill or aging relative
- Coping with a life changing diagnosis
- Making long-term care arrangements
- Feeling overwhelmed and stressed
- In need of assistance in your home
- Interested in a volunteer opportunity
- Homebound and in need of a friendly visitor

Contact Cynthia Tostado, LCSW Member Resource and Assistance Liaison at 562-431-6586 X 317



PROPER USE OF GARBAGE DISPOSAL

When using the garbage disposal be sure to run plenty of water!

Follow these easy steps when using the garbage disposal:

1. Turn on the cold water
2. Turn on the disposal
3. Feed the material into the disposal a little at a time
4. When the hammering stops, turn off the disposal and keep the water running for one minute
5. Make sure to run the disposal every day, even though you are not putting it to normal use
6. If the disposal stops working, locate the RED re-set button on the bottom surface of the unit and hold for 30-seconds.

REMINDER

Please do not grind these items

Bones
Carrot peelings
Celery & Rhubarb Stalks
Coffee Grounds
Corn Cobs—Husks or Silks
Egg Shells

Onion Skins
Pea Pods
Potato Peelings
Grease
Pills
Glass
Rice
Any fibrous materials

If the disposal is not grinding as well as it should, grind some ice to sharpen the blades.

To deodorize the disposal grind some lemon, lime or orange rinds.

Mutual 8 Building Captains Meeting

Place: Clubhouse 1

Date: March 22, 2017

Time: 12:00 pm

Purpose: Emergency Preparedness Luncheon.
(Hot Dogs and Soda will be served.)

We need to be prepared in an emergency situations; which means we have to plan.

1. We will be discussing Building Captains functions during an emergency.
2. Having an overview of Mutual 8's Emergency plan.
3. Questions and Answers to emergency situations.

Please RSVP with Mutual 8 Director Dan Curtin at:

dcurtinla@gmail.com or call 323-788-1206

DRAFT – MUTUAL EIGHT**Organization of Board****Board of Directors Code of Ethics and Conduct**

As members of the **Mutual Eight** Board of Directors (BOD), we recognize the importance of ethical principles that guide our actions. This Code is expressed in broad statements to guide ethical decision making. These statements provide a framework; they cannot and do not dictate conduct to cover particular situations.

1. We provide the highest level of service through accurate, unbiased, and courteous actions.
2. We acknowledge our duty of loyalty to the **Mutual Eight Board of Directors (BOD)** by adhering to the rules of confidentiality relating to director, staff or shareholder/member discipline or any litigation. **This duty survives a Director's term in office.**
3. We treat co-workers and other colleagues with respect, fairness, and good faith, and advocate conditions of employment that safeguard the rights and welfare of all employees.
4. We shall disclose to the **Mutual Eight** BOD, financial or personal conflicts of interest relating to the business of the Mutual and the BOD. They will recuse themselves and abstain from voting on any issue where there may be a reasonable expectation of a conflict of interest. (Civil Code 5350)
5. We distinguish between our personal convictions and professional duties and do not allow our personal beliefs to interfere with fair representation of our shareholder/members.
6. We shall perform their fiduciary duties by acting in good faith to promote the best interests of the **Mutual Eight** through reasonable inquiry and investigation. (Civil Code 7231-Business Judgment Rule).
7. All Directors acknowledge their obligation to support decisions made by a majority of the BOD. (Davis-Stirling ...)

DIRECTOR(S) CENSURE

When the actions of one or more **Mutual Eight** Board of Directors (BOD) fail to follow the precepts of the Code of Ethics and Conduct (Policy 7110.08) other members of the BOD may act to censure that person or persons.

1. DIRECTOR CENSURE

- 1.1. A censure is the process by which the **Mutual Eight** BOD, acting by a two-thirds majority vote, can reprimand or condemn the actions of a fellow member in the event that the member:

- 1.1.1. Acts unilaterally;

DRAFT – MUTUAL EIGHT

Organization of Board

Board of Directors Code of Ethics and Conduct

- 1.1.2. Discloses confidential information;
- 1.1.3. Fails to attend three consecutive months of regularly scheduled BOD meetings without prior notice, and based on a reasonably unavoidable situation, as determined in the Board's sole discretion, such as a medical condition, personal emergency, etc.;
- 1.1.4. Fails to act in a way that respects others;
- 1.1.5. Creates a hostile environment including acting disruptively;
- 1.1.6. Fails to support decisions made by a majority of the BOD;
- 1.1.7. Fails to comply with the law, governing documents, policies or procedures of the **Mutual Eight**; or
- 1.1.8. In the event of an act or omission that creates a threat to any individual, the **Mutual Eight** or the community.
- 1.2. The following steps will be used to censure a director. All proceedings related to a censure shall be conducted in a closed, executive session meeting.
- 1.3. The Director(s) subject to the censure may not elect to have the proceedings conducted in an open, public session.

2. MOTION TO CENSURE

- 2.1 A "Motion to Censure" form must be filed using the form in Policy 7110.08 A. It must include a second signature from a director clearly in agreement and be turned in to the President for presentation at a special executive session, closed meeting of the full BOD. If the censure involves the President, it will be turned in to the Vice President for presentation at a special executive session, closed meeting of the full BOD.
- 2.2 If the Presiding Officer elects not to place the motion on the agenda of a special executive session meeting of the BOD, two members may request a special executive session meeting of the BOD.
- 2.3 A director subject to censure shall be provided with at least ten (10) business days prior notice of the censure including the reason for the censure and the date, time and location of the meeting where censure will be considered. A copy of the "Motion to Censure" form will also be included. Notification shall be sent by Certified U.S. Mail through the Executive Director's office. The President or Presiding Officer will also contact the Director directly.

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- 2.4 The BOD shall be provided at least five (5) days advance written notice of the special executive session of the full BOD regarding the "Motion to Censure", which shall include a copy of the submitted form. Notification shall be sent by the U.S. Mail through the Executive Director's office to all BOD members with the addition of an email notification containing the date, time and location of the meeting.
- 2.5 A director subject to censure may provide a written response to all BOD members no later than two (2) business days prior to the meeting. The director shall also be provided an opportunity to respond to the reason for censure at the meeting.
- 2.6 The censure motion may be debated and following the debate the BOD may take one of the following actions:
 - 2.1.1. Postpone the motion by a simple majority for any reason, including, but not limited to, the desire of the majority to gather additional information and/or permit the director to respond further. (Policy 5601.1)
 - 2.1.2. Approve the motion by a two-thirds (2/3) majority of a quorum of the non-offending directors; or
 - 2.1.3. Defeat the motion
- 2.7 Written notice of the BOD's decision shall be sent by Certified U.S. Mail to the named member(s) no more than 15 business days following the meeting.

3. ENFORCEMENT PROCEDURES

- 3.1. If the "Motion to Censure" is passed, the non-offending BOD members may choose one or more of the following actions:
 - 3.1.1 WARNING/EDUCATION
 - 3.1.2 REMOVAL FROM OFFICE OR CHAIR
 - 3.1.3 REMOVAL FROM COMMITTEE
 - 3.1.4 REQUEST FOR RESIGNATION
- 3.2. For offenses relating to the disclosure of confidential or sensitive information, upon a vote of two-thirds (2/3) of the majority of the quorum of the non-offending BOD members, the offender may be prevented access to confidential information.

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- 3.3. If at any time a Director commits a crime or subjects the Foundation to financial risk, that Director shall be subjected to legal action by the Foundation. This may include removal from **Mutual Eight** Liability coverage.
- 3.4. Censure remains in effect until the next annual meeting.

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MOTION TO CENSURE

Date of request _____

I, _____ wish to file
Print Name Director Signature Mutual

a formal motion Censure of _____
Director name

For the following reason(s):

THE MOTION IS SECONDED BY:

Print Name Mutual Signature

DATE OF SUBMISSION TO:

Officer Name and Title Signature

Next Special Executive Session of full BOD: _____
Date, Time and Location

This form will be given to the Director subject to possible censure. Directors requesting censure receives copies of this form.

Date Certified Mail Sent _____ By _____ Date Given _____ By _____

Mutual **Adoption**
EIGHT

SIGN-IN SHEET

BOARD OF DIRECTORS MEETING

MUTUAL NO. EIGHT

DATE: February 27, 2017

[illegible]