

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL EIGHT
January 25, 2016**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Eight was called to order by Vice President/CFO Berg at 1:30 p.m. on Monday, January 25, 2016, in the Administration Building Conference Room.

SHAREHOLDER COMMENTS

Several shareholders made comments.

ROLL CALL

Present: Vice President/CFO Berg, Director Winslow

There was no quorum, so the meeting continued but no action could be taken on any issues.

Absent: President Fuqua, Secretary Curtin, Director Fekjar

GRF

Representative: Mr. McGuigan

Guests: Thirteen Mutual Eight shareholders

Staff: Mrs. Weller, Mutual Administration Director
Mrs. Westphal, Recording Secretary
Mr. Hurtado, Building Inspector

Vice President/CFO Berg welcomed staff and shareholders in attendance.

MINUTES

A correction to the minutes of November 23, 2015, was noted by Director Winslow: on page 4, under New Business, Policy 7403 should be Policy 7406. These minutes will be approved as corrected at the next Board Meeting when a quorum is present.

BUILDING INSPECTOR'S REPORT

Inspector Hurtado reviewed his written report summary (see attached).

Inspector Hurtado left the meeting at 1:45 p.m.

VICE PRESIDENT/CFO'S REPORT

Vice President/CFO Berg presented her report (attached).

PHYSICAL PROPERTY REPORT

Director Winslow presented his report (attached).

MUTUAL ADMINISTRATION MANAGER'S REPORT

Mrs. Weller presented her report (as attached).

GRF REPORT

GRF Representative Steven McGuigan presented his report (as attached).

OLD BUSINESS

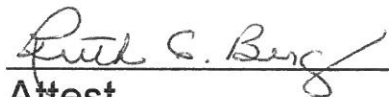
Policy 7586.8 – Personal Property and Liability Insurance was discussed, but no action could be taken at this meeting.

The two Board members present discussed fire suppressant products.

Moss on roofs was discussed. It was decided to ask Inspector Hurtado to check the Mutual roofs for moss and they may be sprayed with a product to eradicate the moss, if needed.

ADJOURNMENT

There being no further business to discuss, Vice President/CFO Berg adjourned the meeting at 2:50 p.m.



Attest

Ruth Berg, Vice President/CFO
SEAL BEACH MUTUAL EIGHT

pw:2/2/16
Attachments

NEXT MEETING: FEBRUARY 22, 2016

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF JANUARY 25, 2016**

1/25/16 None

MUTUAL 8 MONTHLY MEETING January 25, 2016

PERMIT ACTIVITY:

- See attached report

PERMIT INSPECTIONS:

- 181A final – Bergkvist Construction
- 191E final – Greenwood Air Conditioning

ESCROW ACTIVITY:

- 179J final
- 192L final / new buyer orientation
- 202D final / new buyer orientation

CONTRACTS:

- Hutton Painting – Mutual wood trim (start date March 2, 2016)
- Johns Landscape – Mutual landscape
- So Cal Fire Protection – fire extinguishers
- Empire Pipe – sewer cleaning
- Fenn – termites and pests

PROJECTS:

- Mutual wood trim – Hutton Painting
- Seal coat, crack seal @ carports – estimate
- Roof Inspections
- Roof leaks:
 - 180D patio skylight
 - 182B bath fan vent
 - 182G den, bedroom
 - 183I bedroom, living room
 - 191C living room
 - 204B bedroom, living room

TASKS:

- Various apartment visits with shareholders
- Inspected empty apartments

Financial Officer/Vice President's Report

January 25, 2016

Mr. President, Directors, members, and Guests:

Good afternoon. Welcome to 2016. I'm trusting it will be both a productive and peaceful year, with a little bit of fun along the way.

The 2015 books are in the process of being audited but the unofficial current net worth of Mutual 8 is 3,467,770, excluding depreciation and amortization. This is 313,922 more than we had this time last year.

For the month ending Dec. 31, 2016, we had expenditures of 111,624 of 106,936 budgeted. However, we ended the year with 4,324 unused of the 1,284,423 budgeted for the year. Most of the extra expenses in December were attributed to legal fees, landscape extras, and pest control.

The income for the month was 104,062 of a budgeted 106,943 or 2,881 less than hoped for. Year-to-date income was 1,258,314 of 1,284,423 budgeted. This is 26,109 less than anticipated. The discrepancy was, as we had discussed during the year, due to less tax exempt interest income. It's not that we didn't receive this income; it was credited in an area which didn't reflect the accurate amount. The income is there, as I will review below – it just isn't in the cash-flow.

Investment activity shows that the market value of our investments plus our accrued income with BNY Mellon is 1,252,200. That is an additional 2,803 in our market value

since last year. In addition, we have 95,990 with Mellon in cash and cash equivalents. For the period ending 12-31-2015, we earned 3,875 on our Bond portfolio and for 2015, we earned 54,761. Mr. Erez Kabake, our BNY Portfolio manager was scheduled to be with us today, but had to cancel at the last moment. We are rescheduling his time with us.

Taking into consideration our current financial status, Mutual 8 is financially stable and healthy. As with everything is today's market, we do have to continue to exercise caution and prudence in how we spend our money.

I have had several requests for clarification as to why the monthly assessments were raised. For Mutual 8, assessments were raised 17.10 and for GRF Trust 4.32. Some of you saw an increase in property tax as the Orange County Assessor re-valued property that had been decreased.

The Mutual and GRF have nothing to do with taxes, but an increase will appear on your assessment. In November you all received a GRF and a Mutual budget for 2016. If you look closely at it, you will see each category that was raised and how much it increased. For the Mutual, Janitorial fees, utilities, and routine painting were areas of increase. However, the most significant increase was in the area of property and liability insurance. As you know, this is a reflection of the fires which have occurred in Leisure World over the past year.

That concludes my report. Please call or email me should you have any concerns or comments. I would prefer email directly as below. An unusual email came through the web site that I have no idea where or who was the resident that sent it. It requested service maintenance (SM) so I hope they did go ahead and call SM. Thank you.

Ruth G. Mullins Berg, PhD, RN, CPNP

562-936-1274; rgmullins@sprintmail.com

P.O. Box 2069
Seal Beach CA 90740

Dec Actual	Dec Budget		2015 Y-T-D Actual	2015 Y-T-D Budget
76,021	76,019	Carrying Charges	913,306	913,302
24,106	24,105	Reserve Funding	289,271	289,271
100,127	100,124	Total Regular Assessments	1,202,577	1,202,573
440	502	Service Income	5,553	6,013
1,240	4,585	Financial Income	16,804	54,998
2,256	1,732	Other Income	33,381	20,839
3,935	6,819	Total Other Income	55,738	81,850
104,062	106,943	Total Mutual Income	1,258,314	1,284,423
48,567	48,566	GRF Trust Maintenance Fee	583,900	583,899
6,816	8,472	Utilities	95,139	101,686
3,867	820	Professional Fees	15,942	9,939
26,213	18,666	Outside Services	222,239	223,959
2,055	6,303	Taxes & Insurance	73,607	75,669
24,106	24,105	Contributions to Reserves	289,271	289,271
111,624	106,932	Total Expenses Before Off-Budget	1,280,099	1,284,423
(7,562)	11	Excess Inc/(Exp) Before Off-Budget	(21,784)	0
148	0	Depreciation Expense	1,777	0
(7,710)	11	Excess Inc/(Exp) After Off-Budget	(23,561)	0
		Restricted Reserves		
(597)	0	Appliance Reserve Equity	17,852	0
1,717	0	Painting Reserve	79,231	0
11,945	0	Roofing Reserve	1,555,679	0
(14,304)	0	Emergency Reserve Equity	52,415	0
7,270	0	Infrastructure Reserve	112,666	0
6,031	0	Total Restricted Reserves	1,817,843	0

Physical Property Report by Richard Winslow- January 2016

Much has happened since my last written report in September of 2015.

On December 7th, 2015 GRF presented an all day seminar for directors on the subjects of (1) the Fair Housing Act with emphasis on our responsibilities to accommodate disabilities of various types, (2) Considerations in developing rules and regulations in the context of Laws and governing documents, and (3) Communications with persons with dementia, especially including forms of memory loss which pointed out how to recognize what is possible and realistic, what increases stress arising out of memory loss, and who to go to for support and more information on this topic. It was a well presented seminar and it taught me and reminded me of what had fallen prey to my own loss of memory. Glad I and other members of our board, attended.

Our contract with Hutton Painting for power washing the outside of the buildings and painting all of the wood trim, fascia, headers, poles, and exterior walls and doors has been worked out, including the itemized list of addresses of termite repair that involved replacing wood that now needs to be painted. Cost, including materials, is \$88,000. We aren't going to be able to power wash all our building without some unintended consequences, so please, let's be realistic. If anyone knows of an area that should not be power washed, let me know *before* it starts.

Thank you, George, for your sustained effort to bring this to conclusion. Painting will begin when weather permits.

Sidewalks have been ground down where joints between flags were of concern. In the land of earthquakes, things get moved around.

The storage shed that had been reserved for emergency supplies was pressed into use for immediate storage needs while the Emergency Preparedness Committee obtains supplies and additional storage sheds for its needs. We continue to use laundry rooms which have only one washer and one dryer, for storage of machines that can be used when a machine is expected to be out for commission for a prolonged period of time.

Gutters and downpipes were cleaned out just before the rains hit us which minimized any tendency for damaging back-ups and spills.

At the Physical Property Council meeting in October, new technology in flashings for skylights was discussed.

Electrical underground wire and sprinklers were repaired to the sidewalk lights north of building 190 and the circle park on El Dorado Dr. at a cost of \$1,820, but it was necessary and completed within a reasonable time, given the complexity of the area.

Insurance-HO 6 Much of my time has been focused on the subject of searching for a way to tap into shareholders' home owner's insurance policy coverage in the event of a fire or water damage to a building. Our Mutual's insurance coverage has a \$50,000 per incident deductible; to raise that amount of money costs each of us \$144.00. I see this as a question of "when" not "if". We dodged a bullet in November when an electrical short circuit was discovered in an attic; fortunately, no fire resulted. In December someone nearly started a stove top kitchen fire; again we were fortunate. Our attorney advises that we cannot demand shareholders to insure the mutual with HO 6 policies, as we considered doing under Proposed Policy 7586.

We do have a Policy that does require us to carry home owner's insurance; Policy 7701 was adopted in Sept. 2009, and exists in other mutuals, as well. The best we can do is persuade shareholders to carry insurance with information from Mutual 11's experience. They had a fire on March 12, 2015, and actual repairs didn't commence until Sept. 28, 2015. They are telling their shareholders to expect to be able to move back in, in February. The Hartford Ins. Co. advised in writing from the office of its president that coverage is available under Coverage D, which provides living expenses while the building is uninhabitable. Ideally, we would each carry \$50,000 for that risk to protect Mutual 8 from its deductible if someone else were responsible. Otherwise our Liability Risk would pay if the fire is attributable to our actions or inactions.

This is going to take aggressive publicity to assure we are heard on the subject.

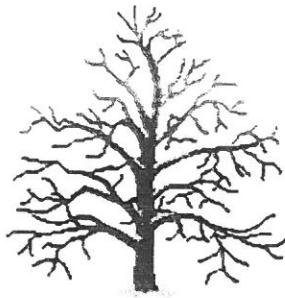
Roof maintenance: I see moss or algae on the roofs of some buildings; it should be destroyed to prevent damage to the roofs. (A spray is commercially available and very easy to apply.)

Laundry Room Equipment: Machines are still breaking down; its harder to overlook with the cost of wash being raised to \$.75 per load. I propose we look into what the more common causes of break-downs are, and attempt to address it. If it is *misuse*, we need to do some serious educating; if it's a matter of repairs being ineffective or untimely, we need to see what we can do about that.

GRF is considering making St. Andrews one lane each way instead of two. Its traffic engineer believes that would lessen collisions, it reports. I think it would be a mistake because the road is 2 lanes wide, even with parking. Reducing the number of lanes would contribute to congestion and drivers might still try to pass slow traffic, especially golf carts, if it were made one lane, and that would be even more dangerous.

I ask our board to go on the record to oppose the change.

GRF is also considering raising the 15 MPH speed limit by the Administrative Building and Medical Clinic. Traffic Engineering Standards recognize that unreasonable signage, especially posting unrealistic speed limits, promotes disrespect for the rules. I ask our Board to go on the record to support raising the speed limit back to 25 MPH at that location.



California is still in a drought
Please Continue to Conserve Water

It's Winter in Our Hometown
The Mutual Administration Director's Report
January, 2016

911

A very important number during an emergency.

Some important facts you need to know about (911):

1. Due to the close proximity to the adjacent freeway system, when you dial (911) from your cell phone in Leisure World, you may be routed to the California Highway Patrol instead of the Seal Beach Police Department; or your call may be routed to Seal Beach Police Department.
2. If you dial (911) from a landline telephone inside your unit, the call will always be routed to the Seal Beach Police Department.
3. The Seal Beach Police Department has an emergency response telephone number which goes directly to them if you use a cell phone or a land line. That number is: (562 594-7232).
4. Put the emergency response telephone number on your auto-dial so it can be reached with a push of a button.



January 2016: It's that time again....Your pet must be registered annually in January of each year. Please see the Stock Transfer Office for assistance in registering a new pet or re-registering your current pet. Remember you must provide proof of personal liability insurance.

Long Beach Animal Control, contracted through the City of Seal Beach, will be canvassing door-to-door in Leisure World to assure all Leisure World dogs are licensed. There may be a fine issued if you fail to provide proof of your dog's registration. Be proactive.....Register your dog with the City of Long Beach on behalf of the City of Seal Beach and register any pet you have in your unit with the Stock Transfer Office. Fish are exempt.

HAPPY NEW YEAR – 2016

January 2016 Monthly Report

Well here we are in the new year. This year has potential to be a truly good year. One of the advantages of living in Seal Beach is that we are close to the ocean and that helps moderate the weather. Never too cold and rarely too hot. We are not getting the constant rain that the Northwest is getting. However, we should be getting rain from the big El Nino, February will be the telling month. As far as what is happening in the community of Leisure World, The Standing Committees have been busy.

The Information Technology Services (ITS) Committee has been working on getting the computer programs up to date and secured. The Committee is looking at hiring an outside company to service the system. This will provide more security and keep the system updated. This will allow us to close one position in the ITS area. The Committee has also worked on updating the LW website. If the Board of Directors approves it the new website will be on line very soon.

The Recreation Committee has been busy with contract bids for the janitorial service company. The contract has been awarded to Pegasus and they will start in February. This contract is a major expense of a little over one million dollars. A lot of work went into the selection. This years summer Amphitheater programs have been selected and will soon be posted. It will be another great summer program. Unfortunately no surf music. The committee has explored the possibility of Pickle Ball in the community but it doesn't look promising. The Dog Park is still up in the air but in all honesty does not look like it will happen this year. To many unresolved issues. Still possible in the future.

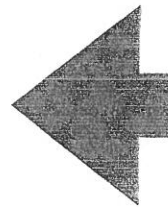
The Physical Properties Committee is busy with planning for the Westminster Blvd perimeter wall replacement. Lots of logistics to work out. This should be presented to the full Board of Directors in a month or two. The St Andrews repaving project south of Golden Rain is being discussed and one idea that has gained favor is making it one traffic lane in each direction. This would widen the center divider making for turning lanes, bike lane, and a pedestrian walk way, and a wider traffic lane in each direction.

Security, Bus and Traffic Committee has been busy with a couple of projects. One is to update the enforcement of the traffic regulations to include fines. A sub committee has been working hard on its proposals and should be presented to the full committee in February or March. We are also working on improving the Bus service in LW. I am excited about the prospects of an

improved and possible expanded service. This should be presented to the committee in March. In the last month there have been a few traffic accidents, two of them have had vehicles rolled over. Please drive carefully. Driving fast won't necessarily get you to your destination faster. The arrival time at a speed of 40 miles per hour is less than a minute faster compared with 25 miles per hour. Please be safe.

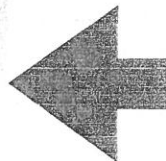
There is more that is being worked on these were just the highlights. Please feel free to come to the Board meeting and any Committee meeting. The meeting times and places are posted in the Leisure World News.

Just to keep things in balance. The El Nino has affected surf in Southern California a lot. It has been small at times. At times it was small but fun.



Yes that is me.

There have been times when it was big but still within my limits. What the picture does not show is a few seconds later the wave ate me for lunch. Fortunately I didn't know just how big the wave was when I took off on it, surprise!!! Then there have been times when the waves have been just too big for me to surf. Just like the character Dirty Harry said, "a man has got to know his limits." I learned mine and have respect for the ocean. Life is good.



Yep, that's me too.

"Hang



Loose"