

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL EIGHT
June 27, 2016**

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, June 27, 2016, in the Administration Building Conference Room A.

SHAREHOLDER COMMENTS

Several shareholders made comments.

ROLL CALL

Present: President Thompson, Vice President/CFO Berg, Secretary Curtin, and Directors Kline and Winslow

GRF

Representative: Mr. McGuigan

Guests: Twenty-one Mutual Eight Shareholders

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

President Thompson welcomed staff and shareholders in attendance.

MINUTES

President Thompson called for approval of the April 25, 2016, Regular Monthly Meeting minutes. Upon a MOTION duly made by Vice President/CFO Berg and seconded by Secretary Curtin, it was

MINUTES (continued)

RESOLVED, To approve the April 25, 2016,
Regular Monthly Meeting minutes, as printed.

The MOTION passed.

BUILDING INSPECTOR

Inspector Hurtado updated the Board on activity in the Mutual.

Inspector Hurtado left the meeting at 1:50 p.m.

OLD BUSINESS

President Thompson reported that the fire/safety inspections will begin July 18 to August 12.

The Board members discussed establishing a committee on community barbeques to decrease the risk of fires and injuries. This issue will be discussed further at the July Board Meeting.

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

RESOLVED, To purchase two propane generators from Mutual Fourteen, with a one-year guarantee on each generator, at a cost of \$500 each.

The MOTION passed.

BOARD ACTION

Following a discussion, and upon a MOTION duly made by President Thompson and seconded by Vice President/CFO Berg, it was

RESOLVED, To appoint Tony Tupas an Advisory Director to the Board of Directors for the remaining 2016/2017 term of office.

The MOTION passed.

NEW BUSINESS

Vice President/CFO Berg discussed feeding bird/ducks (wildlife) by members/shareholders. It was the consensus of the Board to postpone this issue.

President Thompson discussed having a night meeting on October 24. More information is forthcoming on this issue.

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

RESOLVED, To purchase a washing machine and dryer to place into immediate service.

The MOTION passed.

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

NEW BUSINESS (continued)

RESOLVED, To charge .50 cents per load for washers.

The MOTION passed.

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

RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7502.8 – Carport Regulations.

The MOTION passed.

President Thompson discussed gathering all Directors' email addresses for Mutual business, website, and emergencies.

President Thompson called a break at 3:04 p.m. to 3:22 p.m.

(GRF Representative McGuigan left the meeting at 3:33 p.m.)

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

RESOLVED, To request that the Golden Rain Foundation investigate the costs and needs of engaging the services of a professional emergency preparedness consultant or consulting company to establish a community-wide emergency preparedness plan to incorporate all sixteen Mutuals and GRF Trust property.

June 27, 2016

NEW BUSINESS (continued)

The MOTION passed.

VICE PRESIDENT/CFO'S REPORT

Vice President/CFO Berg presented the financial report (attached).

(Recording Secretary Day left the meeting at 4:10 p.m.)

ADJOURNMENT

There being no further business to conduct, President Thompson adjourned the meeting at 4:15 p.m. and announced there would be an Executive Session following to discuss members issues.



Attest

Dan Curtin, Secretary

SEAL BEACH MUTUAL EIGHT

cd:7/16/16

Attachments

(These are tentative minutes, subject to approval by the Board of Directors at the next Regular Board of Directors Meeting.)

NEXT MEETING: July 25, 2016

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF JUNE 27, 2016**

- 06-27-16 RESOLVED, To purchase two propane generators from Mutual Fourteen, with a one-year guarantee on each generator, at a cost of \$500 each.
- RESOLVED, To appoint Tony Tupas an Advisory Director to the Board of Directors for the remaining 2016/2017 term of office.
- RESOLVED, To purchase a washing machine and dryer to place into immediate service.
- RESOLVED, To charge .50 cents per load for washers.
- RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7502.8 – Carport Regulations.
- RESOLVED, To request that the Golden Rain Foundation investigate the costs and needs of engaging the services of a professional emergency preparedness consultant or consulting company to establish a community-wide emergency preparedness plan to incorporate all sixteen Mutuels and GRF Trust property.

Financial Officer/Vice President's Report
June 27, 2016

Madam President, Directors, members, and Guests.

This is the first meeting with the new Board so I wanted to again say thank you for the trust you put in me by electing me to serve another year. It's wonderful to be part of Mutual 8 and I trust we'll have another exceptional year together.

For the month ending May 31, 2016, we had expenditures of 110,729 of 112,673 budgeted. 1,944 less than budgeted was spent.

Except for insurance and service maintenance all expenses were within budget. We had more sun last month so electricity was supplemented, in part, by our solar panels.

The income for the month was 112,130 of a budgeted 112,675 or (545) less than hoped for. Tax exempt interest income was slightly less as were inspection fees. Year-to-date income is 12,066 more than budgeted.

Total Assets of Mutual 8 amount to 3,934,200.66 with 1,918,227 in Restricted Reserves.

Investment activity shows that the market value of our investments plus our accrued income with BNY Mellon is 1,255,668. Income earned this month and year-to-date amounted to 12,412.

In addition, we have 61,223.61 with Mellon in cash and cash equivalent.

In the past couple of weeks, we have heard a great deal about Britain's exit from the European Union and its potential impact on the US investment portfolios. Because Municipalities are unable to make foreign investments, I felt it would do little to our Bond investments. However, just to be sure, I contacted our Portfolio Manager at BNY Mellon. His response (*email, 6/25/16*), "The municipal bond market will actually benefit in the near term from the Brexit vote. Already the markets are expecting no increase to interest rates from Janet Yellen

Financial Overview Income

Month (May 31, 2016)

This Month

Year-to-date

Total current income & contributions to capital

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

<u>Actual</u>	<u>Budget</u>
112,130	112,675

<u>Actual</u>	<u>Budget</u>
564,730	563,375

Variance: (545)

Variance: 1,355

Excess income after off-budget items: 12,691

Expenses

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

<u>Actual</u>	<u>Budget</u>
110,729	112,673

<u>Actual</u>	<u>Budget</u>
551,299	561,365

Variance: 1,944

Variance: 12,066

Annual unused budget:

800,805

Restricted Reserves

Appliance Reserve: 28,114.11

Painting Reserve: 87,420.62

Roofing Reserve: 1,599,762.33

Emergency Reserve: 61,711.23

Infrastructure Reserve: 141,218.98

Total: 1,918,227.27

Total Net Worth & Liabilities

3,934,200.66

Investment Account Activity

Market value: + Accrued income

1,255,875.10

Income This Period: 9,343.32

Year-to-date: 23,021.41

Estimated annual income: 56,103.06

Bond matured 100,000 pending sale

Bond Purchased: 0

Add to my report

Reserves

As those of you who were on the Board last year know, we signed a 3 year loyalty contract with Association Reserves of Orange County. Year 1 was a full onsite visit (August 18, 2015) and found that Mutual 8's Reserves were 63% funded which is judged to be "medium." Year 2 is an off site assessment and I have been asked for the following documents:

- 1. Most recent Balance Sheet showing the current cash on hand for reserves.**
- 2. The current year Budget.**
- 3. Detailed explanation of reserve expenses to date since the last study.**
- 4. Dollar amount of any anticipated expenses prior to the end of the fiscal year.**
- 5. 50% of the invoice**

With the Board's permission, I will supply them with this financial information. I will remain the contact person for any fiscal questions and I'm assuming Rich will remain the contact for any physical property information.

MUTUAL OPERATIONS

RESIDENT REGULATIONS

Carport Regulations - Mutual Eight

A. Carport Use

1. Carports are to be used for parking of self-propelled land vehicles in operating condition. Any stored items in the carports must be completely contained in the carport cabinets except as permitted in paragraph 4 below.
2. Current fire regulations prohibit the storage of fuel oil or any combustible material in the carport areas.
3. All vehicles, when parked in the carports, must be headed in. When parked, vehicles shall not extend beyond the edge of the roof drip line of the carport. Property, including secondary storage facilities, shall not interfere with the shareholder's vehicle fitting under the edge of the carport roof drip line. This may require removal of secondary storage facilities at owner's expense even if the secondary storage facilities have been approved by the Board and meet the design of this regulation.
4. The following property may be stored or used as storage under upper cabinets:
 - a. One bicycle, tricycle, folding shopping cart, hand cart, and stepladder of up to 8 feet, or, a combination of three such items; or
 - b. An enclosed 100+ gallon garden type container having dimensions of not less than approximately 23" x 24" x 50" and which shall be opaque and of a neutral earth tone color; or,
 - c. Secondary storage cabinets as described in Section E; or,
 - d. Bypass sliding doors as described in Section F.

Other property including motorcycles, motor bikes, mopeds, electric carts, bicycles, tricycles, etc., must not be parked between self-propelled vehicles because that would infringe upon another occupant's vehicle space.

B. Carport Assignments

1. Carport assignments are controlled by the Mutual Corporation and a record of assignments is kept in the Stock Transfer Office of the Golden Rain Foundation.
2. Residents who want to change carport assignments must obtain the Mutual Board of Directors' approval so the change can be recorded in the Stock Transfer Office.
3. The request for carport re-assignment, if approved, is only temporary, and is valid only so long as both participating parties agree to the temporary change. One party determining to withdraw from the agreement may do so as may the successor owner of that party's apartment. The Mutual Corporation retains, at all times, the authority to revoke and cancel this temporary change of carport assignment, at its discretion. The re-assignment of carport spaces, herein provided, will automatically become null and void in the event of a sale of the stock representing either apartment, with absolutely no exceptions to the rules herein provided.

MUTUAL OPERATIONS

RESIDENT REGULATIONS

Carport Regulations - Mutual Eight

4. Carport space may not be rented to or used by anyone who is not a resident shareholder of Mutual Eight.

C. Electrical Outlets in Carports

1. Residents are permitted to have an electrical outlet professionally installed in their carport for the purpose of recharging electric carts.
 - a. There will be a monthly charge of \$15 for the use of electricity.
2. The Mutual encourages all residents to park any and all vehicles in carports as much as possible.
3. Residents who have an electrical outlet professionally installed in their carport will be responsible for the maintenance of same.
 - a. Upon the resale or transfer of the share of stock, the electrical outlet must be removed at the resident's expense if the buyer does not want to use and pay for the electrical outlet in the carport.
4. The following installation guidelines have been established and shall be available to contractors who are providing an estimate for, or are installing, the outlet.
 - a. The installation of the electrical outlet shall be done by a licensed contractor in good standing.
 - b. A permit must be obtained from the Physical Property Department prior to any work being done.
 - c. The installation techniques shall be such in order to facilitate the complete disassembly and removal of the electrical outlet, should removal become necessary.
 - d. All applicable codes shall be observed, and all installation components shall be suitable for outdoor installation.
 - e. All wiring shall be run in rigid conduits.
 - f. Current carrying conductors shall be #14 AWG stranded copper conductor with 500-volt insulation.
 - g. 15-amp fused power outlets shall be mounted inside the storage cabinet.

MUTUAL OPERATIONS

RESIDENT REGULATIONS

Carport Regulations - Mutual Eight

D. Oil Spills on Carport Floor or Street

1. In accordance with Seal Beach Municipal Code 9.20.010, any vehicle leaking oil, antifreeze, or any other hazardous material is prohibited from parking in a Mutual carport or on a Mutual street or driveway.
 - a. Kitty litter may not be used to cover hazardous materials and may not be disposed of in any Mutual trash container.
 - b. All hazardous waste materials, including kitty litter, must be disposed of at an Orange County Approved Hazardous Waste site.
 - c. Residents or guests who ignore this Municipal Code may be subject to fine and/or having their vehicle towed at their expense.

E. Secondary Carport Storage Cabinets

This has been developed in an effort to improve the appearance of the community and enhance property values by providing for and making uniform, the appearance of secondary (lower) cabinets.

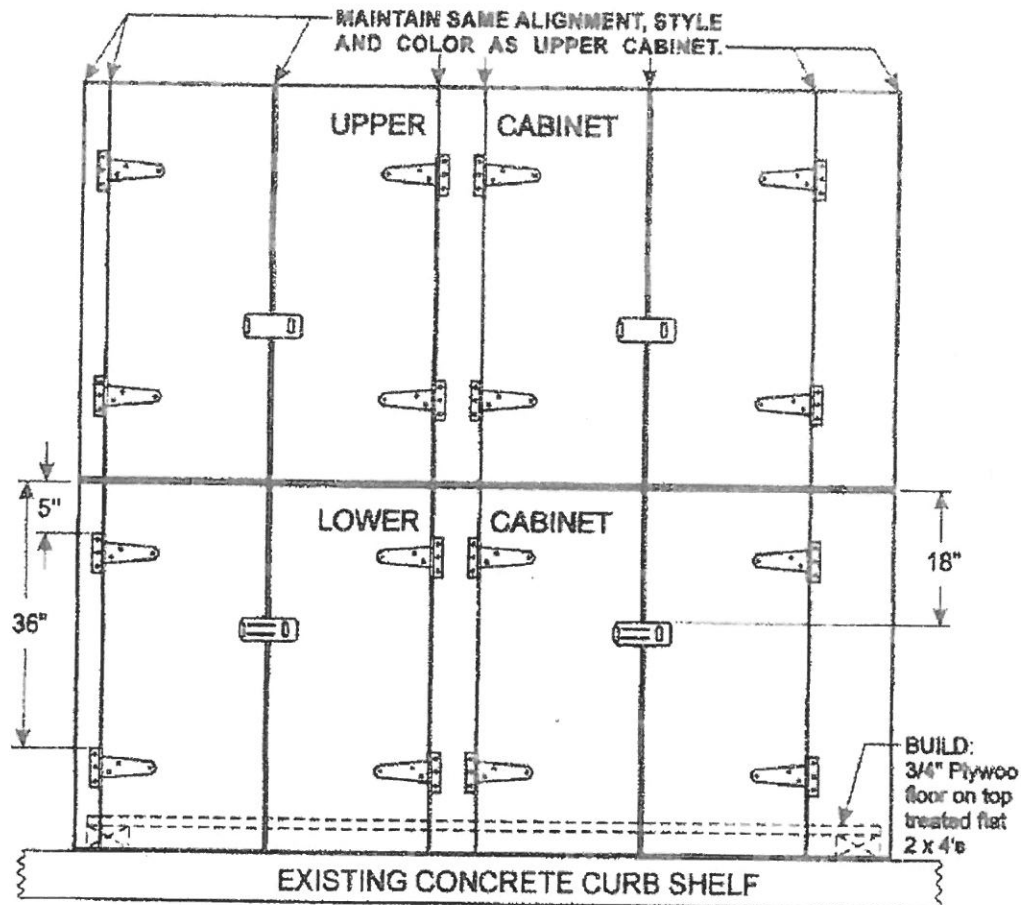
1. Shareholders are permitted to have a secondary carport storage cabinet installed beneath their existing cabinet at the shareholder's expense, with the approval of the Mutual Eight Board of Directors and Building Inspector and obtaining the appropriate permit from the Physical Property Department before the cabinets are installed. If a cabinet is installed without permit or not in conformity with this standard design and specified materials, the cabinet shall be removed at the expense of the shareholder.
2. Shareholder shall use a standard design approved by Mutual Eight.
3. The dimensions of the lower, secondary cabinet must conform to the dimensions of the upper cabinet. The lower cabinet doors and hardware must align with the doors and hardware of the upper cabinet. The depth of the lower, secondary storage cabinet must not exceed the depth of the concrete shelf. Width must match the width of the upper cabinet.
4. Exterior paint and hardware must match the existing, standard upper cabinet.
5. The shareholder is responsible for maintaining and repairing any damage to his/her carport cabinet.
6. Secondary cabinets are a non-standard addition. If a subsequent owner does not want the secondary cabinet, the seller must remove the secondary cabinet and restore the area to original condition at seller's (shareholder's) expense.

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Carport Regulations - Mutual Eight**

7. Due to the vulnerability to damage from vehicles being parked in front of the secondary cabinet, no electricity will be installed inside the secondary cabinet. Any electrical charging station allowed by California Civil Code Section 4745, as may be amended from time-to-time, shall be contained in the upper cabinet or elsewhere as may be practical and permitted by law and applicable codes in effect.
8. Installation of secondary cabinets shall not exempt the shareholder from the requirement that vehicles parked in the carport stall shall not extend beyond the drip line of the roof and gutters.
9. Installation of secondary cabinets replaces the shareholder's permission to store a bicycle or tricycle, folding cart, and ladder outside of the standard cabinets.
10. Only treated wood purchased through the Property Management Department or treated by an approved contractor with the wood being approved by the Building Inspector.

Materials:

- a. Door panels, end and sides, 3/4" sanded plywood handy panels, good one side or better; exterior grade.
- b. Top and floor, 1/2" sanded plywood panels, good one side or better, exterior grade
- c. Framing and center strip for hinges, 2" x 4"
- d. Strips for hinges, 1" x 4"
- e. Front edge of floor finished with 3/4" plywood strip
- f. Floor shall sit firmly upon treated 2" x 4" boards
- g. Concrete wheel stop 30" from curb shelf

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Carport Regulations - Mutual Eight****NOTES:**

1. Lower cabinet will vary from 46 1/2" TO 48" in height. Build accordingly.
2. Lower cabinet front must be flush with existing concrete curb shelf.
3. Block all areas between upper and lower cabinet to prevent rodent intrusion.
4. Install 4' long standard size wheel stop and secure with two 5/8" Zinc plated Hex head bolts and Zinc plated Fender washers, use appropriate concrete anchors. (Solid plastic stops are preferable) Adjust distance for specific vehicle.

MATERIALS:

1. HASP = Masterlock No. 704DPF - Big Paint Store - \$6.50 ea.
2. HINGES = Stanley, SKU-218272 Heavy Duty Gate Hinge - Hardware Source - \$2.49 ea.
3. Use quality 3/4" exterior plywood on front, doors and sides with the same or better finish as the top cabinets and caulk where needed.
4. Prime and paint all visible surfaces, inside and out.
5. All lumber, including plywood, must be treated for insects and rot.

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Carport Regulations - Mutual Eight****F. Secondary Carport Sliding Bypass Sliding Doors**

This has been developed in an effort to improve the appearance of the community and enhance property values by providing for and making uniform the appearance of secondary (lower) sliding doors.

1. Shareholders are permitted to have secondary carport storage areas behind sliding bypass doors beneath their existing cabinet at the shareholder's expense, with the approval of the Mutual Eight Board of Directors and the Building Inspector and obtaining the appropriate permit from the Physical Property Department before the sliding bypass doors are installed. If bypass sliding doors are installed without permit or not in conformity with this standard design and specified materials, the doors and hardware shall be removed at the expense of the shareholder.
2. Shareholders shall meet the standard design contained in this regulation.
3. The dimensions of the lower sliding bypass doors must conform to and align with the length of the upper cabinet and the centerline of the two sets of doors shall align with the center post of the upper cabinet doors. (Note: This is not the true center of the cabinet because the upper doors are offset.)
4. Exterior paint must match the existing, standard upper cabinet.
5. The shareholder is responsible for maintaining and repairing any damage to his/her carport's sliding bypass doors.
6. Sliding bypass doors are a non-standard addition. If a subsequent owner does not want the secondary storage unit, the seller must remove the secondary unit and restore the area to original condition at seller's (shareholder's) expense.
7. Due to the vulnerability to damage from vehicles being parked in front of the secondary sliding bypass doors, no electricity will be installed inside the space under the upper cabinets. Any electrical charging station allowed by California Civil Code Section 4745, as may be amended from time-to-time, shall be contained in the upper cabinet or elsewhere as may be practical and permitted by law and applicable codes in effect.
8. Installation of secondary sliding bypass doors shall not exempt the shareholder from the requirement that vehicles parked in the carport stall shall not extend beyond the drip line of the roof and gutters.
9. Installation of secondary sliding bypass doors replaces the shareholder's permission to store a bicycle or tricycle, folding cart, hand cart, and ladder or large container outside of the standard cabinets.

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Carport Regulations - Mutual Eight**

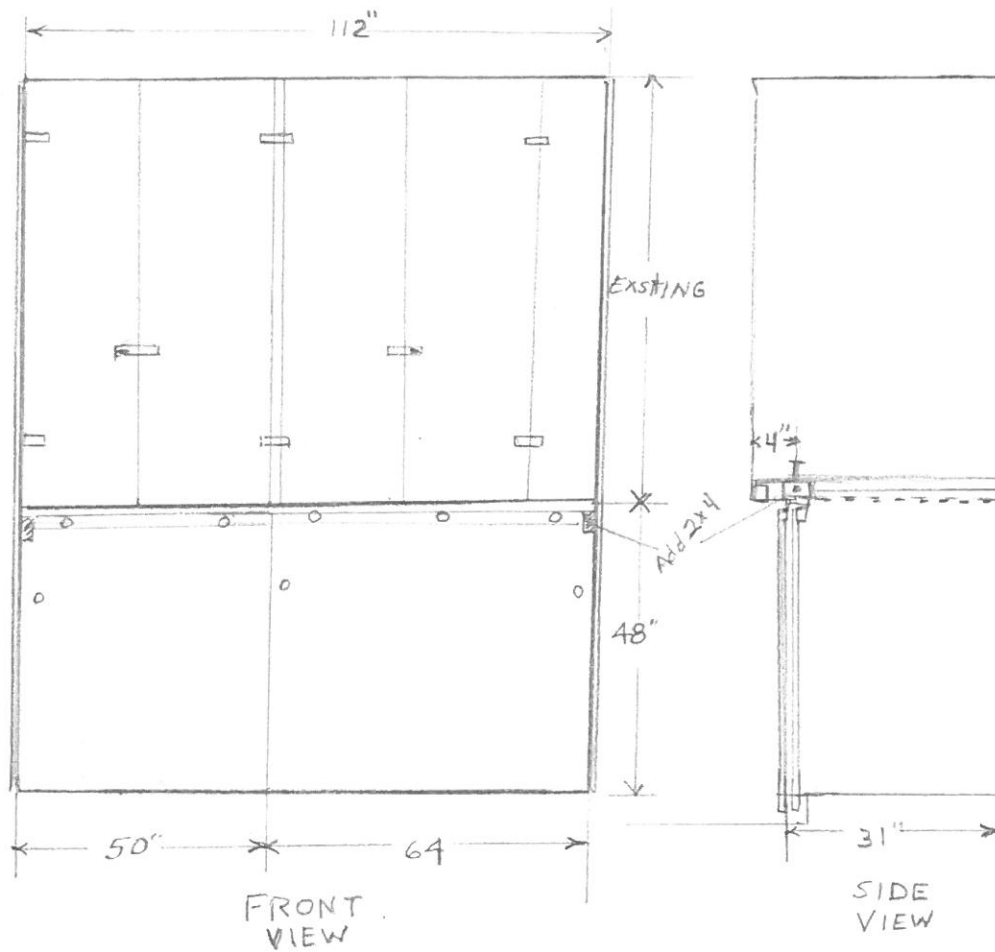
10. Only wood treated for insects and rot and purchased through the Service Maintenance Department, or, treated for insects and rot by an approved contractor with the wood treatment being approved by the Building Inspector may be used.

Materials:

- a. Door panels, end and sides, $\frac{3}{4}$ " sanded plywood handy panels, good one side or better, exterior grade.
Sliding door (1) 48" x 65"
Sliding door (2) 48" x 50"
Sides (2) 28 $\frac{3}{4}$ " x 48"
Framework 2" x 4" x 112"
- b. Concrete wheel stop approximately 30" from curb shelf. Exact measurement shall be determined by the individual vehicle to be parked in the space. Curb may be waived with Physical Property Committee's written permission.
- c. Overhead bypass frame, rail, and hanging hardware shall be of sufficient strength and design to support the weight of the doors.
- d. 2" x 4" framework shall be of cedar or treated wood.

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Carport Regulations - Mutual Eight**

Install 2X4s under top cabinet about 3" back from floor of upper cabinet,
between existing 2X4's from which to hang door hardware.

**POLICY ADOPTION**

EIGHT: 02-25-80

AMENDMENTS

09-23-90, 09-24-01, 10-27-03, 03-22-04, 11-22-04,
01-22-07, 11-24-08, 02-23-15, 7-25-2016

(Feb 15)