

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL EIGHT
September 26, 2016**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Eight was called to order by President Thompson at 1:31 p.m. on Monday, September 26, 2016, in the Administration Building Conference Room A.

ROLL CALL

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

Guests: Thirteen Mutual Eight shareholders

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

INTRODUCTION

President Thompson welcomed the staff and guests to the meeting.

MINUTES

President Thompson asked if there were any corrections to the August 22, 2016, 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 1:55 p.m.

UNFINISHED BUSINESS

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

RESOLVED, To accept the bid proposal between Mutual Eight and John's Landscape Service for 29 buildings and 348 units, including Exhibit A (General Specifications for Landscape Maintenance Services) for Mutual Eight for three (3) years, 2016 to 2019.

The MOTION passed.

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

RESOLVED, That a priority for Mutual Eight will be to install FireStops or a set of four (4) cooktop SmartBurners, whichever is applicable, on/to all shareholders' cooktops in 2017, 2018, and 2019. Some units may require an additional smoke alarm in the kitchen area for FireStops to function as designed. These devices or a substitute will be installed in all of our units at no cost to the shareholders.

The MOTION passed.

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

UNFINISHED BUSINESS (continued)

RESOLVED, To ratify adopted/posted Policy
7403.G.8 – Skylights & Sola Tubes.

The MOTION passed.

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

RESOLVED, To adopt the Code of Conduct for the Board of Directors and members of Mutual Eight with the following additions:

- a. Page 2, Professional Conduct – Article V – Interaction with employees:
 - President of the Board shall serve as liaison between the Board and ...strike the word – principal principal
- b. Page 1, Board Responsibilities – general duties are to enforce the associations governing documents (Article V of the Mutual Eight By-Laws and Section 309 of the California Corporations Code) 3.8
- c. Page 3, Professional Conduct – Article 5 – at the last sentence add “subject to the performance of their duties as set forth in Article V of the Mutual Eight By-Laws and the California Corporations Code, section 309.”

Following further discussion, the MOTION was withdrawn and action was postponed for further discussion.

UNFINISHED BUSINESS (continued)

President Thompson asked for a motion to ratify Policy 7502.8 – Carport Policy. Upon a MOTION duly made by Director Winslow and seconded by Secretary Curtin, it was

RESOLVED, To ratify amended/posted Policy
7502.8 – Carport Policy.

The MOTION passed.

President Thompson called a break at 2:50 p.m. to 3:00 p.m.

President Thompson adjourned the meeting to go into Executive Session to meet with the Mutual attorney on legal matters at 3:00 p.m.

Following the Executive Session where legal issues were discussed, the Regular Meeting was reconvened at 3:53 p.m.

UNFINISHED BUSINESS (continued)

The Board members discussed Policy 7406.8 – Exclusive Private Use of Common Property by Shareholders. It was the consensus of the Board members to postpone action to further amend the policy.

The Board members discussed Policy 7701 – Personal Property Insurance. It was the consensus of the Board members to postpone action for further study and amending.

Vice President/CFO Berg discussed the proposed Mutual Eight 2017 budget. At the October 24 Board Meeting, a presentation of the proposed 2017 budget will be given.

NEW BUSINESS

President Thompson asked for a motion to adopt Policy 7575.8 – Laundry Room Use (attached). Upon a MOTION duly made by Director Kline and seconded by President Thompson, it was

RESOLVED, To adopt Policy 7575.8 – Laundry Room Use on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

(Recording Secretary Day left the meeting at 4:15 p.m.)

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

RESOLVED, To approve the painting of the transformer plates, not to exceed \$3,000.

The MOTION passed.

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

RESOLVED, That effective immediately, Mutual Eight requires a GRF Building Permit for the removal and/or installation of all interior and exterior flooring in units. Also, required is the presence of a contract between all interested parties. The vendor(s) who will be doing the work shall be approved by the GRF Physical Property Department.

The MOTION passed.

GRF REPRESENTATIVE

GRF Representative McGuigan updated the Mutual on GRF activity.

MUTUAL ADMINISTRATION DIRECTOR

Ms. Hopkins discussed Mutual Administration activity.

DIRECTORS COMMENTS

Several Directors made comments.

ADJOURNMENT

There being no further business to conduct, President Thompson adjourned the meeting at 4:23 p.m.

Attest, Dan Curtin, Secretary
SEAL BEACH MUTUAL EIGHT

cd:9/29/16

Attachments

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

NEXT MEETING: MONDAY, OCTOBER 24, 2016

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 SEPTEMBER 26, 2016

09/26/16 RESOLVED, To accept the bid proposal between Mutual Eight and John's Landscape Service for 29 buildings and 348 units, including Exhibit A (General Specifications for Landscape Maintenance Services) for Mutual Eight for three (3) years, 2016 to 2019.

RESOLVED, That a priority for Mutual Eight will be to install FireStops or a set of four (4) cooktop SmartBurners, whichever is applicable, on/to all shareholders' cooktops in 2017, 2018, and 2019. Some units may require an additional smoke alarm in the kitchen area for FireStops to function as designed. These devices or a substitute will be installed in all of our units at no cost to the shareholders.

RESOLVED, To ratify adopted/posted Policy 7403.G.8 – Skylights & Sola Tubes.

RESOLVED, To ratify amended/posted Policy 7502.8 – Carport Policy.

RESOLVED, To adopt Policy 7575.8 – Laundry Room Use on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To approve the painting of the transformer plates, not to exceed \$3,000.

RESOLVED, That effective immediately, Mutual Eight requires a GRF Building Permit for the removal and/or installation of all interior and exterior flooring in units. Also, required is the presence of a contract between all interested parties. The vendor(s) who will be doing the work shall be approved by the GRF Physical Property Department.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (08) EIGHT

MUTUAL: (08) EIGHT

MUTUAL BOARD MEETING DATE: September 26, 2016

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
202E	washer/dryer, flush beam	yes	05/25/16	09/30/16	no	drywall	Mamuscia Construction
192B	heat pump	yes	06/13/16	08/30/16	no	final	Greenwood
196A	heat pump	yes	07/14/16	09/10/16	no		Alpine A/C
187C	heat pump	yes	07/12/16	08/21/16	no		Alpine A/C
196H	central air	yes	07/12/16	10/05/16	no		Greenwood
181C	heat pump	yes	07/28/16	09/15/16	no	final	Alpine A/C
186I	windows, slider	yes	08/04/16	10/01/16	no		California Energy

[illegible]

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

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (08) EIGHT

INSPECTOR: George Hurtado

MUTUAL BOARD MEETING DATE: September 26, 2016

CONTRACTS	
CONTRACTOR	PROJECT
Hutton Painting	Mutual wood trim 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
Jurado Construction	PVC partitions @ Edison vaults
Advance Painting	paint for diamond plate vault covers

SPECIAL PROJECTS	
CONTRACTOR	PROJECT
Hutton Painting	Mutual wood trim project (touch ups)
Jurado Construction	PVC partitions @ Edison transformers
Advance Painting	paint for diamond plate vault covers

APARTMENT VISITS	
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- 192B checked stovetop and oven
- 194A checked stovetop and countertop
- 197K checked stovetop
- 178J checked floor issue
- 195K work order to grind trip hazard
- 181I checked sink, refer, outlets
- 202G checked entry walkway - slippery
- 199G checked termites on porch
- 198D checked refer

CFO Report: 9/26/16

2017 Budget: The Board is scheduled to approve the 2017 budget at the October meeting. The off-site review by the Reserve Specialist recommended a 19,000 – 25,000 increase in the reserve contributions to bring the reserves to a fully funded level. This would amount to a 4.54 - 5.98/month increase per unit. However, reserve increases were also included in the draft budget and we're assessing to see if this recommendation was offset by those increases.

Additionally, the proposed new contract for landscaping was submitted for 116,398.80 for 2017 and 2018 with 122,218.68 for year 3, 2019. The draft budget was developed by increasing this year's cost by 2.5% from 110,856 to 113,627. That, of course, means the 2017 budget is 2,771/month short. We will need to raise the assessment by .66 to meet this deficit. I did not receive an estimate on landscape extras so I added 10,000 to the 2016 budget.

Most operating expense categories were increased by either 2.5 or 5.0%.

Additionally, reductions in laundry fees resulted in less income and a potential reduction in encroachment fees will result in a lower income.

Financial Analysis: The Income and expenditures of the Mutual appear to be reasonable for the month of August, 2016 and the year-to-date budget. See Overview and Recap of the Financial Statement. Water expenses and structural repairs were elevated and bills came in for roofing repairs that were expected. Otherwise, all was within budget.

Ruth G. Mullins Berg, PhD, RN, CPNP

562-936-1274; rgmullins@sprintmail.com

Financial Overview

Income

Month (Aug. 31, 2016)

This Month

Year-to-date

Total current income & contributions to capital

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

Actual
112,058

Budget
112,675

Actual
900,877

Budget
901,400

Variance: (617)

Variance: (523)

Excess income after off-budget items: (17,567)

Expenses

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

Actual
104,799

Budget
112,673

Actual
882,110

Budget
901,384

Variance: 7,874

Variance: 19,274

Annual unused budget: 469,994

Restricted Reserves

Appliance Reserve: 37,197

Painting Reserve: 4,820

Roofing Reserve: 1,609,549 Total: 1,876,509

Emergency Reserve: 62,799

Infrastructure Reserve: 162,142

Total Net Worth & Liabilities: 3,976,527

Investment Account Activity

Market value: + *Accrued income*

1,246,748

Income This Period: 7,537

Year-to-date: 36,485

Estimated annual income: 53,322

Bond matured : 65,000

(Victor Valley; Calif. Health)

Bond Purchased: (59,940)

(Oakland Univ. Sd)

1008 Seal Beach Mutual No. Eight
Financial Statement Recap
08/31/2016

Page: 1

P.O. Box 2069
Seal Beach CA 90740

Aug Actual	Aug Budget		2016 Y-T-D Actual	2016 Y-T-D Budget
80,973	80,973	Carrying Charges	647,784	647,784
26,699	26,698	Reserve Funding	213,589	213,584
107,671	107,671	Total Regular Assessments	861,373	861,368
1,468	1,500	Service Income	9,126	12,000
1,630	1,507	Financial Income	11,429	12,056
1,289	1,997	Other Income	18,950	15,976
4,387	5,004	Total Other Income	39,505	40,032
112,058	112,675	Total Mutual Income	900,877	901,400
50,164	50,164	GRF Trust Maintenance Fee	401,312	401,312
8,856	8,613	Utilities	61,049	68,904
617	1,124	Professional Fees	5,448	8,992
9,592	18,763	Outside Services	130,249	150,104
8,871	7,311	Taxes & Insurance	70,463	58,488
26,699	26,698	Contributions to Reserves	213,589	213,584
104,799	112,673	Total Expenses Before Off-Budget	882,110	901,384
7,260	2	Excess Inc/(Exp) Before Off-Budget	18,767	16
148	0	Depreciation Expense	1,184	0
7,112	2	Excess Inc/(Exp) After Off-Budget	17,583	16
		Restricted Reserves		
2,817	0	Appliance Reserve Equity	37,197	0
1,800	0	Painting Reserve	4,821	0
680	0	Roofing Reserve	1,609,550	0
696	0	Emergency Reserve Equity	62,799	0
7,696	0	Infrastructure Reserve	162,142	0
13,690	0	Total Restricted Reserves	1,876,509	0

MUTUAL OPERATIONS**ADOPTION DRAFT POLICY****RESIDENT SHAREHOLDER REGULATIONS****Laundry Room Use – Mutual Eight**

Laundry Room facilities are an important part of living in Leisure World. Our ability to provide and maintain a standard of living as aided by laundry room facilities is a basic service in Mutual 8. Therefore, keeping the rooms clean and functional is part of our daily living. Bulletin boards in laundry rooms provide a critical role in our governing structure as well.

1. Laundry room facilities are available for use solely by residents **shareholders/qualified resident** of their respective Mutual only. The only exception to this is that a caregiver may use the laundry room facilities to do a resident's **shareholder's/qualified resident's** laundry.
 - a. Residents **Shareholders/qualified residents** must oversee and instruct the caregivers when the resident's **shareholder's/qualified resident's** laundry is being done.
 - b. Part-time caregivers may not wash their own laundry in the Mutual's laundry room.
 - c. Live-in caregivers may wash their own laundry in the Mutual's laundry rooms (**See Policy 7557.8 – Caregivers**).
2. Residents **Shareholders/qualified residents** are responsible for any damage to the laundry room facilities when they or their caregiver is doing the resident's **shareholder's/qualified resident's** laundry.
3. Laundry room facilities are available for use between the hours of 7 a.m. and 9 p.m. only. (~~Mutual Ten Only: Use between the hours posted on the doors.~~)
4. Washers or dryers must be loaded properly, i.e. maintain the proper amount of items in the machines so as not to overload the machines. Improper loading may cause damage to the machines due to being unbalanced.
 - a. If there is uncertainty about the load, stay with the machine to ensure that the load is properly balanced. If necessary, rearrange the load in the machine.
5. Read all labels for laundry products to ensure that the product type is correct and the amount is appropriate.
 - a. ~~Front-loading washers generally require about half the amount needed for a top-loading washer.~~
6. For front-loading washers, wait until the cycle is completed and the light has gone out **before** opening the machine door. Expensive damage can occur to the machine, which will