

# AGENDA

## SPECIAL MEETING OF THE BOARD OF DIRECTORS SEAL BEACH MUTUAL EIGHT

Tuesday, November 8, 2016, at 1:30 p.m.

CALL TO ORDER

ROLL CALL

### UNFINISHED BUSINESS

1. Discuss/adopt Policy 7575.8 – Laundry Room Use (2<sup>nd</sup> reading)
2. Discuss/adopt Policy 7403.1.8 – Building Alterations and Additions
3. Discuss/adopt Code of Conduct
4. Policy 7403.8 – Building Permits and Signatures
5. Policy 7406.8 – Exclusive Private Use of Common Property Encroachment

### NEW BUSINESS

1. December Regular Board Meeting rescheduled to Tuesday, December 27, 2016, at 9:30 a.m., due to the Holiday Season
2. GRF proposed policies: Pickup trucks/Commercial Vehicles on Trust streets
3. GRF staffing for Recording Secretary until Board of Directors Meetings are over
4. John's Landscaping: Spraying for weeds, spot treat clover, Dallis grass and Crab grass, and approval for less than \$400, materials only (labor in contract)

ADJOURNMENT

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** 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** laundry.
  - a. Residents **Shareholders** must oversee and instruct the caregivers when the resident's **shareholder'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.
2. Residents **Shareholders** are responsible for any damage to the laundry room facilities when they or their caregiver is doing the resident's **shareholder'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 be the responsibility of the resident **shareholder**, if the door is forced open before the cycle is completed.

(Draft created on 8-29-16 jl)

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

7. Laundry room facilities are to be used for washing and/or drying only. Clothing or fabrics may not be dyed or tinted in the washers or dried in the dryers.
8. Any clothing or fabric that has been cleaned in a flammable liquid may not be washed in the washers or dried in the dryers.
9. The following items may not be washed in the washers or dried in the dryers: rubber- or plastic-backed mats, rugs or runners, sneakers, fiberglass curtains, sleeping bags, heavy blankets, quilts, comforters, or car covers.
  - a. Hand-washed clothing or other items may not be placed in the dryers due to the excess amount of water contained in them. Use the exterior clothesline for hand-washed items, if desired.
10. Clothing or other items with metal buttons, clips, etc. must be placed in a small cloth bag or pinned inside a pillowcase before being placed in the dryer.
11. Clothing or other items may not be hung on ~~resident's~~ **shareholder's** patio.
12. Clothing or other items that have not been removed from a dryer within 30 minutes of completion may be removed from the dryer by the next person waiting to use the machine.
13. When a washer or dryer is "out of order," notify the Director in charge of that laundry room **or Service Maintenance**. Directors' names are posted in each laundry room. If the Director is unavailable, call Service Maintenance.
14. The trash containers in the laundry rooms are for lint and dryer sheets only. Detergent containers, bleach or softener bottles, or other trash must be disposed of in another location.
15. Clean the dryer filter after each use, and dispose of lint in the trash containers.
16. Help keep the laundry rooms clean.

**MUTUAL ADOPTION****AMENDMENT****EIGHT: \*Date ratified\***

**MUTUAL OPERATIONS****AMENDMENT 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****AMENDMENT 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 incompleteness of the work.

**MUTUAL ADOPTION**

EIGHT: 02-23-15

**AMENDMENTS****\*Ratified Date\***

## **CODE OF CONDUCT FOR DIRECTORS OF MUTUAL 8**

The Board of Directors has adopted the following ethics policy for its board members. This policy is intended to provide guidance with ethical issues and a mechanism for addressing unethical conduct.

### **BOARD RESPONSIBILITIES**

The general duties for directors are to enforce the association's governing documents, collect and preserve the association's financial resources, insure the association's assets against loss, and keep the common areas in a state of good repair. To fulfill that responsibility, directors must:

- regularly attend board meetings,
- review material provided in preparation for board meetings,
- review the association's financial reports,
- make reasonable inquiry before making decisions, and
- respond to member inquiries

### **A. PROFESSIONAL CONDUCT**

In general, directors must conduct all dealings with vendors and employees with honesty and fairness, and safeguard information that belongs to the association.

1. Private Gain. Self-dealing occurs when directors make decisions that materially benefit themselves or their relatives at the expense of the association. "Relatives" include a person's spouse, parents, siblings, children, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone who shares the person's residence. Benefits include money, privileges, special benefits, gifts or other item of value. Accordingly, no director may:

- solicit or receive any compensation from the association for serving on the board,
- make promises to vendors unless with prior approval from the board,
- solicit or receive, any gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves or their relatives from a person or company who is seeking a business or financial relationship with the association.

- seek preferential treatment for themselves or their relatives,
- use association property, services, equipment or business for the gain or benefit of themselves or their relatives, except as is provided for all members of the association.

2. Confidential Information. Directors are responsible for protecting the association's confidential information. As such, they may not use confidential information for the benefit of themselves or their relatives. Except when disclosure is duly authorized or legally mandated, no director may disclose confidential information. Confidential information includes, without limitation:

- private personal information of fellow directors, private personnel information of the association's employees,
- disciplinary actions against members of the association,
- assessment collection information against members of the association, and
- legal disputes in which the association is or may be involved—directors may not discuss such matter with persons not on the board without the prior approval of the association's general counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and loss of confidential information.

3. Accuracy of Information. Directors may not knowingly misrepresent facts. All association data, records and reports must be accurate and truthful and prepared in a proper manner.

4. Interaction with Employees. To ensure efficient management operations, avoid conflicting instructions from the board to management and avoid potential liability, directors shall observe the following guidelines:

- The president of the board shall serve as liaison between the board and management and provide direction on day to day matters.
- Except for the president, directors may not give direction to management, employees or vendors except when exercising the normal prescribed duties of the directors.
- Directors may not contact management after hours unless there is an emergency representing a threat of harm to persons or property.
- If directors are contacted by employees with complaints, the employees shall be instructed to contact management or the board as a whole.



- No director may threaten or retaliate against an employee who brings information to the board regarding improper actions of a director.
- Directors are prohibited from harassing or threatening employees, vendors, directors, and owners, whether verbally, physically or otherwise.

5. Professional Behavior. Directors are obligated to act with proper decorum. Although they may disagree with the opinions of others on the board, they must act with respect and dignity and not make personal attacks on others. Accordingly, directors must focus on issues, not personalities and conduct themselves with courtesy toward each other and toward employees, managing agents, vendors and members of the association. Directors shall act in accordance with board decisions and shall not act unilaterally or contrary to the board's decisions.

## **B. WHEN CONFLICT ARISE**

Situations may arise that are not expressly covered by this policy or where the proper course of action is unclear. Directors should immediately raise such situations with the board. If appropriate, the board will seek guidance from the association's legal counsel.

1. Disclosure & Recusal. Directors must immediately disclose the existence of any conflict of interest, whether their own or others. Directors must withdraw from participation in decisions in which they have a material interest.

2. Violations of Policy. Directors who violate the association's ethic's policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to immediate disciplinary action, including, but not limited to:

- censure,
- removal from committees,
- removal as an officer of the board,
- request for resignation from the board,
- recall by the membership, and
- legal proceedings

Prior to taking any of the actions described above, the board shall appoint an executive committee to investigate the violation. The committee shall review the evidence of violation, endeavor to meet with the director believed to be in violation, confer with the association's legal counsel, and present its findings and recommendations to the board for appropriate



action. The board shall endeavor to meet with the director in executive session prior to imposing disciplinary action against that person.

### **C. ACKNOWLEDGMENT**

I acknowledge that I have received and read the association's ethics policy and have had the opportunity to ask questions about the policy. I understand my obligations as a director under this policy and will act in accordance with my obligations.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print name: \_\_\_\_\_

Mutual 08

**MUTUAL OPERATIONS****PHYSICAL PROPERTY****CURRENT/ACTIVE POLICY FOR BOARD REVIEW****Building Permit Signatures**

Mutual \_\_\_\_\_ requires the signature of the Mutual Corporation's president or, in the absence of the president, the vice president, on any building permit, building plans, and change orders issued for apartment remodeling.

**Mutual Five Only (Effective 01-17-96)**

Mutual Five requires the signature of the Mutual Corporation's president or, in the absence of the president, any officer of the Board, on any building permit, building plan, or change orders issued for apartment remodeling.

**Mutual One Only (Effective 09-22-16)**

Mutual One requires the signature of the Mutual Corporation's president or, in the absence of the president, the Vice President, or Physical Properties Director on any building permit, building plan, or change orders issued for apartment remodeling.

**Mutual Seven Only (Effective 08-19-15)**

Mutual Seven requires the signature of the Mutual Corporation's president or the Physical Property Director, on any building permit, building plans, and change orders issued for apartment remodeling.

**MUTUAL ADOPTION****AMENDED****RESCINDED**

ONE:	03-27-03	02-23-06, 09-22-16
TWO:	07-19-90	
THREE:	07-13-90	
FOUR:	08-06-90	
FIVE:	09-20-95	09-22-92, 01-17-96
SIX:	07-27-90	07-23-96
SEVEN:	07-20-90	08-19-15
<b>EIGHT:</b>	<b>07-23-90</b>	
NINE:		
TEN:	07-26-90	
ELEVEN:		
TWELVE:		
FOURTEEN:	07-27-90	
FIFTEEN:	07-16-90	
SIXTEEN:		
SEVENTEEN:		

**MUTUAL OPERATIONS****ADOPTION DRAFT POLICY****PHYSICAL PROPERTY****Exclusive Private Use of Common Property by Shareholders – Mutual Eight**

**The purpose of this policy is to improve the aesthetics of the shareholders' units and of Mutual Eight while maintaining the standards of Exclusive Private Use of Common Property for the entire Mutual. Patios, patio-like additions and other applications enjoy all the benefits of GRF Physical Property guidelines and regulations. The possibilities to enjoy indoor and outdoor living by each shareholder unit is an important value to the members of Mutual 8.**

Mutual ~~Six~~ **Eight** limits Exclusive Private Use of Common Area to the following terms and conditions:

## 1.Exemptions:

- A. One entry walkway not to exceed 48 inches in width (6-inch decorative ribbon allowed on each side for maximum width of 60 inches) from a public sidewalk, or as required by the Uniform Building Code.
- B. A garden area of up to 48 inches from the original apartment wall in front of and at the end of the apartment. Where a sidewalk or retaining wall is 72 inches or less from the original apartment wall, the shareholder may have all garden area or all grass.
- C. One pad for an air conditioner/heat pump installed within 36 inches of the original apartment wall, or as required by Uniform Building Code.
- D. One additional single door stoop up to 36 inches deep from original apartment wall, or as required by Uniform Building Code.
- E. Up to four bay windows with the outside wall no more than 20 inches deep from original apartment wall.
- F. Golf cart pad as approved by Mutual ~~Six~~ **Eight** Board of Directors.

## 2.Approvals:

- A. Any proposed exclusive private use of common area must be approved by the Mutual ~~Six~~ **Eight** Board and permitted by GRF under the following conditions:
  - i. A request describing the proposed exclusive use area must be made in writing to the Board via the GRF Physical Property Department supported by acceptable drawings, photos, and specifications meeting all Mutual, GRF, and city of Seal Beach requirements, setting out all specifics of the request, dimensions and the square footage needed in order for the Board to consider the request.
  - ii. ~~Request must set out all legal information identifying the shareholder, the location of the apartment, the specific location of the encroachment, and specific use/reason for the encroachment.~~

(Draft created on 8/29/16 jl)

MUTUAL OPERATIONS**ADOPTION DRAFT POLICY****PHYSICAL PROPERTY****Exclusive Private Use of Common Property by Shareholders – Mutual Eight**

- iii. As condition of approval, the shareholder must agree to Terms and Conditions of the Addendum to the Occupancy Agreement as set out in paragraph 3 below.

## 3.The Addendum to the Occupancy Agreement:

- A. The shareholder must complete and have an approved and signed Addendum (signed by both the shareholder and Board) ~~and,~~ which ~~has been~~ **must be** delivered to the Stock Transfer Department before any construction or removal begins.
- B. The Addendum shall provide the following information and/or agreements:
  - i. Terms and conditions of use;
  - ii. Amount of square footage;
  - iii. Agreement to provide liability insurance;
  - iv. The amount of the original assessment for Exclusive Private Use and the start date of such exclusive use;
- a. Calculation of Assessment: ~~the original monthly assessment will be the square footage requested times the square foot value assigned by the latest Orange County Tax Assessor valuation times 10 percent (10%) ROA divided by 12 months. All assessments for Exclusive Private Use may be recalculated starting on the first day of each new decade by the GRF Finance Department.~~ **If the application for Exclusive Private Use of Common Property indicates a patio size of less than forty square feet (40 sq. ft.) then the annual lease agreement will be \$30.00 per year. If the application of Exclusive Use is larger than forty square feet (40 sq. ft.) then the annual lease agreement will be \$60.00 per year.**
- b. Start Date: The start date is conditioned on an understanding that it may be delayed. Any changes or alterations will require Mutual Six **Eight** Board approval;
- a. **c.** An agreement to maintain the Exclusive Private Use area: If the Exclusive Private Use area is not maintained to exceed or match surrounding area, the Board may cancel the Exclusive Private Use approval and terminate the Addendum to the Occupancy Agreement and restore the area to match similar common area at the shareholder's expense.

**MUTUAL OPERATIONS****ADOPTION DRAFT POLICY****PHYSICAL PROPERTY****Exclusive Private Use of Common Property by Shareholders – Mutual Eight**

- v. Agreement that the encroachment must be removed at selling; shareholder's expense unless buying shareholder agrees to execute a new Addendum to the Occupancy Agreement assuming all liability.

**4.Existing Encroachments:****Alternative #1**

- A. Pre-January 22, 2007, Encroachments:** Any encroachment added before January 22, 2007, (the original date of this policy) or previously permitted by GRF will be allowed to remain until there is a sale, request for alteration, or transfer of stock. On resale, a request for alteration, or transfer, the shareholder must remove the encroachment, restoring the common area to a condition as good as similar common area as determined by the Mutual Eight Board, or the shareholder or new shareholder must enter into a Board approved Addendum to the Occupancy Agreement for Exclusive Private Use of the common area at issue under the terms and conditions set out in paragraph 3 above.
- B. Post-January 22, 2007, Encroachments:** The shareholder must remove any encroachment added without a permit from GRF or approval of the Mutual Eight Board after January 22, 2007 (original date of this policy), within 90 days of notification of the violation by the Mutual Eight Board of Directors or GRF (management company). In the event the encroachment was not approved by the Mutual Eight Board or permitted by GRF, the shareholder may agree to execute, with Mutual Eight's Board approval, an Addendum to the Occupancy Agreement under the terms and conditions set out in paragraph 3 above. In all cases, on resale, requests for alteration, or transfers, the shareholder must remove the encroachment, restoring the common area to a condition as good as similar common area as determined by the Mutual Eight Board, or the shareholder or new shareholder must enter into a Board-approved Addendum to the Occupancy Agreement for Exclusive Private Use of the common area at issue.

**Alternative #2**

Any encroachment added before the original date of this policy or previously permitted by GRF will be allowed to remain until there is a sale, request for alteration, or transfer of stock. On resale, a request for alteration, or transfer, the shareholder must remove the encroachment, restoring the common area to a condition as good as similar common area as determined by the Mutual ~~Six~~ **Eight** Board, or the shareholder or new shareholder must enter into a Board-approved Addendum to the Occupancy Agreement for Exclusive Private Use of the common area at issue under the terms and conditions set out in paragraph 3 above.

(Draft created on 8/29/16 jl)



**MUTUAL OPERATIONS****ADOPTION DRAFT POLICY****PHYSICAL PROPERTY****Exclusive Private Use of Common Property by Shareholders – Mutual Eight****5. Encroachments:**

The following is a non-exclusive list of common area encroachments: expanded garden areas, extra doorway stoops, extra walkways, patios or patio-like areas, extra wide entry walkways, and any other unapproved use of common area.

**MUTUAL ADOPTION****AMENDMENTS**

EIGHT: