

**A G E N D A**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL EIGHT**  
**August 28, 2017 1:30 p.m.**  
**Administration Building, Conference Room A**

CALL TO ORDER

SHAREHOLDER COMMENTS – (2 minute limit per shareholder)

ROLL CALL

INTRODUCTION OF GUESTS AND STAFF:

Mr. McGuigan, GRF Representative  
Ms. Hopkins, Mutual Administration Director  
Mr. Hurtado, Building Inspector  
Mrs. Aquino, Recording Secretary

APPROVAL OF MINUTES: **Regular Meeting of July 24, 2017**

BUILDING INSPECTOR'S REPORT

Mr. Hurtado

UNFINISHED BUSINESS

- a. Resolution to sign Mr. C's Towing Agreement (**pages 3-8**)
- b. Resolution regarding Notice of Intent to Withdraw (**page 9**)
- c. Resolution regarding Property Tax Postponement Application (**page 10**)
- d. Resolution regarding copy of various Mutuals monthly minutes (**page 11**)
- e. Resolution to maintain Policy 7510 and the Stock Transfer Office (**page 12**)
- f. Ratify rescinded/posted Policies: 7301 – Audit Expenses, 7302 – Capital Accounts, 7320 – Patronage Refunds, 7332 – Billings to Mutuals, 7334 – Investment Records, 7337 – Financial Reports, and 7340 – Account Receivables (**pages 13-19**)
- g. Ratify amended/posted Policy 7505.08 – Maintenance Responsibility (**pages 20-21**)
- h. Ratify amended/posted Policy 7020.08 – Approval of Escrows (**page 22**)
- i. Ratify amended/posted Policy 7510.08 – Eligibility Requirements (**pages 23-25**)
- j. Report /update on Carport 102

NEW BUSINESS

- a. Approval to purchase spare washer/dryer
- b. Discussion – Operating Budget
- c. Discussion – Reserve Budgets: add a new Reserve titled Trees (limited initial funding for three years to start)
- d. Discussion//Resolution – Emergency Information
- e. Adopt Policy 7558.08 – Building Captain Policy (**pages 26-28**)
- f. Discussion Policy 7411 – New Plan Concepts and Changes (**pages 29**)
- g. Discussion – Change of Meeting time (not day) for BOD/Staff
- h. Physical Property – Emergency request for sidewalk repair

**STAFF SECRETARY BREAK (TIME TO BE DETERMINED BY PRESIDENT)**

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins

GRF REPRESENTATIVE'S REPORT

Mr. McGuigan

CHIEF FINANCIAL OFFICER'S REPORT

Mrs. Berg

DIRECTOR(S') COMMENTS

ANNOUNCEMENTS:

SHAREHOLDER COMMENTS – (2 minute limit per shareholder)

ADJOURNMENT

EXECUTIVE SESSION (member issues, legal)

**STAFF SECRETARY WILL LEAVE THE MEETING BY 4:10 p.m.**

**NEXT MEETING: September 25, 2017 at 1:30 p.m.  
Administration Building, Conference Room A**

**In order to view the Minutes, Agendas, etc., for Mutual 8, please follow these directions:**

1. Go to LWSB website at: <http://www.lwsb.com>
2. Go across the black bar at the top of the webpage to the category called "Mutuals"
3. Scroll down to Mutual 8, click on Mutual 8
4. You are now on the website for MU 8

**You will see Minutes at the top and in the bottom also. Click on Minutes or what you want to view.**



## PRIVATE PROPERTY TOW SERVICES AGREEMENT

<b>AGREEMENT DATE:</b>		<b>EFFECTIVE DATE:</b>	
<b>CUSTOMER:</b>	Mutual Eight Corporation		
<b>PROPERTY:</b>	Mutual Eight		
<b>TYPE OF PROPERTY:</b>	<input type="checkbox"/> Residential	<input type="checkbox"/> Commercial	<input type="checkbox"/> Retail
	<input type="checkbox"/> HOA		

This agreement by and between the Towing Company (named below) and Customer (named above) shall serve as authorization to serve the Property named above in accordance with the requirements of California Vehicle Code Section 22658 (CVC 22658) "Removal From Private Property" upon the specific written authorization of Customer, except for Section 22658(1)(1)(E), for which this agreement may serve as the general authorization.

The Towing Company agrees to respond to the Property within a reasonable period of time when requested by Customer for the purposes of removing any vehicle(s) that are not in compliance with the property or business regulations as determined by Customer and communicated to the Towing Company in the written authorization provided by Customer under CVC 22658(1).

The Towing Company will, as prescribed by law, promptly report all impounded vehicles to the appropriate law enforcement agency and will perform all operations within the guidelines set forth in CVC 22658.

The Towing Company agrees that their employees will act and conduct themselves in a professional, workman-like manner on and off the above Property. This agreement is for a period of one (1) year commencing on the Effective Date noted above and shall automatically renew annually, unless terminated in writing upon 30-days written notice by either party.

### ACCEPTED

<b>Customer:</b>	Mutual Eight Corporation	<b>Tow Company:</b>	Mr. C's Towing
<b>Signed:</b>		<b>Signed:</b>	
<b>Print Name:</b>	Camille Thompson	<b>Print Name:</b>	
<b>Title:</b>	Mutual Eight Board President	<b>Title:</b>	
<b>Date:</b>		<b>Date:</b>	



# ACCOUNT INFORMATION

☐ Original ☐ Updated \_\_\_\_\_

<b>Property/Complex Name:</b>	Mutual Eight Corporation	
<b>Property Address:</b>	13531 St. Andrews Drive	
<b>City/Zip:</b>	Seal Beach / 90740	
<b>Cross Streets:</b>		
<b>Mailing Address:</b>	PO Box 2069, Seal Beach, CA 90740	
<b>Property Management Co.</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>If Yes, Name, Address &amp; Phone:</b>	Golden Rain Foundation, PO Box 2069, Seal Beach, CA 90740 (562) 431-6586, Ext. 377	
<b>MANAGER</b>	<b>ASSISTANT MANAGER</b>	<b>ON-SITE CONTACT</b>
Executive Director	Mutual Administration Manager	Security Services Director
Phone: 562-431-6586	Phone: 562-431-6586	Phone: 562-594-4754
Fax: 714-851-1251	Fax: 714-851-1253	Fax: 562-431-8206
<b>Security Company:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>If Yes, Name, Address &amp; Phone:</b>	Internal Department of Property Management Company (562) 431-6586, Ext. 377	
<b>Persons Authorized to Sign for Vehicle Removals</b>  <b>(Two Board Members Must be Present)</b>	1.	Title: President
	2.	Title: Vice President
	3.	Title: CFO
	4.	Title: Secretary
	5.	Title: Director at Large
<b>PLEASE CHECK APPROPRIATE BOXES</b>		
<input checked="" type="checkbox"/> Fire Lane Removals	<input type="checkbox"/> Visitor Only Parking	<input checked="" type="checkbox"/> Posted "Tow-Away Zone"
<input checked="" type="checkbox"/> Ingress/Egress Interference	<input type="checkbox"/> Manager Parking Only	<input checked="" type="checkbox"/> Parking Permits
<input checked="" type="checkbox"/> Within 15' of Fire Hydrant	<input checked="" type="checkbox"/> Expired Tags	<input checked="" type="checkbox"/> Handicap Parking
<input type="checkbox"/> No Street Parking	<input type="checkbox"/> Tenants authorized to tow	<input checked="" type="checkbox"/> Blocking Carports
<input type="checkbox"/> Time Limit Parking	<input type="checkbox"/> Blocking Dumpster	<input checked="" type="checkbox"/> Double Parked
<input checked="" type="checkbox"/> Violation of Mutual Eight Policies on Mutual Eight Property, when directed by authorized Board Member; Policy 7502.08		
<input type="checkbox"/> Proof of residence required. Describe: Carport spaces assigned and vehicle is to display decal of registration with Security. Non-resident parking by permission of Mutual ____ on a case-by-case basis.		
<b>Local Rate Jurisdiction:</b>		
<b>Tow Rate:</b>	\$195.00	
<b>Storage Rate/Day:</b>	\$62.00	
<b>Other:</b>	Gate Fee: \$97.50 Drop Fee: \$97.50	

Mr. C's Towing  
10821 Bloomfield Street  
Los Alamitos, CA 90720  
(562) 594-9521

## PRIVATE PROPERTY TOW SERVICES AGREEMENT

Agreement Date:

Effective Date:

Mutual Eight Corporation (Customer)

Mutual Eight (Property)

### TYPE OF PRIVATE PROPERTY (Check One)

☐ Residential    ☐ Commercial    ☐ Retail    ☒ HOA/Common Interest Development

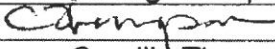
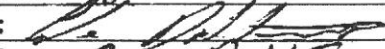
This agreement by and between Mr. C's Towing and Customer named above shall serve as authorization to service the Property named above in accordance with the requirements of California Vehicle Code Section 22658 (CVC 22658) "Removal From Private Property" upon the specific written authorization of Customer, except for Section 22658 (I) (1) (E), for which this agreement may serve as the general authorization.

Mr. C's Towing agrees to respond to the Property within a reasonable period of time when requested by Customer for the purposes of removing any vehicles that are not in compliance with the property or business regulations as determined by Customer and communicated to Mr. C's Towing in the written authorization provided by Customer under CVC 22658(I).

Mr. C's Towing will, as prescribed by law, promptly report all impounded vehicles to the appropriate law enforcement agency and will perform all operations within the guidelines set forth in CVC 22658.

Mr. C's Towing agrees that their employees will act and conduct themselves in a professional workmanlike manner on and off the above Property. This agreement is for a period of one (1) year commencing on the Effective Date noted above and shall automatically renew annually unless terminated in writing upon 30 days written notice by either party.

### Accepted:

Customer: Mutual Eight Corporation	Mr. C's Towing
Signed: 	Signed: 
Print Name: Camille Thompson	Print Name: Cote Dahlstrom
Title: Mutual Eight Board President	Title: Account Manager
Date: 8/22/16	Date: 9/30/16

PRIVATE PROPERTY TOW SERVICES AGREEMENT

## ACCOUNT INFORMATION FORM:

☐Original ☐Updated \_\_\_\_\_

<b>Property/Complex Name:</b> Mutual Eight Corporation		
<b>Property Address:</b> 13531 St. Andrews Drive		
<b>City:</b> Seal Beach, CA		<b>Zip:</b> 90740
<b>TG Map Grid:</b>		<b>Cross Streets:</b>
<b>Mailing Address (if different than above):</b> P.O. Box 2069 Seal Beach, CA 90740		
<b>Property Management Company</b> <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>If Yes, Name, Address &amp; Phone:</b> Golden Rain Foundation, P.O. Box 2069, Seal Beach, CA 90740		
<b>Manager Name</b> Executive Director	<b>Asst Manager Name</b> Mutual Administration Manager	<b>On-Site Contact Name</b> Security Chief
<b>Phone:</b> 562-431-6586	<b>Phone:</b> 562-431-6586	<b>Phone:</b> 562-431-6586
<b>Fax:</b>	<b>Fax:</b>	<b>Fax:</b>
<b>Email:</b>	<b>Email:</b>	<b>Email:</b>
<b>Security Company</b> <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>If Yes, Name, Address &amp; Phone:</b> Internal Department of Property Management Company (562) 431-6586 Ext# 377		
<b>Persons Authorized To Sign for Vehicle Removals</b>	1	<b>Two Board Directors Title: President</b>
	2	<b>must be present Title: Vice-President</b>
	3	<b>Title: CFO</b>
	4	<b>Title Secretary</b>
	5	<b>Title: Director at Large</b>

**Please Check Appropriate Boxes:**

<input checked="" type="checkbox"/> Fire Lane Removals	<input type="checkbox"/> Visitor Only Parking	<input checked="" type="checkbox"/> Mutual Policy 7502.xx
<input checked="" type="checkbox"/> Ingress/Egress Interference	<input type="checkbox"/> Mgr Only Parking	<input checked="" type="checkbox"/> Policy 1920
<input checked="" type="checkbox"/> Within 15' of Fire Hydrant	<input checked="" type="checkbox"/> Expired Tags	
<input checked="" type="checkbox"/> Parking Permits	<input type="checkbox"/> No Street Parking	
<input checked="" type="checkbox"/> Handicap Parking	<input type="checkbox"/> Tenants authorized to tow	
<input checked="" type="checkbox"/> Blocking Garages	<input type="checkbox"/> Time Limit Parking	
<input checked="" type="checkbox"/> Blocking Dumpster	<input type="checkbox"/> Proof of residence required – Describe:	
<input checked="" type="checkbox"/> Double Parked		

<b>Local Rate Jurisdiction:</b>	
<b>Tow Rate:</b>	\$185
<b>Storage Rate / Day:</b>	\$55
<b>Other:</b>	Gate Fee: \$92.50 Drop Fee: \$60

**UNFINISHED BUSINESS (continued)**

Following a discussion, it was the consensus of the Board to postpone SmartBurners until the next Board Meeting so that further research is can be done.

**UNFINISHED BUSINESS (continued)**

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

RESOLVED, To accept Mr. C's Towing Agreement in Mutual Eight.

The MOTION passed.

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

RESOLVED, To not give out Mutual Board contact information.

The MOTION passed.

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

RESOLVED, To adopt Policy 7403.G – Skylights & Sola Tubes until after the 30-day posting period has been completed.

The MOTION passed.



Towing:

RESOLVED, To approve Mr. C's Towing for towing of vehicles when there is a violation of Mutual policy, and two signatures of Board members are required with at least one of the signatures being that of an officer of the Board, effective 2017-2018.



## **INTENT TO WITHDRAW RESOLUTION**

RESOLVED, That Mutual \_\_\_\_\_ authorizes the Board's President and/or duly appointed Officer, to act on behalf of the Board, to execute the Notice of Intent to Withdraw, effective 2017-2018.

OR

RESOLVED, That any action in reference to the Notice to Withdraw for Mutual \_\_\_\_\_ requires the majority vote of the Board. Due to agenda posting requirements, a Shareholder/Member requesting the transfer of Stock will have to be informed no action can be taken until such Board action; this could take up to 30 days, effective 2017-2018.

Property Tax Postponement

MOTION:

RESOLVED, That Mutual \_\_\_\_\_ does not support or authorize the signing of the Property Tax Postponement Application from the State of California. The Mutual further authorizes the GRF Finance Department to notify the Board if a shareholder requests a Property Tax statement, effective 2017-2018.

## **MUTUAL AGENDAS**

MOTION:

RESOLVED, That Mutual \_\_\_\_\_ continue to receive one hard copy of the various Mutuals' monthly minutes in their MAIL BOX in the Stock Transfer Office, effective 2017-2018.

OR

RESOLVED, That Mutual \_\_\_\_\_ continue not receiving one hard copy of the various Mutuals' monthly minutes in their MAIL BOX in the Stock Transfer Office, effective 2017-2018.

MOTION:

RESOLVED, That according to Policy 7510.\_\_\_\_, if there is a question of financial eligibility, Mutual \_\_\_\_\_ is **NOT** to be contacted by the Stock Transfer Office in the event of a non-qualifying financial issue.



MUTUAL OPERATIONS**RESCIND MUTUAL EIGHT****ACCOUNTING AND FISCAL****Audit Expense – All Mutuals Except Five, Fifteen, Sixteen and Seventeen**

WHEREAS, in the past the audit expense has been charged to the year when the expense was billed and not for the year for which the audit was made

THEREFORE, BE IT RESOLVED that the audit expense be hereafter charged to the expenses for the year for which the audit was made. The audit expense for 1969 shall be charged to 1969 expenses.

**MUTUAL ADOPTION:****RESCIND**

ONE	04-30-70
TWO	04-16-70
THREE	04-20-70
FOUR	04-06-70
FIVE	04-03-70
SIX	04-24-70
SEVEN	05-15-70
EIGHT	04-09-70
NINE	05-20-70
TEN	03-30-70
ELEVEN	04-02-70
TWELVE	03-30-70
FOURTEEN	03-26-70
FIFTEEN:	04-02-70
SIXTEEN	04-09-70
SEVENTEEN	N/A

Rescinded 10-19-16

Rescinded 07-21-14  
Rescinded 02-07-2017

(Mar 17)

MUTUAL OPERATIONS**RESCIND MUTUAL EIGHT****ACCOUNTING AND FISCAL**Capital Accounts

Legal opinion from Attorney W. A. Williams in letter dated 28 Oct 70 to the Controller:

"One of the unfortunate aspects of each Mutual at Leisure World is the fact that it was set up as a general corporation in its inception. This, of course, requires it to be controlled by the general corporation laws for the State of California.

With respect first to dividends, it would be unlawful for the declaration of any kind of dividend out of these funds as, in my opinion, they constitute a paid-in surplus. Paid-in surpluses cannot be used for the payment of dividends except to shares entitled to preferential dividends. None of the shares in the Mutual Corporations qualify as shares entitled to preferential dividends. I would disagree with the position that the funds are available for patronage dividends. The only funds that I would view as available for patronage dividends are those funds paid in by the members as payments in excess of the budget and remaining at the end of the year. A liability can attach to the director and the shareholder receiving those payments if they are not authorized by law. California Corporation Code holds a liability of shareholders for receipt of an unauthorized dividend in Corporation Code 1510. Illegal declaration of dividends can constitute a misdemeanor in the State as set forth in the Penal Code for the State of California.

The only source of dividends that can be made is from earned surplus or out of net profits earned during the preceding accounting period which is not to be less than six months or more than one year. In this latter instance, such dividends can be declared despite the fact that the next assets of the corporation may be less than the stated capital unless there are liquidation preferences on some share, a problem which we do not have.

The fact that these funds, however, cannot be used for dividends does not prevent their use for proper corporate purposes, particularly the establishment of reserve accounts, and I see no reason why the funds cannot be used for reserve account needs or as you have indicated, by transfer within the capital accounts. However, these funds must be clearly designated in that the original stated capital must be set forth and the paid-in surplus must be also clearly identified. It cannot be shown as an earned surplus at any time. Actually, an earned surplus could occur if the payments of the resident exceed the budget requirement set forth at the beginning of the year.

The Board of Directors will have the power to take the necessary steps for transfer of capital funds so long as those steps are within the framework of the restrictions I have indicated."

(Oct 70)

**MUTUAL OPERATIONS****RESCIND MUTUAL EIGHT****ACCOUNTING AND FISCAL****Patronage Refunds****I. Legal Basis**

The Articles of Incorporation provide, under Article II for Mutuals 1 through 5, and Article III for Mutuals 6 through 16, that the Board of Directions may make refunds to stockholders as provided by the Bylaws and Occupancy Agreement. The Occupancy Agreement, under Article 3, provides that the corporation agrees that it will refund or credit to the member at the end of each fiscal year his proportionate share of such sums as have been collected in anticipation of expenses which are in excess of the amount needed for expense of all kinds, including reserves, in the discretion of the Board of Directors. The procedure recommended by FHA for such refund is stated in Section 2.

**II. Refund Procedure**

1. Mutual Boards should consider patronage refunds only at the close of a fiscal year.
2. A standard form of the resolution to be adopted by the Board is available for use.
3. The payment of any refund should be subject to two contingencies:
  - a. Completion of the audit, showing that the funds are available for payment.
  - b. The resolution, together with the statement of the auditors that the funds are available, should be submitted to FHA for approval prior to the payment of the refund.

**III. Suggestions**

Questions concerning the form to be used and the processing for FHA approval should be directed to the Executive Director.

Revised: 20 July 77

**RESCIND**

FIVE: 11-18-16

SIXTEEN: 02-07-17

(Jul 77)

**MUTUAL OPERATIONS****RESCIND MUTUAL EIGHT****ACCOUNTING AND FISCAL****Billings to Mutuals**

1. Billings to the Mutuals are generated by the Golden Rain Foundation. Any profit or loss is allocated back to the Mutuals at the year's end. There are basically three types of billings:
  - A. SROs or service repair orders issued by the Service Maintenance Department for the Mutuals' maintenance needs and all community facility-related service costs.

Maintenance persons bill their work time to a corresponding area. Rates per hour charged by these departments are computed on a basis intended to recover wages, employer's taxes, depreciation of equipment, supplies, and other expenses. These rates are subject to periodic studies. Changes in rates result when increased costs exceed budgeted income.
  - B. Administration, recreation, and maintenance of common areas and facilities not charged in item 1, warehouse facilities, property management, transportation, security, and shop repair, are billed to the Mutuals on a pro-rata basis according to the number of apartments. Each month, the Mutual receives a billing covering one-twelfth (1/12) of its budgeted expense.
  - C. Billings for expenses paid by Golden Rain Foundation on behalf of the Mutuals and shared expenses:
    - a. If it is a bill from an outside vendor specifying more than one Mutual, the Golden Rain Foundation pays it and bills the Mutuals.
    - b. Shared expense, such as water charges and street lighting.
2. Mutuals are billed directly by outside vendors for their individual expenses.

Amended: Jul 87

Amended: Aug 00

Aug 00)



**MUTUAL OPERATIONS****RESCIND MUTUAL EIGHT****ACCOUNTING AND FISCAL****Investment Records**

Records of investments, time certificates of deposit and bank pass books and/or reconciliations are available for inspection at any time by the Mutual Directors. Mutual Directors desiring general information should call the Mutual Accountant for an appointment. No appointment is necessary, of course, if an unannounced audit is made.

Reissued Jul 87

**RESCIND**

FIVE: 11-18-16

(Nov 16)

**MUTUAL OPERATIONS****RESCIND MUTUAL EIGHT****ACCOUNTING AND FISCAL****Financial Reports****I. Monthly Reports**

The Accounting Department, under the direction of the Golden Rain Foundation Controller, prepares and distributes monthly financial reports to each Mutual Director. These reports consist of a balance sheet, an operating statement, which compares income and expenses to budget, detailed balances of the various reserve accounts, reconciliations of bank accounts, and the statements of cash receipts and disbursements of both the agency and the general accounts.

**2. Annual Financial Statement**

The Controller's Department prepares and distributes a preliminary year-end statement. Any necessary adjustments to this statement are made on completion of the audit. A copy of the annual statement is sent to each Mutual Director.

**3. Inquiries About Financial Statements**

The Controller is very willing to answer all questions pertaining to either the monthly financial statements or the published annual financial statements. However, it should be realized that the Controller's schedule is heavy, and that the established regulatory procedure is to request an appointment through the Chief Financial Officer or Treasurer of each individual Mutual corporation.

Reissued Jul 87

(Jul 87)

**MUTUAL OPERATIONS****RESCIND MUTUAL EIGHT****ACCOUNTING AND FISCAL****Accounts Receivable**

This position is responsible for maintaining tenant Accounts Receivable records, including Golden Rain Foundation annual dues, on a current basis. All inquiries regarding tenant delinquencies should be referred to this office.

**RESCIND**

FIVE: 11-18-16

SIXTEEN: 02-07-17

MUTUAL OPERATIONS**AMEND POLICY****RESIDENT REGULATIONS****Maintenance Responsibility – Mutual Eight Only**

WHEREAS, The Occupancy Agreement in Seal Beach Mutual Eight contains a provision under Article 11, Repairs, paragraph (b), whereby the Corporation shall (among other things) provide and pay for all necessary repairs, maintenance and replacements, except as specified in clause (a) of this Article. Clause (a) of Article 11 of the Occupancy Agreement stipulates that ~~E~~even though all expansions or permanent fixtures and appliances to the unit become Mutual property when attached to the building; under the Mutual Corporation's residential permit for alterations or additions, the owner/shareholder agrees not to look to the Golden Rain Foundation or the Mutual Corporation for reimbursement for the cost of the addition or the alteration, ...." and

WHEREAS, That any repairs, maintenance, or replacement of any cosmetic items, hardware, fixtures, and other non-standard additions and/or alterations (except permitted construction of interior and exterior walls, ceilings, and roofing) to the original building structure be the responsibility of, and all charges and costs for the maintenance, repair or replacement of same be paid by the owner/shareholder originally applying for the addition or alteration permit, and to the successor owner/shareholder of that unit.

Cosmetic items and non-standard additions and/or alterations shall include, but not be limited to, all glass, etched or paned windows, non-standard doors, decorative non-standard window/door framing or molding, skylight domes, brick or other facing material, non-standard electrical fixtures and lights, all non-standard flooring including carpeting, wood flooring of any kind, counters made of non-standard materials, non-standard added appliances and plumbing fixtures, non-standard bathroom fixtures, and non-standard cabinetry, ceiling fans, heat pumps, wall heaters, and screens and windows in patios.

Additionally, standard Service Maintenance repairs are performed without cost to the owner/shareholder, if such services do not result from negligence on the part of the owner/shareholder. Repairs include those which are necessary to maintain functionality of electricity, plumbing, and standard appliances.

Additionally, the Mutual will replace all standard smoke detectors and smoke detector batteries, the 10-year type, at no cost to the owner/shareholder. This will include remodels except at the time of the construction when it is the owner/shareholder's cost.

THEREFORE BE IT RESOLVED, That a copy of this resolution, together with a list of all such cosmetic and non-standard additions and/or alterations added to the original unit building, be attached to the escrow agreement between the existing owner/shareholder and the successor owner/shareholder in order to inform all new successor owner/shareholders of such items, and of their obligation for the ongoing



MUTUAL OPERATIONS**AMEND POLICY****RESIDENT REGULATIONS****Maintenance Responsibility – Mutual Eight Only**

maintenance, repair, and replacement of such items at their expense, and

BE IT FURTHER RESOLVED, That the existing owner/shareholder, upon the resale or sale of the unit, shall obtain a one-year warranty on each non-standard appliance and provide all warranties in the escrow packet. The cost of said warranty shall be equally shared with the new owner/shareholder.

BE IT ALSO RESOLVED, that if the owner/shareholder requests, Mutual Eight will pay 50 percent of the following standard items if they are over *20 years old*: countertops, ovens, cooktops, sinks, and toilets. This applies to refrigerators after *10 years*.

The Mutual will pay 50 percent of a Hi-Boy toilet cost when it is installed based on the need of the owner/shareholder.

**In the event of failure of a lighting ballast to the original bedroom/den soffit and kitchen light fixtures, a standard LED light fixture (supplied by the Purchasing Department) shall be installed at the Mutual's cost.**

**All units shall have SmartBurners installed at the Mutual's cost, per Policy 7426.08 – SmartBurners. If the standard stove top is not present in the unit, the Mutual will provide some other fire safety option, when reasonable. Consideration of fire safety is first choice when replacing standard stove top types. Deviation from a Mutual standard stove top requires approval from the Building Inspector in regard to fire safety.**

All other standard items (bath fans, shower doors, sinks, standard toilets, etc.) are replaced by the Mutual *ONLY* when they are non-functional and irreparable.

**MUTUAL ADOPTION**

EIGHT: 09-23-13

**AMENDMENTS**

02-23-15

MUTUAL OPERATIONS**AMENDED DRAFT**Approval of Escrows –

## RESOLUTION:

WHEREAS, Article V, Section 2, of the bylaws vests power in the Board of Directors to accept or reject all applications for membership and admission to occupancy of a dwelling unit in the cooperative housing project, and

~~WHEREAS, a system utilizing questionnaires and a medical examination has been instituted to expedite determination that the potential buyer meets all established criteria, with the responsibility for operation of said system resting on paid employees of the Foundation and Health Care Center, and~~

WHEREAS, it is necessary that escrow papers be signed in a timely manner but calling special meetings of the Board to accept or reject each application in escrow would prove cumbersome,

NOW, THEREFORE BE IT RESOLVED, THAT

1. The President of this Corporation is appointed and empowered to act on behalf of the Board in signing various document in escrow that are necessary to accept or reject potential members of the Corporations.
2. Should the President be absent or otherwise unable to perform, then any officer of this Corporation shall be empowered to sign such papers on behalf of the Board.

MUTUALADOPTIONAMENDMENT

EIGHT

11-27-72

**MUTUAL OPERATIONS****AMENDED DRAFT****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Eight**

All persons seeking approval of the Board of Directors of Seal Beach Mutual No. Eight to purchase a share of stock in the Mutual, and to reside in the Mutual, shall meet the following eligibility criteria:

- A. Apply for and be accepted as a member of the Golden Rain Foundation, Seal Beach, California.
- B. Meet the Mutual eligibility criteria as follows:

- 1. Age

Minimum of 55 years, as confirmed by a birth certificate or passport. A driver's license is not acceptable as proof of age.

- 2. Financial Ability

- a. Verified monthly income that is at least four (4) times or greater the monthly carrying charge (Regular Assessment plus Property Tax and Fees) at the time of application, and have liquid assets of at least \$25,000. Verified monthly income/assets may be in the form of the past two years of:

- 1. Tax returns;
  - 2. 1099s for interest and dividends;
  - 3. 1099-Rs for retirement income from qualified plans and annuities;
  - 4. SSA-1099 Social Security Benefit Statement;
  - 5. Brokerage statements and current interim statement.
  - 6. Six to twelve months of checking/savings account statements.

- b. Adjusted Gross Income per 1040, 1040A, or 1040EZ; plus that portion of Social Security, IRA distributions, and pensions and annuities not included in adjusted gross income; plus tax exempt interest; minus income tax, Social Security, Medicare, and self-employment taxes paid; and minus Medicare medical insurance and prescription drug premiums; all divided by twelve (12) will equal net monthly income to be used in Paragraph 2.a. above.

(draft created 6-26-17 ka)

**MUTUAL OPERATIONS****AMENDED DRAFT****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Eight**

- c. Projected assessments will be the previous year's assessment (total of carrying charge less any cable charge, less Orange County Property Taxes and Fees), and the addition of the new property tax at 1.2% of the sales price plus Orange County District fees divided by twelve (12) for the new projected monthly assessment. This new figure (Regular Assessment plus Orange County Property Taxes and District Fees) times four (4) will be the monthly income required. This will be verified by the escrow company and the Stock Transfer Office. Stock Transfer shall have the final say in establishing verifiable income/assets.<sup>1</sup>

Verification shall be done by the escrow company and the Stock Transfer Office prior to the new buyer interview and prior to the close of escrow (the above verification will not be done by the individual Mutual Directors; Directors will not be required to study or understand the financial requirements).

- d. Only the resident shareholder's income shall be considered for qualifying.
- e. If moving within Leisure World, or if there are any additions/changes to the title, the proposed shareholder(s) must meet these eligibility requirements.
3. Health
- Have reasonably good health for a person of his/her age, ~~as evidenced by a letter from his/her physician~~, so that shareholder can take care of normal living needs without calling on other members of the cooperative for an undue amount of assistance.

4. Character

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<sup>1</sup> If major remodeling, expansion, or addition of a bathroom is being considered, the increase in taxes over the 1.2% of the purchase price must be taken into consideration.



**MUTUAL OPERATIONS****AMENDED DRAFT****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Eight**

Have a reputation for good character in his/her present community.

- C. Assume, in writing, the obligations of the "Occupancy Agreement" in use by the Mutual Corporation.

Officers or Committees of the Board of Directors designated to approve new applicants are responsible that the eligibility criteria of this corporation is equitably applied to all applicants. Approval or disapproval of buyer(s) must be received by the Stock Transfer Office at least ten (10) working days prior to the close of escrow.

**MUTUAL ADOPTION****AMENDMENT DATES**

**EIGHT:**      04-27-70      09-17-93, 08-25-08

**MUTUAL OPERATIONS****ADOPT DRAFT****SHAREHOLDER REGULATIONS****Building Captain Policy – Mutual Eight****1. PURPOSE**

The real property governed by Seal Beach Mutual No. Eight ("Mutual Eight") is comprised of twenty-nine (29) buildings. Each building contains twelve (12) units. Mutual Eight assigns a Building Captain to each building.

Building Captains are integral to the governance of Mutual Eight. Their function is to enhance and protect the welfare, safety, and cooperative living style of the residents. Thus, this Building Captain Policy ("Policy") is adopted to establish formal rules and policies governing Building Captains for Mutual Eight.

**2. APPOINTMENT**

The Board of Directors ("Board") of Mutual Eight may appoint a Building Captain to each of the twenty-nine (29) buildings in the community. The Building Captain will serve each of the twelve (12) units in his or her assigned building, unless the Board allocates the assignment in a different manner, which it retains the right to do.

**3. TERM**

Building Captains shall serve for a term of one (1) year unless terminated by the Board. There is no limit on consecutive terms that a Building Captain may serve.

**4. DESCRIPTION OF DUTIES**

The Building Captain's duties shall be prescribed and directed by the Board. At this time, some of the Building Captain's fundamental duties include, without limitation: (1) hand delivering notices, Board meeting minutes, and other documents; (2) taking questionnaires, when requested by the Board or the Golden Rain Foundation ("GRF"); (3) being present and active in emergency preparedness and response information for the building; and (4) making themselves available to, and speaking with, residents, about any issues they may be experiencing, and transmitting that information to the proper party, if necessary.

**5. COMPENSATION**

The Building Captain shall not receive compensation from the Mutual, the Board, or any shareholder for serving as Building Captain. Notwithstanding the foregoing, the Building Captain may be reimbursed for reasonable out-of-pocket expenses which were incurred with the prior approval of the Board.

**MUTUAL OPERATIONS****ADOPT DRAFT****SHAREHOLDER REGULATIONS****Building Captain Policy – Mutual Eight****6. QUALIFICATIONS****A. Each Building Captain shall, at all times:**

- (i) Be a shareholder<sup>1</sup> of Mutual Eight;
- (ii) Maintain his or her primary residence on site at Mutual Eight;
- (iii) Comply with the governing documents of Mutual Eight—i.e., without limitation, Bylaws, Mutual Policies, and Occupancy Agreement, including for the three (3) months immediately preceding the date of appointment;
- (iv) Cure any non-monetary violation of the governing documents involving the Building Captain or the Building Captain's unit within fifteen (15) days after written demand by the Board, or within such other cure period as the Board may establish, subject to applicable due process requirements;
- (v) Be current in the payment of all carrying charges or other charges levied by Mutual Eight, including for the three (3) months immediately preceding the date of appointment; and
- (vi) Exhibit respect, professionalism, and courteous behavior to residents, shareholders, Board members, committee members, vendors, GRF and its staff, any persons associated with or retained by Mutual Eight, and any persons residing in Mutual Eight pursuant to special status, such as caregivers.

**B. In addition to the qualifications enumerated in subdivision A of this Section 5, no Building Captain shall:**

- (i) Be a party to any alternative dispute resolution proceeding or civil action by or against Mutual Eight or the Board;
- (ii) Be delinquent more than forty-five (45) days in the payment of any carrying charge or other charge levied against the Building Captain and/or the Building Captain's unit;
- (iii) Be delinquent in the payment of any carrying charge or other charge levied by Mutual Eight more than once in any fiscal year;
- (iv) Have been convicted of, or plead guilty to, a crime;
- (v) Have been declared of unsound mind by a final order of court;
- (vi) Act in a manner determined by a majority vote of the Board to be grossly detrimental to the general safety, health or welfare of Mutual Eight and/or its shareholders or residents; or

<sup>1</sup> If a trust is a shareholder, a trustee of the trust on record title may be eligible to serve as a Building Captain.

**MUTUAL OPERATIONS****ADOPT DRAFT****SHAREHOLDER REGULATIONS****Building Captain Policy – Mutual Eight**

- (vii) Fail to comply with the provisions or requirements of this Policy, any code of conduct, commitment pledge or other similar document/policy now or hereafter adopted by the Board.

**7. REMOVAL/RESIGNATION**

No person may be appointed as a Building Captain, or serve as a Building Captain, unless he or she meets that qualifications enumerated in Section 5. Any person who ceases to meet the qualifications for a Building Captain shall be deemed to have resigned as a Building Captain upon the occurrence of the non-qualifying event, and the Board shall have the power to immediately appoint a replacement Building Captain.

Further, the Board, in its discretion, may vote to remove a Building Captain, at any time and for any reason. The Building Captain serves at the sole discretion of the Board, and may be removed with or without cause and without prior notice.

**MUTUAL****ADOPTION****AMENDMENT****EIGHT**

## **MUTUAL OPERATIONS**

### **PHYSICAL PROPERTY**

#### **New Plan Concepts and Changes – Mutuals Three, Four, Seven, Eight, Ten & Sixteen**

Whereas building contractors are using various means to circumvent Mutual building policies, it is resolved that any new concept in apartment design or materials not in "general practice" (general practice defined as being three or more similar approved instances existing within the Mutual) must be presented to the Board for its consideration prior to approval of any GRF permit or the commencement of work.

Plans approved by the Mutual do not supersede Mutual policies and resolutions and remain subject to all Mutual policies and resolutions unless specifically exempted.

If there is any problem regarding interpretation of the Mutual's policies or resolutions, the GRF Inspector should consult the Mutual President for clarification.

Mutual Eight Only:

If there is any problem regarding interpretation of the Mutual's policies or resolutions, the GRF Inspector should consult the Mutual Architectural Committee for clarification.

Anything questionable discovered during plan check or construction should be promptly brought to the Mutual's attention.

Changes cannot be made to any project without prior approval and must be recorded on the original approved plans and acknowledged and dated by the approving parties.

## **MUTUAL ADOPTION**

THREE:	28 Jul 09
FOUR:	10 Mar 10
SEVEN:	17 Apr 09
EIGHT:	23 Feb 15
TEN:	28 Mar 12
SIXTEEN:	19 Oct 09

(Feb 15)