

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL EIGHT
JANUARY 22, 2017
Meeting begins 1:30 p.m.
Administration Building Conference Room A

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
2. SHAREHOLDER COMMENTS (2-3 minutes per shareholder - agenda items only)
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):

Mr. McGuigan, GRF Representative
Ms. Hopkins, Mutual Administration Director
Mr. Hurtado, Building Inspector
Mrs. Aquino, Recording Secretary
5. APPROVAL OF MINUTES:
Regular Meeting Minutes of December 19, 2017
6. BUILDING INSPECTOR'S REPORT Mr. Hurtado
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (p. 3)
7. GRF Representative Mr. McGuigan
8. **UNFINISHED BUSINESS**
 - a. Ratify amended/posted Policy 7406 – Encroachment onto Common Areas for Exclusive Private Use of Shareholder (p. 5-8)
 - b. Ratify amended/posted Policy 7510.08 – Eligibility Requirements (p. 9-12)
 - c. Discuss adopting Policy 7471.08 – Pest Control (p. 13-14)
9. **NEW BUSINESS**
 - a. Amend LA Seismic resolution on: September 25, 2017 (p. 15)
 - b. Discuss temporary transfer of Reserve Funds – Per Civil Code §5515
 - c. Discuss Mutual Eight Parks – end of Building 189 and 204
 - d. Discuss upkeep and maintenance of Brunsting Memorial Park – end of Building 190 and 191
 - e. Discuss rescinding Policy 7701 – Personal Property Insurance and adopting Policy 7701.08 – Personal Property Insurance (p. 17-19)
 - f. Approve the transfer of funds from Reserves Funds to Operating Funds (p. 21)
 - g. Approve the selling of two Bonds and the purchase of two Bonds (p. 23)
 - h. Approve the transfer of funds from Emergency Reserves Fund to Non-Restricted Funds (p.25)

(Wednesday, January 17, 2018 ka)

STAFF SECRETARY BREAK 3:00 p.m.

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|-----|----------------------------------------|-------------|
| 10. | SECRETARY / CORRESPONDENCE | Mr. Park |
| 11. | CHIEF FINANCIAL OFFICERS REPORT | Mrs. Berg |
| 12. | MUTUAL ADMINISTRATION DIRECTOR | Ms. Hopkins |
| 13. | ANNOUNCEMENTS | |
| 14. | COMMITTEE REPORTS | |
| 15. | DIRECTORS' COMMENTS | |
| 16. | SHAREHOLDER(S)' COMMENTS (2-3 MINUTES) | |
| 17. | ADJOURNMENT | |
| 18. | EXECUTIVE SESSION | |

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

**NEXT MEETING: February 26, 2018 at 1:30 p.m.
Administration Building Conference Room A**

(Wednesday, January 17, 2018 ka)

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(08) EIGHT**

INSPECTOR: **George Hurtado**

MUTUAL BOARD MEETING DATE: **January 22, 2018**

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
202A	remodel	yes	07/19/17	03/31/18	no		Los Al Builders
202A	entry door, tile, foam trim	yes	07/27/17	02/28/18	no		Los Al Builders
192L	heat pump - 3 zone	yes	08/23/17	12/18/17	no		Greenwood
188B	washer dryer, entry door	yes	08/23/17	12/12/17	no		Los Al Builders
187D	ADA cutdown	yes	10/10/17	12/01/17	no		Nu-Kote
195J	vinyl plank floor	yes	11/15/17	12/29/17	no		Bixby
201A	safety tub	yes	11/20/17	01/06/18	no		Buenos
195H	ADA cutdown	yes	12/05/17	02/22/18	no		Nu Kote
184E	central air	yes	12/14/17	04/30/17	no		Greenwood
190D	carport cabinet	yes	12/05/17	02/01/18	no		Mike Banfield
183J	ADA cutdown	yes	10/31/17	01/14/18	no		Nu-kote
184E	heatpump	yes	12/26/17	03/05/18	no		Greenwood
194F	3/4 bath, washer/dryer	yes	10/18/17	03/18/18	no		JC Kress
ESCROW ACTIVITY							
UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
192G		11/10/17			01/03/18		
184H		11/10/17	01/10/18	01/11/18			

Pre-Listing Inspection **NBO** = New Buyer Orientation

Final COE Inspection **ROF** = Release of Funds

CONTRACTS							
CONTRACTOR				PROJECT			
Brightview Landscape				Mutual gardening			
So Cal Fire Protection				laundry room fire extinguishers			
Empire Pipe and Supply				Mutual sewer cleaning			
Fenn				termites and pests			

SPECIAL PROJECTS							
CONTRACTOR				PROJECT			

APARTMENT VISITS							
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VARIOUS

Mutual Corporation No. Eight

MEMO

TO: MUTUAL EIGHT BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: RATIFY AMENDED/POSTED POLICY 7406 – ENCROACHMENT ONTO
COMMON AREAS FOR EXCLUSIVE PRIVATE USE OF SHAREHOLDER
(UNFINISHED BUSINESS ITEM A)
DATE: JANUARY 22, 2018
CC: MUTUAL FILE

I move to ratify amended/posted Policy 7406 – Encroachment onto Common Areas for
Exclusive Private Use of Shareholder.

MUTUAL OPERATIONS**AMENDED DRAFT****PHYSICAL PROPERTY****Encroachment onto Common Areas for Exclusive Private Use of Shareholder – Mutual Eight**

Mutual 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 36 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. See Policy 7402.2.8.
- 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.

2.Approvals:

- A. Any proposed exclusive private use of common area must be approved by the Mutual 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.
 - 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:

(Draft created 11-28-17 cd)

MUTUAL OPERATIONS**AMENDED DRAFT****PHYSICAL PROPERTY****Encroachment onto Common Areas for Exclusive Private Use of Shareholder – Mutual Eight**

- A. The shareholder must complete and have an approved and signed Addendum (signed by both the shareholder and Board) and which has been 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%) ROI 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.
 - b. Start Date: The start date is conditioned on an understanding that it may be delayed. Any changes or alterations will require Mutual Eight Board approval;
 - a. 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.
 - 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:

- 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

MUTUAL OPERATIONS**AMENDED DRAFT****PHYSICAL PROPERTY****Encroachment onto Common Areas for Exclusive Private Use of Shareholder – Mutual Eight**

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 (the 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 Board approval, an Addendum to the Occupancy Agreement under the terms and conditions set out in paragraph 3 above. In all cases, 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.

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, golf cart parking pads, extra wide entry walkways, and any other unapproved use of common area, **with the exception of DMV designated disability golf cart pad.**

Shareholder Signature: _____ Date: _____

Shareholder Signature: _____ Date: _____

Original to Stock Transfer Corporate File

MUTUAL ADOPTION

EIGHT: 01-22-07

AMENDMENTS

10-27-14

(Draft created 11-28-17 cd)

Mutual Corporation No. Eight

MEMO

TO: MUTUAL EIGHT BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: RATIFY AMENDED/POSTED POLICY 7510.08 – ELIGIBILITY REQUIREMENTS (UNFINISHED BUSINESS ITEM B)
DATE: JANUARY 22, 2018
CC: MUTUAL FILE

I move to ratify amended/posted Policy 7510.08 – Elgibility Requirements

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

All persons **Any person or persons jointly** 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 **income** 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 (4)-times **4.5 times** or greater **than** the monthly carrying charge (Regular **GRF and Mutual** Assessment plus Property Taxes and Fees) at the time of application and have liquid assets of at least \$25,000. **\$50,000 over the purchase price.** Verified monthly income/assets can be verified by any combination of the following **and may be in the form of:**
 1. Tax returns **for the past two years.**
 2. 1099s for interest and dividends **for the past two years. (assets used to purchase unit will not be included in income calculations)**
 3. 1099-Rs for retirement income from qualified plans and annuities **for the past two years.**
 4. SSA-1099 Social Security Benefit Statements **for the past two years.**
 5. Brokerage statements and current interim statement **for the past two years. (assets used to purchase unit will not be included in income calculations)**
 6. **At least the most recent** six to twelve **month's worth** of checking/savings account statements **(assets used to purchase unit will not be included in income calculations).**
 - 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; **(assets used to purchase unit will not**

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

be included in income calculations) 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.

- 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)~~ **4.5** 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.

Verification shall be done by the Escrow Company and the Stock Transfer Office **for each proposed shareholder(s)** prior to the new buyer interview **orientation** 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.
- f. **A credit check will be performed by the escrow company, with the results included in the financial package.**

3. Health

Have reasonably good health for a person of his/her age, so that shareholder can take care of normal living needs without calling on other members of the cooperative for an undue amount of **assistance (see individual Mutual requirements)**. Leisure World is not a skilled nursing home facility or an assisted living facility.

4. Character

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.

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

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.

DRAFT

MUTUAL ADOPTION

EIGHT: 04-27-70

AMENDMENTS

09-17-93, 08-25-08, 08-18-17

Mutual Corporation No. Eight

MEMO

TO: MUTUAL EIGHT BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS ADOPTING POLICY 7471.08 – PEST CONTROL (UNFINISHED BUSINESS ITEM C)
DATE: JANUARY 22, 2018
CC: MUTUAL FILE

I move to adopt Policy 7471.08 – Pest Control on a preliminary basis until the 30–day posting period is completed.

MUTUAL OPERATIONS**ADOPT DRAFT****PHYSICAL PROPERTY****Pest Control – Mutual Eight**

Mutual Eight contracts with a pest control company to service the needs of the Mutual and the shareholders.

MUTUAL EIGHT PAYS FOR: Annual termite inspections, rodent bait stations throughout the Mutual, mole, gopher, skunk control, removal of bee (includes carpenter bees), wasps nests and yellow jacket hives, and fleas infesting a common area.

SHAREHOLDER PAYS FOR: Interior unit treatment for ants, roaches, silverfish, mites, gnats, mosquitoes, flies, vinegar flies, pantry pests, weevils, spiders, earwigs, crickets, lizards, bed bugs, fleas, and any other indoor pest. Mutual pays for exterior treatments required for attics, patios, and garden areas. Shareholders requesting pest control services must contact a Mutual Director who will pass the request on to Service Maintenance. Pest control services are provided weekly.

THE MUTUAL DIRECTOR WILL: Inform the shareholder of responsibility for charges and call in the shareholder request for the next weekly visit. *Any request regarding bed bug services will be reported immediately to the pest control company and will involve an additional charge to the shareholder for a special service call.* If the shareholder requests immediate service, a “service charge” will be added to their bill.

MUTUAL**ADOPTION**

EIGHT :

(draft created on 12-04-17 ka)

Page 1 of 1

Mutual Corporation No. Eight

MEMO

TO: MUTUAL EIGHT BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: AMEND LA SEISMIC RESOLUTION DATED SEPTEMBER 25, 2017
(NEW BUSINESS ITEM A)
DATE: JANUARY 22, 2018
CC: MUTUAL FILE

I move, THAT, NOT WITHSTANDING PREVIOUS ACTION BY THE BOARD, The Mutual Eight Board will permit LA Seismic to place the nodes, in Mutual Eight common areas, for a compensation at the conclusion of the survey.

Mutual Corporation No. Eight

MEMO

TO: MUTUAL EIGHT BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS RESCINDING POLICY 7701 – PERSONAL PROPERTY INSURANCE
AND ADOPTING POLICY 7701.08 – PERSONAL PROPERTY INSURANCE
(NEW BUSINESS ITEM E)
DATE: JANUARY 22, 2018
CC: MUTUAL FILE

I move to rescind Policy 7701 – Personal Property Insurance and adopt Policy 7701.08 – Personal Property Insurance on a preliminary basis until the 30-day posting period is completed.

MUTUAL OPERATIONS**RESCIND MUTUAL EIGHT****PHYSICAL PROPERTY****Personal Property Insurance - Mutual Four, Eight, and Fifteen Only**

Effective April 1, 2009, Mutuals Four, Eight, and Fifteen shareholders, whether residing in their apartment or not, shall carry personal property insurance to cover the personal contents of their apartment, to cover any damage to their apartment for which they are responsible, and to cover any damage, for which they are responsible, to adjacent apartments.

The following paragraph replaces paragraph one for Mutual Four only:

Effective January 2, 2010, Mutual Four shareholders, whether residing in their apartment or not, shall carry personal property insurance to cover the personal contents of their apartment, to cover any damage to their apartment for which they are responsible, and to cover any damage, for which they are responsible, to adjacent apartments.

The Golden Rain Foundation and Mutual Corporation are not responsible for personal property, or damage to personal property stored or parked on the street or in the carport, such as vehicles and other property stored in or under the storage cabinets.

Shareholder shall obtain sufficient coverage for additional living expenses should the shareholder be unable to occupy their apartment while repairs are made to their apartment.

Shareholder shall obtain personal liability insurance in an amount sufficient for the indemnification of other persons who may be injured on their property. If shareholder owns a pet, \$300,000 in personal liability coverage is recommended. If shareholder does not own a pet, it is recommended that the personal liability coverage be \$200,000.

Shareholder should consider obtaining sufficient coverage to insure the value of any artwork, jewelry, antiques or other items that would not normally be covered by an average policy for personal property.

Upon obtaining personal property insurance, and upon annual renewal of the policy, Shareholder shall provide proof of insurance to the Stock Transfer Office in the form of the policy declarations page.

MUTUAL ADOPTION

Four:	10 Nov 09
Six:	25 May 10 (See Policy 7586.G.6)
Eight:	28 Sept 09
Twelve:	14 May 09 (See Policy 7701.12)
Fifteen:	17 Aug 09

MUTUAL OPERATIONS**ADOPT DRAFT****PHYSICAL PROPERTY****Personal Property Insurance - Mutual Eight**

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Shareholder should consider obtaining sufficient coverage to insure the value of any artwork, jewelry, antiques or other items that would not normally be covered by an average policy for personal property.

MUTUAL**ADOPTION**

Four:

Mutual Corporation No. Eight

MEMO

TO: MUTUAL EIGHT BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE THE TRANSFER OF FUNDS FROM RESERVES FUNDS TO
OPERATING FUNDS (NEW BUSINESS ITEM F)
DATE: JANUARY 22, 2018
CC: MUTUAL FILE

I move to approve the December 2017 transfer of \$80,000 from the Infrastructure Reserves to the Operating Funds to cover Mutual Eight expenses. Per Davis – Sterling, these funds are to be paid back to the Restricted Reserves by 12/27/18.

Mutual Corporation No. Eight

MEMO

TO: MUTUAL EIGHT BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE THE SELLING OF TWO BONDS AND THE PURCHASE OF TWO BONDS (NEW BUSINESS ITEM G)
DATE: JANUARY 22, 2018
CC: MUTUAL FILE

I move to approve the selling of two Bonds at a cost of \$91,087, and approve the purchase of two Bonds at a cost of \$112,431.

Mutual Corporation No. Eight

MEMO

TO: MUTUAL EIGHT BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE THE TRANSFER OF FUNDS FROM EMERGENCY RESERVES TO
NON-RESTRICTED FUNDS (NEW BUSINESS ITEM H)
DATE: JANUARY 22, 2018
CC: MUTUAL FILE

I move to approve the transfer of \$50,000 from the Emergency Reserves Fund to the Non-Restricted Funds to cover payment of Ward-Tek.