

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL EIGHT
January 22, 2018**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Eight was called to order by President Thompson at 1:30 p.m. on Monday, January 22, 2018, in the Administration Building Conference Room A, followed by the *Pledge of Allegiance*.

SHAREHOLDERS COMMENTS

Several Shareholders made comments.

ROLL CALL

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

GRF Representative: Mr. McGuigan

Guests: Thirty four Mutual Eight shareholders

Staff: Ms. Hopkins, Mutual Administration Director
Mr. Hurtado, Building Inspector
Mr. Sword, Building Inspector
Mrs. Aquino, Recording Secretary
Mrs. Vigil, Recording Secretary

INTRODUCTION

President Thompson welcomed the staff and guests to the meeting.

MINUTES

President Thompson asked if there were any corrections to the December 19, 2017, 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). In addition, he introduced Robert Sword a new Building Inspector.

Inspectors Hurtado and Sword left the meeting at 2:05 p.m.

UNFINISHED BUSINESS

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

RESOLVED, To ratify amended/posted Policy 7406 – Encroachment onto Common Areas for Exclusive Private Use of Shareholders.

The MOTION passed.

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

RESOLVED, To amend Policy 7406– Encroachment onto Common Areas for Exclusive Private Use of Shareholders with the following changes; Paragraph 5. The following is a non-exclusive list of common area encroachments: those listed in the Davis Stirling Act at Section 4145(b) including: shutters, awnings, window boxes, doorsteps, stoops, porches, patios, plus non-conforming sidewalks, handicapped accommodations and expanded gardens which are approved by the board and other fixtures designed to serve a single separate interest but located outside the boundaries of the separate interest. However, DMV designated disability golf cart pad, other approved handicapped accommodations and approved expanded gardens are exempt from assessments for Exclusive Use provided by *Paragraph 3. B. iv. a.* above on a preliminary basis until the 30-day posting period is completed.

The MOTON failed with three “no” votes (Thompson, Park, Kline) and two abstentions (Berg, Winslow).

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

RESOLVED, To amend Policy 7406– Encroachment onto Common Areas for Exclusive Private Use of Shareholders, with the following changes; Paragraph 1 Section B, a garden up to 48 inches, on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

UNFINISHED BUSINESS (continued)

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

RESOLVED, To amend Policy 7510.08 – Eligibility Requirements on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

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

RESOLVED, To adopt Policy 7471.08 – Pest Control on a preliminary basis until the 30-day posting period is completed.

The MOTION was withdrawn.

NEW BUSINESS

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

RESOLVED, That NOTWITHSTANDING PREVIOUS ACTION BY THE BOARD, the Mutual Eight Board will permit LA Seismic to place the nodes, in Mutual Eight common areas, and ratify the phone poll vote taken on Friday, January 19, 2018, for a compensation at the conclusion of the survey.

The MOTION passed.

Following a discussion, Mutual Eight Parks – end of Building 189 and 204, will be postponed to the next Regular Board Meeting.

Following a discussion, the upkeep and maintenance of Brunsting Memorial Park – end of Building 190 and 191 will be postponed to the next Regular Board Meeting.

Following a discussion, the rescinding of Policy 7701 – Personal Property Insurance and adoption of Policy 7701.08 – Personal Property Insurance will be postponed to the next Regular Board Meeting.

President Thompson adjourned the meeting at 3:55 p.m. to Executive Session.

President Thompson reconvened the meeting at 4:59 p.m.

NEW BUSINESS (continued)

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

RESOLVED, That WHEREAS, Section 5515 of the California Civil Code permits the Board to transfer money from the reserve Fund to the Associations general operating funds to meet short-term cash flow requirements or for other expenses; and

WHEREAS, there is currently a shortage in the Association's cash flow impairing the Association's ability to meet its current operating expenses due to additional expenses not anticipated in the budget and for fire damage in Carport 102; and

WHEREAS, the Board has determined that it will be in the best interests of the Association to temporarily transfer money from the reserve fund to the general operating account;

BE IT RESOLVED, that the President and the Chief Financial Officer are hereby authorized and instructed to transfer the amount of \$80,000, from the reserve account to the general operating account. The money transferred and expended pursuant to the Resolution, shall be restored to the Associations reserve fund not more than one (1) year from the initial date of the transfer and shall be repaying from the following source(s): cash flow adjustment, unspent funds in the 2018 Budget, Solar Panel compensation, and LA Seismic compensation.

The MOTION passed.

MUTUAL ADMINISTRATION DIRECTOR

Ms. Hopkins submitted her report (attached).

CHIEF FINANCIAL OFFICER'S REPORT

Vice President/CFO Berg submitted her report (attached).

DIRECTORS COMMENTS

Several Directors made comments.

ADJOURNMENT

There being no further business to conduct, President Thompson adjourned the meeting at 5:05 p.m.

Keechum

Attest, K.C. Park, Secretary
SEAL BEACH MUTUAL EIGHT
ka: 01/29/18
Attachments

NEXT MEETING: REGULAR BOARD MEETING
MONDAY FEBRUARY 26, 2018, 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.

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF JANUARY 22, 2018**

01/22/18 RESOLVED, To ratify amended/posted Policy 7406 – Encroachment onto Common Areas for Exclusive Private Use of Shareholders.

RESOLVED, To amend Policy 7406– Encroachment onto Common Areas for Exclusive Private Use of Shareholders, with the following changes; Paragraph 1 Section B, a garden up to 48 inches, on a preliminary basis until the 30–day posting period is completed.

RESOLVED, To amend Policy 7510.08 – Eligibility Requirements on a preliminary basis until the 30–day posting period is completed.

RESOLVED, 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, and ratify the phone poll vote taken on Friday, January 19, 2018, for a compensation at the conclusion of the survey.

RESOLVED, That WHEREAS, Section 5515 of the California Civil Code permits the Board to transfer money from the reserve Fund to the Associations general operating funds to meet short-term cash flow requirements or for other expenses; and

WHEREAS, there is currently a shortage in the Association's cash flow impairing the Association's ability to meet its current operating expenses due to additional expenses not anticipated in the budget and for fire damage in Carport 102; and

WHEREAS, the Board has determined that it will be in the best interests of the Association to temporarily transfer money from the reserve fund to the general operating account;

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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 8
Report for January 2018
GRF Representative
Steven McGuigan

Welcome to 2018. Christmas is just around the corner. In the mean time 2018 looks promising. Of course living in Leisure World makes every day a great day. Great location, great weather, great people. When problems arise we can always look at what the weather is like in other parts of the country and then the problems aren't so bad. The weather as I am typing this is sunny and 65 degrees. Life is great.

I have included in this report the summaries of the various Committee meeting for the month of January. They give you a good idea of what is going on in the GRF this month. The Multi Purpose Recreation area behind Club House two is moving forward with a completion date in June. It will be called Mission Park. It's exciting to see this come about. I'm looking forward to the opening.

Now to keep every thing in balance, the latest surf report. We are in the winter season for surfing. That means it goes from being small to very large. I've had some fun days on small to medium waves and then the waves turned big and mean. I know my limits so some days I didn't surf. Like Dirty Harry said in one of those movies "a man must know his limitations". I have learned mine the hard way and have been punished. I also push my limits a little so that I improve which means that I wipeout and take a beating. Sounds like life doesn't it. Wouldn't have it any other way. So to all my fellow Mutual 8 shareholders, neighbors and friends I leave you with this salutation - Hang Loose 🤙.



RECREATION COMMITTEE

SUMMARY REPORT

Wednesday, January 3, 2018

Action/Request	Person Responsible	Action Taken
1. Correspondence, Item 6A: "Thank You" Letter to Recreation Committee, Ruthie Nelson Chair Perrotti asked the Recording Secretary to send a "thank you" letter to Ms. Nelson for her compliment to the Committee.	Recording Secretary	
2. Correspondence, Item 6B: Use of LW RV Lot by Mutual Seventeen Renters, Tom Kindschi The Committee concurred to send a letter to Mr. Kindschi letting him know that the Committee is deferring their decision on this matter to a later date.	Recreation Director Recording Secretary	
3. Unfinished Business, Item 7A: Mission Park The Executive Director stated that the Mission Park project is being monitored and reviewed by necessary Committees, and moving forward more updates will be provided.	Executive Director	
4. Unfinished Business, Item 7B: Replacement of Pianos with Keyboards The Committee concurred to have the Recreation Director do a further research on this matter and present more information at the next scheduled meeting.	Recreation Director	
5. Unfinished Business, Item 8C: Sound System at the Amphitheater The Executive Director stated that more information on this matter, including prices and quotations, will be presented for the Committee's review at the next scheduled meeting.	Executive Director	



RECREATION COMMITTEE

SUMMARY REPORT

Wednesday, January 3, 2018

Action/Request	Person Responsible	Action Taken
6. New Business, Item 8A: Wine Service at the Valentine's Day Event The Committee moved to send this matter to the Board for review. The motion passed with one "No" vote (Damoci)		
7. New Business, Item 8B: 2018 Event Calendar The Committee concurred to approve 2018 events calendar with subject to change.	Recreation Director	
8. New Business, Item 8C: Dump Station Rules The Committee moved to have RV lot dump station rules listed as procedures, and specify that #1 is for members only.	Recreation Director	
9. Sub-Committees Item 10A: Entertainment/Movie Sub-Committee The Entertainment/Movie Sub-Committee Chair stated that the President and two other members of this Sub-Committee will work on list of the movies at the upcoming meeting. Item 10B: Golf Course Sub-Committee The Recreation Director stated that he will address the issue of non-residents on Golf Course with the Security Services Director. Item 10C: Swimming Pool Sub-Committee The Committee moved to recommend the Board to accept a proposal by Mission Landscape Architecture to develop concepts for a new swimming pool, spa pool, decking and landscape at the location of the existing pool area in the amount of \$14,500.	Executive Director Recreation Director	



RECREATION COMMITTEE

SUMMARY REPORT

Wednesday, January 3, 2018

Action/Request	Person Responsible	Action Taken
The Executive Director stated that the greater amount for this project has been approved by the Board, and he will be scheduling the first meeting with the Mission Landscape Architecture, open to Board members.		
10. Staff Reports, Item 11A: Recreation Director The Recreation Director spoke of his reports as presented, and per Committee's approval, will work on resolving the issue with Table Tennis Club members and equipment.	Recreation Director	
11. Staff Reports, Item 11C: Executive Director The Executive Director commented on the items pertaining to the Committee's area of purview throughout the meeting.	Executive Director	



RECREATION COMMITTEE

SUMMARY REPORT

Wednesday, January 3, 2018

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<p>1. Correspondence, Item 6A: "Thank You" Letter to Recreation Committee, Ruthie Nelson</p> <p>Chair Perrotti asked the Recording Secretary to send a "thank you" letter to Ms. Nelson for her compliment to the Committee.</p>	Recording Secretary	
<p>2. Correspondence, Item 6B: Use of LW RV Lot by Mutual Seventeen Renters, Tom Kindschi</p> <p>The Committee concurred to send a letter to Mr. Kindschi letting him know that the Committee is deferring their decision on this matter to a later date.</p>	Recreation Director Recording Secretary	
<p>3. Unfinished Business, Item 7A: Mission Park</p> <p>The Executive Director stated that the Mission Park project is being monitored and reviewed by necessary Committees, and moving forward more updates will be provided.</p>	Executive Director	
<p>4. Unfinished Business, Item 7B: Replacement of Pianos with Keyboards</p> <p>The Committee concurred to have the Recreation Director do a further research on this matter and present more information at the next scheduled meeting.</p>	Recreation Director	
<p>5. Unfinished Business, Item 8C: Sound System at the Amphitheater</p> <p>The Executive Director stated that more information on this matter, including prices and quotations, will be presented for the Committee's review at the next scheduled meeting.</p>	Executive Director	



RECREATION COMMITTEE

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RECREATION COMMITTEE

SUMMARY REPORT

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11. Staff Reports, Item 11C: Executive Director The Executive Director commented on the items pertaining to the Committee's area of purview throughout the meeting.	Executive Director	



Physical Property Committee

SUMMARY REPORT

Tuesday, January 9, 2018

Action/Request	Person Responsible	Action Taken
1. Correspondence, Item 6A: St. Andrews Paving Project, Larry Lowman Chair Rapp asked the Recording Secretary to send a "thank you" letter to Mr. Lowman for his correspondence.	Recording Secretary	
2. Correspondence, Item 6B: Proposed Changes to the Main Gate Incoming Traffic Lanes, Signe Merrifield Following a brief discussion, the Committee concurred to have the Security, Bus and Traffic Committee review a proposal from Urban Crossroads on this issue, and send a "thank you" letter to Ms. Merrifield, notifying her of the Committee's decision.	Executive Director Recording Secretary	
3. Unfinished Business, Item 7A: RV Lot Fence Extension The Committee concurred to address this issue at the next scheduled Committee meeting.	Facilities Director	
4. Unfinished Business, Item 7B: Opening Bids for Tree Trimming The Facilities Director stated that issue will be reviewed by the Architectural Design and Review Committee.	Facilities Director	
5. New Business, Item 8A: Administration Building Emergency Generator, Screening Fence The Committee moved to recommend the installation of vinyl fence around the emergency generator at the Administration building, with the color selected by ADRC, pending the Finance Committee Capital funding approval.	Executive Director Facilities Director	



MUTUAL ADMINISTRATION COMMITTEE

SUMMARY REPORT

Tuesday, January 9, 2018

Action/Request	Person Responsible	Action Taken
1. New Business: Stock Transfer Documents The Committee moved to move forward with the approved Stock Transfer documents: Mutual Stock Certificate Occupancy Agreement	Stock Transfer Office	Stock Transfer Manager
2. New Business: Active Adult Community Disclosure The Committee concurred to present this disclosure at the next Presidents' Council meeting.	Stock Transfer Office	Mutual Administration Director to place on Presidents Council agenda
3. Policies: 7710 – <u>Estate Transaction and Creditors' Claim</u> and 7710.1 – <u>Admittance to Apartments – Public Administrator's Office</u> The Committee moved to recommend to the GRF Board to rescind Policy 7710 – <u>Estate Transaction and Creditors' Claim</u> and Policy 7710.1 – <u>Admittance to Apartments – Public Administrator's office</u>	Mutual Administration Manager	Mutual Administration Manager to provide the write up to the Executive Coordinator
<u>MAC Committee December Follow Up –</u> 1. Stock Transfer Documents Golden Rain Foundation Membership Certificate Promissory Note Instructions Golden Rain Foundation Membership Application <u>Persons Responsible</u> 1. Stock Transfer Manager to provide edited documents to the Committee for review.	Committee Members Stock Transfer Manager	Next Committee Meeting



SECURITY, BUS, AND TRAFFIC COMMITTEE

SUMMARY REPORT

Wednesday, January 10, 2018

Action/Request	Person Responsible	Action Taken
1. Unfinished Business: Gate Access System Security and IT representatives visited Laguna Woods and received positive feedback from the staff there on the Dwelling Live gate access system in use.	Security Services Director	
2. New Business: Outside Bus Route to UCLB The costs were discussed and there was a consensus not to pursue. Lyft and Uber are more cost effective.	Committee Members	
3. New Business: Westminster Mall Shopping Shuttle It was agreed to wait for now and proceed in the 3 rd or 4 th quarter with this item. A new bus will be considered.	Fleet Manager	
4. New Business: Vehicle Decals A simpler one piece decal and rear window decals were discussed. The Committee concurred to move forward with prices. Each Mutual will handle its own car cover situation.	Security Services Director	
5. New Business: Main Gate Entry Delineators This safety measure for traffic control is available in multi colors; and are professionally recommended.	Security Services Director	
6. Policies: 1920-37 There will be a special meeting scheduled to consider this policy as well as 1925, 1927, and 1928.	Recording Secretary	
7. Committee Action Request A third incoming traffic lane for OCTA buses was suggested by a Security Traffic Officer to alleviate backups at the Main Gate. A professional traffic circulation review of the area is to be considered.	Committee Members	



FINANCE COMMITTEE

Tuesday, January 16, 2018
10:00 a.m.

Action/Request	Person/Responsible	Action/Taken
1. FINANCIALS The Committee moved and recommended the GRF BOD to accept the December 2017 financial statements, as presented for audit.	Director of Finance	
2. UNFINISHED BUSINESS – Investment Strategy The Chair informed the Committee, Financial Management Professionals will make a presentation to the Finance Committee, regarding investments, at a Special Finance Meeting in January 29, 2018.	Finance Chair	
3. UNFINISHED BUSINESS – Lease – Medical Center The Chair established a Sub-committee with members: Mrs. Damoci, Ms. Hopewell, Mr. McGuigan, Ms. Rapp and Ms. Snowden.	Recording Secretary	
4. NEW BUSINESS – Investment Ladder The Committee moved and recommended the GRF BOD authorized the purchase of one (1) CDAR, for \$500,000 at .70%, from the First Foundation Bank Money Market Reserve account and from the proceeds for a maturing CDAR, which will remain fully insured by the FDIC.	Director of Finance	
5. NEW BUSINESS – Screening Fence – Administration Generator The Committee moved to allocate Capital Funding in the amount of \$1,200 for the installation of a 5 foot-tall screening fence around the emergency generator at the Administration Building.	Facilities Director	
6. NEW BUSINESS – RV Lot Electrical Change Order The Committee determined sufficient Capital Funds are available in the amount of \$11,854.11, to increase the size of the electrical service at Clubhouse Two from 400 Amp to 600 Amp.	Facilities Director	
7. NEW BUSINESS – Lease – Use of Trust Property – Rolling Thunder The Committee moved to create a lease with the Rolling Thunder Club, to be consistance with other clubs.	Executive Director	
8. NEW BUSINESS – Policy 5528-31, Refund of Excess Income The Committee reviewed Policy 5528-31, Refund of Excess Income Fees.	Recording Secretary	

COMMUNICATIONS COMMITTEE

SUMMARY REPORT January 11, 2018

Action/Request	PERSON RESPONSIBLE	ACTION TAKEN
1. CORRESPONDENCE: Letter from Ken Stone After review and discussion of Mr. Stone's correspondence, the Committee will consider writing a policy regarding missing shareholders.	Committee	
2. UNFINISHED BUSINESS: Server Update Daniel Fabian provided an update and answered questions. No action taken.	Daniel Fabian	
3. UNFINISHED BUSINESS: FileMaker Pro/Sales Software Nataly Chigireva reported that she and staff are reviewing sales software and will provide an update at the next scheduled meeting.	Nataly Chigireva	Will provide an update at next scheduled meeting.
4. UNFINISHED BUSINESS: Office Awning Randy Ankeny reported that the awning has been approved by the ADRC and scheduled for installment. No action taken.		
5. UNFINISHED BUSINESS: Axserion Update Mr. Ankeny provided an update to the Committee. After a brief discussion, Mr. Stone MOTIONED, seconded by Mr. Dodero and carried with one recusal by Mr. Crossley and by the Committee members present – To shut down the Axserion project to take necessary correction action.	Daniel Fabian	Will provide an update at next scheduled meeting.
6. NEW BUSINESS: 2018 Publications Timeline Nataly Chigireva presented the Publications' timeline. The Committee was very pleased and impressed with her presentation. No action taken.	Nataly Chigireva	
7. NEW BUSINESS: 2018 Technology Timeline Daniel Fabian presented IT's timeline and answered questions to the Committee.	Daniel Fabian	Will provide an update at next scheduled meeting.



COMMUNICATIONS COMMITTEE

SUMMARY REPORT January 11, 2018

Action/Request	PERSON RESPONSIBLE	ACTION TAKEN
<p>8. NEW BUSINESS: Wikipedia/Social Media Pages After a brief discussion, Mr. Ankeny requested staff to review the Leisure World, Seal Beach content page and provide suggestions for amendment for Committee review and consideration.</p> <p>It is the consensus of the Committee to move forward with staff's request.</p>	Randy Ankeny	Will provide an update at next scheduled meeting.
<p>9. NEW BUSINESS: Selection of 2018 Telephone Directory Cover Nataly Chigireva presented three possibilities for the 2018 Telephone Directory Cover. After a brief review and discussion, the Committee voted to select Option #1 (Astrolabe) for the 2018 Telephone Directory Cover.</p>	Nataly Chigireva	Will provide to production staff for printing.



EXECUTIVE COMMITTEE

SUMMARY REPORT Friday, January 12, 2018

Action/Request	Person Responsible	Action Taken
1. Unfinished Business: Uniforms for Security and Recreation Staff The Committee moved to recommend the GRF BOD approval of the purchase of yellow polo shirts for the Security Department staff.	Executive Director	
2. Unfinished Business: Review draft GRF Director Booklet The Committee moved to recommend the GRF BOD authorize use of the GRF Director Booklet.	Executive Coordinator	
3. Policies: The Chair requested the Committee review the Administration policy index to determine which are policies, which are rules, which are charters and which are procedures.	Committee Members	
4. Policies: Amend Policy 5092-30, Board of Directors Code of Ethics and Conduct, Amend 5092.01-30, Board of Directors Censure Procedure and Amend 5092.02-30, Motion to Censure The Committee requested corporate counsel respond to specific questions pertaining to the policies.	GRF President Executive Director	
5. Staff Reports: Human Resources Director The Committee moved to accept the Project Coordinator position description.	Human Resources Director	



RV LOT AD HOC COMMITTEE

SUMMARY REPORT Tuesday, January 16, 2018

Action/Request		Person Responsible	Action Taken
1.	Unfinished Business: Individual Lease Agreements The Committee moved to recommend the GRF BOD approve the individual RV Lot lease between GRF and GRF members, as amended.	Recording Secretary	
2.	New Business: Draft Policy 1487.02-50, Variance to Policy 1927-37 The Committee moved to recommend the GRF BOD adopt draft Policy 1487-50.02, Variance to Policy 1927-37.	Recording Secretary	

Mutual 8 CFO Report – January, 2018

Good afternoon. Thank you for joining us this afternoon.

The Total Assets of Mutual 8 is \$4,735,704.63 with \$2,038,267.39 in Restricted Reserve Deposits.

Significant expenses over budget include legal fees (\$2,331/month) and (10,845/year-to-date); Landscape Extras (\$12,394/month) and (\$3,924/year-to-date); Pest Control (\$5026/month) and (\$3,538/year-to-date); and Structural Repairs (\$7,869/month) and (\$18,183/year-to-date). Total expenses as of 12/31/17 was a deficit (\$13,703).

Income was below budget by (\$5,043). Categories accounting for this include taxable interest income, inspection fees, and miscellaneous income.

Some of the positive findings of November were offset by expenses related to the carport fire. The end resolution of these figures may be offset in the coming months. The total cost of the fire was around \$216,084.58 with the insurance reimbursement to date of only \$99,573.73. Again, this may change as more costs and income from the fire are resolved. Additionally, the Mutual has experienced some addition costs in the month of December, including major water damage and pest control abatement. Tree safety is another major expense.

In order to meet our fiscal needs, \$80,000 needed to be transferred from The Infrastructure Reserve to operating expenses. This will need to be replaced 1 year from now, according to Davis Sterling. We are hoping most of this replacement will come from insurance settlements. You will be kept up-to-date.

The Market value plus accrued income of our BNY Mellon investments is \$1,253,070.88. The estimated annual income from the Mutual's investments is expected to be \$55,260.26. A \$25,000 Bond was purchased from George ST on 12/14/17.

Please let me know if you have any questions.

Ruth G. Berg, PhD,RN, CPNP-R
CFO/VP, Mutual 8, Seal Beach Leisure World

P.O. Box 2069
Seal Beach CA 90740

Dec Actual	Dec Budget		2017 Y-T-D Actual	2017 Y-T-D Budget
82,688	82,689	Carrying Charges	992,259	992,257
26,699	26,683	Reserve Funding	320,383	320,383
109,387	109,372	Total Regular Assessments	1,312,642	1,312,640
865	790	Service Income	9,342	9,480
1,607	1,516	Financial Income	19,022	18,082
2,457	1,851	Other Income	26,332	22,091
4,928	4,157	Total Other Income	54,696	49,653
114,315	113,529	Total Mutual Income	1,367,338	1,362,293
50,353	50,353	GRF Trust Maintenance Fee	604,225	604,225
6,043	8,156	Utilities	92,754	97,927
3,464	1,129	Professional Fees	24,382	13,614
47,415	20,094	Outside Services	253,534	241,205
2,235	7,081	Taxes & Insurance	80,718	84,939
26,699	26,683	Contributions to Reserves	320,383	320,383
136,208	113,496	Total Expenses Before Off-Budget	1,375,996	1,362,293
(21,893)	33	Excess Inc/(Exp) Before Off-Budget	(8,658)	0
1,265	0	Depreciation Expense	20,469	0
(23,158)	33	Excess Inc/(Exp) After Off-Budget	(29,127)	0
		Restricted Reserves		
(7)	0	Appliance Reserve Equity	18,474	0
2,167	0	Painting Reserve	34,181	0
6,667	0	Roofing Reserve	1,708,986	0
(49,584)	0	Emergency Reserve Equity	5,426	0
(65,250)	0	Infrastructure Reserve	269,229	0
(106,007)	0	Total Restricted Reserves	2,036,295	0

The Mutual Administration Director's Comments

JANUARY 2018

Pet Registration

Per Pet Policy 7501, Article II, your pet must be registered with the Stock Transfer Office before it is brought onto the Mutual premises. Further, the pet registration and licensing must be updated on or before December 31 of each year. The Mutual Pet Registration Form can be picked up at the Stock Transfer Office. To complete the registration, you will need to include the following:

Requirements for Dogs: City of Seal Beach Pet License, proof of spay or neuter, proof of dog's inoculations, proof of liability insurance, and proof of dog's weight.

Requirements for Cats: Proof of spay or neuter, and proof of liability insurance.

If you are renewing a currently-registered pet in the Stock Transfer Office, you do not need to complete a new form, but you do need to provide current liability insurance documents and, for dogs only, a current City of Seal Beach Pet License.

Caregiver registration

Per Policy 7557 all Caregivers whether working as a family member, as an individual, or through an agency, must apply and receive a special photo pass from the Golden Rain Foundation Stock Transfer Office:

- 1) The ID must be renewed every six months.
- 2) The ID must be worn around the neck at all times.
- 3) ID, Badge, or Pass may not be transferred or lent to anyone.

Please ask a Director for individual Mutual requirements and/or see your specific Mutual 7557 Caregiver policy posted on your individual Mutual website.

Year-end mail out information

The 2018 guest passes, and property tax and assessment information was mailed December 29, 2017. Payment coupons will be mailed under separate cover.

If your monthly assessment is via direct debit, the money will automatically be withdrawn from your account.

As a reminder, guest passes are intended for your trusted family and friends, and are not to be given to contractors, caregivers, neighbors or someone you've hired to work in your home.

If you have not received your guest passes or payment coupons by January 16, 2018, or have questions about registering your Caregiver or pet call the Stock Transfer Office at (562) 431-6586 ext. 347,348.

Estates will not receive guest passes but will receive the property tax and assessment information.

The New Year is yours, what will you do with it?



Mutual 08
Presidents Report
January 2018

January was a month to finish and start some large projects. The Board of Directors had large projects but many shareholders have 'projects' and tasks also!

- The Carport 102 fire reconstruction was completed and cupboards were ready to accept storage. Everyone got their space back!!
- Over 46 trees were trimmed by Bright View
- 5 trees that were dead or dying were removed
- **Pets registrations** need to be updated at Stock Transfer
- **Leisure World decals on any vehicle** need to be updated by shareholders. Security is checking all Carports after 2/1/18. If your decals are current, you have nothing to worry about.
- If you don't use your carport space, consider renting it out to another Mutual 08 shareholder. Many residents - shareholders have two cars. I have a special form for both parties to fill out.
- **Caregivers must renew at the first of the year** at the Stock Transfer Office. I have helped two families have their caregivers registered properly by taking pictures in the unit and taking forms in to Stock Transfer. It is difficult for caregivers who work evenings and weekends to get to Stock Transfer Office.
- Over 90 damaged, broken sprinkler heads replaced, three large landscape valves replaced. Many sprinkler adjustments made by Landscape Team. There are more to be completed. Call Ron Kline to get on the list , 949-212-3628
- **Orange/red flags distributed to shareholders** to put in their garden area to let gardeners know that flag = please

weed but NO TRIM. If you need a flag, call your Director for your building. The Roster of who to call is in the Laundry Rooms or on our website (LWSB.com-drop down Menu to Mutual 08.)

- Laundry Room Repairs- Please call Richard Winslow, Director for Physical Property and report a broken washer or dryer. 269-986-4831. It seems to work better when a Director reports problems.

- Make sure your **homeowner and auto policies** are up to date. (HO-6 policy, 'condo owners policy'.)
 1. General Liability Coverage, at least \$50,000, your deductible if you are at fault for damage to your unit and other units.
 2. Dwelling Coverage for loss of upgrades in your unit that were not permitted by GRF over the years
 3. Personal Property Coverage- property within your unit such as drapes, carpet, furniture, jewelry, etc.
 4. Loss Assessment Coverage- this is a special addition to HO-6 policies that will cover losses for property not covered by GRF master policy.
 5. GRF carries limited flood insurance. You can purchase more flood insurance yourself.
 6. GRF does not carry earthquake insurance on the buildings. You can purchase earthquake insurance by yourself.
 7. Always check with your insurance agent for any of the above items. Your insurance broker should help you with this. If your insurance broker cannot assist you with a question then what will they be like in an emergency?

- Building Captains, Co-Captains, building helpers and other volunteers for MU08 are invited to attend a

Captains Meeting on 2/5 at 6PM, 2/12 at 9:30 AM or 2/19 at 3PM. Please call Laura Garcia at 562-230-5302 if you want to attend. We are planning for a little food plus change of duties for Captains.

○ **TOWN HALL MEETING for everyone on Monday, 3/5/18 at CLUBHOUSE**

4. Meeting will have light refreshments, no lunch from 12:30-2:30PM. Please attend. Bring fruit/dessert if you wish! Call the President if you want to help. Please let me know if you plan on coming. We are going to share information from gardeners, security office and hear from our new attorney, Mr. Roseman. There will be time for all to be heard also. I want to have a tree request sign up. And, we can just visit! Not the annual meeting, this is an extra get together.

○ **Have a great day!!**

Mutual 8

Building Captains and Co-Captains Meeting

WHAT: Mutual 8 President Camille Thompson is calling All Building Captains and Co-Captains to meet and update on What and How We Help and Govern Each Other. Building Helpers, Interested Volunteers and Friends are Welcome to Attend.

WHEN & WHERE: Please refer to the chart below.

RSVP: Laura Garcia @ 562-230-5302 by 1/26/18. We need to have a count of who is attending. Refreshments will be served.

	9:30 - 11:00 A.M.	3 - 4:30 P.M.	6 - 7:00 P.M.
Mon., 2/5/18			Bldg 204E
Mon., 2/12/18	Bldg 5 (Physical Property), Room B, Downstairs/Back Area		
Mon., 2/19/18		Bldg 5 (Physical Property), Room B, Downstairs/Back Area	

Physical Property Report by Richard Winslow- January 2018

All solar panels will be removed within the next few weeks and we will then be using Southern California Edison for all laundry room and outside lighting. The metal framework will be left intact until roofs are replaced to reduce the prospect of roof leaks.

We did sustain a roof leak in building 188 in the last rain storm (at a location unrelated to solar panels.)

LA Seismic, LLC will conduct a geologic study in LW and surrounding area by burying 13 to 15 small receivers in Mutual 8 (and several other mutuals') lawns and gardens. They will be marked by a small ribbon or "whisker". Please do not tamper with them. A truck will drive by once and set off signals that will cause vibrations lasting less than 2 minutes each, that we may notice. These receivers will later be removed. Mutual 8 will *receive* payment in consideration for allowing LA Seismic to conduct its study in our area. *Please let me know promptly if you notice any damage from the testing.*

Carports 102 and 103 repairs from the fire in July were completed ahead of schedule which made 36 parking stalls available in time for Christmas. Thank you for your patience while that project was under way. We are still in negotiations with the insurance companies, our CFO/ treasurer will explain the ramifications. This is valuable experience for us; fires can occur and we are dependent on our own insurance for paying for alternate living facilities if our apartments are damaged by fire. It took 6 months to repair a carport building- and it could take twice that for our apartments. Do not skimp on your insurance coverage for the cost of temporary displacement in case of damage to your apartment.

There is an objectionable delay in getting laundry room machines repaired. This may be due, in part, to people placing "Out of Order" placards on machines but not calling and telling Service Maintenance of the malfunction. Please do not fail to call Service Maintenance when a machine is out of service; their number is on the placard. We do have spare machines but Service Maintenance does not tell me how long it will take before a machine is repaired; we may have waited upwards of a month for repairs in some instances.

Many of the sidewalk light poles are showing signs of rust around their base. We should look into having them sand blasted and repainted.

GRF's Physical Property Council handled two topics at its January meeting:

We were shown a product that inserts a lining into leaky sewer pipes running the length of the buildings that helps avoid digging up the floors of the building if the pipe is not too badly damaged.

The Facility Manager announced that outside contractors may be called to supplement Service Maintenance but our cost will be the same. Hopefully this will reduce the delay in having repairs made. I will ask for additional help with our laundry room machine repairs because LW has one person t repair laundry machines for all 16 mutuals- we alone, have almost 60 machines.

Responding to public comments at the January 2018, board meeting: Some vocal shareholders at the January meeting (and remarks by some fellow board members at previous, board meetings) expressed concern over the credentials of the business I recommended to replace our solar panels. We do not, as a rule, respond to public comments at meetings, but, as the remarks implicitly criticize my business judgment as well as the reputation of Stellar Solar, I make this reply.

Sunpower, d/b/a Stellar Solar provided us with a list of 30 commercial projects ranging in sizes from 25 kW to 1Million Kw, which it completed over the past 10 years. (Our project was to be less than 6Kw) The list includes: state and federal courthouses, the SEAL base in Coronado, hospitals including Cedar Sinai, schools including Loyola University, cities including Anaheim and Tustin, and several churches and businesses. This list, which was provided to the board, is available to anyone, upon request. Stellar Solar was approved by JND, the court appointed agent managing the \$45.3 million settlement of the class action suit against British Petroleum in which we are participating. The evidence is, that Stellar Solar knows its business. Doubt in Stellar Solar's capability is born of ignorance, not facts.

Remarks that the solar panels Stellar Solar was proposing to install are 10 years old, are belied by the specifications in the contract that panels to be used are "of recent manufacture". They are of the current technology- mono crystalline Si, and most importantly, guaranteed by the manufacturer to degrade not more than 1/2% per year *for 25years* from the date of installation.

The accountant whose opinion was offered, was not represented to be a CPA, she is a licensed accountant (not a bookkeeper) whose clientele includes a local yacht club that was established 55years ago. Not insignificantly, the personal attack made upon her did not concern the merits of her analysis; nor am I familiar with the credentials or motivation of the person who engaged in slurring her character, and by implication, my judgment in asking for her professional advice in this matter.

Respectfully,

Rich Winslow

COMMON INTEREST DEVELOPMENT UPDATE

2017 Case Law and Legislation

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ENACTED LEGISLATION IN CALIFORNIA

AB 634 Solar Energy Installation

Beginning January 1, 2018, Civil Code §714.1 now restricts associations from establishing a general policy that prohibits or requires membership approval of the installation or use of a rooftop solar energy system for household purposes on the roof of the building in which the owner resides, or a garage or carport adjacent to the building that has been assigned to the owner for exclusive use.

Furthermore, Civil Code §4600 will now exclude the installation and use of a solar energy system on common area roof of a residence from the requirement of an affirmative vote of members owning at least 67 percent of the separate interests in the common interest development before the board may grant exclusive use of any portion of the common area to a member.

Lastly, under new Civil Code §4746, when reviewing an architectural approval request to install a solar energy system on a multifamily common area roof shared by more than one homeowner, the association shall require the applicant to notify each other unit holder within the building in which the installation will be located, and the association shall require that the applying owner and each successive owner maintain homeowner liability insurance, and provide the association with the certificate of insurance within fourteen (14) days of approval of the application, and annually thereafter.

Additionally, when reviewing the architectural approval request, the association may impose reasonable provisions that require the applicant to submit a solar site survey showing the placement of the system, prepared by a licensed contractor or registered salesperson knowledgeable in the installation of solar energy systems to determine usable solar roof area. This survey or the costs to determine useable space shall not be deemed as part of the cost of the system and the solar site survey shall also include a determination of an equitable allocation of the usable solar roof among all owners sharing the same roof, garage, or carport.

Also, the association may impose reasonable provisions that require the owner and each successive owner to be responsible for: (1) Damage to the common area resulting from the installation, maintenance, repair, removal or replacement of the system; (2) Costs for the maintenance, repair, and replacement of the system until it has been removed; (3) Costs for the restoration of the common area, exclusive use common area, or separate interests after removal; and (4) Disclosing to prospective buyers the existence of the system and the related obligations of the owner with respect to the same.

AB690

Manager Conflicts and Disclosure Requirements

Effective on January 1, 2018, AB 690 amended Business and Professions Code §11504, added two (2) new Civil Code sections and amended several more.

Existing law requires that a common interest development manager ("Manager"), or common interest development management firm ("Management Company") provide specified disclosures to the board of directors of an association, including whether the prospective Manager is certified, holds an active real estate license, and the Manager's name and address. Business and Professions Code §11504 has been amended to now require that Managers disclose whether they receive a referral fee or other monetary benefit from a third-party provider distributing the association's annual budget report, and must provide a written acknowledgment that the billing disclosures and annual budget report documents provided to a member, or potential member, are the property of the association, and not of the manager or management company. Additionally, §11504 now further requires that a Manager or Management Company, make the disclosures required of Civil Code §5375.

Another change is that the billing disclosures form outlined in Civil Code §4528 now includes language stating that any documents specified by Civil Code §4525 that are in the possession of the seller may be provided to the prospective purchaser at no cost, and that a seller may request to purchase some or all of the documents listed on the form, but is not required to. Additionally, Civil Code §5300 now requires that the billing disclosure form must now be included with the annual budget report, in addition to being disclosed at the time of purchase or sale.

Furthermore, Civil Code §5375 now requires that Managers disclose any business or company in which the Manager or Management Company has any monetary interest or in

which a monetary benefit can be derived, and must disclose whether the Manager or Management company receives a monetary benefit from a third-party distributor of documents.

Lastly, §§5375.5 and 5376 have been added to the Civil Code. Civil Code §5375.5 provides that a manager shall disclose in writing, any potential conflict of interest when presenting a bid for a provider of service to an association. Conflict of interest is defined as any referral fee or monetary benefit that could be derived from a company providing services to the association, and any ownership interests or profit-sharing arrangements with services providers recommended to, or used by the association. And, Civil Code §5376 requires Manager and Management Companies, or their third-party agent to facilitate the delivery of disclosure documents in accordance with Civil Code §4530, if the Manager, Management Company or the third-party agent is contractually responsible for delivering those documents.

AB 534 Mechanics Liens

Civil Code §4615 has been amended to now prohibit, in a common interest development, a mechanics lien from being filed against another owner in the common interest development unless the owner provides consent, or requests the work, except in the case of emergency repairs.

Furthermore, Civil Code §§4615 and 6658 allows a homeowner to remove the lien by paying a fraction of the total sum under the lien that is attributable to the homeowners separate interest, or by recording a release bond in an amount equal to 125 percent of the sum secured by the lien that is attributable to the owners separate interest.

Additionally, Civil Code §§4620 and 6660 have been added which require that the association give notice of the lien to the members of the association within sixty (60) days of service of the claimed lien.

Lastly, the addition of Civil Code §8119 imputes to all owners authorization to perform work in common areas of the association if the association requests the work.

AB 1412 Civil Code §§4041 and 5800 Director Liability and Address for Member Notice

Existing law, found in Civil Code §5800 shields volunteer officers or directors of an association that manages exclusively residential common interest developments from liability in excess of the coverage of insurance maintained by the association, for tortious acts or omissions, provided that the act or omission was performed in good faith, within the scope of the officer or director's association duties and was not willful, wanton, or grossly negligent.

Beginning January 1, 2018, this protection extends to directors or officers of an association that manages residential or mixed use common interest developments, but only to those officers or directors who are residents of the association.

In addition, Civil Code §4041 which discusses delivery of member notices, has been amended to add that the association may use the last address provided in writing by the owner, if an owner fails to provide an address or alternate address to which notices from the association are to be delivered.

SB 2

Addition of Government Code §27388.1 Recorded Document Fee

SB 2, among other things, added new Government Code §27388.1 which provides in relevant part that a \$75.00 recording fee will be imposed, in addition to any other recording fees, for the recording of every real estate instrument, paper or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. "Real estate instrument, paper, or notice" is defined as a document relating to real property, including, but not limited to the following: deed, grant deed, trustee's deed, deed of trust, reconveyance, quit claim deed, fictitious deed of trust, assignment of deed of trust, request for notice of default, abstract of judgment, subordination agreement, declaration of homestead, abandonment of homestead, notice of default, release of discharge, easement, notice of trustee sale, notice of completion, UCC financing statement, mechanic's lien, maps, and covenants, conditions, and restrictions. The fee imposed by this section shall not exceed \$225.00.

The fee described above will not be imposed on any real estate instrument, paper, or notice recorded in connection with a transfer subject to the imposition of a documentary transfer tax as defined in §11911 of the Revenue and Taxation Code, or on any real estate instrument, paper, or notice, recorded in connection with a transfer of real property that is a residential dwelling to an owner-occupier.

SB 407

Addition of Civil Code §4515 Non-Commercial Solicitation

SB407 added new Civil Code §4515, which takes effect January 1, 2018. The new rule prohibits the governing documents of an association from prohibiting members or residents of a common interest development from engaging in certain activities. Those activities include: (1) Peacefully meeting with members, guests and their invitees during reasonable hours and in a reasonable manner for purposes related to common interest development living, association elections, legislation, election to public office, or the initiative, referendum or recall processes; (2) Inviting public officials, candidates for public office, or representatives of homeowner organizations to meet with members, residents, or their invitees or guests and speak on

matters of public interest; (3) Using the common area, or the area of a separate interest (with the consent of the member) for these meetings; (4) Canvassing and petitioning the members, association board of directors, and residents for these meetings at reasonable hours and in a reasonable manner; and (5) Distributing or circulating, without prior permission, information about common interest development living, association elections, legislation, election to public office, or the initiative, referendum, or recall processes, or other issues of concern to members and residents at reasonable hours and in a reasonable manner.

In addition, a member shall not be required to, pay a fee, make a deposit, obtain liability insurance, or pay the premium or deductible on the association's insurance policy, in order to use the common area for the described activities.

ENACTED FEDERAL LEGISLATION

81 FR 63054

Quid Pro Quo and Hostile Environment Harassment and Liability for Discriminatory Housing Practices Under the Fair Housing Act

As of 2016, "Quid pro quo harassment" and "hostile environment harassment" are prohibited. Quid pro quo harassment occurs when a person is subjected to an unwelcome request or demand related to the person's housing. Hostile environment harassment involves subjecting a person to unwelcome conduct that is sufficiently severe or pervasive to the point where it deprives the person of the right to use and enjoy the housing.

Associations, including board members, may be liable under this law: (1) for their own actions; or (2) if they do not act when residents' conduct constitutes hostile environment harassment towards others. This year, the U.S. Department of Housing and Urban Development ("HUD") provided clarification in response to questions regarding the application of the rule to community associations.

Particularly, an issue was raised concerning the fact that community associations generally lack the legal authority to mandate that residents take actions described in the preamble of the rule because the associations cannot evict homeowners or otherwise impose conditions not specifically authorized by the associations covenants, conditions and restrictions ("CC&R's").

The HUD responded by highlighting the fact that a community association generally has the power to respond to third-party harassment by imposing conditions authorized by the associations CC&R's or by other legal authority. Community Associations regularly require residents to comply with CC&R's and community rules through such mechanisms as notices of violations, threats of fines. While community associations may not always have the ability to deny a unit owner access to his or her dwelling, the rule requires the community association to take whatever actions it legally can take to end the harassing conduct.

CALIFORNIA CASE LAW

Tract 7260 Ass'n v. Parker **(2017) 10 Cal.App. 5th 24**

Facts: Homeowner, requested a copy of the association's membership list and other association records. The association denied the request because they were being sought for an improper purpose--to be used against the association in a legal dispute. Homeowner filed a petition for writ of mandate to compel the association to allow him to inspect and copy the membership list and other books and records, as was his right as a member.

Applicable Law: California Corporations Code §8333

Result: Trial Courts finding that that the member sought information for an improper purpose affirmed. Trial Court reversed the finding that the membership list be disclosed as the corporation's challenge to the request was not barred by statute.

Rule: When there is a finding of improper purpose supported by substantial evidence, the assertion of a proper purpose does not undermine the conclusion.

Mashiri v. Epstein Grinnel & Howell **(9th Cir. 2017) 845 F. 3d 984**

Facts: Homeowner and member of the association became delinquent in her assessments. The association sent the homeowner a pre-lien letter that stated the Association would record a lien against the homeowner's property if she failed to pay the delinquent assessments within thirty-five days of the date of the pre-lien letter. The homeowner later sued, arguing: (1) requiring payment within thirty-five days of the date of the pre-lien letter impermissibly violated her rights under the Fair Debt Collection Practices Act ("FDCPA"), which provides her a thirty-day period to dispute the debt upon receipt of the letter; and (2) by threatening to record a lien within thirty-five days irrespective of whether she disputed the debt, the Association violated her right to effectively dispute the debt. The District Court dismissed the claim, and Mashiri appealed.

Applicable Law: 15 U.S.C. 1692g(b) and Civil Code §5660

Result: The Appellate Court reversed holding that the pre-lien letter demanding payment within thirty-five days of the *date* of the letter was inconsistent with the right to dispute a debt within thirty days of *receipt* of the letter. By the time a delinquent homeowner receives such a letter, there may be fewer than thirty days left before payment is actually due, and a delinquent homeowner could likely be led to believe that, even if she disputed the debt, the association would nonetheless record a lien on the thirty-fifth day after the date of the pre-lien letter, which would be improper.

Rule: Demanding payment from a point in time that would require the homeowner to send payment prior to the thirtieth day of the dispute period, and language that would lead the homeowner to believe that even if they were to dispute the debt, a lien would be recorded upon the expiration of the time-period called for in the letter, overshadows and conflicts with the homeowners FDCPA debt validation rights.

Retzloff v. Moulton Parkway Assn.
G053164

Facts: Plaintiffs and former board members Retzloff, Franklin and Stewart sued the association twice for violations of the Davis Stirling Act. The first suit alleged that the association violated sections of the Davis Stirling Act by conducting association business outside of board meetings and failing to maintain and make available certain corporate records. Before the suit, pursuant to Civil Code §5930, plaintiffs notified the association of their grievances in an email demanding ADR. However, this never occurred because Plaintiffs contended they did not have access to association documents necessary to engage in mediation. Plaintiffs then filed the suit and the association demurred on the grounds that plaintiffs did not complete ADR prior to filing the lawsuit. Plaintiffs dismissed the first suit before the demurrer could be ruled on and then filed a second suit identical to the first, attaching a certificate purporting to comply with the ADR requirement. The association demurred to which the trial court sustained without leave to amend. The association then moved for attorney fees. The trial court found the second action to be frivolous, and pursuant to Civil Code §5235(c), awarded the association attorneys fees and costs. Plaintiffs then appealed the award.

Applicable Law: Civil Code §5235(c)

Result: Judgment in favor of the association affirmed with respect to award for costs, and reversed with respect to the award for attorney fees.

Rule: A plain reading of “any costs” as used in §5235(c) does not support the inclusion of attorney fees as costs. §5235(c) entitles a prevailing association to costs, not attorney fees and costs.

Colyear v. Rolling Hills Community Association of Rancho Palos Verdes
B270396

Facts: Homeowner Yu Liu (“Liu”) submitted an application to the association, Rolling Hills Community Association of Rancho Palos Verdes, seeking to invoke the association’s dispute resolution process against a neighbor who refused to trim trees blocking Liu’s view. Neighbor and association member Richard Colyear sued Liu and the association, alleging that two of the offending trees were actually on his property, that the relevant tree-trimming covenant did not encumber his property, and therefore that Liu and the association were wrongfully clouding his title by seeking to apply such an encumbrance. Liu filed a special motion to strike the claims alleged against him under the anti-SLAPP statute. The trial court granted the motion. Colyear appealed, arguing that Liu’s application involved a private tree-trimming dispute between two

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neighbors and thus did not qualify as a matter of “public interest” for purposes of the anti-SLAPP statute.

Applicable Law: Code of Civil Procedure §425.16 (Anti-SLAPP motion)

Result: The Court of Appeal affirmed holding that Colyear’s complaint arose from Liu’s statements made in connection with an issue of public interest. The issue regarding the applicability of tree-trimming covenants was an ongoing topic of debate between the board and the homeowners.

Rule: Issues of general concern to homeowners in the community are considered issues of public interest and therefore statements made in connection with the same are protected.

Revoek v. Cowpet Bay West Condominium Assn.
(2017) 853 F.3d 96

Facts: Appellants Walters and Kromenhoek were prescribed emotional support animals. Each obtained a dog which violated the “no dogs” rule of the condominium. Appellants each attempted to request an accommodation by filing paperwork with the office manager with certifications stating that the dog was “prescribed and deemed necessary to assist . . . the confirmed disabled handler” and that “property managers and landlords are required to make reasonable accommodation” under the Fair Housing Act. Meanwhile, another resident Talkington, used his internet blog about the community to denigrate Walters and Kromenhoek for their possession of the dogs. The Board did not grant an accommodation to Walters or Kromenhoek in the fall of 2011 and instead fined Walters and Kromenhoek for violating the “no dogs” rule. The Board eventually granted the accommodations in 2012 under a new president. Walters and Kromenhoek, filed civil rights cases under the Fair Housing Act raising two federal claims: (1) that Cowpet denied their reasonable requests for accommodation in violation of 42 U.S.C. §3604(f)(3)(B); and (2) that Cowpet and three individual Appellees interfered with the exercise of their fair housing rights in violation of 42 U.S.C. §3617. Walters and Kromenhoek also asserted supplemental territorial law claims against all Appellees. Walters committed suicide while her case was pending in the District Court. Appellees moved for summary judgment. The District Court dismissed Walters’ Fair Housing Act claims entirely due to her death. As to Kromenhoek, the District Court denied her Fair Housing Act claims on the merits. Walters and Kromenhoek appealed.

Applicable Law: Fair Housing Act (“FHA”)

Result: Summary judgment reversed. The Fair Housing Act claim survives the death of a party. There was a material issue of fact as to whether Cowpet’s actions constituted a refusal of accommodation, and there were genuine issues of material fact as to whether the Defendants actions interfered with Walters and Kromenhoeks exercise of their fair housing rights.

Rule: 1) Fair Housing Act claims survive the death of a party. 2) An undue delay in granting a reasonable accommodation under the FHA *may* amount to refusal. 3) Interference under the

FHA *may* consist of harassment if it is sufficiently severe or pervasive so as to create a hostile environment.

Acqua Vista HOA v. MWI, Inc.

D068406

Facts: The association filed a construction defect action in December 2009. In September 2013, the association filed an amended complaint in which it named MWI, Inc. ("MWI") and others as defendants. The complaint alleged a cause of action styled as "Violation of SB800 Construction Standards, Civil Code § 896" against all defendants, including MWI. At trial MWI moved for a directed verdict on the ground that the association failed to present evidence that MWI caused a violation of Act's standards as a result of MWI's negligence or breach of contract. The trial court denied the motion and entered judgment against MWI. Thereafter, MWI moved for a judgment notwithstanding verdict "JNOV" on several grounds, including that the association had failed to present evidence that MWI had caused a violation of the Acts standards as a result of MWI's negligence or breach of contract. The Trial Court denied MWI's motion for JNOV and MWI appealed.

Applicable Law: Civil Code §936

Result: The amended judgment and trial court's order denying motion for JNOV was reversed. Since the HOA's claim was brought under SB800, it was required to prove the defendant "caused, in whole or in part, a violation of a particular standard as the result of a negligent act or omission or a breach of contract."

Rule: Civil Code §936 contains an "explicit adoption of a negligence standard for claims" under the Building Standards Act against material suppliers. A party suing a material supplier under SB800 for violation of one or more construction standards must prove that the material supplier "caused, in whole or in part, a violation of a particular standard as a result of a negligent act or omission or breach of contract."

Marina Pacifica HOA v. SC Financial Corp.

B270580

Facts: In 2007, the Legislature enacted §§1098 and 1098.5 to regulate transfer fees, defined broadly as fees imposed in any document affecting transfer of an interest in real property. When unit owners purchased their units in the Marina Pacifica complex, they purchased an ownership interest in their individual units, and a share of an undivided leasehold interest in the land on which the complex was built. The leasehold interest included the obligation to pay monthly rent to the landowner and an assignment fee to the developers. Plaintiff Marina Pacifica and a Mr. Lansfield retained the interest in assignment fees. In 2008, Mr. Lansfield transferred his right to the assignment fees to the defendant. Plaintiff instructed owners not to pay the assignment fees and sued asserting that the assignment fee was a transfer fee as defined by §1098 and could not be collected after December 31, 2008, because Defendant did

not comply with the recording requirements of §1098.5. The trial court agreed and entered judgment. During 2015, legislation was enacted to amend §1098, effective January 1, 2016. Among the changes were the addition of a new subdivision (b) which provides, with respect to the substantial compliance exception to the definition of a transfer fee, that the specified information “shall be set forth in a single document and shall not be incorporated by reference from any other document.” After the passing of the new legislation, the trial court permitted briefing, and on December 28, 2015 entered final judgment. Plaintiff appealed asking the Appeals court to reverse and direct entry of a new judgment declaring that Defendant cannot collect assignment fees as of January 1, 2009

Applicable Law: Civil Code §§1098 and 1098.5

Result: Trial court judgment is affirmed. The result the legislature intended was that the Marina Pacifica assignment fees should remain in place so long as defendant recorded a document reflecting the assignment fee, that complies with §§1098(b) and 1098.5 on or before December 31, 2016

Rule: A fee for assignment of ground lease interests to condominium owners, payable by individual condominium unit owners to the developers of the condominium project, is properly collectible if the recording requirements under Civil Code §§1098 and 1098.5 have been met.

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- Delinquent Assessment Collections

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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~~ **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. 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)
(amended draft created on 01/22/18 ka)

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

(Draft created 11-28-17 cd)

(amended draft created on 01/22/18 ka)

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)

(amended draft created on 01/22/18 ka)



MUTUAL EIGHT

SUMMARY REPORT

Monday, January 22, 2018

Action/Request	Person Responsible
<p>1. Unfinished Business – a RESOLVED, To ratify amended/posted Policy 7406.08 – <u>Encroachment onto Common Areas for Exclusive Private Use of Shareholder</u>.</p> <p>RESOLVED, To amend Policy 7406.08 – <u>Encroachment onto Common Areas for Exclusive Private Use of Shareholder</u> on a preliminary basis until the 30–day posting period is completed.</p>	Recording Secretary Physical Property Building Inspector
<p>2. Unfinished Business – b RESOLVED, To amend Policy 7510.08 – <u>Eligibility Requirements</u> on a preliminary basis until the 30–day posting period is completed.</p>	Recording Secretary Stock Transfer Office
<p>3. New Business – a RESOLVED, That, NOT WITHSTANDING PREVIOUS ACTION BY THE BOARD, the Mutual Eight board will permit LA Seismic to place the nodes in the Mutual Eight Common areas and ratify the phone poll vote taken on Friday, January 19, 2018, for a compensation at the conclusion of the survey.</p>	Mutual Board Mutual Administration Manager Recording Secretary
<p>4. New Business – f RESOLVED, That WHEREAS, Section 5515 of the California Civil Code permits the Board to transfer money from the reserve Fund to the Associations general operating funds to meet short-term cash flow requirements or for other expenses; and WHEREAS, there is currently a shortage in the Association's cash flow impairing the Association's ability to meet its current operating expenses due to additional expenses not anticipated in the budget and for fire damage in Carport 102; and WHEREAS, the Board has determined that it will be in the best interests of the Association to temporarily transfer money from the reserve fund to the general operating account; BE IT RESOLVED, that the President and the Chief Financial Officer are hereby authorized and instructed to transfer the amount of \$80,000, from the reserve account to the general operating account. The money transferred and expended pursuant to the Resolution, shall be restored to the Associations reserve fund not more than one (1) year from the initial date of the transfer and shall be repaying from the following source(s): cash flow adjustment, unspent funds in the 2018 Budget, Solar Panel compensation, and LA Seismic compensation.</p>	Mutual Board Mutual Administration Manager Finance Department



MUTUAL EIGHT

Action/Request	Person Responsible
<p>5. Mutual Eight February Follow Up– Due to time constraints the following will be discussed at the next Regular Board Meeting: Discuss Mutual Eight Parks – end of Building 189 and 204 Discuss upkeep and maintenance of Memorial Park – end of Building 190 and 191 Discuss rescinding Policy 7701 – <u>Personal Property Insurance</u> and adopting Policy 7701.08 – <u>Personal Property Insurance</u> Approve the selling of two Bonds and the purchase of two Bonds Approve the transfer of funds from Emergency Reserves Fund to Non-Restricted Funds</p>	<p>Recording Secretary Mutual Board</p>

SIGN-IN SHEET

SPECIAL BOARD OF DIRECTORS MEETING MUTUAL NO. EIGHT DATE: January 22, 2018

	GUEST NAME
1.	Barbara Berget
2.	Linda Klein
3.	Savanna White
4.	Sandy Weisenstein
5.	Jerund Dolch
6.	Charlene Warner
7.	Suzi Fekjar
8.	Michael Chang
9.	Marge Murphy
10.	Larry Murphy
11.	Ann Ide
12.	Judy Jasmin
13.	Ben Berg
14.	Ron Parks
15.	Trudy Brunsting
16.	Ellie West
17.	Clarence Fuqua
18.	Ron Nett
19.	Gwen Haley
20.	Larry Slutsky
21.	Lynn Heath
22.	Dennis Kotecki
23.	Evelyn Bishop
24.	MariAnn McGrath

25.	Tom McGrath
26.	Ron Gardner
27.	Trevor J. Higgins
28.	Beth Winslow
29.	Ray Fujimoto
30.	Joanne Treveer
31.	Marcia Tupas
32.	Laura Garcia
33.	Mark Youngs
34.	Dorene Youngs