

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL EIGHT**  
**March 26, 2018**  
**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)
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):  

Mr. McGuigan, GRF Representative  
Ms. Miller, Director of Finance  
Ms. Hopkins, Mutual Administration Director  
Mr. Hurtado, Building Inspector  
Mr. Swordes, Building Inspector  
Mrs. Aquino, Recording Secretary
5. APPROVAL OF MINUTES:  
**Regular Meeting Minutes of February 26, 2018**
6. BUILDING INSPECTOR'S REPORT Mr. Hurtado/Mr. Swordes  
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (p. 3)
7. GRF REPRESENTATIVE Mr. McGuigan
8. **GUEST SPEAKER** **Ms. Miller**  
a. Review and Acceptance of the draft 2017 Audited Financial Statements (p. 5)
9. **UNFINISHED BUSINESS**  
a. Discuss adopting Policy 7471.08 – Pest Control (p. 7-8)  
b. Ratify amended/posted Policy 7510.08 – Eligibility Requirements (p. 9-13)
10. **NEW BUSINESS**  
a. Insurance Payments Update for Carport 102 Fire  
b. Restatement Meeting Reports approvals/discussion required  
c. Cumulative Voting, By-Law Amendment – Staff and Attorney Direction

**STAFF SECRETARY BREAK 3:00 p.m.**

11. SECRETARY / CORRESPONDENCE Mr. Park
12. CHIEF FINANCIAL OFFICERS REPORT Mrs. Berg  
a. Board approvals of Bond Purchases for the month of February/March (p. 15)
13. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
14. ANNOUNCEMENTS  
a. Mutual Eight Annual Meeting: Tuesday May 30, 2018, at 10:00 a.m. CH 4  
b. Candidate Forum for Board of Directors Election: May 1, 2018, at 4:30 p.m. CH 3 RM 3
15. COMMITTEE REPORTS  
a. Nominating Committee 2018–2019
16. DIRECTORS' COMMENTS
17. SHAREHOLDER(S)' COMMENTS (2-3 MINUTES)
18. ADJOURNMENT
19. EXECUTIVE SESSION

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

**NEXT MEETING: April 23, 2018 at 1:30 p.m.  
Administration Building Conference Room A**

# INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(08) EIGHT**

INSPECTOR: **George Hurtado**

MUTUAL BOARD MEETING DATE: **March 26, 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
184E	central air	yes	12/14/17	04/30/18	no		Greenwood
194A	microwave	yes	01/17/18	02/25/18	no		Ogan
182I	windows, door	yes	01/26/18	04/21/18	no		Seaport
202F	bath remodel	yes	02/21/18	05/05/18	no		Roberts
178E	heatpump	yes	02/05/18	05/16/18	no		Greenwood
194A	windows, door	yes	01/31/18	04/30/18	no		Real McCoy
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
189B			03/15/18				
192H		2/8/2018	02/22/18		3/9/2018		
199G			02/21/18		3/7/2018		
191A		3/8/2018	02/01/18	2/7/2018	2/21/2018		

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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# *Mutual Corporation No. Eight*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** REVIEW AND ACCEPTANCE OF THE DRAFT 2017 AUDITED FINANCIAL STATEMENTS (GUEST SPEAKER ITEM A)  
**DATE:** MARCH 26, 2018  
**CC:** MUTUAL FILE

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On March 26, 2018, Ms. Miller, Director of Finance, will review the Financial Statements as of the year ending December 31, 2017, by the Independent Accountant's Report as submitted by CliftonLarsonAllen (CLA).

***I move to accept that the Board of Directors of Seal Beach Mutual Eight, upon a presentation of the Financial Statements as of December 31, 2017, for the year then ended, and the proposed Accountant's Report as submitted by CliftonLarsonAllen (CLA), hereby accepts the above mentioned Financial Statements and reports therein, and to authorize the President to sign the Management Representation Letter.***

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# *Mutual Corporation No. Eight*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS ADOPTING POLICY 7471.08 – PEST CONTROL (UNFINISHED BUSINESS ITEM A)  
**DATE:** MARCH 26, 2018  
**CC:** MUTUAL FILE

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On March 26, 2018, the Board of Directors will vote to adopt Policy 7471.08 – Pest Control.

A draft version of this Policy is attached for your review.

***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.

MUTUALADOPTION

EIGHT :

(draft created on 12-04-17 ka)



# *Mutual Corporation No. Eight*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** RATIFY AMENDED/POSTED POLICY 7510.08 – ELIGIBILITY REQUIREMENTS (UNFINISHED BUSINESS ITEM B)  
**DATE:** MARCH 26, 2018  
**CC:** MUTUAL FILE

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On April 27, 1970, the Mutual Eight Board of Directors adopted Policy 7510.08 – Eligibility Requirements.

On January 22, 2018, Policy 7510.08 – Eligibility Requirements was amended and the 30-day posting period has been met.

***I move to ratify Policy 7510.08 – Eligibility Requirements.***

**MUTUAL OPERATIONS****AMENDED 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 supported by a Driver's License AND Birth Certificate, OR a Passport.** ~~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/**are** at least ~~four (4)~~ **4.5** times or greater **than** the monthly carrying charge (Regular **GRF and Mutual** Assessment plus Property Tax and Fees) at the time of application, and have liquid assets of at least **\$25,000 \$50,000 over the purchase price.**

1. **Verified monthly income/assets may be in the form of the past two years of:**

a) **The two most recent year Tax returns; IF TAX RETURNS ARE NOT FILED, explain why, and provide the following two year history of:**

- i.) **1099s for interest and dividends;**  
 ii.) **1099-R for retirement income from qualified plans and annuities;**  
 iii.) **SSA-1099 Social Security Benefit Statement**

1. ~~Tax returns;~~  
 2. ~~1099s for interest and dividends;~~  
 3. ~~1099-Rs for retirement income from qualified plans and annuities;~~  
 4. ~~SSA-1099 Social Security Benefit Statement;~~  
 5. ~~Brokerage statements and current interim statement.~~

(draft created on 02-20-18 ka)

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

~~6. Six to twelve months of checking/savings account statements.~~

**2.) Verified liquid assets of at least \$50,000 will be in the form of:**

**a.) Brokerage statements and current interim statement**

**b.) Six to Twelve months of checking account statements**

**c.) Sellers Settlement Statement of proceeds of sale of real property**

- b. Adjusted Gross Income per 1040, 1040A, or 1040EZ; plus that portion of Social Security, IRA distributions, and pensions and annuities not included in adjusted gross income; plus tax exempt interest; minus income tax, Social Security, Medicare, and self-employment taxes paid; and minus Medicare medical insurance and prescription drug premiums; all divided by twelve (12) will equal net monthly income to be used in Paragraph **2.1.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) will be the monthly income required. This will be verified by the escrow company and the Stock Transfer Office. Stock Transfer shall have the final say in establishing verifiable income/assets.<sup>1</sup>
- Verification shall be done by the escrow company and the Stock Transfer Office prior to the new buyer interview and prior to the close of escrow (the above verification will not be done by the individual Mutual Directors; Directors will not be required to study or understand the financial requirements).
- d. Only the resident shareholder's income shall be considered for qualifying.
  - e. If moving within Leisure World, or if there are any additions/changes to the title, the proposed shareholder(s) must meet these eligibility requirements.

**3. Health**

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

(draft created on 02-20-18 ka)

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

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.

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.

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

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

I have read and understood what is required for eligibility consideration in the above named Mutual, including necessary documentation.

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**Prospective Buyer**


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**Date**


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**Prospective Buyer**


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**Date**


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**Prospective Buyer**


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**Date**


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**Prospective Buyer**


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**Date**
**MUTUAL****ADOPTION****AMENDED****EIGHT:**

04-27-70

09-17-93, 08-25-08, 08-28-17



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# *Mutual Corporation No. Eight*

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## **MEMO**

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** BOARD APPROVALS OF BOND PURCHASES FOR THE MONTH OF  
FEBRUARY/MARCH (CHIEF FINANCIAL OFFICERS REPORT ITEM A)  
**DATE:** MARCH 26, 2018  
**CC:** MUTUAL FILE

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*I move to approve the purchase of \_\_\_\_\_ Bonds, that occurred on  
(number of Bonds)*

*\_\_\_\_\_, at a total cost of \$ \_\_\_\_\_.  
(date of purchase)*