

PLEASE DO NOT DROP INTO THE MAIL SLOTS

**MINUTES OF THE REGULAR MONTHLY MEETING
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE**

November 16, 2016

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President Coven on Wednesday, November 16, 2016, at 9:00 a.m. in Building Five, Conference Room B, followed by the *Pledge of Allegiance*.

ROLL CALL

Present: President Coven, Vice President Trembly, CFO Tran (9:02 a.m.), Secretary Boryta, and Directors Powell, and Gould

GRF Representative: Mr. Hood

Guests: Six shareholders of Mutual Five

Staff: Ms. Hopkins, Mutual Administration Director
Mr. Guerrero, Security Chief
Mr. Kranda, Building Inspector (9:02 a.m.)
Mrs. Aquino, Recording Secretary

SHAREHOLDERS' COMMENTS

There were no comments from attending shareholders.

PRESIDENT'S ANNOUNCEMENTS

President Coven stated that she received information at the President's Council that the insurance risk premium is on the low side of the estimate. She also stated that the GRF parking fines on trust streets will take effect January 1, 2017.

MINUTES

President Coven asked if there were any corrections on the October 19, 2016, Regular Meeting minutes. There being no corrections, the minutes were approved by acclamation.

BUILDING INSPECTOR'S REPORT

Inspector Kranda presented his summary report (attached).

Inspector Kranda left the meeting at 9:08 a.m.

GRF REPRESENTATIVE

GRF Representative Hood discussed GRF activity.

CHIEF FINANCIAL OFFICER'S REPORT

Chief Financial Officer Tran presented the Mutual financial statement (attached).

COMMITTEE APPOINTMENTS

Following a discussion, it was the consensus of the Board to appoint Secretary Boryta as Chair of the Carport Committee.

COMMITTEES

Carports

Secretary Boryta discussed the Mutual carports.

Emergency Preparedness

Secretary Boryta discussed emergency preparedness.

Landscaping

Vice President Trembly discussed landscaping.

Laundry Rooms

Director Powell discussed the Mutual laundry rooms.

Physical Properties

Director Gould discussed projects in the Mutual.

UNFINISHED BUSINESS

Security Chief Guerrero presented further clarification on Policy 7582 – Towing Vehicles.

Following a discussion, it was the consensus of the Board members to postpone action on Policy 7582 – Towing Vehicles for further review and re-write of the policy.

Security Chief Guerrero left the meeting at 9:34 a.m.

President Coven presented SmartBurners installation, roofing and skylight updates, to the Board.

NEW BUSINESS

Following a discussion, and upon a MOTION duly made by Vice President Trembly and seconded by Director Gould , it was

RESOLVED, To rescind Policy 7335 – Cash Disbursements.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Gould and seconded by Secretary Boryta, it was

RESOLVED, To adopt Policy 7465.5 – Skylights and/or Sola Tubes for Kitchens, Bathrooms, and Permanent Patios Extensions 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 Director Gould and seconded by Director Powell, it was

RESOLVED, To rescind Policy 7403.4 – Skylights for Bathrooms or Kitchens.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Gould, and seconded by Vice President Trembly it was

RESOLVED, To rescind Policy 7403.5 – Skylights in Permanent Roof Extension.

The MOTION passed.

NEW BUSINESS (continued)

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

RESOLVED, To authorize the GRF Executive Director or Mutual Administration Director to issue four (4) additional Guest Passes, in accordance with GRF Policy 5536.1-33. Each Guest Pass shall carry a unique identification number with a monthly report provided by the GRF Stock Transfer Office to the Mutual Board of Guest Passes issued noting the Shareholder/Member name as responsible party for the Guest.

The MOTION passed.

MUTUAL ADMINISTRATION DIRECTOR

Ms. Hopkins discussed Mutual Administration activity.

SHAREHOLDER(S') COMMENTS


No comments were made.

DIRECTOR'S COMMENT

No comments were made.

ADJOURNMENT

There being no further business to conduct, President Coven adjourned the meeting at 10:45 a.m. and stated an Executive Session would follow.


Attest, Joan Boryta, Secretary
SEAL BEACH/MUTUAL FIVE

ka:11/18/16
Attachments

STAFF WILL LEAVE THE MEETING BY 12:10 P.M.
NEXT MEETING: Wednesday, December 21, 2016, at 9:00 a.m.
BUILDING 5, CONFERENCE ROOM B

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING NOVEMBER 16, 2016**

- 11/16/16 RESOLVED, To rescind Policy 7335 – Cash Disbursements.
RESOLVED, To adopt Policy 7465.5 – Skylights and/or Sola Tubes for Kitchens, Bathrooms, and Permanent Patios Extensions on a preliminary basis until the 30-day posting period is completed.
- RESOLVED, To rescind Policy 7403.4 – Skylights for Bathrooms or Kitchens.
- RESOLVED, To rescind Policy 7403.5 – Skylights in Permanent Roof Extension.
- RESOLVED, To authorize the GRF Executive Director or Mutual Administration Director to issue four (4) additional Guest Passes, in accordance with GRF Policy 5536.1-33. Each Guest Pass shall carry a unique identification number with a monthly report provided by the GRF Stock Transfer Office to the Mutual Board of Guest Passes issued noting the Shareholder/Member name as responsible party for the Guest.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(05) Five**

INSPECTOR: **Eric Kranda**

MUTUAL BOARD MEETING DATE: **November 16, 2016**

Print Date: 11/9/2016

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
91-G	HEAT PUMP	BOTH	06/02/16	08/16/16	NO	NONE	YES
91-G	ROOM ADDITION	BOTH	05/25/16	12/01/16	YES	NONE	ALPHA MASTER
91-G	ROOM ADDITION	BOTH	05/25/16	12/01/16	YES	08/29/16 DRYWALL	ALPHA MASTER
111-D	SHOWER CUT DOWN	BOTH	10/26/16	11/26/16	NO	NONE	NUKOTE
117-D	KITCHEN REMODEL	BOTH	09/13/16	10/28/16	YES	NONE	LW DÉCOR
120G	ROOM ADDITION	BOTH	09/10/16	11/20/16	NO	LATH	OGAN
123A	ROOM ADDITION	BOTH	08/18/16	01/18/17	NO	10/19/16 DRYWALL	LOS AL BLDRS
125A	ROOM ADDITION	BOTH	09/17/15	06/30/16	YES	6/10/16 DRYWALL	LOS AL BLDRS

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
69-G		09/07/16					
70-C		10/12/16					
70-J		09/14/16					
71-F		11/01/16					
94-A		09/07/16	09/26/16	09/29/16	10/13/16		
94-H		03/24/15					
95-C		08/10/16	09/06/16	10/07/16	10/21/16		
97-A		10/13/15					
104-C		10/14/16					
104-E		06/20/16					
105-E		10/12/16					
106-H		04/01/16					
106-I		09/23/16	10/11/16	10/20/16	11/03/16		
108-J		09/30/16					
108-K		09/30/16					
109-F		07/25/16					
114-H		07/03/16	10/27/16	11/03/16	11/18/16		
115-F		06/14/16					
115-J		05/02/16	10/04/16	10/10/16	10/24/16		
116-L		05/26/16					
119-K		09/28/16	10/25/16	10/31/16	11/15/16		

ALL SHADED AREAS HAVE BEEN SIGNED OFF
 NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation
 FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

**Mutual Five
CFO Report
November 16, 2016**

In the Financial Statement of October 2016, our expenditures is generally very good and under budgeted.

I, however, have selected some expenses that are categorized as normal expenditures and unusual expenses that need the explanation.

1. Utilities:

<u>Expenses</u>	<u>YTD Actual</u>	<u>Budget Variance</u>
Electricity	14,631	1,209
Water	63,878	5,302
Trash	38,731	339
Total	117,240	6,850

2. Legal Fees

Legal Fees	2,328	7,673
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Items that have large budget variances:

Service Maintenance	188,100	(108,940)
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That last item is way over budget, for the most part, due to the cost of the Smart Burners. However, the large portion of the deficit amount, approximately \$76,000, was moved from Appliance Reserves as a resolution passed in October 2016 but has not yet been posted. The rest of the amount of approximately \$15,000 is to be

transferred from Operating Expenses to Infrastructure Reserve is due to expenses related to Dry Rot Repair to prepare for the upcoming roofing project.

Income

The income generated from the investment is quite impressive about \$2, 989 for the month of October as reported below :

<u>Income Type</u>	<u>Oct. Actual</u>	<u>2016 YTD</u>
Financial	2,989	29,643
Total Income	162,182	1,606,294

Total Restricted Reserves: 2,410,339

Respectfully submitted,

Debbie Tran - CFO

MUTUAL OPERATIONS**RESCIND MUTUAL FIVE****ACCOUNTING AND FISCAL****Cash Disbursements – All Mutuals Except Nos. Nine and Twelve (10-10-13)**

Cash disbursements are made from one of two checking accounts referred to as the Agency Account and General Account (except Mutuals Nos. 16 & 17 who have only an Agency Account.)

A. Agency Account

1. Mortgage Payments
2. Power and Lights
3. Trash Hauling
4. GRF (paid by GRF and invoiced to Mutuals)
 - a. Admin., Recreation, Physical Property
 - b. Service Maintenance (SROs)
 - c. Water Charges
 - d. Rubbish Hauling
 - e. Street Lighting
 - d. Third Party Charges
5. Funding
 - a. Operating Reserve
 - b. Replacement Reserve
 - c. Supplemental Replacement Reserve
 - d. Painting Reserve
 - e. Special Contingency Fund (if applicable)
 - f. Emergency Reserve (if applicable)
6. Federal and State Income Taxes.
7. Property Taxes
8. Refund to Residents Related to Monthly Fees

B. General Account

1. Extraordinary Expenses
2. Outside Contractors and Services

Amendments**RESCIND**

Mutual Nine-Aug 00
Mutual Twelve-Oct 13 (See 7335.12)

MUTUAL OPERATIONS**PHYSICAL PROPERTY****RESCIND – MUTUAL FIVE****Skylights for Bathrooms or Kitchens****RESOLUTION:**

WHEREAS, some residents of this Mutual have requested permission to remodel the building in which they reside by installing skylights over the kitchen or bathroom in the existing roof structures, and

WHEREAS, permission has been received from HUD and the mortgagee to permit such remodeling,

NOW THEREFORE BE IT RESOLVED, that the Physical Property Department of the Golden Rain Foundation is hereby authorized to approve individual requests by residents for this remodeling and to issue a building permit in the regular form for this work, subject to the following conditions:

1. The contractor performing the work must be a contractor licensed in the State of California as a General Contractor, and the work to be performed at the expense of the requesting resident.
2. The contract form to be used will be the standard contract form as developed by the Physical Property Department.
3. The construction will conform to the plans and specifications approved by the Mutual Board.
4. A building permit will be obtained from the City of Seal Beach, California.
5. Resident agrees that title to the remodeling and addition shall vest in the Mutual Corporation.

Mutual Five (effective 7-19-00)

- ~~6. NOTWITHSTANDING PREVIOUS ACTION by the Mutual No. Five Board, a skylight may be placed in any room of an apartment when the Mutual Board determines that the attic space at the place of choice does not inhibit a particular installation. In the kitchen and original bathroom area, a skylight shall not exceed 24" by 24" in either length or width, but the "tunnel" may be flared. In other approved locations, a skylight shall not exceed 36" by 60" and the tunnel may not be flared unless the Mutual Board allows an exception.~~

MUTUAL OPERATIONS**PHYSICAL PROPERTY****RESCIND – MUTUAL FIVE****Skylights for Bathrooms or Kitchens****Mutual Nine (effective 10-11-04)**

6. At the time of installation or replacement of skylights or skylight domes, single-sided foam tape must be applied between the frame and skylight dome.

Mutual Fifteen (effective 07-16-90)

6. Skylights are allowed in the two-story buildings in the second story apartments.

Mutual Fifteen (effective 04-29-04)

7. THAT Mutual No. Fifteen will maintain the skylights in the atrium room only unless the damage is caused by a resident's negligence and,

FURTHER, a resident who has a skylight with an electric motor is responsible for maintaining the motor.

MUTUAL ADOPTION**AMENDMENT(S)****RESCINDED**

ONE	07-25-85		
TWO	08-15-85		
THREE	09-14-84		(See Policy 7403.3) Aug 2016
FOUR	07-02-84		(See Policy 7403.4.4) Dec 2006
FIVE	10-16-85	11-11-91, 07-19-00	<u>(See Policy 7403.G.5)*date*</u>
SIX	10-25-85		(See Policy 7403.4.6) Sept 2009
SEVEN	08-15-86		(See Policy 7403.4.7) Jul 2008
EIGHT	06-25-84		(See Policy 7403.4.8)
NINE	06-10-85	10-11-04	
TEN	10-23-85		
ELEVEN	08-24-83		
TWELVE	12-13-84		(See Policy 7403.4.12) May 2009
FOURTEEN	09-23-83		
FIFTEEN	12-16-85	07-16-90, 03-19-01, 04-19-04	
SIXTEEN	06-16-86		
SEVENTEEN	N/A		

(Created on 10/13/16 jl)

MUTUAL OPERATIONS**PHYSICAL PROPERTY****RESCIND – MUTUAL FIVE****Skylights in Permanent Roof Extension****RESOLUTION**

THAT Mutual _____ authorizes the Physical Property Department to issue permits for the installation of skylights in patio permanent roof extensions, as approved by HUD and according to the following Mutual specifications:

1. Size
 - a. 32" x 64"
2. Number
 - a. One only per apartment
 - b. Two per apartment
 - c. Three per apartment
3. Location
 - a. Over entry way
 - b. Over front patio
 1. In front of bedroom
 2. In front of living room
4. Position
 - a. Thirty inches in front of building stucco wall
 - b. Long side of skylight parallel with rafters
 - c. Long side of skylight across the rafters
 1. Middle rafter may be cut and headered in

(The number and location of skylights vary in each Mutual; please refer to the Mutual minutes that corresponds to the adoption dates listed below).

MUTUAL OPERATIONS**PHYSICAL PROPERTY****RESCIND – MUTUAL FIVE****Skylights in Permanent Roof Extension****Mutual Five – Effective 9-20-00**

NOTWITHSTANDING PREVIOUS ACTIONS by the Mutual No. Five Board, a skylight may be placed in any room of an apartment when the Mutual Board determines attic space at the place of choice does not inhibit a particular installation. In the kitchen and original bathroom area, a skylight shall not exceed 24" X 24" in either length or width, but the "tunnel" may be flared. In other approved locations, skylights may be up to 36" X 60" but not flared unless the Mutual Board allows an exception.

Mutual Nine - Effective October 11, 2004

At the time of installation or replacement of skylights or skylight domes, single-sided foam tape must be applied between the frame and skylight dome. Further, that a maximum of five (5) skylights be allowed in a unit (includes any bathroom, kitchen, bedroom, or living room).

<u>MUTUAL ADOPTION</u>	<u>AMENDMENT(S)</u>	<u>MAXIMUM NO. OF SKYLIGHTS</u>
ONE	07-25-85	3
TWO	07-19-79	2
THREE	08-18-80	3/2* (See 7403.3-Aug 16)
FOUR	04-03-78	1
FIVE	04-19-78	3 <u>(See 7403.G.5-date)</u>
SIX	04-28-78	2
SEVEN	04-21-78	2
EIGHT	01-23-84	2
NINE	05-08-78	5
TEN	10-26-78	3
ELEVEN	08-19-82	2
TWELVE	04-13-78	3
FOURTEEN	10-28-77	3
FIFTEEN	N/A	N/A
SIXTEEN	11-19-84	3/2**
SEVENTEEN	N/A	N/A

*Maximum three skylights in a two-bedroom or corner unit; maximum two skylights in a one-bedroom unit.

**Maximum three skylights in a two-bedroom unit, maximum two skylights in a one-bedroom unit.

MUTUAL OPERATIONS**PHYSICAL PROPERTY****Skylights and/or Sola Tubes for Kitchens,
Bathrooms, and permanent Patio Extensions – Mutual Five****Permit**

Whereas Article 12 of the Occupancy Agreement states that: "The Member shall not, without the written consent of the Corporation, make any structural alterations in the premises. . ." Therefore, in order to make any structural changes to the building, the shareholder must request permission to remodel the roof of the building in which they reside in order to install skylights or sola tubes.

The Physical Property Department of the Golden Rain Foundation is hereby authorized to: (a.) approve individual requests by shareholders for the installation of Skylights and/or Sola Tubes in any room, and in permanent patio roof extensions and (b.) is authorized to issue a building permit subject to the following conditions:

1. All skylight and Sola tube installations require a permit from the City of Seal Beach and the Physical Property office of Golden Rain Foundation.
2. The contractor performing the work must be a contractor licensed in the State of California as a General Contractor and the work to be performed at the expense of the requesting shareholder.
3. The contract form to be used will be the standard contract form as developed by the Physical Property Department.
4. The construction will conform to the plans and specifications approved by the Mutual Board and the Physical Property Department.
5. Shareholder agrees that title to the remodeling and addition shall vest in the Mutual Corporation.
6. Skylights with an electric motor: the motor is to be maintained by the shareholder.

Location and Size:

7. A skylight may be placed in any room of a unit when the Mutual Board determines attic space at the place of choice does not inhibit a particular installation. In the kitchen and original bathroom area, a skylight shall not exceed 24" x 24" and the "tunnel" may be flared. In other approved locations, skylights may be up to 36" x 60" but not flared unless the Mutual Board allows an exception.

(*date*)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

Skylights and/or Sola Tubes for Kitchens,
Bathrooms, and permanent Patio Extensions – Mutual FiveNumber:

8. Mutual Five permits a maximum of three (3) skylights per two-bedroom unit and a maximum of two (2) skylights in a one bedroom unit.

SOLA TUBESResponsibilities:

Whereas Article 11 of the occupancy agreement states that pertaining to the maintenance of the roofs (a)(3) "The member agrees to repair and maintain his dwelling unit at his own expense as follows . . .any repairs or maintenance of . . .floors and ceiling of the dwelling unit."

10. Skylights and Sola tubes must be installed using the manufacturers specifications and conform to all applicable building codes.
11. During the warranty period, the contractor is responsible for the entire Skylight and Sola tube installation. After the warranty period, the following responsibilities apply:
 - a. Mutual: The Mutual is responsible for the curbing and flashing since this will normally be changed when the building is re-roofed.
 - b. Shareholder: The shareholder is responsible for the skylight dome, the skylight operating mechanism, the shaft (including painting) and the ceiling grid (**See Diagram 1**).
 - c. Shareholder is responsible for the Sola tube dome and shaft.
 - d. In the event of a roof leak as a result of the Skylight or Sola tube installation, the shareholder shall be responsible for all associated costs to repair and maintain the system, including labor and material costs.
12. Preventive Maintenance: At the time of the fire inspections, the Physical Property inspector shall identify and provide Service Maintenance with a list of units that have cracked or faulty Skylights or Sola tubes. Maintenance and repairs shall be at the expense of the shareholder.
13. All fasteners at the roof flashing shall be self-sealing screws by use of a rubber grommet and shall have sealant applied over the top of the fastener.

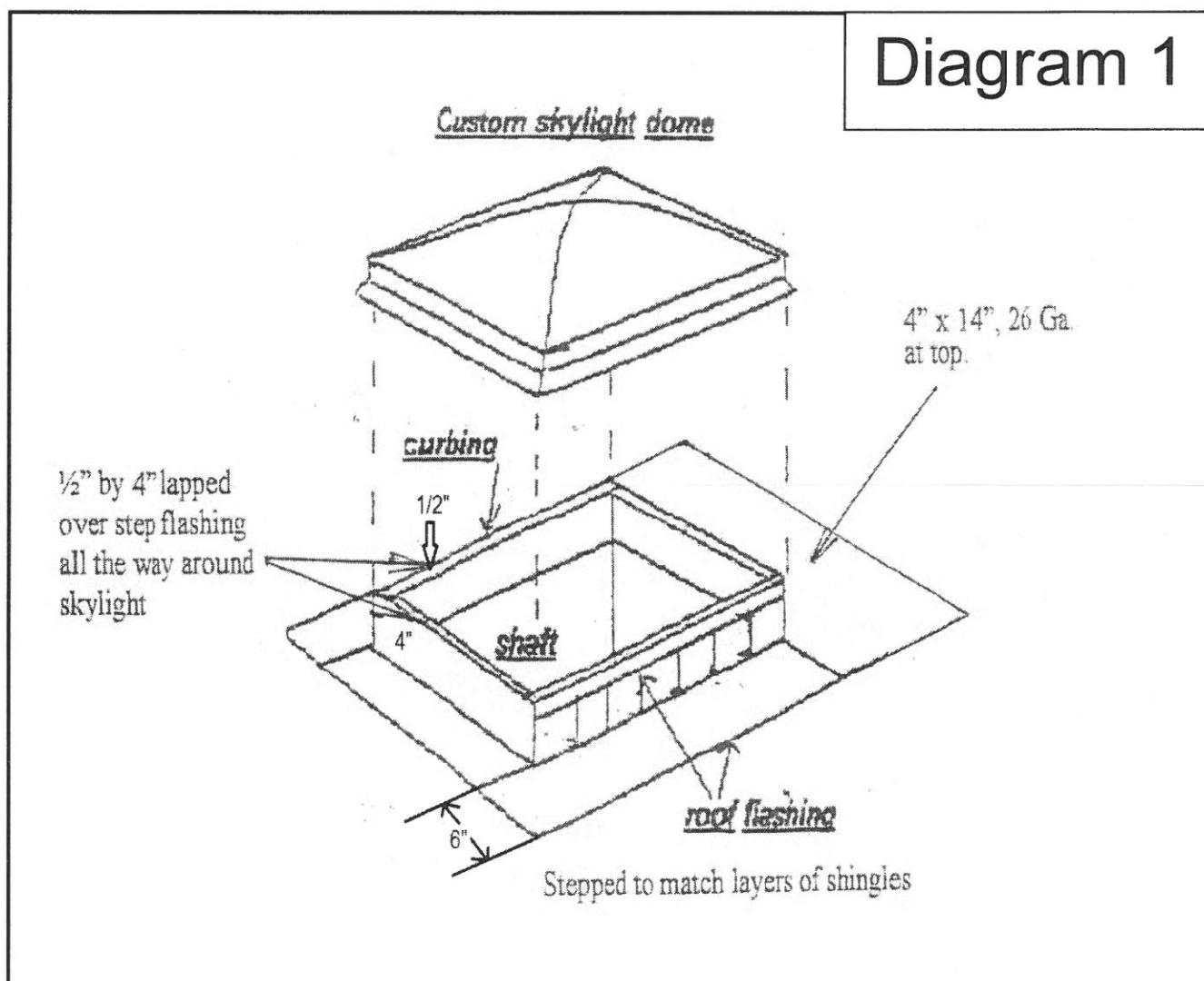
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MUTUAL OPERATIONS

PHYSICAL PROPERTY

Skylights and/or Sola Tubes for Kitchens,
Bathrooms, and permanent Patio Extensions – Mutual Five

The skylight curbing shall consist of 2" x 6" framing with a minimum 4" rise above roof sheathing and flashing (See Diagram 1).



(*date*)

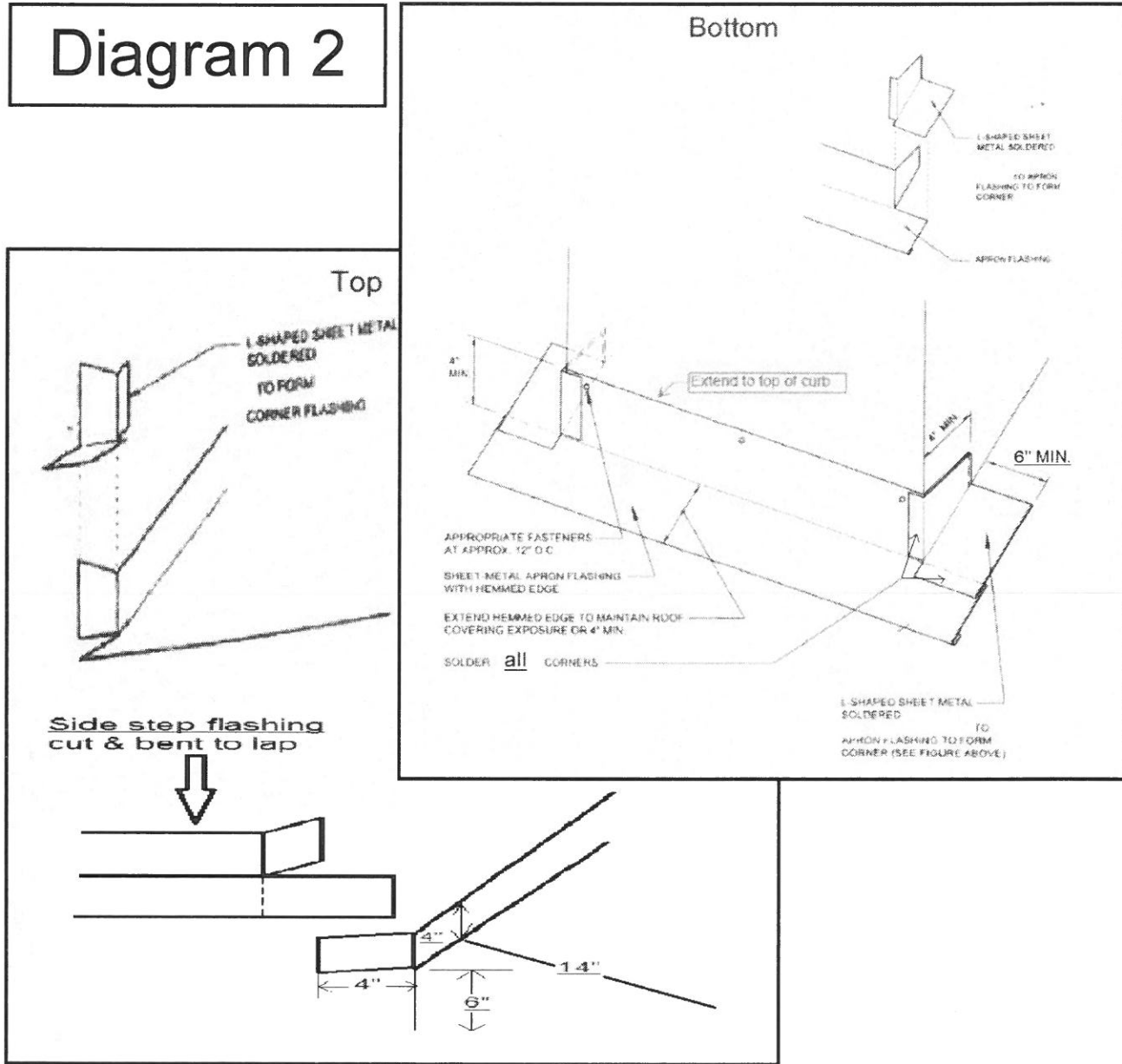
MUTUAL OPERATIONS

PHYSICAL PROPERTY

Skylights and/or Sola Tubes for Kitchens, Bathrooms, and permanent Patio Extensions – Mutual Five

Only curb-mounted skylights shall be allowed in the Mutual. Self-flashing skylights are prohibited (See Diagram 2).

Diagram 2



MUTUAL ADOPTION

AMENDMENT(S)

FIVE: *date ratified*

(*date*)