

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL SIX
January 27, 2017
Administration Building, Conference Room A, at 9:30 a.m.

1. CALL TO ORDER
 2. ROLL CALL
 3. SHAREHOLDER COMMENTS
 4. INTRODUCTION OF GRF REPRESENTATIVE, GUEST(S), AND STAFF:
 - Ms. Hopewell, GRF Representative
 - Ms. Hopkins, Mutual Administration Director
 - Mr. Van Horn, Building Inspector
 - Ms. Day, Recording Secretary
 5. APPROVAL OF MINUTES: **Regular Monthly Meeting of November 18, 2016**
Special Meeting of December 14, 2016 (page 2-3)
 6. BUILDING INSPECTOR'S REPORT (pages 4-5) Mr. Van Horn
 7. GRF REPRESENTATIVE Ms. Hopewell
 8. CHIEF FINANCIAL OFFICER'S REPORT Mr. Turetskiy
 9. UNFINISHED BUSINESS
 - a. Property Tax Postponement
 - b. Repaving Project (Phase 1) Carports 78 & 80 – update and approve costs
 - c. Update on Oakmont Road/St. Andrews Drive traffic issue
 - d. SmartBurners installation – progress report by Directors involved
 - e. Status on tree planting for 2017 (2 trees, location, and type)
 - f. Aerial and satellite removal status, removal of satellite dishes at barge rafters
 - g. Motion to rescind Policy 7760 – Property Tax Postponement and new motion attached with explanation (pages 6-8)
 - h. Ratify adopted/posted Policy 7545.6 – Inspection Fee, Inheriting Share of Stock and rescind Policy 7545.1 – Inspection Fee, Inheriting Share of Stock (pages 9-10)
- (STAFF SECRETARY BREAK (TIME TO BE DETERMINED BY PRESIDENT))**
10. NEW BUSINESS
 - a. Repaving Project (Phase 2) Carports 72 & 73 – scope of work, schedule, costs
 - b. Electrical vehicles charging station
 - c. Legal updates (new law, changes, etc.):
 1. Assembly Bill 968, Civil Code Sec. 4775 (M6 Policy 7406.6 – Exclusive Private Use of Common Property by shareholders (pages 11-13))
 2. Assembly Bill 2362, Civil Code Sec. 4277 – Notice required of pesticide application
 - d. Motion to continue to receive copies of other monthly Mutuals' minutes
 - e. Dinner Dance overview (date, pricing, and organization)
 - f. Notice of Intent to Withdraw – request Board resolution
 11. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
 12. ADJOURNMENT
 13. EXECUTIVE SESSION (legal & member issues)

STAFF WILL LEAVE THE MEETING BY 12:10 p.m.

NEXT MEETING: February 24, 2017, at 9:30 a.m.

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL SIX**

December 14, 2016

In accordance with the Corporation Bylaws, and pursuant to due notice to the Directors, a Special Meeting of the Board of Directors of Seal Beach Mutual Six was called to order by President Garrett at 9:25 a.m. in the Physical Property 2nd Floor Conference Room.

Those Directors present were: President Garrett, Vice President Dowd, CFO Turetskiy, Secretary Simpson, and Directors Catron, May, and Granger. Also present were Building Inspector Van Horn (10:34 a.m.), and Recording Secretary Day.

President Garrett asked for a motion to appoint Mary Granger as a Director to the Board of Directors for the remaining 2016/2017 term of office. Upon a MOTION duly made by Director May and seconded by Director Catron, it was

RESOLVED, To appoint Mary Granger as Director to the Mutual Six Board of Directors for the remaining 2016/2017 term of office.

The MOTION passed.

President Garrett adjourned the meeting to go into an Executive Session at 9:27 a.m. to discuss member issues.

President Garrett returned to the Regular Board Meeting at 9:40 a.m.

President Garrett discussed the use of radio controlled and/or remotely controlled vehicles on Mutual Six property. It was the consensus of the Board to postpone action until the GRF policy on this issue is approved.

President Garrett reported that the Mutual will be under budget at the end of the year. He stated that \$5,000 will be used to purchase 24 new trees with the balance going to the Infrastructure Reserves Fund.

The Board discussed the specifications and procedures for the concrete replacement of asphalt in Carports 72, 73, 78, and 80.

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

RESOLVED, To cancel the Fenn Termite and Pest Control contract that expires at the end of March 2017.

The MOTION passed.

President Garrett stated the Board will research other companies for pest control services.

**SPECIAL MEETING
MUTUAL SIX**

December 14, 2016

The Board members discussed the traffic risks at the corner of Oakmont Road and St. Andrews Drive. It was the consensus of the Board that Director Granger draft another letter to the GRF with a suggestion to move the STOP sign down from its present location. The letter will be signed by the entire Board and sent to the GRF Physical Property Committee.

President Garrett asked for a motion to adopt Policy 7545.6 – Inspection Fee, Inheriting Share of Stock and rescind Policy 7545.1 – Inspection Fee, Inheriting Share of Stock (attached). Upon a MOTION duly made by Director Granger and seconded by Vice President Dowd, it was

RESOLVED, To adopt Policy 7545.6 – Inspection Fee, Inheriting Share of Stock and rescind Policy 7545.1 – Inspection Fee, Inheriting Share of Stock on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

President Garrett reported that the SmartBurners have arrived and ready to be installed in the Mutual units. In addition, verification of antennas still in use will be done, and the preserver used in the emergency water tanks came in so they can be serviced (every 5 years).

There being no further business to conduct, President Garrett adjourned the meeting at 10:50 a.m.



Attest
Vida Simpson, Secretary
SEAL BEACH MUTUAL SIX
cd:12/14/16

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (06) SIX

INSPECTOR: Dave Van Horn

MUTUAL BOARD MEETING DATE: **January 27, 2017**

CONTRACTS	
CONTRACTOR	PROJECT
M J JURADO	C/P CONCRETE 1/9/17- 3/31/17
JOHNS LANDSCAPE	4/30/16 - 4/30/18
OC RESERVE STUDY	12/31/17 - 12/31/19
FENN	3/31/15 - 3/31/17

SITE VISITS	
UNIT NUMBER	REASONS
142 D, CHECK ROOF W/ HADI & MUTUAL	
131 F, W/ SHAREHOLDER RE: CRACKS IN & OUT	ALL WERE COSMETIC AT THIS TIME. SHARHOLDER WILL ADVISE
ROOF LEAKS, TOTAL 14	
C/P 79 SP 42, REMOVE LOCKS & ITEMS	
C/P CONCRETE REMOVAL & PLACEMENT	

MUTUAL OPERATIONS**ADMINISTRATIVE SERVICES****Property Tax Postponement**

WHEREAS, the State of California has authorized the property tax postponement privilege under Revenue and Taxation Code Section 20630 to be extended to FHA-insured cooperatives, and

WHEREAS, the form of the Recognition Agreement and Addendum to the Recognition Agreement proposed by the Controller of the State of California has been approved by the Department of Housing & Urban Development,

THEREFORE, BE IT RESOLVED, That this Corporation

1. Approves the form of the Recognition Agreement and Addendum to the Recognition Agreement as submitted by the Controller of the State of California, and
2. Authorizes the President or Vice President to execute the Recognition Agreement and Addendum to the Recognition Agreement for any stockholder of this Corporation who requests property tax postponement.

MUTUAL**ADOPTION DATE**

One	28 Jun 79
Two	19 Sept 85
Three	
Four	05 Sept 79
Five	20 Jun 79
Six	27 Jul 79
Seven	15 Jun 79
Eight	25 Jun 79
Nine	
Ten	28 Jun 79
Eleven	26 Jun 79
Twelve	
Fourteen	
Fifteen	28 Jun 79
Sixteen	

(Sept 85)

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

Property Tax Postponement

We have just become aware that Mutual Directors may be approached by shareholders asking the Director to sign a documents agreeing to allow the shareholder to participating in the program. If you elect to sign this document, the shareholder will then render their stock certificate to the State Controller's Office (SCO). The State will then put a lien on the **entire Mutual parcel** (not just the unit in question).

You should also be aware that the postponement is a loan from the State, and accrues a 7% interest rate. The loan and interest become due and payable to the State when the shareholder:

- Dies;
- Transfers title;
- Moves or sells the property;
- Defaults on a senior loan; or
- Chooses to obtain a reverse mortgage.

At that time, the Mutual will be liable to the State for the principal and accrued interest. The Mutual will need to have in place a mechanism (some kind of lien or instrument) allowing them to collect the principal and interest amount from the shareholder or his/her estate or trust.

If your Mutual chooses to sign these documents, I strongly advise that you obtain a copy of the document you signed and provide a copy to the Accounting office for our records. Attached is a page from the application instructions taken from the State's website. This page addresses Cooperative Housing Corporations, such as the Mutuels. Please note that only the Mutual can elect to approve this application for the shareholder. **Golden Rain Foundation will not provide this authorization on behalf of the Mutual.**

For more information, please see the [California State website](#).

MUTUAL OPERATIONS

DRAFT POLICY WITH AMENDMENTS

SHAREHOLDER REGULATIONS

Inspection Fee, Inheriting Share of Stock – Mutual Six

RESOLUTION:

WHEREAS it is determined that the Corporation will inspect all ~~apartments~~ **units** when an inheritor of the share of stock desires to qualify as a ~~resident~~ **shareholder** of the Mutual Corporation and a member of the Golden Rain Foundation.

NOW BE IT RESOLVED that the Corporation will charge the inheritor a ~~\$250~~ **\$750** fee for the inspection process.

DRAFT

MUTUAL ADOPTION

AMENDED

SIX: *date ratified*

MUTUAL OPERATIONS**RESCIND MUTUAL 6****SHAREHOLDER REGULATIONS****Inspection Fee, Inheriting Share of Stock – Except Mutual Three and Seventeen****RESOLUTION:**

WHEREAS it is determined that the Corporation will inspect all apartments when an inheritor of the share of stock desires to qualify as a resident of the Mutual Corporation and a member of the Golden Rain Foundation.

NOW BE IT RESOLVED that the Corporation will charge the inheritor a \$250 fee for the inspection process.

Mutual One Only, 2nd Sentence (Effective 09-22-16):

NOW BE IT RESOLVED that the Corporation will charge the inheritor a \$500 fee for the inspection process.

Mutual Nine Only (Effective 07-08-96):

BE IT FURTHER RESOLVED that the Corporation will charge successors to occupancy by any other means (except as covered by Regulation 7525) a fee of \$250 to help defray the costs of the inspection process.

MUTUAL ADOPTION**AMENDED****RESCIND**

ONE:	03-28-91	09-22-16	
TWO:	03-21-91		
THREE:	03-08-91		04-12-13 (See Policy 7545.1.3)
FOUR:	04-01-91		
FIVE:	03-28-91		
SIX:	03-26-91		
SEVEN:	03-15-91		
EIGHT:	03-25-91		
NINE:	03-11-91	07-08-96	
TEN:	03-27-91		
ELEVEN:	03-21-91		
TWELVE:	03-15-91		
FOURTEEN:	03-22-91		
FIFTEEN:	03-18-91		
SIXTEEN:	03-18-91		

(Sept 16)

PHYSICAL PROPERTY

Exclusive Private Use of Common Property by Shareholders

Policy: Mutual Six 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 a maximum width of 60 inches) from a public sidewalk, or as required by the Uniform Building Code.
- B. A garden area of up to 48 inches from the original apartment wall in front of or 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.
- D. One additional single door stoop up to 36 inches from the original apartment wall, or as required by the Uniform Building Code.
- E. Up to four bay windows with the outside wall no more than 20 inches (20") deep from the apartment wall.
- F. Golf cart pad as approved by Mutual Six Board of Direction prior to the adoption date of this Policy.

Procedure: The Board and the following departments of GRF will be involved in the implementation of this Policy:

2. Approvals:

- A. 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 requested in order for the Board to consider the request.
- B. Request must identify the shareholder. The location of the apartment, the specifics of the encroachment, and specific use/reason for the encroachment.

PHYSICAL PROPERTY

Exclusive Private Use of Common Property by Shareholders

C. As condition of approval, the shareholder must agree to the Terms and Conditions as set out in paragraph 3 below.

3. Lease/Rental Agreement:

A. The shareholder must complete and have an approved and signed Lease/Rental Agreement. The Lease Rental Agreement will be copied and delivered to GRF Accounting, Stock Transfer Office, and Physical Properties Department.

B. The Lease/Rental Agreement shall provide the following information and/or agreements:

(1) Terms and conditions of use.

(2) Amount of square footage.

(3) Agreement to provide liability insurance in accordance with Policy 7586.6

(4) The start date of the Lease/Rental Agreement for exclusive use.

(4.1) Lease/Rental Cost: The cost of lease/rental for exclusive use will be \$3.00 per square foot, per year. For a partial year, the cost will be twenty-five cents per square foot per month (.25¢/sf/mo.) for each full or partial month remaining in the calendar year. To reflect inflation/escalation in price, the cost will be increased to three dollars twenty-four cents per square foot per year (\$3.24/sf/yr.) for the five year period beginning January 2021. The corresponding partial period cost would be twenty-seven cents per square foot per month. (27¢/sf/mo.). From 2026 it would be three dollars fifty cents per square foot per year (3.50/sf/yr.) and twenty-nine cents per square foot per month (29¢/sf/mo.). This is based upon a compound increase in inflation/escalation of one and one half percent per year (1-1/2%/yr.) for five (5) years, rounded.

(4.2) Invoicing: GRF Accounting will invoice in advance for following year in accordance with the terms and conditions of the Lease/Rental Agreement. Prorated portion of the calendar year to the end of the calendar year will be rendered upon receipt of the Lease Rental Agreement.

PHYICAL PROPERTY

Exclusive Private Use of Common Property by Shareholders

(4.3) Physical Properties will notate the Exclusive Private Use Agreement on the Pre-listing Inspection Report to insure that potential new buyer(s) are aware of the Agreement and Conditions thereof. The encroachment must be removed at the selling shareholder's expense unless the buying shareholder agrees to execute a new Lease/Rental Agreement assuming all liability.

4. Existing Encroachments:

Any encroachment added before 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 Six Board, or the shareholder or new shareholder must enter in a Board approved Lease/Rental Agreement for Exclusive Private Use of common area at issue under the terms and conditions set out in paragraph 3 above.

5. Encroachments:

The following is a non-exclusive list of common are encroachments: Expanded garden areas, extra doorway stoops, extra walkways, patios or patio-like areas extra wide entry walkways, and any other unapproved use of common area.

MUTUAL ADOPTION

SIX: 07-22-16