

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
April 10, 2014**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Findlay at 9:32 a.m. on Thursday, April 10, 2014, followed by the *Pledge of Allegiance*, in the Administration Building Conference Room.

ROLL CALL

Present: President Findlay, Vice President Frambach (9:45 a.m.), Secretary Norlander, CFO Woodruff, and Director Welch

Absent: Directors Evans and Fluharty

GRF Representative: Mrs. Damoci

Guests: Four shareholders of Mutual Twelve

Staff: Mrs. Weller, Mutual Administration Manager
Mr. Antisdell, Building Inspector
Ms. Day, Recording Secretary

President Findlay welcomed guests and staff to the meeting.

MINUTES

President Findlay called for consent agenda approval of the Regular Board Meeting minutes of March 13, 2014; and the Special Meeting minutes of March 28, 2014. Upon a MOTION duly made by Director Welch and seconded by CFO Woodruff, it was

RESOLVED, That the consent agenda for the Regular Meeting minutes of March 13, 2014, and the Special Meeting minutes of January 24, 2014, be approved as printed.

The MOTION carried by a unanimous vote of the Board members present.

BUILDING INSPECTOR'S REPORT

Inspector Antisdell reviewed his written report (see attached).

A discussion on street painting like Carport 141 followed. Inspector Antisdell will obtain costs for 10 signs, plus installation at Carports 141, 143, 145, and wait on 136 and 137.

The Board members discussed amending Policy 7495 – Bay Windows – Mutuals Two, Six, Eight, Ten, and Twelve (attached). Upon a MOTION duly made by Secretary Norlander and seconded by Vice President Frambach, it was

RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7495 – Bay Windows – Mutuals Two, Six, Eight, Ten, and Twelve.

BUILDING INSPECTOR'S REPORT (continued)

The MOTION carried by a unanimous vote of the Board members present.

Following a discussion, and upon a MOTION duly made by CFO Woodruff and seconded by Director Welch, it was

RESOLVED, To accept the quote from Pinnacle Landscape Service for the removal of tree roots, not to exceed \$3,000.

The MOTION carried by a unanimous vote of the Board members present.

Following a discussion, and upon a MOTION duly made by Secretary Norlander and seconded by Director Welch, it was

RESOLVED, To accept the quote from Pinnacle Landscape Service for removal and trimming of trees, not to exceed \$4,000.

The MOTION carried by a unanimous vote of the Board members present.

Inspector Antisdell thanked the Directors for their patience in the last two months due to his heavy work load.

CFO Woodruff reported sprinklers not working in the flower bed at Unit 57-C. Also, Inspector Antisdell said at Unit 57-D, flower bed flooding is occurring, and he would like to install a rain gutter and downspout on that side of the laundry room.

Inspector Antisdell said the list of specials will be done next week with Director Welch. President Findlay thanked Director Welch who will do most of them and said that she will take care of a few of them. Also, Vice President Frambach reported animal (gopher) activity on the west side of Building 37.

President Findlay asked Inspector Antisdell to check the concrete problems at Laundry Room 72, the water heater pipe at Unit 37-C, and to do some touch-up painting on the bay window at Unit 68-K. Also, a discussion on planting trees near block walls followed. In addition, Director Welch suggested spending \$250 per tree (larger size) instead of planting small trees.

Inspector Antisdell left the meeting at 10:30 a.m., and Recording Secretary Day left at the same time on break and returned at 10:45 a.m.

GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT

GRF Representative Damoci presented her report (as attached). The *Recap of the GRF Board Meeting* and the *Committee Chair Reports* attached to the GRF Board minutes may be read in the *Golden Rain News*.

CORRESPONDENCE

President Findlay said one letter was received that will be discussed in Executive Session. Recommendations for Policy 7502.12 in a second letter will be taken into consideration when the posted amendment is on the agenda next month.

INFORMATION TECHNOLOGY, WEBSITE COORDINATOR'S REPORT

Ms. Goostree stated she is working on the Mutual's website and waiting for more information.

Mrs. Damoci left the meeting at approximately 10:40 a.m.

Mrs. Weller left the meeting at 11:05 a.m.

MUTUAL ADMINISTRATION MANAGER'S REPORT

In Mrs. Weller's absence, her monthly Mutual Administration Manager's Report is attached.

President Findlay explained that per the Mutual's Bylaws Article IV, Section 7, a shareholder at a Board Meeting before the Annual Shareholders'/Stockholders' Meeting must state: "I intend to vote my ballot cumulatively for the election of Directors for the 2014-2015 term of office." Shareholder Erika Furlong, Unit 41-E, verbally made this statement.

OLD BUSINESS

Vice President Frambach reviewed a flyer on the Mutual's position during an emergency/disaster situation (attached). Upon a MOTION duly made by Vice President Frambach and seconded by Secretary Norlander, it was

RESOLVED, To adopt the document informing shareholders of Mutual Twelve's position during an emergency/disaster situation.

The MOTION carried by a unanimous vote of the Board members present.

(Inspector Antisdal arrived back to the meeting at 11:20 a.m. and Ms. Goostree left the meeting at 11:20 a.m.)

Following a discussion, and upon a MOTION duly made by CFO Woodruff and seconded by Vice President Frambach, it was

RESOLVED, To place the 2013 excess income and the Mutual Self-Insurance Fund refund into the Emergency Reserve Fund.

The MOTION carried by a unanimous vote of the Board members present.

OLD BUSINESS (continued)

President Findlay asked for a motion to rescind Policy 7211 – Proxy Card/Form. Upon a MOTION duly made by Director Welch and seconded by Secretary Norlander, it was

RESOLVED, To rescind Policy 7211 – Proxy Card/Form.

The MOTION carried by a unanimous vote of the Board members present.

The Board members discussed adopting the new globalized Policy 7427.G – Barbeque – Usage and General Safety Precautions (attached). Upon a MOTION duly made by Director Welch and seconded by Vice President Frambach, it was

RESOLVED, To adopt, on a preliminary basis until the 30-day posting period is completed, Policy 7427.G – Barbeque – Usage and General Safety Precautions.

After further discussion, and upon a MOTION duly made by Director Welch and seconded by Secretary Norlander, it was

RESOLVED, To adopt, on a preliminary basis until the 30-day posting period is completed, Policy 7427.G – Barbeque – Usage and General Safety Precautions, as amended.

The MOTION carried by a unanimous vote of the Board members present.

Inspector Antisdell discussed a quote from Pinnacle to add top soil to cover tree roots at Units 72-A and 73-L and top soil by Laundry Room 60. Upon a MOTION duly made by Director Welch and seconded by CFO Woodruff, it was

RESOLVED, To accept the quote from Pinnacle Landscape Service to add top soil to cover tree roots at Units 72-A and 73-L and top soil by Laundry Room 60, at a cost of \$1,254.50.

The MOTION carried by a unanimous vote of the Board members present.

NEW BUSINESS

The Board members postponed action on the new globalized Policy 7551.G – Unsanitary Premises and Fire Loading Conditions for further research.

PRESIDENT'S REPORT

President Findlay submitted a report to be attached to the minutes.

CFO'S REPORT

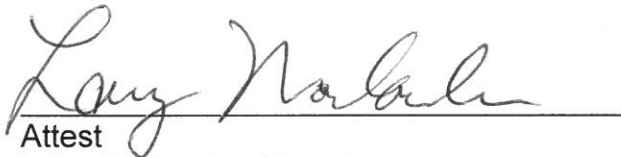
CFO Woodruff submitted her report (as attached).

ADJOURNMENT

There being no further business to conduct, and upon a MOTION duly made by Director Welch and seconded by CFO Woodruff, it was

RESOLVED, To adjourn the meeting and go into Executive Session to discuss legal and member issues at 11:48 a.m.

The MOTION carried by a unanimous vote of the Board members present.



Attest
Larry Norlander, Secretary
SEAL BEACH MUTUAL TWELVE

cd:4/24/14

Attachments

NEXT MEETING: MAY 8, 2014

**SPECIAL MEETING ANNOUNCEMENTS AND AGENDAS
ARE POSTED IN LAUNDRY ROOM 57 (D SIDE).**

**FOR INDIVIDUAL NOTICE OF SPECIAL MEETINGS,
CONTACT PRESIDENT FINDLAY.**

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF APRIL 10, 2014**

4/10/14 RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7495 – Bay Windows – Mutuals Two, Six, Eight, Ten, and Twelve.

RESOLVED, To accept the quote from Pinnacle Landscape Service for the removal of tree roots, not to exceed \$3,000.

RESOLVED, To accept the quote from Pinnacle Landscape Service for removal and trimming of trees, not to exceed \$4,000.

RESOLVED, To adopt the document informing shareholders of Mutual Twelve's position during an emergency/disaster situation.

RESOLVED, To place the 2013 excess income and the Mutual Self-Insurance Fund refund into the Emergency Reserve Fund.

RESOLVED, To rescind Policy 7211 – Proxy Card/Form.

RESOLVED, To adopt, on a preliminary basis until the 30-day posting period is completed, Policy 7427.G – Barbeque – Usage and General Safety Precautions, as amended.

RESOLVED, To accept the quote from Pinnacle Landscape Service to add top soil to cover tree roots at Units 72-A and 73-L and top soil by Laundry Room 60, at a cost of \$1,254.50.

MUTUAL 12 PHYSICAL PROPERTY REPORT

1. Mutual Escrow Activity

- Prelisting Inspections

12-11-l/12-75-d/12-43-j/12-10-f/12-76-g

- New Buyer Orientation

12-74-g/12-69-a/12-69-c/12-73-g

Close of Escrow

12-69-a/12-69-c

2. Mutual Permit/Remodel Activity

12-34-A Remodel Moving Along

12-44-B Final on 4-02-2014 Need Roof Repairs

12-72-a Remodel moving Along

12-65-A Remodel moving Along

12-9-A Remodel Not Started

3. Roof Leaks

12-78-d Reflash High side Patio Skylight

12-73-H Repaired Patio Skylight

12-56-I Repaired Leak at Bath Vent

4. Mutual Projects

12- Laundry Room 60 Concrete Will Start Soon

Touch up Painting Has Started on Dry rot /Termite Repairs

Carport 141 Street Painting Done How About Other Locations

5. Fire Inspection Follow up Need Director to Go With Inspector Maybe Next Week

6. Bay Window Policy at end of not to exceed overhang

7. Tree Root Removals for Safety Issue \$2,630.00

8. Remove and Trim Trees in Different Areas \$4,010.00

MUTUAL OPERATIONS**MUTUAL TWELVE – DRAFT****PHYSICAL PROPERTY****Bay Windows – Mutuals Two, Six, Eight, Ten, and Twelve****Mutual Two Only:**

All bay windows presently covered with T-111 plywood, distressed plywood, or wood siding, and any other wood product that complements the bay windows such as corbels and decorative trim, shall be removed and replaced with stucco when the bay window framing and covering are infested with termites.

All remodels that include bay windows shall be constructed with stucco as the exterior covering and shall be “bay to grade” construction. The expense of the entire remodel and “bay to grade” construction shall be the responsibility of the shareholder.

Mutual Six Only:

All corbels and decorative trim complementing a bay window that are made with T-111 plywood, wood siding, or any wood product shall be removed and replaced with stucco or Hardiboard when the bay window or framing or siding has been infested with termites or dry rot. All repair expenses described above shall be at the expense of the Mutual.

Effective the date this policy is adopted, all remodels, bay windows, and/or exterior siding shall be constructed with stucco/Hardiboard as the exterior covering in lieu of wood products or T-111 plywood.

Mutuals Eight and Twelve Only:

All corbels and decorative trim complementing a bay window that are made with T-111 plywood, distressed plywood, wood siding, or any other wood product shall be removed and replaced with stucco when the bay window framing and covering have been infested with termites or dry rot. All repair expenses described above shall be at the expense of the Mutual except that, if the resident shareholder requests that the bay window be restored with the original wood product, the resident shareholder shall be responsible for all costs.

(Draft created 4-03-14cd)

MUTUAL OPERATIONS**MUTUAL TWELVE – DRAFT****PHYSICAL PROPERTY****Bay Windows – Mutuals Two, Six, Eight, Ten, and Twelve****Mutuals Eight and Twelve Only (Cont'd.)**

Effective the date this policy is adopted, all remodels that include bay windows shall be constructed with stucco as the exterior covering.

Mutual Ten Only:

Effective the date this policy is adopted, all remodels that include bay windows shall be constructed with stucco as the exterior covering.

Mutual Twelve Only:

The face of a bay window, whether on the long or short side of a building, shall not extend beyond the drip line. There shall be no shareholder construction or other shareholder encroachment in the area under the attic access.

MUTUAL ADOPTION**AMENDMENTS**

TWO:	10-22-10	2-21-13
SIX:	5-25-10	
EIGHT:	9-28-09	
TEN:	2-24-10	6-27-12
TWELVE:	4-08-10	

(Draft created 4-03-14cd)

Carole Damoci
Mutual 12 Representative
April 10th, 2014

The new cafe, with vending machines in Clubhouse 5 is going strong. We've changed one of the machines so that we would have more healthy foods and less junk. It will be open 7 days a week from 5am to 9pm.

A copy of the Trust will be mailed to each household in the near future.

The curbs on Golden Rain Road have been repainted red. The parking on that road had made it hard for fire engines & paramedics to get through.

The Mutual Self Insurance Fund has ended and no more claims against it are being received. The remaining monies will be returned to the Mutuals on June 1st.

The last 2 years have been very rewarding and I want to thank all of you for your support.

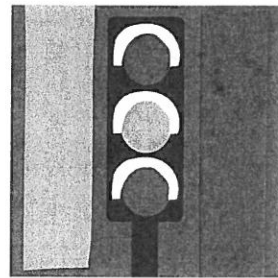
I would like to hear from each of you with your ideas on any subject concerning the community. Please feel free to contact me.

Respectfully submitted,
Carole S. Damoci
562-405-4965

The Mutual Administration
Manager's Report
Carol Weller



Mutual Corporations	Community Unity	Golden Rain Foundation
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Stop at all stop signs and lighted intersections

Slow down to the posted speed limit

NO SPEED LIMITS **Speeding** ■ Speeding can injure

NO SPEED LIMITS **Speeding** ■ Speeding can kill!!!!

Save lives ■ Help be the solution - not the problem

Traffic Safety is Your Responsibility

Bus Information Classes

Learn all about the Transportation options available to everyone here inside our Leisure World Community.

Informational and instructional classes are held monthly inside Clubhouse 3.

These classes provide information about the lettered Minibuses, their routes and time tables. Information is also presented about the local area city and county transportation options available to shopping, medical, entertainment and regional transportation centers.

Access / Handicap bus options will also be covered.

Date: 1st Thursday of the month

Time: 10am and 6pm

Location: Clubhouse 3, Room 3

For more information contact Grant Winford at 562-431-6586 x372.

Notice to each occupant of Mutual 12

Information about predicting earthquakes is in some disarray. The 2013 version of the Uniform California Earthquake Rupture Forecast, the most comprehensive analysis of earthquake probabilities of which the Directors of Mutual 12 are aware, appears to have been withdrawn recently by the U.S. Geological Survey. The subject is technical and difficult to understand. For decision-making purposes, the Directors of Mutual 12, none of whom is a seismologist, assume that it is sufficiently likely that one or more very large earthquakes will strike southern California at any time soon with consequences so severe that it is foolhardy for any adult to be unprepared for it or them.

Mutual 12 Shareholders have been told, again and again, that, in case of a disaster, such as an earthquake, Mutual 12, the California corporation they own, has not assumed responsibility, and it does not intend to assume responsibility, for the well-being or the safety of any person on its premises.

The Mutual 12 Directors have observed and have been told that some Shareholders, but far from all of them, are already implementing the suggestions reproduced on the other side of this document. The Directors of Mutual 12 hereby ask all Shareholders to remind their friends and neighbors, at least the neighbor on each side of them, that she or he, not Mutual 12, but she or he, herself or himself, is responsible for her or his own safety and welfare (having enough water, etc.) in case of a disaster. The Directors of Mutual 12 respectfully urge 100% compliance with the suggestions for self-help listed on the other side of this page, before they shall be needed, desperately, after a major earthquake.

It seems quite likely that, in the event of a disaster, people who did not prepare will ask those who did prepare to share their provisions. Consequently, it is in each Shareholder's own best interest to warn friends and neighbors now that Mutual 12 will not rescue them, and to persuade them to purchase provisions for use after a major earthquake or other disaster now, when the stores are open and eager to sell their wares.

Approved April 10, 2014 by Mutual 12

Do Not expect Mutual 12 to rescue you!

To prepare now for a foreseeable, serious earthquake, store a ten-day supply of:

- Water (1 gallon per person or pet per day)
- Non-perishable food (canned, no-cook, packaged) and a manual can opener.
- First-aid kit (including first-aid manual)
- Medications (prescription and non-prescription) and eyeglasses
- Small battery-powered LED flashlights, a radio, and extra alkaline batteries. (Probably, we will have no electricity.)
- Personal-hygiene items; toilet paper, paper towels, hand sanitizer, and large trash bags for trash.

Also, think about and have on hand:

- Copies of important documents.
- Items for pets, if any (food, water, medications, cages/leashes).
- Tools (including duct tape, neon-colored tape or rope to block off dangerous areas).
- Cash in small denominations (\$1, \$5, \$10) (ATMS and credit cards do not work if the power is out).
- Fire extinguisher (A-B-C type).
- Protective gear -- goggles, gloves, plastic drop cloths, raincoats, overcoats, etc.
- Whistle
- Change of clothing and sturdy shoes. (Prepare to walk on broken glass. It will be nearly everywhere.)
- Names, addresses, and phone numbers of doctors and pharmacists.
- Keep as much as you can of the kit in a sturdy and easy-to-carry container.
- Have a smaller-sized kit for your car.
- Provide for storage of your household's human waste by buying a camping toilet with special waste bags from a sporting goods store. (Toilets without incoming water will not flush.)

Do Not expect Mutual 12 to rescue you!

MUTUAL OPERATIONS

DRAFT

PHYSICAL PROPERTY

Barbeque – Usage and General Safety Precautions

Barbecue Usage

- 1) Propane, butane or charcoal barbecues shall only be used in a location that is at least 10 feet away from all structures. After barbecuing, the barbecue may be left in place overnight to allow the appliance or charcoal to cool down (CA Fire Code Section 1102.5.2.2).
- 2) Propane, butane or charcoal barbecues shall not be used under a patio roof due to the possibility of large flare-up flames while cooking (CA Fire Code Section 1103.3.2.6).
- 3) Propane, butane or charcoal barbecues shall never be used inside an apartment for cooking, heating or storage purposes (CA Fire Code Section 1103.3.2.6).

Charcoal Briquettes

Mutual Two: Charcoal barbecues are not permitted.

Mutual Twelve: Charcoal barbecues are not permitted.

If charcoal briquettes are used, a bucket of water must be kept near the barbecue in order to douse the flame if it gets out of control.

In order to prevent possible spontaneous combustion, charcoal briquettes, especially the self-starting type, may not be stored in the sun on the patio.

Charcoal briquettes must be left in the barbecue to cool down before disposing of them. **DO NOT** place hot charcoal briquettes in trash cans or bins, and **ALWAYS** make sure that the fire is extinguished before disposing of ashes.

Barbecue Storage

- 1) Propane, butane or charcoal barbecues shall be stored on the outside, open patio of ground floor apartments, but never stored in an enclosed patio.
- 2) Propane, butane or charcoal barbecues shall not be stored inside an apartment (CA Fire Code Section 1103.3.2.6).

MUTUAL OPERATIONS

DRAFT

PHYSICAL PROPERTY

Barbeque – Usage and General Safety Precautions

- 3) Propane, butane, or other compressed gas shall not be stored on an enclosed patio or inside an apartment.

MUTUAL ADOPTION

One
Two
Three
Four
Five
Six
Seven
Eight
Nine
Ten
Eleven
Twelve
Fourteen
Sixteen

(Draft created 4-10-14cd)

REPORT FOR MUTUAL 12 BOARD MEETING
April 10, 2014

Gilbert Andrews who served his neighbors as a dedicated director on the Mutual 12 Board for several years has passed away. Our sympathy goes out to his wife, Jean, and their family. His many friends in Mutual 12 and Leisure World will miss Mr. Andrews.

With the able assistance of Jerry Antisdell, Physical Property Inspector, your board is chipping away at all of the things that need to be done to maintain Mutual 12. Jerry's efforts are heroic. When the Mutual 12 Physical Property position became vacant, it was added to Jerry's already full schedule with a promise of filling the vacant position with someone who would relieve inspectors of some of the more routine aspects of the job. For various reasons that has not yet been accomplished. Instead, a second position has become vacant.

Some time ago, a decision was made to add an additional inspector position beyond keeping current positions filled. Your Mutual 12 Board will be better able to take care of common area and individual shareholder needs when Golden Rain has succeeded in providing a fully staffed Physical Property department.

Several of you have expressed concern regarding **treatment and repair of termite damage** on the new list. We're working on a way to provide immediate shareholder notification when outside termite extermination has taken place. Again, we have repairs made when several areas have been identified. Those areas are undercoated. When a substantial number are identified, a painter is hired to touch up those areas.

Shareholders are rightly getting tired of waiting for correction of **bare spots in the lawn**. The renovation bids have finally gone out. It is important to address the areas of heavy thatch and aerate so that the water sprinkled on the turf will soak in rather than run off. We can't expect the overall appearance of the lawn to be as good as we'd like

during the drought. If we don't try to conserve water, we will be ordered to quit watering the lawns altogether! My daughter lived near Santa Barbara during the last drought. It was the most severe there. A profitable business sprang up spray painting dead lawns green!

Trees continue to be a problem. Landscape committee members have walked with the Pinnacle supervisor to identify roots that need to be pruned or covered. Unfortunately, the roots of several trees are starting to tear up foundations and those trees will need to be removed. Trees that are removed are replaced but not immediately. Several months need to pass for the soil to be in good enough condition for planting in the area where a tree has been removed. Note: New trees are appearing in gardens faster than we can get old trees out. Please take them out. Palm trees are trees.

Edison's Time-of-Use Plan Rate Schedule is attached. An extremely high rate will be imposed from **June 1 - October 1, noon to 6 p.m. on weekdays. Plan your summer wash schedule to avoid that time period.** Early birds start at 7:00 a.m. weekdays for an hour of the cheapest rate. Night owls, wash after dinner at 6:00 p.m. Whenever possible, summer or winter, wash on the weekend when the rate is really low. Remember, Mutual 12 laundry rooms aren't "free." We pay with our carrying charges!

See the attached **Disaster First Aid** schedule for upcoming classes. Your Mutual 12 Board is not responsible for any shareholder's welfare during a disaster. Hopefully as many shareholders as possible will take one of these 5-hour classes. Bring your proof of completion to Apartment 58F or drop it in the white mailbox addressed to Mutual 12 President and **your registration fee will be reimbursed** with a contribution from a shareholder volunteer.

The attached Roosmoor **COYOTE WARNING** applies to Leisure World and Mutual 12 as well. When I was out and about two different coyotes passed close to me the same day, one at 8:30 a.m. and the other at 4:00 p.m. Report all coyote sightings and problems to Security so we'll have the evidence we need to get some help.

Respectfully submitted, Lucille Findlay

Seal Beach Mutual Number Twelve – Chief Financial Officer’s Report

Madam President, members of the Board of Directors, and Shareholders of Seal Beach Mutual Number TWELVE,

Monthly Financial Report: Reference attached Financial Statements Recap Report for full financial status. Summary report provided below:

Month-End MAR 31: The Mutual Twelve operating expenses posted for the month-ending March 31, 2014 totaled \$132,608 against an operating budget of \$137,866. This represents a \$5,258 favorable variance to the monthly operating expense budget. This favorable budget condition for the month of March is primarily contributed to the following expense items:

Water Expense - \$2,030 under budget (No corrective action required: GRF accounting does not seasonally adjust budgets, but instead divides the annual budget for an expense item by 12 to arrive at an average monthly budget that is applied to each of the 12 months in the calendar year; thus, monthly water expenses are typically below the monthly budget in winter and spring and above the monthly budget in summer and fall).

Structural Repairs - \$1602 under budget; Landscape Extra - \$759 (No corrective action required: Structural repairs and landscape related work not covered by our Landscape contract are typically grouped and scheduled to be completed based on severity and priority; thus, it is anticipated that these expenses will vary from month to month.

Property and Liability Insurance – \$1,776 over budget – (Corrective action: Identify other areas where cost savings can be achieved to cover increased insurance costs. The actual Leisure World Property and Liability Insurance premium for 2014 is substantially higher than the 2014 estimate provided by GRF to the Mutuals; thus, Mutual 12 Property and Liability expenses will continue to be greater than the monthly budget for this expense item. For now, this over-budget expense item is being off-set by various other expense items that are running slightly under budget. However, to insure a formal budget adjustment is not needed in the future, cost savings in other areas must be identified.

Year- to-date (YTD): YTD Mutual Twelve total operating expenses amounts to \$395,029. This represents an \$18,569 (up from \$13,312) favorable variance to the YTD operating expense budget of \$413,598.

YTD total mutual income and contributions to Capital amounts to \$416,959. Subtracting total YTD expenses from this number gives mutual twelve an excess YTD income of \$21,930 (up from \$15,604). Excess 2014 income is allocated to the General Investment reserve and is used to cover future Mutual 12 2014 budget over-runs.

Restricted Reserves:

Appliance Reserve: \$32,979.61 (Down from \$50,621.12) This is to be used for future appliance replacements (cooktops, ovens, refrigerators). Note: As of January 2014, Water heaters are included as a physical asset covered by infrastructure reserves. This change is being made to insure funds are available to support future replacement of water heaters currently being installed to replace our 50 year+ old water heaters. New water heaters, on average, have a 12 year useful life; were as, our old Navy surplus water heaters had a 50 year useful life. Accounting adjustments will be made in the future to transfer incurred water heater replacement expenses to the infrastructure reserve expense.

Painting Reserve: \$281,775.31 (Up from \$280,714.64) This is to be used for stucco and woodwork painting of the Mutual buildings (currently scheduled for 2015).

Roofing Reserve: \$2,214,059.51 (Up from \$2,191,383.68) This is to be used for replacement of building and carport roofs (currently scheduled to start in 2017 and continue through 2020).

Infrastructure Reserve: \$488,711.87 (Up from \$477,204.70) This is to be used for major mutual infrastructure repairs/replacements (major building structural repairs, asphalt sealing/repairs, walkway repairs, lawn renovation. (Major 2014 projects include replacement of original water heaters and landscape renovation)

Emergency Reserve: \$312,709.63 (Down from \$312,871.52) This is money set aside for emergency (unplanned) events and supplies that require immediate funding, of which, a minimum of \$200,000 is earmarked to cover future Mutual 12 insurance deductibles. The deductible is \$50,000 per insurable event.

All reserves are funded through the monthly regular mutual shareholder assessments. Reserve funds are currently invested in FDIC insured Money Market accounts and Certificates of Deposit (CDs), and tax exempt Bonds. It is anticipated that as exiting Bond maturities are realized, funds will be reinvested in FDIC insured depository institutions.

SEAL BEACH MUTUAL NO. 12
FINANCIAL STATEMENTS RECAP
For the Three Months Ending March 31, 2014

INTERNALLY PREPARED
FOR MANAGEMENT USE ONLY

<i>March</i>			<i>YTD</i>	
<i>Actual</i>	<i>Budget</i>		<i>Actual</i>	<i>Budget</i>
\$100,642	\$100,642	Regular Assessment	\$301,925	\$301,926
35,112	35,112	Reserve Funding	105,336	105,336
135,754	135,754	Total Regular Assessments	407,261	407,262
		Service Income	25	
2,031	1,215	Financial Income	5,285	3,645
1,150	897	Other Income	4,388	2,691
3,181	2,112	Total Other Income	9,698	6,336
138,935	137,866	Total Mutual Income	416,959	413,598
63,079	63,081	Trust Maintenance Cost	189,237	189,243
10,303	12,837	Utilities	31,069	38,511
930	1,270	Professional Fees	2,120	3,810
14,736	18,894	Outside Services	41,922	56,682
8,448	6,672	Taxes & Insurance	25,345	20,016
35,112	35,112	Contributions To Reserves	105,336	105,336
132,608	137,866	Operating Expenses Before Off-Bdgt	395,029	413,598
6,327		Excess Inc / (Exp) Before Off-Bdgt Items	21,930	
6,327		Excess Inc / (Exp) After Off-Budget Items	21,930	
		Restricted Reserves		
(17,642)		Appliance Reserve	32,980	
1,061		Painting Reserve	281,775	
22,676		Roofing Reserve	2,214,060	
		Emergency Reserve	312,710	
11,507		Infrastructure Reserve	488,712	
		Total Restricted Reserves	3,330,237	

Business 1 Time-of-Use Plan, Option A

Rate Schedule TOU-GS-1-A

Energy Savings for Small-Sized Commercial Customers

Southern California Edison's (SCE) Business 1 Time-of-Use Plan, Option A (also called Rate Schedule TOU-GS-1-A) is for customers with an expected electrical demand of 20 kilowatts (kW) or less. This rate option may help save money if you usually have high demand and relatively low energy usage during the summer season weekday on-peak hours of noon to 6:00 p.m. (except holidays) or if you can shift usage to outside noon to 6:00 p.m.

Businesses like small restaurants, grocery stores, and print shops typically benefit from this rate option. SCE recommends you use timers or photo control devices to automatically reduce your usage during summer season on-peak hours.

Basic Charges

- A daily Customer Charge that covers the fixed customer costs of connection to SCE's system
- Energy Charges per consumed kilowatt hour (kWh) – these charges vary by season and time of day

Time-of-Use Energy Charges

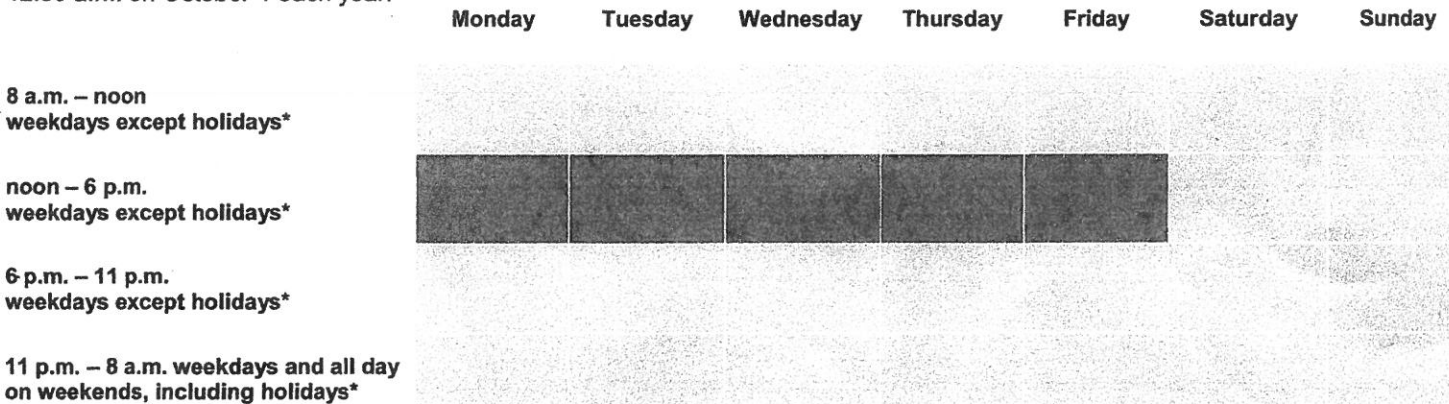
Business 1 Time-of-Use Plan, Option A energy charges are based on SCE's costs to serve during the time of day and season your service is provided. Times are divided into three Time-of-Use (TOU) periods: on-peak, mid-peak, and off-peak. Energy rates during the on-peak period are higher than energy rates in the mid-peak period and substantially higher than energy rates in the off-peak period.

Why Choose Business 1 Time-of-Use Plan, Option A?

While this rate option has no demand charges, you'll pay a higher rate for electricity consumed during on-peak hours. But in return, you'll pay less for your usage during mid-peak hours, and even less during off-peak hours.

Summer Season

Begins at 12:00 a.m. on June 1, and continues until 12:00 a.m. on October 1 each year.



Winter Season

Begins at 12:00 a.m. on October 1, and continues until 12:00 a.m. on June 1 each year.



On-Peak: Highest Energy Charge

Mid-Peak: Medium Energy Charge

Off-Peak: Lower Energy Charge

* Holidays are New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas. When any holiday falls on a Sunday, the following Monday will be recognized as a holiday. However, no change will be made for holidays falling on a Saturday.

COYOTE ALERT



**MONITOR YOUR PETS
DO NOT FEED COYOTES**

REPORT COYOTE SIGHTINGS TO:

ANIMAL SERVICES

(562) 570-7387

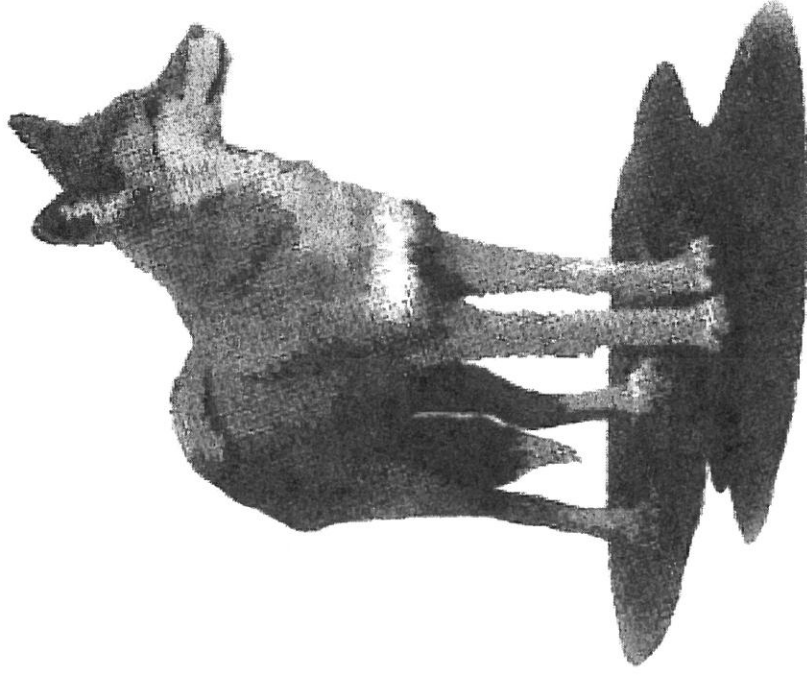


The City of
Seal Beach

SERVING THE COMMUNITY SINCE 1915

Coyotes Are Active In This Area

Coyotes in populated areas are typically less fearful of people. They have been known to attack pets and approach people too closely. Please read and share these tips.



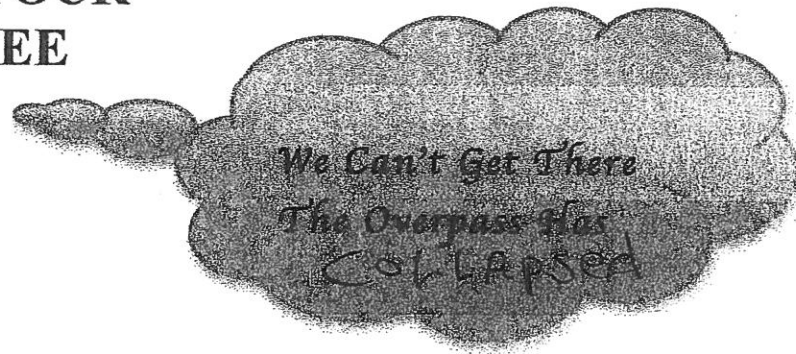
If a Coyote Approaches You:

- Do not run or turn your back
- Be as big and as loud as possible
- Wave your arms and throw objects
- Face the coyote and back away slowly
- If attacked, fight back

Protect Your Pets:

- Keep pets on a short leash
- Use extra caution dusk through dawn
- Keep you pets indoors dusk through dawn

**SPONSORED BY YOUR
LW PEP COMMITTEE**



Disaster First Aid
What to Do When 911 Can't Come

Saturday, May 17th, 2014 (9am – 2pm)
Clubhouse 3 – Room 8 (Bring Your Lunch)

If you have taken this class before, take a refresher this year for FREE. Make your reservations to assure there will be room for you.

Organized Communities Volunteer Education Association (OCEVA) – a local non-profit disaster training organization, will provide training.

Cost: \$22, payable by check to OCEVA or by cash –
Payment due at the beginning of class.
Class payment includes training manual.

Registration is required. - Reserve Your Space NOW - Contact;
Geneva Potepan, LW First Aid Training Coordinator,
E-mail - Geneva at mom4rascal@aol.com or phone her at 951-675-4271
or phone Madge Armstrong at 562-598-3087

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE**

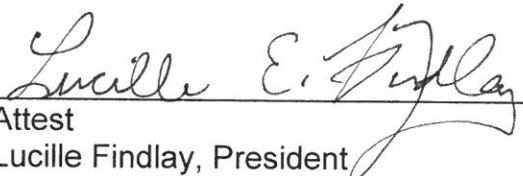
March 28, 2014

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Findlay at 9:04 a.m. on March 28, 2014, in the Physical Property Conference Room.

Those members present were: President Findlay, Vice President Frambach (left meeting at 9:45 a.m.), CFO Woodruff, and Directors Evans, Fluharty (left meeting at 10:30 a.m.), and Welch. Secretary Norlander was absent. Also present were Community Facilities Manager Weaver and Inspector Antisdell.

The purpose of the meeting was to discuss issues affecting the Mutual and its shareholders and plan the agenda for the Regular Monthly Board Meeting of April 10, 2014.

The meeting was adjourned by President Findlay at 11:07 a.m.



Attest
Lucille Findlay, President
SEAL BEACH MUTUAL NO. TWELVE

cd:3/28/14