

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
August 10, 2017**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Gillon at 9:05 a.m. on Thursday, August 10, 2017, followed by the *Pledge of Allegiance*, in Building 5, Conference Room B.

ROLL CALL

Present: President Gillon, Secretary Sprague, CFO Ferraro, and Directors Anderson and Woodruff

Absent: Vice President Carson

GRF Representative: Mrs. Damoci

Guests: Two shareholders of Mutual Twelve

Staff: Ms. Hopkins, Mutual Administration Director
Mr. Harper, Building Inspector (9:25 a.m.)
Mr. Antisdell, Building Inspector (9:25 a.m.)
Ms. Day, Recording Secretary

President Gillon welcomed guests and staff to the meeting.

SHAREHOLDER'S COMMENTS

One shareholder made a comment.

GRF REPRESENTATIVE

Mrs. Damoci presented her report (attached).

MINUTES

President Gillon asked for any corrections to the Regular Meeting minutes of July 13, 2017; and the Special Meeting minutes for July 10, 2017. There being no corrections, and upon a MOTION duly made by President Gillon and seconded by Secretary Sprague, it was

RESOLVED, to approve the Regular Meeting minutes of July 13, 2017; and the Special Meeting minutes for July 10, 2017; by Calendar Consent.

The MOTION passed with one abstention (Woodruff).

BUILDING INSPECTOR'S REPORT

Inspectors Antisdell and Harper discussed their monthly report (attached).

BUILDING INSPECTOR'S REPORT (continued)

Following a discussion, and upon a MOTION duly made by President Gillon and seconded by Director Anderson, it was

RESOLVED, to accept the Pinnacle Landscaping work order dated August 9, 2017, to replace broken sprinklers for Controllers D and E in the amount of \$1,293.00 to be charged to Landscape Extras and authorize the President to sign the work order.

The MOTION passed.

Following questions, Inspectors Antisdell and Harper left the meeting at 9:50 a.m.

CORRESPONDENCE

President Gillon read one letter from a shareholder.

Mrs. Damoci left the meeting at 9:24 a.m.

ANNOUNCEMENTS

President Gillon stated a new Director for Parcel 8 was seated at our Special Board Meeting on Monday, August 7, 2017. Sharon Woodruff has joined the Board and we thank her for volunteering for this position.

The Annual Budget Meeting will be Monday, August 14, 2017, at 1:30 p.m. in the Physical Property Conference Room. All shareholders are welcome to come to this meeting as we plan the budget for 2018.

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins discussed the new Copy & Supply Center located in Building 5 (attached). In addition, she reported that Nancy Ray has been hired to assume the position of Stock Transfer Manager. She will be starting Monday, August 14, 2017.

PRESIDENTS REPORT

President Gillon presented her report (attached).

UNFINISHED BUSINESS

Following a discussion, and upon a MOTION duly made by CFO Ferraro and seconded by Director Anderson, it was

UNFINISHED BUSINESS (continued)

RESOLVED, to adopt Policy 7549.12 – Lockout Procedures 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 CFO Ferraro and seconded by Secretary Sprague, it was

RESOLVED, to adopt and utilize the Seal Beach Mutual Twelve Active Independent Living Adult Community Disclosure, effective immediately, to be provided to the Stock Transfer Department.

The MOTION passed.

CFO Ferraro reported on the Bylaws corrections and Amendments Addendum (attached). It was the consensus of the Board to go forward with the Bylaws corrections and amendments addendum and submit them to Mutual Administration for processing.

NEW BUSINESS

Following a discussion, and upon a MOTION duly made by President Gillon and seconded by Director Anderson, it was

RESOLVED, to accept Andre Landscape proposal 155360R for 11 new trees, at a cost of \$4,735.00 and Andre Landscape proposal 157789 for 3 new trees, at a cost \$1,155.00 for a total cost of \$5,890.00 to be charged to the Landscape Trees account and authorize the President to sign the work order.

The MOTION passed.

President Gillon called a break at 10:44 a.m. to approximately 10:52 a.m.

Recording Secretary Day went on break at 10:44 a.m. to 10:58 a.m.

Following a discussion, and upon a MOTION duly made by CFO Ferraro and seconded by Director Anderson, it was

RESOLVED, to ratify amended/posted Policy 7027.12 – Temporary Relocation During Repair and Maintenance.

The MOTION passed with one “no” vote (Gillon).

NEW BUSINESS (continued)

Following a discussion, and upon a MOTION duly made by President Gillon and seconded by Director Anderson, it was

RESOLVED, to rescind Policy 7069.12 – Building Exterior and Common Area Modifications due to the fact that this policy was merged into Policy 7481.12 – Infrastructure Modifications in June 2016 and is obsolete and redundant.

The MOTION passed.

The Board discussed the proposed contact update form for the Davis-Stirling §4041 Annual Notice of Owner Contact Information mailing to shareholders. Jodi Hopkins discussed with the Board the types of addresses the form would be mailed to: shareholder's address in Leisure World, alternate mailing addresses, non-resident co-owners, etc. It was the consensus of the Board to go forward with the mailing to all shareholders using the form prepared by CFO Ferraro.

A discussion was held on the bid from Schlick Services, Inc., for installing GFCI sockets in the laundry rooms. It was the consensus of the Board to wait on GFCI installation until we receive further information and a corrected quote for the installation.

A discussion followed on the Mutual laundry room's security, and monitoring for vandalism and illegal use. It was the consensus of the Board that if the problem laundry rooms can be identified, cameras will be installed in those laundry rooms affected.

The Board members discussed amending Policy 7481.12 – Infrastructure Modifications (formerly Policy 7496.12). It was the consensus of the Board to postpone action and to bring back to the next Board Meeting.

Following a discussion on Policy 7510 – Eligibility Requirements, the version from the Presidents' Council, it was the consensus of the Board that the policy needs serious revisions and will not be adopted at this time.

The Board members discussed amending Policy 7622.12 – Mutual Repairs and Replacements (attached). Following a discussion, and upon a MOTION duly made by CFO Ferraro and seconded by President Gillon, it was

RESOLVED, to amend Policy 7622.12 – Mutual Repairs and Replacements on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

NEW BUSINESS (continued)

Following a discussion, and upon a MOTION duly made by CFO Ferraro and seconded by President Gillon, it was

RESOLVED, to reclassify Pinnacle Landscape invoices totaling \$8,587.25 for new brass irrigation valves for Buildings 44, 57, 11, and 34 that are replacing plastic valves as reserve component upgrades. The CFO is to instruct the Finance Department to credit Landscape Extras Operating Expense and charge the Infrastructure Reserves for \$8,587.25, representing 4 invoices in the amounts of \$1,915, \$2,100, \$1,760, and \$2,802.25.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by President Gillon and seconded by Director Anderson, it was

RESOLVED, to accept the carport rental agreement from Unit 62-C, Space 141-024 to rent to Unit 63-K.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by President Gillon and seconded by Director Anderson, it was

RESOLVED, to accept the carport rental agreement from Unit 63-K, Space 141-002 to rent to Unit 62-C.

The MOTION passed.

CHIEF FINANCIAL OFFICER'S REPORT

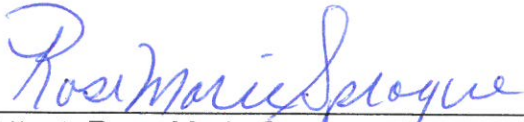
Ms. Ferraro presented her financial report (attached).

DIRECTOR'S REMARKS

Several Directors made remarks.

ADJOURNMENT

President Gillon adjourned the meeting at 12:28 p.m.



Attest, Rose Marie Sprague, Secretary
SEAL BEACH MUTUAL TWELVE
cd:8/17/17
Attachments

**NEXT MEETING: September 14, 2017, at 9:00 a.m.
in Administration Building, Conference Room A**

**SPECIAL MEETING ANNOUNCEMENTS AND AGENDAS ARE POSTED IN
LAUNDRY ROOM 57 (D SIDE). FOR INFORMAL INDIVIDUAL NOTICE OF SPECIAL
MEETINGS, CONTACT SECRETARY SPRAGUE OR EMAIL PRESIDENT GILLON
AT MARGARET.GILLON@MUTUAL12.ORG.**

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF AUGUST 10, 2017**

08/10/17

RESOLVED, to accept the Pinnacle Landscaping work order dated August 9, 2017, to replace broken sprinklers for Controllers D and E in the amount of \$1,293.00 to be charged to Landscape Extras and authorize the President to sign the work order.

RESOLVED, to adopt Policy 7549.12 – Lockout Procedures on a preliminary basis until the 30-day posting period is completed.

RESOLVED, to adopt and utilize the Seal Beach Mutual Twelve Active Independent Living Adult Community Disclosure, effective immediately, to be provided to the Stock Transfer Department.

RESOLVED, to accept Andre Landscape proposal 155360R for 11 new trees, at a cost of \$4,735.00 and Andre Landscape proposal 157789 for 3 new trees, at a cost \$1, 155.00 for a total cost of \$5,890.00 to be charged to the Landscape Trees account and authorize the President to sign the work order.

RESOLVED, to ratify amended/posted Policy 7027.12 – Temporary Relocation During Repair and Maintenance.

RESOLVED, to rescind Policy 7069.12 – Building Exterior and Common Area Modifications due to the fact that this policy was merged into Policy 7481.12 – Infrastructure Modifications in June 2016 and is obsolete and redundant.

RESOLVED, to amend Policy 7622.12 – Mutual Repairs and Replacements on a preliminary basis until the 30-day posting period is completed.

RESOLVED, to reclassify Pinnacle Landscape invoices totaling \$8,587.25 for new brass irrigation valves for Buildings 44, 57, 11, and 34 that are replacing plastic valves as reserve component upgrades. The CFO is to instruct the Finance Department to credit Landscape Extras Operating Expense and charge the Infrastructure Reserves for \$8,587.25, representing 4 invoices in the amounts of \$1,915, \$2,100, \$1,760, and \$2,802.25.

RESOLVED, to accept the carport rental agreement from Unit 62-C, Space 141-024 to rent to Unit 63-K.

RESOLVED, to accept the carport rental agreement from Unit 63-K, Space 141-002 to rent to Unit 62-C.

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
JULY 10, 2017**

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 2:57 on Monday, July 10, 2017 in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, CFO Ferraro, Secretary Sprague, Director Anderson

Absent was: Vice President Carson

Also present: One Shareholder

The Board held a Special Executive Session Meeting on July 3, 2017 at 11:00 a.m. in the Physical Property Conference Room C. The purpose of the meeting was to discuss a Shareholder issue.

The Board held an Executive Session Meeting on July 3, 2017 at 1:30 p.m. in the Physical Property Conference Room. The purpose of the meeting was to discuss Shareholder and Contract issues.

The purpose of the meeting is to discuss Shareholder and Contractor issues.

Discussion on the contract for the engineering analysis of the irrigation system.

Following a discussion and on **MOTION** made by President Gillon, and second by CFO Ferraro, it was:

RESOLVED, To hire Rappaport Development Consulting Services to do a full inventory of Mutual Twelve's irrigation system and create a full report in the amount of \$17,760.00 to be charged to Infrastructure Reserves and authorize the President to sign the Contract and further authorize CFO Ferraro to process a 50% deposit upon execution.

The Motion passed.

Discussion on hiring two Pinnacle irrigation techs to help the Consultant.

Following a discussion and on **MOTION** made by President Gillon and second by Secretary Sprague, it was:

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
JULY 10, 2017**

RESOLVED, To approve the work order from Pinnacle Landscape dated July 5, 2017, in the amount of \$3,200.00 for two irrigation technicians to help Rappaport Development Consulting Services to do the full inventory of Mutual Twelve's irrigation system to be charged to Infrastructure Reserves and authorize the President to sign the Work Order.

The Motion passed.

Vice President joined the meeting at 3:12.

The meeting was adjourned to Executive Session.

ADJOURNMENT:

President Gillon adjourned the meeting at 3:39



Attest:

Rose Marie Sprague, Secretary
SEAL BEACH MUTUAL NO. TWELVE
/RMS

Carole Damoci
Mutual 12 GRF Representative

August 9th, 2017

The ID Card replacement program was a great success. Of the 9,300 cards printed, almost 8,000 were handed out over 7 days. Over 130 volunteers and 20 employees spent 7 days exchanging the old cards for new, updating the security records for cars at each unit and collecting residents email addresses for our new constant contact program. I would like to thank the full Mutual 12 Board of Directors for their help with this project. They were the only Mutual Board to volunteer fully and I thank them and all the other volunteers for their dedication to our community.

The landscaping of the Globe area will start in the next two months.

We will start our Clubhouse revitalization program with Clubhouse 6. The downstairs floors will be refinished, the clubhouse will be painted inside and out, new LED lights will be installed and new window coverings. Clubhouse 2 multipurpose court will follow with Clubhouse 2 updated right behind it. They we'll turn to clubhouse 3 and then 1.

We will be voting at this months GRF Board meeting to go out to get engineering plans to either update or replace the swimming pool and showers.

As always, if you have any questions concerning the Golden Rain Foundation, please feel free to contact me. I would love to hear from you and answer any of your questions I can. If I don't have your answers I will get them.

If your question is about the Mutual, please contact your Mutual 12 Director. Their phone numbers are listed on the bulletin boards in the laundry rooms.

Respectfully submitted,
Carole S. Damoci
GRF Vice-President
562-405-4965
cdamoci@lwsb.com

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(12) TWELVE)**

INSPECTOR: **Mark Harper**

MUTUAL BOARD MEETING DATE: **AUGUST 10TH 2017**

Print Date: **8/7/2014**

ESCROW ACTIVITY

72B		02/14/17	03/01/17	03/01/17	03/13/17	03/14/17	05/17/17	
35-G		04/05/17	06/16/17	06/14/17	06/27/17	06/28/17		
41-G		03/29/17	04/21/17	05/15/17	05/08/17	05/09/17		
45-E		03/30/17	06/13/17	06/26/17	06/27/17			
47-B		02/15/17						
58-E	6/7/2017							
60-C		05/03/17						
64-E		07/06/17	07/25/17	08/02/17	08/16/17			
71-B	8/2/2017							
71-G		02/16/17						
71-L	8/4/2017							
73-H		04/12/17						
73-L		05/31/17						
74-C		07/10/17						
78-C		05/05/17	06/15/17	06/15/17	06/26/17	06/27/17		

Andre Landscape

Tree Care & Maintenance

John Nelson Plumbing

Copper Re-pipe Project Bldg 45

61F

Plumbing Inspection

Mutual Administration Director's Report

AUGUST 2017

Copy & Supply Center

The Leisure World Copy & Supply Center is now open in Building 5, adjacent to the Security Satellite Office.

It is centrally located with expanded duplicating services and easy access for residents who want to make photocopies, and purchase other popular items.

Open Monday through Friday from 8:00 a.m. to 4:30 p.m.

Telephone number is 562-431-6586 extension 345.

The Golden Rain Foundation (GRF) is acquiring the new color copier to complement its industry strength black-and-white copier for expanded service.

At the Copy & Supply Center you will be able to purchase:

~Batteries



~Fluorescent Light Bulbs



~Safety and Emergency Supplies



~Stove Drip Pans



~Shower Heads



~Flashlights



~Ice Cube Trays



~Fire Extinguishers



~Toilet Seats



~Smoke Detectors



~Small common replacement parts used in the bathrooms and kitchens, such as

cabinet pulls and range filters



You may also drop off old batteries and light bulbs for proper disposal.

This is great news as these and other merchandise were previously available only at the Golden Rain Foundation (GRF) Purchasing Department.

President's Report

Margaret Gillon, August 10, 2017

FIRE INSPECTIONS. Fire Inspections have been completed. Letters for corrective actions required by shareholders will be going out in the next two weeks.

LAWN and SPRINKLER UPDATES. We still have dry areas but some sprinkler lines are working better now that our landscaper has had a technician go through and fix bad sprinkler heads. We have received the engineering report on our system and will be reviewing it in the next month to start planning the redesign. Several shareholders have asked us to cut mowing back to every other week. The board discussed this but the grass is already too high in many areas and cutting back on the mowing during the fast growth period would make the grass even higher. Mowing will continue to be weekly until the fall.

TICKETING FOR MONEY. Mutual Twelve and GRF are now ticketing for money. Ticket fines must be paid or the shareholder may go through an appeal process to contest the ticket. GRF has hired two full time employees whose only job is to write tickets. Tickets are also being issued to contractors, caregivers, visitors, and vendors. Remember if your guest receives a ticket you may be responsible for paying the ticket since you let them into the community.

CIGARETTE SMOKING IN COMMON AREAS. During the summer many smokers are going outdoors to smoke. A few courtesies please. Stay in front of your own unit so your smoke doesn't drift into other units that have their windows open. If you like to walk use the large green belt areas away from units. Don't discard your butts on the ground, take them home to throw them away. Discarding cigarette butts is littering and creating a fire hazard – shareholders, guests, and caretakers discarding butts in the common areas may be fined for both offenses. Shareholders with caretakers please note if the littering is done by your caretaker you are responsible for their litter and the fines.

CAREGIVER REGISTRATION. Caregivers must renew their registration every 6 months. 24 caregivers who did not re-register in June have been removed from the mutual caregiver list. Remember – if a caregiver is not registered they cannot work in Mutual Twelve until their registration is current.

MUTUAL OPERATIONS**DRAFT 2017-08-10****Lockout Procedures – Mutual Twelve**

- 1 Upon a report to Security or to the Stock Transfer Office of the Foundation (See Policy 7710 Estate Transaction and Creditor Claims) of the death of a shareholder/owner, the following actions will be initiated depending upon the circumstances of death:
- 2 Death with Surviving Shareholder/Owner Living in the Unit
 - 2.1 When the death of the shareholder/owner occurred at the unit and a surviving shareholder/owner is living in the unit at the time, a Bereavement Book will be left at the unit by Security.
 - 2.2 When the death of the shareholder/owner occurred outside the unit and a surviving shareholder/owner is living in the unit at the time, a Bereavement Book will be provided by Foundation personnel at the time the death is reported.
- 3 Death of Sole Owner – The sole responsibility of the Board of Directors is protection of Mutual property.
 - 3.1 Unattended Death Within the Unit
 - 3.1.1 When death is unattended and the unit is sealed per law enforcement or Coroner's order, then no one may access the unit until official next-of-kin determination is made by the coroner's office. Security will leave a Bereavement Book at the unit and secure the unit by placing a knob lock on the door.
 - 3.1.2 When a knob lock cannot be affixed, Security shall obtain permission from the Mutual Twelve Board of Directors or the President and one other Officer to re-key the lock, change out the lock or add an additional lock such as a deadbolt or a hasp hinge lock.
 - 3.1.3 If circumstances are such that the lockout procedures stated above cannot be accomplished, and as long as the Coroner's office while it has control of the property does not object, the method of securing the unit shall require permission of the Mutual Twelve Board of Directors or the President and one other Officer.
 - 3.1.4 When someone comes forward as Trustee, nonresident co-owner or with other legal authority, and the coroner's office has released its hold on the premises, Foundation personnel shall review the documentary evidence presented to establish legal authority to enter the unit and report to the Mutual President as per Section Reporting of Death to Mutual President.
 - 3.2 Attended Death Within the Unit

MUTUAL OPERATIONS**DRAFT 2017-08-10****Lockout Procedures – Mutual Twelve**

- 3.2.1 Security will identify on the DOA report those present at the time of death, including family members, hospice workers, caregivers, and other individuals. A Bereavement Book will be left at the unit. If someone present identifies as legal authority of the unit and can provide evidence of same, Security will instruct them to visit the Stock Transfer Office as soon as possible.
 - 3.2.2 Security will inform all persons present that no one may stay in the unit overnight without Mutual Twelve permission, unless they are a registered co-occupant.
 - 3.2.3 If legal authority is not established at the unit via documentary evidence, all persons present will be asked to leave the unit until legal authority is established at the Stock Transfer Office. From there, as soon as possible, and until such time as legal authority is established, the unit will be knob locked.
 - 3.2.4 When a knob lock cannot be affixed, Security shall obtain permission from the Mutual Twelve Board of Directors or the President and one other Officer to re-key the lock, change out the lock or add an additional lock such as a deadbolt or a hasp hinge lock. The exception to this is if a registered co-occupant lives at the unit in accordance with Civil Code §51.3 (7e), or if Mutual permission is obtained.
 - 3.2.5 In the case of a full time caregiver who resides in the unit, the caregiver will be given an opportunity to return to the unit to remove his or her personal belongings in the presence of the Mutual Twelve President and one other Officer.
- 3.3 Attended Death Outside the Unit
- 3.3.1 Upon notification to the Stock Transfer Office of the death, the following actions will be taken depending upon the circumstances presented. If someone presents and provides legal documentary evidence of legal authority the Mutual President shall be informed and no further action be taken. Otherwise, and until such time as legal authority is established, the unit will be knob locked.
 - 3.3.2 In the event a knob lock cannot be affixed, Security shall obtain permission from the Mutual Twelve Board of Directors to re-key the lock, change out the lock, or add an additional lock such as a dead bolt or a hasp hinge lock.

MUTUAL OPERATIONS**DRAFT 2017-08-10****Lockout Procedures – Mutual Twelve**

3.3.3 Once legal authority is identified, the premises will be released to the decedent's agent.

4 Reporting of Death to Mutual President

4.1 Anyone can report a death to the Stock Transfer Office. Then, as soon as possible, the Stock Transfer personnel shall report to the Mutual President with the following information:

4.1.1 Name of decedent

4.1.2 Date and location of death

4.1.3 Identification of persons present at unit (if any)

4.1.4 Name, relationship and contact information of surviving shareholder/owner (if any)

4.1.5 Name, relationship and contact information of decedent's emergency contacts (if no surviving shareholder/owner is present at the unit)

4.1.6 If legal authority has been established

4.1.7 If/how the unit was secured

4.1.8 If there are any registered co-occupants, caregivers or pets at the unit

4.2 Additionally, the Stock Transfer Office personnel shall notify by email all Mutual Twelve Directors of the shareholder/owner death and update the monthly "DOA" report concurrent with the Pet and Caregiver monthly report.

MUTUAL ADOPTION

2017-08-10

REPORT ON MUTUAL TWELVE BY-LAWS PROJECT
August 10, 2017

I am pleased to report that the task of proof reading the By-Laws of Seal Beach Mutual No. Twelve is completed. Documentation of all deletions, additions, and changes in the language from the original governing document from 1963 has been discovered and will be archived in the records of Mutual No. Twelve on box.com. These documents will then be available to both current and future Board members.

There will now be a schedule titled Addendum of Amendments Record to support Article VIII Section 2 of the By-Laws.

My sincere thanks and appreciation to Secretary Sprague for her efforts and assistance on this project.

I am at this time asking for a consensus from the Board of Directors to submit the edited, corrected copy of the By-Laws of Mutual No. Twelve to the Mutual Administration Office of the Golden Rain Foundation with instructions to provide the Board with the revised governing document for final review and approval by resolution of the Board for its use as needed.

Respectfully Submitted,

Susan Ferraro
Chief Financial Officer

MUTUAL REPAIRS AND REPLACEMENTS – Mutual Twelve

1 Information

- 1.1 Under its obligations to make certain necessary repairs, maintenance and replacements Mutual Twelve will continue to maintain or replace the items that were listed in Policy 7622 (original policy), and incorporated in Policy 7622.12. Items that the Golden Rain Foundation Service Maintenance and Purchasing Departments are authorized to stock, repair or replace are listed below. At times, the original items may no longer be available and they will be replaced by an approved replacement item.

- 1.2 Please note: Repair as well as removal and or replacement of ANY item of Mutual Twelve property misused, abused, covered, modified, blocked or relocated with or without required GRF or Mutual Twelve permit (Policies 7480.12 and 7480.12.1) is shareholder responsibility and at shareholder expense. (Post installation permit may be possible. Any work needed to achieve compliance shall be at shareholder expense. Mutual Twelve reserves the right to remove unpermitted work outright.) All working/repairable (cosmetic) item replacements are shareholder responsibility.

- 1.3 Interior of Each Unit
 - 1.3.1 Cook top, Oven

 - 1.3.2 Refrigerator

 - 1.3.3 Kitchen sink and fittings

 - 1.3.4 Bathroom sink and fittings

 - 1.3.5 Bathroom shower stall and fittings

 - 1.3.6 Bathroom toilet and fittings

 - 1.3.7 Bathroom vent and heater assembly with a thermo control unit

 - 1.3.8 Hot water heater, electric

 - 1.3.9 Garbage Disposer

 - 1.3.10 Electric radiant heat in ceilings and thermo control units

MUTUAL REPAIRS AND REPLACEMENTS – Mutual Twelve

- 1.3.11 Kitchen ventilating fan installed on the roof
- 1.3.12 Electric fixtures
- 1.3.13 Doors, windows and aluminum screens
- 1.3.14 Electric circuit breaker panel
- 1.3.15 Asphalt tile (equivalent of original floor tile)

1.4 Exterior of the Building

- 1.4.1 Roofing-including flashing and areas around the skylights, but not frame and window of skylight
- 1.4.2 Flashing, gutters and downspouts
- 1.4.3 Sidewalks (original)

1.5 Laundry Rooms

- 1.5.1 Washing machines
- 1.5.2 Electric clothes dryers
- 1.5.3 Hot water heaters
- 1.5.4 One wash basin and fittings per building
- 1.5.5 Clothesline between the washroom areas

2 Approval Procedure

- 2.1 The Mutual Board President, GRF Supervisor of Service Maintenance OR Supervisor of Physical Property has authority to approve expenditures under this policy up to \$1000.
- 2.2 When the estimated cost is in excess of \$1000, the GRF Supervisor of Service Maintenance or the Supervisor of Physical Property will prepare and give an estimate of the needed work to the Mutual Board of Directors. A RESOLUTION

MUTUAL REPAIRS AND REPLACEMENTS – Mutual Twelve

of the Mutual Twelve Board of Directors will approve or disapprove the work. Further the Board of Directors, in its discretion, will determine whether to charge the expenditure to any of the Restricted Replacement Funds or to a current year operating budget account.

3 Common Area Maintenance Exception

- 3.1 **When Mutual Twelve bears the responsibility for maintenance, repairs, or replacement of common areas that results in damage to personal property and fixtures, including but not limited to floor coverings within the separate interest, the owner will be compensated for the damaged personal property in the amount to restore it to the same or reasonably close equivalency.**

- 3.2 **This policy covers non-insurable maintenance events only. In the event that a separate interest owner does not carry any or adequate HO6 insurance or is not duly compensated by their insurance company for an insurable event, Seal Beach Mutual No.Twelve will not be responsible for compensation.**

MUTUAL ADOPTION

2002-07-11

AMENDMENTS

2016-05-12

2017-08-10

CFO REPORT REGULAR MEETING – August 10, 2017

The most current Financial Statement Report is for June 30, 2017 that represents the first half of the fiscal year. The Detailed Financial Statement is attached for your review. Each member of the Board of Directors has received the full report for their review and comment.

The numbers: Cash in the Bank:	\$360,002	(Operations)
Reserves:		
Appliance	\$ 15,153	
Painting	\$ 56,341	
Roofing	\$1,541,186	
Infrastructure	\$1,491,906	
Emer/Contingency	<u>\$ 319,389</u>	
Total Reserves	\$3,423,974	
Reserve Commitments:	\$1,073,108	(Contractual obligations-Payables for Copper re-pipe, sewers)
Shareholder Receivables	\$ 3,101	(No account over \$1800)
Other Receivable	\$ 8,100	(*Collectability in doubt)

Operating Income and Expense Notes:

Mutual Income	\$ 23,813	Positive variance from Budget
Mutual Expenses:	\$ 6,156	Positive variance from Budget
<u>Mutual Excess Income:</u>	\$ 29,969	(Possible Overstatement by *\$8,100)

The Board recognizes that Legal Expenses for the first six months has exceeded the budget for the entire year. This is primarily due to eviction proceedings against 3 different shareholders, along with a number of other shareholder concerns requiring legal assistance. These type of proceedings take time and we anticipate that that legal fees will continue to be a significant part of the budget planning for the next few years given the litigious nature of our society.

On the positive note, the income from inspection fees on the sale and transfer of apartment units is better than anticipated and has offset these additional costs at this time

Respectfully submitted,



Susan Ferraro
Mutual 12 CFO

1012 Seal Beach Mutual No. Twelve
 Budget Comparison - Mutuals
 06/30/2017

P.O. Box 2069
 Seal Beach CA 90740

Jun Actuals	Jun Budget	Budget Variance	Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance	Annual Budget	Annual Unused Budget
65,400	65,400	0	7210000	Trust Maintenance Costs					
				GRF Trust Maintenance Fee	392,400	392,400	0	784,799	392,399
65,400	65,400	0		Total Trust Maintenance Costs	392,400	392,400	0	784,799	392,399
				Utilities					
2,485	2,558	73	6420000	Electricity	13,208	15,348	2,140	30,700	17,492
7,431	5,614	(1,817)	6423000	Water	25,256	33,684	8,428	67,366	42,110
3,602	3,634	32	6424000	Trash	21,615	21,804	189	43,609	21,994
13,519	11,806	(1,713)		Total Utilities	60,078	70,836	10,758	141,675	81,597
				Professional Fees					
253	253	0	6430000	GRF Management Fee	1,518	1,518	0	3,037	1,519
2,988	1,239	(1,749)	6434000	Legal Fees	22,835	7,434	(15,401)	14,862	(7,973)
95	127	32	6435000	Bank Service Fees	666	762	96	1,519	853
3,337	1,619	(1,718)		Total Professional Fees	25,019	9,714	(15,305)	19,418	(5,601)
				Outside Services					
10,429	12,471	2,042	6475000	Landscape Maint. - Contract	62,575	74,826	12,251	149,648	87,073
518	2,997	2,479	6475500	Landscape Maint. - Extras	11,321	17,982	6,661	35,961	24,640
0	2,197	2,197	6475505	Landscape Maint. - Trees	5,815	13,182	7,367	26,361	20,546
0	253	253	6477100	Painting	235	1,518	1,283	3,037	2,802
62	529	467	6477200	Pest Control	648	3,174	2,526	6,346	5,698
6,485	1,446	(5,039)	6477300	Structural Repair	18,650	8,676	(9,974)	17,357	(1,293)
242	353	111	6477400	Miscellaneous Services	3,574	2,118	(1,456)	4,231	657
3,215	5,542	2,327	7552000	Service Maintenance-Standard	29,980	33,252	3,272	66,498	36,518
5,167	0	(5,167)	7552200	Maintenance Replacements	20,754	0	(20,754)	0	(20,754)
(5,167)	0	5,167	5394000	Transfers from Funded Resvs	(20,754)	0	20,754	0	20,754
20,951	25,788	4,837		Total Outside Services	132,797	154,728	21,931	309,439	176,642

P.O. Box 2069
 Seal Beach CA 90740

Jun Actuals	Jun Budget	Budget Variance	Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance	Annual Budget	Annual Unused Budget
				Taxes & Insurance					
968	276	(692)	6720000	State & Federal Taxes	3,613	1,656	(1,957)	3,309	(304)
10,653	9,108	(1,545)	6730000	Property & Liability Insurance	63,915	54,648	(9,267)	109,294	45,379
11,621	9,384	(2,237)		Total Taxes & Insurance	67,529	56,304	(11,225)	112,603	45,074
49,426	48,597	(829)		Total Operating Expense	285,423	291,582	6,159	583,135	297,712
				Contributions to Capital					
3,272	3,272	0	7620000	Appliance Reserve From Assessments	19,635	19,632	(3)	39,269	19,634
2,500	2,500	0	7630000	Painting Reserve From Assessments	15,000	15,000	0	30,000	15,000
40,695	40,695	0	7675000	Roofing Reserve From Assessments	244,168	244,170	2	488,336	244,168
8,333	8,333	0	7677000	Infrastructure Reserve From Assessments	50,000	49,998	(2)	100,000	50,000
54,800	54,800	0		Total Contributions to Capital	328,803	328,800	(3)	657,605	328,802
169,627	168,797	(830)		Total Expenses	1,006,626	1,012,782	6,156	2,025,539	1,018,913

P.O. Box 2069
 Seal Beach CA 90740

Jun Actuals	Jun Budget	Budget Variance	Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance	Annual Budget	Annual Unused Budget
OPERATING INCOME									
				Financial Income					
3,513	2,238	1,275	5397000	Taxable Interest Income - Mutual	17,440	13,428	4,012	26,860	9,420
733	540	193	5397500	Tax Exempt Interest Income	5,190	3,240	1,950	6,480	1,290
(2,472)	(2,472)	0	5398100	Interest Income Allocation	(14,835)	(14,832)	(3)	(29,669)	(14,834)
1,958	0	1,958	5412000	Gain / Loss on Investments	1,958	0	1,958	0	(1,958)
23	20	3	5420000	Other Taxable Income	119	120	(1)	235	116
<u>3,755</u>	<u>326</u>	<u>3,429</u>		Total Financial Income	<u>9,872</u>	<u>1,956</u>	<u>7,916</u>	<u>3,906</u>	<u>(5,966)</u>
				Other Income					
122	41	81	5610000	Late Charges	426	246	180	488	62
4,250	1,998	2,252	5921000	Inspection Fees	19,000	11,988	7,012	23,974	4,974
0	0	0	5980000	Miscellaneous Income	8,705	0	8,705	0	(8,705)
<u>4,372</u>	<u>2,039</u>	<u>2,333</u>		Total Other Income	<u>28,131</u>	<u>12,234</u>	<u>15,897</u>	<u>24,462</u>	<u>(3,669)</u>
<u>8,127</u>	<u>2,365</u>	<u>5,762</u>		Total Operating Income	<u>38,003</u>	<u>14,190</u>	<u>23,813</u>	<u>28,368</u>	<u>(9,635)</u>
				Contributions To Capital					
3,272	3,272	0	5120000	Appliance Reserve Contributions	19,635	19,632	3	39,269	19,634
2,500	2,500	0	5130000	Painting Reserve Contributions	15,000	15,000	0	30,000	15,000
40,695	40,695	0	5175000	Roofing Reserve Contributions	244,168	244,170	(2)	488,336	244,168
8,333	8,333	0	5177000	Infrastructure Reserve Contributions	50,000	49,998	2	100,000	50,000
<u>54,800</u>	<u>54,800</u>	<u>0</u>		Total Contributions To Capital	<u>328,803</u>	<u>328,800</u>	<u>3</u>	<u>657,605</u>	<u>328,802</u>
				Regular Assessments					
111,631	111,631	(1)	5111000	Carrying Charges	669,784	669,786	(2)	1,339,566	669,782
111,631	111,631	(1)		Total Regular Assessments	669,784	669,786	(2)	1,339,566	669,782
<u>174,557</u>	<u>168,796</u>	<u>5,761</u>		Total Income and Contributions to Capit.	<u>1,036,589</u>	<u>1,012,776</u>	<u>23,813</u>	<u>2,025,539</u>	<u>988,950</u>
4,931	(1)	4,932		Excess Inc/(Exp) Before Off-Budget Items	29,963	(6)	29,969	0	(29,963)
				Off-Budget Items					
3,608	0	(3,608)	8100000	Depreciation Expense	12,648	0	(12,648)	0	(12,648)
3,608	0	(3,608)		Total Off-Budget Items	12,648	0	(12,648)	0	(12,648)
<u>1,323</u>	<u>(1)</u>	<u>1,324</u>		Excess Inc.Exp. After Off-Budget Items	<u>17,315</u>	<u>(6)</u>	<u>17,321</u>	<u>0</u>	<u>(17,315)</u>

P.O. Box 2069
 Seal Beach CA 90740

Jun Actual	Jun Budget		2017 Y-T-D Actual	2017 Y-T-D Budget
111,631	111,631	Carrying Charges	669,784	669,786
54,800	54,800	Reserve Funding	328,803	328,800
166,431	166,431	Total Regular Assessments	998,586	998,586
3,755	326	Financial Income	9,872	1,956
4,372	2,039	Other Income	28,131	12,234
8,127	2,365	Total Other Income	38,003	14,190
174,557	168,796	Total Mutual Income	1,036,589	1,012,776
65,400	65,400	GRF Trust Maintenance Fee	392,400	392,400
13,519	11,806	Utilities	60,078	70,836
3,337	1,619	Professional Fees	25,019	9,714
20,951	25,788	Outside Services	132,797	154,728
11,621	9,384	Taxes & Insurance	67,529	56,304
54,800	54,800	Contributions to Reserves	328,803	328,800
169,627	168,797	Total Expenses Before Off-Budget	1,006,626	1,012,782
4,931	(1)	Excess Inc/(Exp) Before Off-Budget	29,963	(6)
3,608	0	Depreciation Expense	12,648	0
1,323	(1)	Excess Inc/(Exp) After Off-Budget	17,315	(6)
		Restricted Reserves		
(1,894)	0	Appliance Reserve Equity	15,153	0
2,500	0	Painting Reserve	56,341	0
40,695	0	Roofing Reserve	1,440,256	0
(2,303)	0	Emergency Reserve Equity	319,389	0
(4,529)	0	Infrastructure Reserve	519,728	0
34,468	0	Total Restricted Reserves	2,350,866	0

MUTUAL TWELVE

**GOLDEN RAIN MONTHLY
SUMMARIES FOR**

AUGUST 2017

(See information attached.)

RECAP OF GOLDEN RAIN FOUNDATION BOARD ACTIVITY OF JULY 25, 2017

Approved Minutes

MOVED and duly approved to accept the minutes of the June 13, 2017 Golden Rain Foundation (GRF) Board of Directors (BOD) Special meeting and the minutes of the June 27, 2017 GRF BOD meeting, as presented.

Reserve Funding Request – HVAC Replacement, Building Five

MOVED and duly approved to ratify the emergency actions taken by the Executive Director, in accordance with Policy 5520-30, Reserves, for the replacement of the HVAC unit, supplying the Administration Building Conference Room, funding from Reserves.

Clubhouse Revitalization Project

MOVED and duly approved allocation of Reserve funds, in the amount of \$1,000,000, for the sole purpose of revitalization of Trust Property amenities as outlined in the Clubhouse Revitalization Project (attached in agenda packet). All listed projects will require due committee review and recommendation, with each final action submitted to the GRF BOD for final review and approval.

Appeal to Recreation Committee Decision – St. Theodore of Canterbury Episcopal Church

MOVED and duly denied the appeal; moved and duly approved to forward to the Recreation Committee to establish a location to relocate St. Theodore of Canterbury Episcopal Church along with a timeline.

Operations Funding Request – Service Upgrade and Enhancements

MOVED and duly approved updates to VMware, expand server storage, and update to Windows Server 2016, in an amount not to exceed \$36,050, non-budgeted operational funding, and authorize the Executive Director to initiate the purchases and the President to sign all applicable contracts.

Executive Committee- Martin Luther King, Jr. Day as a Paid Holiday

MOVED and duly approved the addition of Martin Luther King, Jr. Day, on the third Monday in January, as a paid employee holiday subject to the terms and conditions of employment with GRF as provided within the employee handbook July 5, 2017.

Finance Committee – Accept May and June 2017 Financial Statements

MOVED and duly approved that the GRF Board of Directors accept the May/June 2017 Financial Statements for audit.

Finance Committee – Conceptual Approval of NuVision Lease Extension

MOVED and duly approved to conceptually approve a 5-year lease with NuVision for \$1,500, under the following conditions:

1. Terms and conditions of the lease agreement shall be reviewed for possible amendment by the Finance Committee, as well as GRF Corporate Counsel.
2. Amended lease agreement shall be presented to the Board at its August meeting for final review and consideration.

Finance Committee – Non-budgeted Operating Funds Request – Lease of New Color Konica Copier/Printer

MOVED and duly approved the lease of a new AccurioPress (BizHub) C2060 with square back attachment from Konica having monthly payments of \$1,261 or an annual expense of \$15,132 and to authorize the President to sign the lease agreement.

Finance Committee – CDAR Purchase

MOVED and duly approved to continue the investment ladder by investing \$500,000 from the First Foundation Bank Money Market Reserve account and from proceeds of a maturing CDAR (Reserve Funds) in a 52-week CDAR @ .70% which will be fully insured by the FDIC.

Mutual Administration Committee – Tentative Vote

Informational item only. The Policy, amended by the GRF BOD on April 25, will be posted in compliance with Civil Code §4360. A final vote on the proposed operating policy change will take place on September 26, 2017.

Physical Property Committee – Budgeted Operating Funds Request – Sewer Cleaning Services Contract

MOVED and duly approved to award a contract to Empire Pipe Cleaning and Equipment, for a cost not to exceed \$90,422.16, for the three-year period, Budgeted Operational Funding, and authorize the President to sign the contract.

Physical Property Committee – Capital Funds Request – Utility Trailer

MOVED and duly approved to authorize the Executive Director to initiate the purchase of a trailer, per the quotation provided by Big Text Trailers, for a cost no to exceed \$2,693.74, from Capital funds.

Recreation Committee – New Club Moratorium

MOVED and duly approved a Moratorium on all new Clubs/Organizations, for the period of August 1, 2017 to June 30, 2018.

Recreation Committee – Reserve Funds Request – Band Saw Replacement

MOVED and duly approved the replacement of the Wood Shop band saws with a Jet JWSB-15, as recommended by the Wood Shop Supervisor's email of June 26, 2017, in an amount not to exceed \$4,000, Reserve funds, and authorize the Executive Director to initiate the required steps to remove and dispose the existing band saws, then purchase and install the new band saws.

Recreation Committee – RV Lot – Grandfathering in Co-occupants

MOVED and duly approved a policy variance for use of the RV Lot by Co – Occupants who has been previously leasing space in the RV Lot.

Recreation Committee – Amend Policy 1463-50. Table Tennis Rules

MOVED and duly approved to refer Policy 1463-50, Table Tennis Rules, back to the Recreation Committee.

Security, Bus & Traffic Committee – Reserve Funds Request – Replacement of Security Department Coin Counter

MOVED and duly approved the replacement of the Trust Asset identified as the coin counter, in an amount not to exceed \$6,891.92, and authorize the Executive Director to initiate the purchase.

FINAL VOTE: Amend Policy 1927.01-37, Fees (Fines) for Parking Rules Violations on Trust Property

MOVED and duly approved to ratify Policy 1927.01-37, Fees (Fines) for Parking Rules Violations on Trust Property, to include proposed fee (fines) changes.