

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
February 13, 2014**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Findlay at 9:30 a.m. on Thursday, February 13, 2014, followed by the *Pledge of Allegiance*, in the Administration Building Conference Room.

ROLL CALL

Present: President Findlay, Vice President Frambach, Secretary Norlander, CFO Woodruff, and Directors Evans, Welch, and Fluharty

GRF Representative: Mrs. Damoci

Guests: Three shareholders of Mutual Twelve

Staff: Mrs. Weller, Mutual Administration Manager
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 January 9, 2014; the Emergency E-mail Meeting minutes of January 16, 2014; and the Special Meeting minutes of January 24, 2014. Upon a MOTION duly made by Director Welch and seconded by Director Evans, it was

RESOLVED, That the consent agenda for the Regular Meeting minutes of January 9, 2014; the Emergency E-mail Meeting minutes of January 16, 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.

BUILDING INSPECTOR'S REPORT

In Inspector Antisdell's absence, President Findlay reported that she has received the bid from Advance Custom Painting, Inc., for the touch-up paint work from the dry rot/termite repairs, at a cost of \$1,750. Upon a MOTION duly made by Director Welch and seconded by CFO Woodruff, it was

RESOLVED, To accept the bid from Advance Custom Painting, Inc., for the touch-up paint work from the dry rot/termite repairs, at a cost of \$1,750.

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

BUILDING INSPECTOR'S REPORT (continued)

President Findlay stated the old original water heater replacements are going well. Director Fluharty has requested that Inspector Antisdell check to see what units have had the original water heaters replaced. Replacements are scheduled every Saturday and notices will be posted on those units three days in advance.

President Findlay stated that 34 letters have been sent to those shareholders with carport violations. Also, the dethatching bids will be back by the March Board Meeting. In addition, 15 trees have been trimmed but need further work done on them.

President Findlay said that she has reviewed the sewer camera report and that only the clay pipes will be cleaned out this year.

She said that the July fire/safety inspection violation letters had gone out and now the reinspections need to be scheduled. Also, the water sensor alarm batteries will need to be replaced.

A discussion on tripper locations caused by tree roots followed. Also, Director Fluharty stated that a tree was removed three years ago and still no grass has been planted in that location, which the shareholders in that area would like planted.

Following a discussion, and upon a MOTION duly made by Director Fluharty and seconded by Director Evans, it was

RESOLVED, To purchase two Tristania trees, each up to 18 gallon in size, to replace the ficus tree removed two years ago at Building 64.

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

GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT

GRF Representative Damoci presented her report (as attached). In addition, 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*.

MUTUAL ADMINISTRATION MANAGER'S REPORT

Mrs. Weller presented her monthly Mutual Administration Manager's Report (attached). Also, she distributed/discussed two draft globalized policies for the Directors to review, which will be discussed further at the March Board Meeting.

OLD BUSINESS

President Findlay discussed a tentative motion concerning the removal of electrical outlets in carports. Director Fluharty stated that not all of the shareholders have been

OLD BUSINESS (continued)

billed the monthly charge for the electricity usage for their carport. Mrs. Weller asked that Director Fluharty supply her with the names of the shareholders owing, and she will work with them to pay the back charges and find out why the billing has not been generated by the Finance Department.

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

RESOLVED, That a shareholder who currently has an electrical outlet in their carport space be "grandfathered in," as long as the shareholder currently owns an electric cart, and that the outlet can only be used by the registered shareholder cart owner.

The MOTION carried with one "no" vote (Welch).

(President Findlay called for a break at 11:19 a.m. to 11:34 a.m.)

Upon a MOTION duly made by Director Welch and seconded by Director Fluharty, it was

RESOLVED, To investigate the billing procedure and discrepancies concerning the electrical outlets in the carports.

After further discussion, the MOTION was withdrawn.

Upon a MOTION duly made by Director Evans and seconded by Vice President Frambach, it was

RESOLVED, To rescind the following motion for further research on this issue:

That a shareholder who currently has an electrical outlet in their carport space be "grandfathered in," as long as the shareholder currently owns an electric cart, and that the outlet can only be used by the registered shareholder cart owner.

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

Mrs. Weller stated that the issue needs to be investigated first and then the policy will need to be amended.

OLD BUSINESS (continued)

President Findlay discussed rescinding Policy 7303 – Self-Insurance Fund that has been posted in the laundry rooms. It was the consensus of the Board members to hold a Special Meeting on Monday to vote on rescinding this policy.

(Recording Secretary Day left the meeting at 12:12 p.m.)

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

RESOLVED, To open a new First Foundation Bank 18-month Liquid CD in an amount up to \$200,000; 50 percent of the funds to come from the First Foundation Essential checking account and 50 percent of the funds to come from the Seal Beach Mutual Number Twelve US Bank checking account. Convert all remaining funds in the First Foundation Essential checking account and all funds in excess of \$50,000 in the First Foundation existing Liquid CD to First Foundation 12-month CDARS.

As existing Seal Beach Mutual Number Twelve bonds held at BNY Mellon reach maturity, transfer all available funds from Seal Beach Mutual Number Twelve BNY Mellon Money Market account to the Seal Beach Mutual Number Twelve US Bank checking account.

Open a new NuVision Credit Union three-month CD in an amount up to \$45,000; CD funding to come from the Seal Beach Mutual Number Twelve US Bank checking account.

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

PRESIDENT'S REPORT

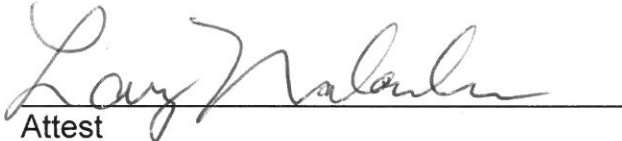
President Findlay submitted a report to be attached to the minutes.

CFO'S REPORT

CFO Woodruff presented her report (as attached).

ADJOURNMENT

There being no further business to conduct, President Findlay adjourned the meeting at 12:21 p.m.



Attest

Larry Norlander, Secretary
SEAL BEACH MUTUAL TWELVE

cd:2/27/14

Attachments

NEXT MEETING: MARCH 13, 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 FEBRUARY 13, 2014**

1/16/14 RESOLVED, To transfer all funds in excess of \$10,000 from Seal Beach Mutual No. Twelve BNY Mellon Money Market account to Seal beach Mutual Number Twelve US Bank checking account.

Transfer all funds from Seal Beach Mutual Number Twelve First Foundation Essential checking account to Seal Beach Mutual Number Twelve US Bank checking account.

Close Seal Beach Mutual Number Twelve Tag Account held at Union Bank and transfer funds to Seal beach Mutual Number Twelve US Bank checking account.

Open a new 13-month \$250,000 CD @ .85% with Pacific Premier Bank, Seal Beach. Funds to come from Seal Beach Mutual Number Twelve US Bank checking account.

1/24/14 RESOLVED, To reconfirm that two signatures are required to open accounts or to execute transactions. The Seal Beach Mutual Twelve Officers: President, Vice President, Secretary, and CFO, are the only Mutual Twelve Directors who may participate as one or both of those signatories.

2/13/14 RESOLVED, To accept the bid from Advance Custom Painting, Inc., for the touch-up paint work from the dry rot/termite repairs, at a cost of \$1,750.

RESOLVED, To purchase two Tristania trees, each up to 18 gallon in size, to replace the ficus tree removed two years ago at Building 64.

RESOLVED, To investigate the billing procedure and discrepancies concerning the electrical outlets in the carports.

RESOLVED, To open a new First Foundation Bank 18-month Liquid CD in an amount up to \$200,000; 50 percent of the funds to come from the First Foundation Essential checking account and 50 percent of the funds to come from the Seal Beach Mutual Number Twelve US Bank checking account. Convert all remaining funds in the First Foundation Essential checking account and all funds in excess of \$50,000 in the First Foundation existing Liquid CD to First Foundation 12-month CDARS.

February 13, 2014

As existing Seal Beach Mutual Number Twelve bonds held at BNY Mellon reach maturity, transfer all available funds from Seal Beach Mutual Number Twelve BNY Mellon Money Market account to the Seal Beach Mutual Number Twelve US Bank checking account.

Open a new NuVision Credit Union three-month CD in an amount up to \$45,000; CD funding to come from the Seal Beach Mutual Number Twelve US Bank checking account.

Carole Damoci
Mutual 12 Representative
Jan. 9th, 2014

Things are rolling right along. We'll have the new Handicapped Bus that was donated by The Golden Age Foundation delivered in two months. We'll also see four new patrol cars around the same time. In about three weeks a new cafe with vending machines will open downstairs in Clubhouse 5.

We're having talks with an Organic farming group to bring a Farmers Market into Leisure World on Saturday mornings. More to follow.

The Recreation sub-committee on entertainment for this summers Amphitheater Thursday night shows is moving forward. The final steps are being taken to book Debbie Reynolds, Frankie Avalon, the Kingston Trio and eight other acts. Looks like a good summer of shows. Three Saturday nights will be available for in-house talent.

The GRF will transition to a new computer system over the next 6 months. Right now we use three systems that don't talk to get other. This should fix that.

The Library, Clubhouse 4, RV Parking lot, Mini Farms and the Flag/Veterans' Memorial area by Clubhouse 4 had been deeded in the GRF's name. The deeds will be changed and they will be placed into the trust.

I would love 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

Mutual Corporations	Community Unity	Golden Rain Foundation
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Insurance is Your Responsibility

Facts About Insurance Every LW Resident/Shareholder Should Know



Fire



Theft



Water Damage



Natural Disaster

Your Mutual's Master Policy covers your Mutual's buildings along with all common areas.

Mutual Insurance does not cover:

- Your personal belongings
- Any earthquake damage
- Your personal liability in the event you become legally liable for causing bodily injury and/or property damage to another person
- Non-standard property inside the walls of your condo or co-op, including the nonstructural upgrades, alterations and/or interior or exterior improvements of your co-op, or interior of your condo unit – These would include, but not be limited to, upgraded doors, double-pane windows, flooring, window treatments, granite countertops, appliances, air conditioning, heat pumps, etc.

As a shareholder in a co-op, you face similar insurance risks as a homeowner, but your insurance needs are somewhat different in that you are only responsible for the nonstandard property, upgrades, alterations and/or interior improvements of your unit. Insurance companies do not have a policy that is specifically designed for co-ops, so the best fit for your co-op unit is what is called an **HO-6 condo policy**. This policy is broad enough to provide the coverage you will need to insure your personal property and interior items that are your responsibility, along with your personal liability.

It is important that you advise your insurance agent of any upgrades and/or alterations to your unit.

You should also be sure your personal insurance policy covers you for Additional Living Expenses (ALE). This is normally standard on an **HO-6 policy**. This coverage would come into play if your co-op or condo becomes uninhabitable due to a covered cause of loss not attributable to the Mutual, such as fire or water damage, and would contribute towards the additional living expenses you incur to live elsewhere until such time as your co-op or condo is again habitable.

**Failure to maintain insurance on your unit may leave you legally liable
for damages you or your guests may cause.**

MUTUAL 12 MONTHLY REPORTS FOR FEBRUARY 13, 2014

President

Recently a few shareholders have commented on how hard I work. It's your Board that individually and collectively works hard to represent Mutual 12 shareholders and keep our Mutual viable. I simply try to keep you apprised of issues important to all of us. Other Directors report monthly or as issues arise that they want to personally address.

Thank you Directors, Building Captains, Shareholders and Shareholder Committees for helping Mutual 12 stay strong and well informed.

Lucille

Elections for the 2014-15 Year

This year Mutual 12 has a biennial election for Golden Rain Foundation Representative as well as our annual election for 7 Mutual 12 Directors. The two elections are separate.

If you wish to run for the two year **GRF Board** term, you must turn in your application upstairs in the Administration building by April 18. You have until April 25 to complete and turn in a resume. Ballots will be sent May 1.

Candidates for **Mutual 12 Board** may self nominate between March 14 and April 14 at the Stock Transfer office. Both nomination forms and resumes are due April 14. **Review the Mutual 12 Election Policy 7210.12.** It's available at lwsb.com and the Leisure World Library, or by asking a Mutual 12 Director or Stock Transfer. Mutual 12 does not select who runs but encourages all who are willing to serve to step forward and run for election. Ballots will be sent May 13.

Mutual 12 Website

Chair JoAnn Goostree is working with GRF ITS Systems Analyst Daniel Fabian to get our website on line. We hope to be able to have it up and running soon.

Mutual 12 has no insurance coverage for Directors, Building Captains or others who voluntarily help the Mutual or shareholders. No physical work is expected or covered by the Mutual.

Physical Property and Landscape Concerns

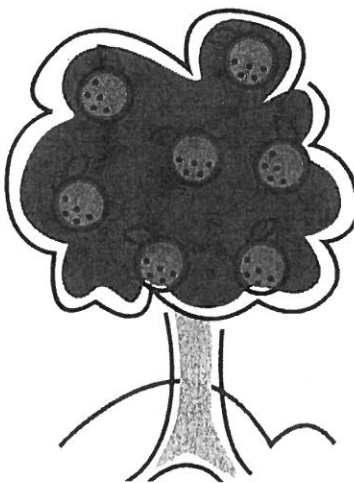
Emergency situations go straight to Service Maintenance or, before 8:00 a.m. and after 4:30 p.m. weekdays and weekends and holidays, to the main gate.

Many of your names are not disclosed on the telephone screen when you call a Mutual 12 Director during business hours. Please leave a message as the Director may have the speaker turned off. You may soon receive a return call.

Please don't think of something you need and call out to a Director passing by – especially if you want that Director to remember what you want. Go inside and leave a phone message so your concern can be logged and taken care of within a couple of days. And please remember that when your need hasn't been met or a Mutual 12 contractor has not worked up to your expectations, it's not because your Board wants to inconvenience or displease you. Also, we really appreciate shareholders who let us know when someone has taken care of your concern before we get back to you. **Note: Physical Property Committee, Joe Roy or Lucille will take middle of the night calls in case of serious emergency such as flood or fire or if Patrol doesn't respond to sprinkler system failure causing fountain or flooding.**

Flowerbed Tree Removal

The offer to remove trees from cooperating shareholders flowerbeds at Mutual expense is good until our Annual Meeting, June 12. Call a Landscape Committee member to schedule removal.



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/Year-End Jan 31, 2014: The Mutual Twelve operating expenses for the month-ending Jan 31, 2014 totaled \$131,595. This represents a \$6,271 positive variance to the 2014 monthly operating expense budget of \$137,866. The primary expense contributors to this under-budget condition are water, landscape extras, and standard service maintenance. (Note: Monthly budgets are calculated by dividing the yearly budget for the expense item by twelve. Budgets are not seasonally adjusted for low or high usage months, thus, it is expected that some expense items, like the water expense, will see early under/over budget conditions offset by over/under budgets in future months.)

YTD 2014 total mutual income and contributions to Capital amounted to \$138,785. Subtracting total 2014 expenses from this number gives mutual twelve an excess YTD 2014 income of \$7,190. Excess 2014 income is allocated to the General Investment reserve and is to be used to cover future Mutual 2014 budget over-runs.

Restricted Reserves:

Appliance Reserve: \$69,471.79 (Down from \$74,633.16) This is to be used for future appliance replacements (cooktops, ovens, refrigerators, etc.).

Painting Reserve: \$279,653.97 (Up from \$278,593.30) This is to be used for stucco and woodwork painting of the Mutual buildings

Roofing Reserve: \$2,168,707.85 (Up from \$2,146,032.02) This is to be used for replacement of building and carport roofs

Infrastructure Reserve: \$465,697.53 (Up from \$454,190.36) - This is to be used for major mutual infrastructure repairs/replacements (major building structural repairs, asphalt sealing/repairs, walkway repairs ,lawn renovation etc.

Emergency Reserve: \$312,871.52 (No change from previous month)
This is money set aside for emergency (unplanned) events that require immediate funding.

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.

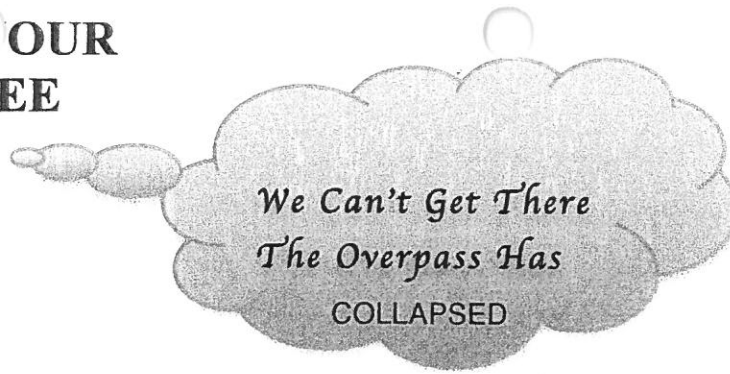
Sharon Woodruff

SEAL BEACH MUTUAL NO. 12
FINANCIAL STATEMENTS RECAP
For the Month Ending January 31, 2014

INTERNALLY PREPARED
FOR MANAGEMENT USE ONLY

<i>January</i>			<i>YTD</i>	
<i>Actual</i>	<i>Budget</i>		<i>Actual</i>	<i>Budget</i>
\$100,642	\$100,642	Regular Assessment	\$100,642	\$100,642
35,112	35,112	Reserve Funding	35,112	35,112
135,754	135,754	Total Regular Assessments	135,754	135,754
25		Service Income	25	
1,737	1,215	Financial Income	1,737	1,215
1,270	897	Other Income	1,270	897
3,032	2,112	Total Other Income	3,032	2,112
138,786	137,866	Total Mutual Income	138,786	137,866
63,079	63,081	Trust Maintenance Cost	63,079	63,081
9,881	12,837	Utilities	9,881	12,837
595	1,270	Professional Fees	595	1,270
14,480	18,894	Outside Services	14,480	18,894
8,448	6,672	Taxes & Insurance	8,448	6,672
35,112	35,112	Contributions To Reserves	35,112	35,112
131,595	137,866	Operating Expenses Before Off-Bdgt	131,595	137,866
7,191		Excess Inc / (Exp) Before Off-Bdgt Items	7,191	
7,191		Excess Inc / (Exp) After Off-Budget Items	7,191	
		Restricted Reserves		
(5,161)		Appliance Reserve	69,472	
1,061		Painting Reserve	279,654	
22,676		Roofing Reserve	2,168,708	
		Emergency Reserve	312,872	
11,507		Infrastructure Reserve	465,698	
		Total Restricted Reserves	3,296,404	

**SPONSORED BY OUR
LW PEP COMMITTEE**



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

Class Schedule – Sign up for ONE (5 hour class)

~~XXXXXXXXXXXXXXXXXXXXX Wednesday, January 29th, 2014 (9am – 2pm) -----
Clubhouse 3 - Room 7 XXXXXXXXXXXXXXXXXXXXXXXX-COMPLETED~~

2. **Monday, March 24th, 2014 (9am – 2pm)
Clubhouse 3 - Room 4 (Bring Your Lunch)**
3. **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 EMERGENCY E-MAIL MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
JANUARY 16, 2014

The E-mail Emergency Meeting of the Board of Directors of Seal Beach Mutual No. Twelve requested by CFO Woodruff to consider the following resolution was initiated by President Findlay and sent to all Mutual 12 Directors on January 16, 2014.

Directors responding were President Findlay, Vice President Frambach, CFO Woodruff and Director Evans. Secretary Norlander and Directors Fluharty and Welch did not respond.

Following an introductory explanation, it was

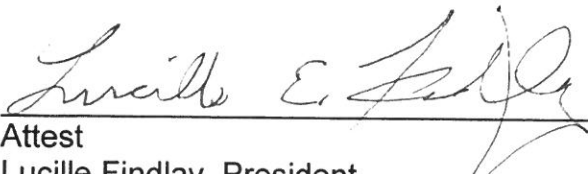
RESOLVED, To transfer all funds in excess of \$10,000 from Seal Beach Mutual Number Twelve BNY Mellon Money Market account to Seal Beach Mutual Number Twelve US Bank checking account.

Transfer all funds from Seal Beach Mutual Number Twelve First Foundation Essential Checking account to Seal Beach Mutual Number Twelve US Bank checking account.

Close Seal Beach Mutual Number Twelve Tag Account held at Union Bank and transfer funds to Seal Beach Mutual Number Twelve US Bank checking account.

Open a new 13 month \$250,000 CD @.85% with Pacific Premier Bank, Seal Beach. Funds to come from Seal Beach Mutual Number Twelve US Bank checking account.

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



Attest
Lucille Findlay, President
SEAL BEACH MUTUAL NO. TWELVE

SEA BEACH MUTUAL NO. TW LVE

CONSENT TO E-MAIL EMERGENCY MEETINGS
FOR THE 2013-2014 BOARD YEAR

My signature below applies to circumstances warranting emergency meetings. (Civ. Code §1363.05(g)).

I hereby give my written consent for Mutual 12 Emergency Meetings to be conducted by e-mail. (Civ. Code § 1363.05(j)(2)(B)).

NAME AND TITLE	SIGNATURE	DATE
Lucille Findlay, President	<i>Lucille E. Findlay</i>	8/19/13
Bill Frambach, Vice President	<i>William Frambach</i>	8/30/13
Larry Norlander, Secretary	<i>Larry Norlander</i>	8-19-13
Sharon Woodruff, CFO	<i>Sharon Woodruff</i>	8-26-13
Janet Evans, Director	<i>Janet L. Evans</i>	8-19-13
Roy Fluharty, Director	<i>Roy Fluharty</i>	8/19/13
Joe Welch, Director	<i>Joe Welch</i>	8/19/13

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

SEAL BEACH MUTUAL NO. TWELVE

January 24, 2014

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Findlay at 9:07 a.m. on January 24, 2014 in the Physical Property Conference Room.

Those members present were: President Findlay, Vice President Frambach (9:09 a.m.), Secretary Norlander, CFO Wooddruff and Directors Evans, Fluharty and Welch. Also present were Physical Property Inspector Antisdell and one shareholder.

The purpose of the meeting was to plan the agenda for the February 13 Regular Mutual 12 Board Meeting.

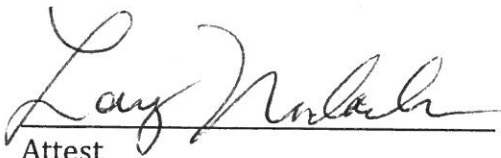
At 10:20 a.m. the Board went into Executive Session to discuss shareholder issues.

The Board returned to regular session at 10:47 a.m.

The Business item on the Agenda, "Reconfirm authorized signatures for banking," was discussed. After discussion on a MOTION duly by CFO Woodruff, and seconded by Vice President Frambach it was,

RESOLVED, to reconfirm that two signatures are required to open accounts or to execute transactions. The Seal Beach Mutual 12 Officers, President, Vice President, Secretary and CFO are the only Mutual 12 Directors who may participate as one or both of those signatories.

After further agenda planning discussion, the meeting was adjourned by President Findlay at 11:35 a.m.



Attest

Larry Norlander, Secretary
SEAL BEACH MUTUAL NO. TWELVE