

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
February 11, 2016**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by Vice President Ferraro at 9:01 a.m. on Thursday, February 11, 2016, followed by the *Pledge of Allegiance*, in the Administration Building Conference Room A.

ROLL CALL

Present: Vice President/CFO Ferraro, Secretary Findlay, and Directors, Anderson, Gillon, Thomas, and Fluharty

Absent: President Welch

GRF Representative: Mrs. Damoci

Guests: Mr. Gutierrez, Pinnacle Landscape
Mr. Meadows, Pinnacle Landscape
Six shareholders of Mutual Twelve

Staff: Ms. Hopkins, Mutual Administration Assistant Manager
Mr. Salazar, Building Inspector
Ms. Day, Recording Secretary

Vice President Ferraro welcomed guests and staff to the meeting.

SHAREHOLDERS' COMMENTS

Vice President Ferraro invited shareholders present to speak to the Board.

GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT

GRF Representative Damoci presented her report (attached).

MINUTES

There being no corrections to the minutes of the Regular Monthly Meeting of January 14, 2016, the minutes were declared approved as written.

GUEST SPEAKERS – Mr. Gutierrez, Mr. Meadows

Messer's Gutierrez and Meadows discussed concerns with the gardeners and new schedules. The new schedule that Pinnacle will be following will be posted in the laundry rooms. Also, a discussion on landscaping proposals for miscellaneous areas followed.

GUEST SPEAKERS – Mr. Gutierrez, Mr. Meadows (continued)

Following a discussion, and upon a MOTION duly made by Secretary Findlay and seconded by Director Thomas, it was

RESOLVED, That a committee be appointed consisting of President Welch, and Directors Anderson and Thomas, to further study the landscape plan for Building 10, Units F and G.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary Findlay and seconded by Director Gillon, it was

RESOLVED, To approve the bid from Pinnacle Landscape for re-grading the turf in front of Building 7, Units J and K, at a cost of \$1,450.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary Findlay and seconded by Director Anderson, it was

RESOLVED, To approve the bid to clean up the vault area at Unit 78-F, at a cost of \$175, to be paid from the landscaping budget.

The MOTION passed.

The Board discussed the landscape work needed at Unit 57-B. It was the consensus of the Board that no action will be taken until after the unit is sold.

Messr's Gutierrez and Meadows left the meeting at 9:44 a.m.

BUILDING INSPECTOR'S REPORT

Building Inspector Salazar reviewed his written report summary (see attached).

Following a discussion, and upon a MOTION duly made by Secretary Findlay and seconded by Director Gillon, it was

RESOLVED, That the Board accepts the bid from S. C. Yamamoto, Inc., in the amount of \$2,200 for landscape grading, root barrier, and turf repair, located at Units 60-A, 58-E, and Building 70 green belt. The expenditure is to be charged to the Landscape Extras Operating Budget, and to authorize the Corporate President to sign the contract.

The MOTION passed.

BUILDING INSPECTOR'S REPORT (continued)

Following a discussion, and upon a MOTION duly made by Secretary Findlay and seconded by Director Gillon, it was

RESOLVED, That effective immediately, Mutual Twelve requires a GRF Building Permit for all floor covering, including carpet installed at shareholder expense. Both interior and patio/porch floor covering will require a GRF Building Permit.

Reasons for this requirement include:

- Assurance that no asbestos contained material is removed or compromised
- No Mutual property is damaged
- Patio flooring is appropriate (for example, if tile – no skid)
- Shareholder understands what is and what is not allowed
- Shareholder understands that Mutual Twelve is not responsible for any damage to, or failure of, flooring purchased and installed at any time by shareholders or their successor shareholders regardless of date of installation or cause of damage or failure.

FURTHER, That this resolution dated February 11, 2016, be attached to the permit and signed by the shareholder and installer or contractor.

The MOTION passed.

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

RESOLVED, That due to size and quantity specification changes on the building signs, the Board approves a change order to All American Sign's original bid acceptance of \$6,683.52, dated December 4, 2015, to \$8,640.48. Installation of \$750.00 is included in the total contract. The Corporate President is authorized to sign the contract.

The MOTION passed.

A discussion followed on a vault cover change order with Hutton Painting. It was the consensus of the Board that Inspector Salazar will produce a map of the locations of the vault covers for Hutton Painting.

BUILDING INSPECTOR'S REPORT (continued)

Inspector Salazar discussed the rain related roof leaks (see his report #5). It was the consensus of the Board to treat roof leaks on a case-by-case basis as an emergency.

Inspector Salazar left the meeting at 10:27 a.m.

CORRESPONDENCE

There was no correspondence.

MUTUAL ADMINISTRATION ASSISTANT MANAGER'S REPORT

Ms. Hopkins presented her report on elections (attached).

EMERGENCY PREPAREDNESS COORDINATOR'S REPORT

Emergency Preparedness Coordinator presented his report (attached).

Vice President Ferraro called a break at 10:30 a.m. to 10:35 a.m.

Recording Secretary Day left on break at 10:30a.m. to 10:45 a.m.

LUNCHEON REPORT

Vice President Ferraro presented her report (attached). Following a discussion, and upon a MOTION duly made by Vice President Ferraro and seconded by Director Fluharty, it was

RESOLVED, To approve the expenditure for the Annual Shareholders' Luncheon, not to exceed \$1,625, to be paid out of the current year operating budget, miscellaneous expense.

The MOTION passed.

ANNOUNCEMENTS

There were no announcements at this time.

OLD BUSINESS

Director Gillon discussed on-line storage of Mutual documents. Upon a MOTION duly made by Secretary Findlay and seconded by Vice President Ferraro, it was

RESOLVED, To approve a contract with box.com for on-line record storage for one-year, at a cost of \$180. The Corporate President is authorized to sign the contract.

The MOTION passed.

GRF Representative Damoci left the meeting at 10:58 a.m.

OLD BUSINESS (continued)

Following a discussion, it was the consensus of the Board members to postpone action on the 2016 towing contract until the next Board Meeting.

The Board members discussed further amending Policy 7610.12– Mutual Accounts – General Operating Procedures. Upon a MOTION duly made by Secretary Findlay and seconded by Director Gillon, it was

RESOLVED, To further amend Policy 7610.12– Mutual Accounts – General Operating Procedures, on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

The Board members discussed further amending Policy 7621.12 – Mutual Contract Bid Procedure. Upon a MOTION duly made by Secretary Findlay and seconded by Director Gillon, it was

RESOLVED, To further amend Policy 7621.12 – Mutual Contract Bid Procedure, on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

A discussion followed on Policy 7622.12 – Mutual Replacement Reserve Fund. Upon a MOTION duly made by Secretary Findlay and seconded by Director Gillon, it was

RESOLVED, To further amend Policy 7622.12 – Mutual Replacement Reserve Fund, on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

NEW BUSINESS

Vice President Ferraro stated there is a CD with Nu-Vision Federal Credit Union maturing on February 13, 2016, for \$100,000. Upon a MOTION duly made by Vice President Ferraro and seconded by Director Anderson, it was

RESOLVED, To reinvest the \$100,000 Certificate of Deposit maturing on February 13, 2016, held at Nu-Vision Credit Union, into a two-year Certificate of Deposit at an interest rate of 1.15%.

The MOTION passed.

NEW BUSINESS (continued)

Vice President Ferraro stated that during February there will be \$250,000 in CDARS maturing with First Foundation Bank. Upon a MOTION duly made by Vice President Ferraro and seconded by Director Thomas, it was

RESOLVED, That upon maturity on February 11 and February 15, 2016, of CDARS held at First Foundation Bank, the proceeds totaling \$250,000 will be transferred from the First Foundation business checking account to the Mutual Twelve US Bank MMA for the purpose of purchasing two Certificates of Deposit with US Bancorp for a term not to exceed three years at the prevailing interest rate available.

The MOTION passed.

Vice President Ferraro said the US Bank Money Market Account has excess accumulated cash designated for the Roofing Reserve from monthly carrying charges and general investments. Upon a MOTION duly made by Vice President Ferraro and seconded by Director Anderson, it was

RESOLVED, To purchase one \$300,000 Certificate of Deposit and one \$100,000 Certificate of Deposit with US Bancorp for a term not to exceed two years at the prevailing interest rate available.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary Findlay and seconded by Director Anderson, it was

RESOLVED, To amend Policy 7210.12 – Annual Elections, 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 Secretary Findlay and seconded by Vice President Ferraro, it was

RESOLVED, That in the 2016 annual election for Mutual Twelve, each candidate will turn in their self nomination to the Stock Transfer Office, and that the Corporate Secretary will monitor the election procedure.

The MOTION passed.

NEW BUSINESS (continued)

Secretary Findlay requested that the Board members review Policy 7499.12 – Air Conditioning/HVAC/Heat Pump Units and bring back their questions and any suggested revisions to the next Board Meeting.

The Board members discussed a donation request from the shareholder in Unit 9-A to remove a tree from her garden area and plant it in the green belt in front of the unit. It was the consensus of the Board members to request that Director Anderson clarify with the arborist on the removal and replanting of the tree and who will pay for the work.

PRESIDENT'S REPORT

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

CHIEF FINANCIAL OFFICER'S REPORT

Vice President/CFO Ferraro submitted a report to be attached to the minutes.

SECRETARY'S REPORT

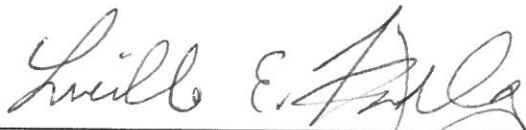
Secretary Findlay submitted a report to be attached to the minutes.

EXECUTIVE SESSION

Member issues were discussed in Executive Session.

ADJOURNMENT

Vice President Ferraro adjourned the meeting at 11:45 a.m. and announced that following there would be an Executive Session to discuss member issues.



Attest

Lucille Findlay, Secretary
SEAL BEACH MUTUAL TWELVE

cd:3/02/16

Attachments

(These are tentative minutes, subject to approval by the Board of Directors at the next Regular Board of Directors Meeting.)

NEXT MEETING: MARCH 10, 2016

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF FEBRUARY 11, 2016**

02/11/15 RESOLVED, That a committee be appointed consisting of President Welch, and Directors Anderson and Thomas, to further study the landscape plan for Building 10, Units F and G.

RESOLVED, To approve the bid from Pinnacle Landscape for re-grading the turf in front of Building 7, Units J and K, at a cost of \$1,450.

RESOLVED, To approve the bid to clean up the vault area at Unit 78-F, at a cost of \$175, to be paid from the landscaping budget.

RESOLVED, That the Board accepts the bid from S. C. Yamamoto, Inc., in the amount of \$2,200 for landscape grading, root barrier, and turf repair, located at Units 60-A, 58-E, and Building 70 green belt. The expenditure is to be charged to the Landscape Extras Operating Budget, and to authorize the Corporate President to sign the contract.

RESOLVED, That effective immediately, Mutual Twelve requires a GRF Building Permit for all floor covering, including carpet installed at shareholder expense. Both interior and patio/porch floor covering will require a GRF Building Permit.

Reasons for this requirement include:

- Assurance that no asbestos contained material is removed or compromised
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FURTHER, That this resolution dated February 11, 2016, be attached to the permit and signed by the shareholder and installer or contractor.

RESOLVED, That due to size and quantity specification changes on the building signs, the Board approves a change order to All American Sign's original bid acceptance of \$6,683.52, dated December 4, 2015, to \$8,640.48. Installation of \$750.00 is included in the total contract. The Corporate President is authorized to sign the contract.

RESOLVED, To approve the expenditure for the Annual Shareholders' Luncheon, not to exceed \$1,625, to be paid out of the current year operating budget, miscellaneous expense.

RESOLVED, To approve a contract with Box.com for on-line record storage for one-year, at a cost of \$180. The Corporate President is authorized to sign the contract.

RESOLVED, To further amend Policy 7610.12– Mutual Accounts – General Operating Procedures, on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To further amend Policy 7621.12 – Mutual Contract Bid Procedure, on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To further amend Policy 7622.12 – Mutual Replacement Reserve Fund, on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To reinvest the \$100,000 Certificate of Deposit maturing on February 13, 2016, held at Nu-Vision Credit Union, into a two-year Certificate of Deposit at an interest rate of 1.15%.

RESOLVED, That upon maturity on February 11 and February 15, 2016, of CDARS held at First Foundation Bank, the proceeds totaling \$250,000 will be transferred from the First Foundation business checking account to the Mutual Twelve US Bank MMA for the purpose of purchasing two Certificates of Deposit with US Bancorp for a term not to exceed three years at the prevailing interest rate available.

RESOLVED, To purchase one \$300,000 Certificate of Deposit and one \$100,000 Certificate of Deposit with US Bancorp for a term not to exceed two years at the prevailing interest rate available.

RESOLVED, To amend Policy 7210.12 – Annual Elections, on a preliminary basis until the 30-day posting period is completed.

RESOLVED, That in the 2016 annual election for Mutual Twelve, each candidate will turn in their self nomination to the Stock Transfer Office, and that the Corporate Secretary will monitor the election procedure.

**SPECIAL MEETING ANNOUNCEMENTS AND AGENDAS
ARE POSTED IN LAUNDRY ROOM 57 (D SIDE).
FOR INFORMAL INDIVIDUAL NOTICE OF SPECIAL MEETINGS,
CONTACT SECRETARY FINDLAY.**

Carole Damoci
 Mutual 12 Representative
 Feb. 11th, 2016

2016 will be a busy year in LW. The remaining 3 walls will be finished this year and the southern half of St. Andrews below Golden Rain will be re-surfaced. The dog park has been voted down by the Rec. Committee.

The GRF had a Super Bowl party in clubhouse 1 that was very popular and a sub-committee has been set up to come up with more such functions. The next being the Academy Awards.

The GRF in the month of March will be addressing attaching monetary fines to traffic tickets. This will be a first for our community and the SB&T Committee has put many months of study into the concept. Laguna Woods has been issuing traffic tickets with fines attached for many years.

New Entertainment/Activity Schedule

| EVENT DATE | NAME OF EVENT | LOCATION OF EVENT |
|----------------|--|----------------------------|
| March 26, 2016 | Emergency Preparedness Expo | Administration Parking Lot |
| March 26, 2016 | Farmers Market 2016 <i>(every other week)</i> | Administration Parking Lot |
| May 05, 2016 | Cinco De Mayo | Clubhouse 6 Outside |
| May 18, 2016 | GRF Golf Tournament | Leisure World Golf Course |
| May 21, 2016 | City Expo | Clubhouse 4 |
| May 26, 2016 | Movie Night - Jurassic World | Leisure World Amphitheater |
| June 01, 2016 | Leisure World Day at Angel Stadium | Angel Stadium of Anaheim |
| June 02, 2016 | Movie Night – The Intern | Leisure World Amphitheater |
| June 09, 2016 | Movie Night – Bridge of Spies | Leisure World Amphitheater |
| June 10, 2016 | Hawaiian Night Event | Clubhouse 3 Patio |
| June 16, 2016 | Movie Night – Inside Out | Leisure World Amphitheater |
| June 22, 2016 | GRF Golf Tournament & Expo | Leisure World Golf Course |
| June 23, 2016 | Jay & The Americans | Leisure World Amphitheater |

| | | |
|-------------------------|--|------------------------------|
| June 30, 2016 | Patriotic Show | Leisure World Amphitheater |
| July 04, 2016 | 4 th of July Car Show & BBQ | Clubhouse 6 Parking Lot |
| July 07, 2016 | Paperback Writer: Beatles Tribute | Leisure World Amphitheater |
| July 09, 2016 | Movie Night - Minions | Leisure World Amphitheater |
| July 14, 2016 | The Texas Tenors | Leisure World Amphitheater |
| July 16, 2016 | Movie Night – Ant Man | Leisure World Amphitheater |
| July 21, 2016 | Fortunate Son: Creedence Clearwater Revival Tribute | Leisure World Amphitheater |
| July 23, 2016 | Movie Night - Zootopia | Leisure World Amphitheater |
| July 28, 2016 | The Four Freshmen | Leisure World Amphitheater |
| July 30, 2016 | Movie Night – Monkey Kingdom | Leisure World Amphitheater |
| August 04, 2016 | Rick Shuler's Tribute to John Denver-The Rocky Mountain High | Leisure World Amphitheater |
| August 11, 2016 | Supreme Reflections: Supreme Tribute | Leisure World Amphitheater |
| August 18, 2016 | True Willie: Willy Nelson Tribute | Leisure World Amphitheater |
| August 25, 2016 | The Missing Links: Monkees Tribute | Leisure World Amphitheater |
| September 01, 2016 | Ricky Nelson Remembered | Leisure World Amphitheater |
| September 08, 2016 | Big Bad Voodoo Daddy | Leisure World Amphitheater |
| September 15, 2016 | Movie Night – San Andreas | Leisure World Amphitheater |
| September 22, 2016 | Movie Night – McFarland USA | Leisure World Amphitheater |
| September 29, 2016 | Movie Night – In the Heart of the Sea | Leisure World Amphitheater |
| October 06, 2016 | Movie Night – Star Wars The Force Awakens | Leisure World Amphitheater |
| October 22, 2016 | Fall Festival Event | Clubhouse 6 Outside & Inside |
| November 04, & 05, 2016 | Arts & Crafts Festival | Clubhouse 2 |
| November 28, 2016 | Tree Lighting Ceremony | Location TBD |
| December 09, 2016 | Holiday Event / Toys for Tots | Clubhouse 4 |

This is an election year for both your GRF Representative and Mutual Board. Please get involved. The only way this kind of community works is for everyone to be involved and educated on the issues. Ask questions. Attend meetings.

As always, if there is anything I can do for you, or if you have any questions concerning the GRF, please feel free to contact me.

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

1. MUTUAL ESCROW ACTIVITY: See Attachment

2. PERMITTED CONSTRUCTION ACTIVITY: See Attachment

3. MUTUAL PROJECTS:

- Ground Vault, Grates & Walkway Posts Paint: Pending change order signatures
- Irrigation Controls Installation – Irrigation controllers installed and invoice received
- Exterior Paint Project: Completed, except additional work pending change order signatures
- Gutter Installation: Completed, pending final walk through with contractor
- Landscape Grading, Root Barrier, and Turf Repair Project: Pending signatures
- Building Signage Project: Pending change order

4. CONTRACTS

- Ground vault, grates & walkway posts sleeves awarded to Hutton
- Irrigation controls installation awarded to S.C. Yamamoto
- Exterior paint project awarded to Hutton
- Gutter installation awarded to Roofing Standards
- Landscape Grading, Root Barrier, and Turf Repair Project awarded to S.C. Yamamoto
- Building Signage Contract awarded to All American Sign Co

5. MUTUAL REQUESTS/VISITS – INCLUDING PINKS (P) RAIN RELATED ROOF LEAKS

| | | | | | |
|---------|---------|---------|---------|-----|----|
| 8B (P) | 64K (P) | 63B (P) | 64J (P) | 73H | 7C |
| 44B (P) | 7E (P) | 62F (P) | 55E | 8I | |
| 61B (P) | 67A (P) | 56K (P) | 67C | 8H | |
| 73L (P) | 73I (P) | 8B (P) | 66F | 64A | |

6. SPECIAL INSPECTIONS

- NA

7. FIRE INSPECTIONS

- Tentatively Scheduled for July-August of 2017

8. PHYSICAL PROPERTIES MAINTENANCE INSPECTIONS

- Pending Schedule

2016 Mutual Election and Annual Meeting Schedule

| Mu. | No. of Units | Quorum | No. of Directors Being Elected | Candidate Application Begins (90 days before election) | Candidate Application Deadline (60 days before election)* | Ballots Mailed (30 days before election)** | Meeting Day | Meeting Date | Meeting Time | Notes |
|-------------|--------------|--------|--------------------------------|--|---|--|------------------------|--------------|--------------|---|
| MAY | | | | | | | | | | |
| 10 | 276 | 92 | 8 | Thurs. 2/18 | Sat. 3/19 | Mon. 4/18 | 3 rd Wed. | 5/18 | 10 a.m. | Annual Meeting only; election in odd-numbered years |
| 14 | 328 | 110 | 7 | Fri. 2/19 | Sun. 3/20 | Tues. 4/19 | 3 rd Thurs. | 5/19 | 10 a.m. | No more cumulative voting; directors reduced from 9 to 7 |
| 7 | 384 | 128 | 6 | Sat. 2/20 | Mon. 3/21 | Wed. 4/20 | 3 rd Fri. | 5/20 | 10 a.m. | |
| 8 | 348 | 116 | 5 | Tues. 2/23 | Thurs. 3/24 | Sat. 4/23 | 4 th Mon. | 5/23 | 10 a.m. | No conflict with Memorial Day |
| 4 | 396 | 132 | 7 | Thurs. 2/25 | Sat. 3/26 | Mon. 4/25 | 4 th Wed. | 5/25 | 10 a.m. | |
| 16 | 60 | 20 | 5 | Thurs. 2/25 | Sat. 3/26 | Mon. 4/25 | 4 th Wed. | 5/25 | 2 p.m. | |
| 11 | 312 | 104 | 6 | Fri. 2/26 | Sun. 3/27 | Tues. 4/26 | 4 th Thurs. | 5/26 | 10 a.m. | |
| 9 | 384 | 128 | 7 | Sat. 2/27 | Mon. 3/28 | Wed. 4/27 | 4 th Fri. | 5/27 | 10 a.m. | |
| JUNE | | | | | | | | | | |
| Mu. | No. of Units | Quorum | No. of Directors Being Elected | Candidate Application Begins (90 days before election) | Candidate Application Deadline (60 days before election)* | Ballots Mailed (30 days before election)** | Meeting Day | Meeting Date | Meeting Time | Notes |
| 3 | 432 | 144 | 7 | Thurs. 3/10 | Sat. 4/9 | Mon. 5/9 | 2 nd Wed. | 6/8 | 10 a.m. | |
| 12 | 452 | 151 | 7 | Fri. 3/11 | Sun. 4/10 | Tues. 5/10 | 2 nd Thurs. | 6/9 | 10 a.m. | |
| 2 | 864 | 288 | 9 | Sat. 3/12 | Mon. 4/11 | Wed. 5/11 | 2 nd Fri. | 6/10 | 10 a.m. | Nine directors will be elected but terms will be staggered. |
| 1 | 844 | 282 | 9 | Tues. 3/15 | Thurs. 4/14 | Sat. 5/14 | 2 nd Mon. | 6/13 | 10 a.m. | Nine directors will be elected but terms will be staggered. |
| 5 | 492 | 164 | 8 | Wed. 3/16 | Fri. 4/15 | Sun. 5/15 | 2 nd Tues. | 6/14 | 10 a.m. | |
| 15 | 502 | 168 | 7 | Sat. 3/19 | Mon. 4/18 | Wed. 5/18 | 3 rd Fri. | 6/17 | 10 a.m. | |
| 6 | 408 | 136 | 7 | Sat. 3/26 | Mon. 4/25 | Wed. 5/25 | 4 th Fri. | 6/24 | 10 a.m. | |
| 17 | 126 | 42 | 3 | Wed. 3/30 | Fri. 4/29 | Sun. 5/29 | 4 th Tues. | 6/28 | 10 a.m. | Staggered Elections |

NOTE:

* = On deadlines that fall on a Saturday or Sunday, applications will be accepted the following Monday. Candidate applications must be received in the Stock Transfer Office by no later than 4:30 p.m. on the deadline day.

** = If the date to mail ballots (30 days before the election) falls on a Friday, Saturday or Sunday, the ballots will be mailed the previous Thursday.

EMERGENCY PREPAREDNESS COORDINATOR'S REPORT – Dave Nell

Field Trip of January 15, 2016, to Mutuals Eleven and Fifteen
to View Emergency Preparedness Supplies and Inventories

First viewed supplies at **Mutual 11**: They have \$50-60,000 inventory. Boy Scouts assembled and anchored their Emergency Sheds to the concrete near the laundry rooms. The Boy Scouts have a blanket insurance policy which is up to LW standards and were allowed to do this. Shed's must be on a 4" platform off the concrete footing and well braced. They have emergency shed located at each laundry room

M-11 Directors have radios in their homes. The older style radios are in the back packs. Uniden batteries are expensive.

They have a generator with 6000 watts constantly being charged with solar panel. "Geniron" is the brand. I believe this will run at half power for 18 hours. They have 6 other generators and 28-30 propane tanks. Generators are for emergency use by entire mutual, not personal use. however, if a SH were in dire circumstances would try to share if they could. You can charge a scooter with a generator.

Concern expressed regarding storage of propane (by SH's I think).

They have 2 propane cook stoves.

Also, 240 watt 50' electrical cord.

Earthquake kits for 100 people. First aid kit on wheels. 6 pop ups (10' umbrella.) Bag for each building captain with lists of residents plus they have a list at home.

Electric pumps to drain Blue 55 gal water barrels in 12 ½ minutes. About \$78 from Harbor Freight. Water has to be changed every 5 years to keep it safe. Get chemicals from EQ Management Store to keep the water clean. Procedure is dump barrel out, rinse, put gallon water in, shake chemicals to coat the inside, stand the barrel on plywood footing. Get barrels from EQ Management on Golden West Circle on Bolsa South of the 405. Write date filled on the cap. They also have HUGE tanks of water (130 gal) in some laundry rooms.

Each shed has 25 caged lights.

Bottle jack which is a 3000 lb lift. Needed by CERT trained folks.

Storage for sanitary supplies: honey buckets with toilet seats.

They sell "togo" kits to SH's at their cost.

At Feb Mutual BOD meetings, decide what else does our Mutual need. In March place order together with MEP which should be cheaper. Ask our own individual BOD's how much money we have to spend. Discuss with MEP how best to use it. Prioritize. Rec minimum for starting out is \$5-10,000

How many propane do we need? How many generators?

Ask how Jan Kuhl is using her water pigs.

Need info re what we can and cannot do regarding folks with dementia.

Walt Lodwick from M-11 is very knowledgeable about supplies and purchasing. Cell phone is 562-212-1767; home 562-594-9630

Per one of the directors, if a SH has an Rx for oxygen, they can get one 4-hour tank and additional 1 to 2-hour tanks. They need to ASK THEIR SUPPLIER. They should call for a refill.

Mutual 15. Judith Rhodes is the EP Person.

M-15 BOD has dedicated 2 carport spaces for Emergency supplies. How did they get away with this? "We own them." The BOD simply decided not to assign them. This locked storage is walled off from Carport spaces, have lock box for security, etc.

All of their supplies are on carts which makes them MOBIL. Carts are already packed and secured with cargo nets. 2 deliverable systems.

Radios kept in carport so Judith can check on them once a month. Radio drills 1/month.

One generator. M-15 has a handyman who starts the generators once/month; however, they need to train some SH's in case he isn't present. Propane is secured in cages against the wall at the end of the carport.

(2)

They use contractor bags for debris, glass, pottery along sidewalks. They don't puncture as easily. 30 gal is big enough because they get very heavy. Also have heavy duty dust pans and brooms.

Long ladders: they have two story buildings.

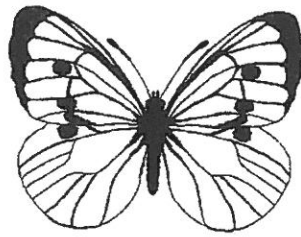
They tell new Shareholders at New Buyer Orientation to pack a "go bag" and plan an escape route. Also, remind SH's to check shelf life of stored food. The reality is you are on your own during a power outage. Our local firehouse has 3 guys and one truck and we are not their first priority. They might go right by us because they are ordered to. LW is the last group to be serviced by First Responders. Per Fire Authority, schools and hospitals first.

Someone said Eloy has announced there are big generators in the Club houses. Unknown who/what they are for. Light for groups or use by individuals in emergency??? Can they service more than one individual at a time?

ImogenOne is an accessory device that plugs into the car cigarette lighter to power the oxygen concentrator (See handout brochure). Contact them at www.Imogenone.com. It is portable, light weight and mobile. 5 lbs on passenger's lap in the car. Provides 98.6% oxygen at 2 liter/minute while, at the same time, recharging the lithium ion battery. There is another device but heavier (10 lbs) and limitation on oxygen delivery rate. Used for COPD, asthma, allergies, any condition which has destroyed the fila in the lung. This damage is progressive. No cure but meds (inhaler) can help and oxygen . concentrator can be used when electricity is off.

Respectfully,
David E NEll

(3)



MUTUAL 12
ANNUAL SHAREHOLDER LUNCHEON

SAVE THE DATE!
MARK YOUR CALENDAR



WHEN: THURSDAY, APRIL 28, 2016

TIME: 11:30 A.M.

PLACE: CLUBHOUSE 2

TICKET PRICE: \$6.50 FOR MEMBERS
\$13.00 GUESTS AND CAREGIVERS
TICKETS AVAILABLE AFTER APRIL 4

STOCKHOLDERS MEETINGS

Annual Elections – Mutual Twelve

In accordance with State Law and the Mutual Bylaws, the following policy is established for the general election of directors to the Mutual Board of Directors.

1. CANDIDATES

a. Candidate Eligibility

In accordance with the Mutual Bylaws, all members in good standing are eligible to run for election to the Mutual Board of Directors. "Good Standing" means that the member is not delinquent in the payment of monthly or special assessments in an amount equal to or greater than one month's assessment for a period of time greater than 30 days.

b. Notification of Nominations for Election of Directors

The Mutual Board of Directors shall also place notice in the *Golden Rain News* and in the Mutual laundry rooms not less than 90 days prior to the annual meeting that any member of the Mutual in good standing may place his/her name into nomination for the election of directors.

c. Self-Nomination by Shareholders

Mutual members who wish to nominate themselves as candidates for election to the Mutual Board of Directors must do so by completing an Application for Candidacy in writing not more than 90 days or less than 60 days prior to the annual meeting date.

Applications for Candidacy are available in the Stock Transfer Office. Applications must be returned to the Stock Transfer Office before the close of business on the deadline date. Stock Transfer will provide a receipt for the application.

Any candidate whose application is not received by the deadline will not be listed on the ballot.

d. Clarification of At-Large Candidate Eligibility in the Mutual By-Laws

The Mutual Twelve Application of Candidacy shall include a space for candidates running at large to so indicate.

(Mar 12)

STOCKHOLDERS MEETINGS

Annual Elections – Mutual Twelve

At-Large candidates are eligible for election in otherwise unrepresented parcels only. Parcel designation for any at-large candidates shall take place at the Organizational Meeting.

e. **OFFICIAL NON-REVOCABLE BALLOT**

At-Large candidates shall appear after Parcel No. 10 on the ballot.

f. **Nominations from the Floor and Write-in Candidates**

During the Annual Meeting, nominations from the floor and write-in candidates will be accepted provided the nominee is present to accept the nomination or has submitted an acceptance and the nominee meets the qualifications of a director.

g. **Equal Access to Clubhouse Facilities**

Equal access to clubhouses shall be provided at no cost to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those who are not endorsed by the Mutual Board of Directors, for purposes reasonably related to the election. The clubhouses are subject to availability by reservation only on a first-come, first-serve basis.

h. **Candidate Biographies/Resumes**

Each candidate may submit a personal resume that may include the candidate's picture, biographical information, qualifications, experience and a brief platform statement. The resume will be included with the Notice Letter provided that:

1. The resume is no bigger than one side of one 8 ½ x 11" page in length;
2. The resume does not make any reference to other individuals except perhaps family members;
3. The resume does not contain any derogatory statements about other individuals;
4. The resume is a single-person resume; slate resumes will not be accepted.

Positive campaigning is encouraged. However, resume rules do not apply to self-funded campaign materials and activities.

i. **Equal Access to Roster of Mutual Addresses**

(Mar 12)

STOCKHOLDERS MEETINGS

ANNUAL ELECTIONS – MUTUAL Twelve

A candidate may request a roster of Mutual Twelve shareholders. The roster will be broken down building. Telephone numbers and carport numbers will be redacted. The request for a roster must be made in the Accounting Department on an "Access to Documents Form." The cost to print and redact information will be charged to the candidate and must be paid at the time of the request. A roster will be provided within ten days of the request.

Any shareholder who wishes to "opt-out" from the above roster must complete an "Opt-Out" form in the Accounting Department at least 100 days prior to the Annual Meeting date.

Rosters that are provide to the Mutual Directors throughout the year may not be used for election purposes.

2. ELECTION PROCESS

- a. The Golden Rain foundation will provide a contracted vendor to assume all election services, including inspector(s) of election, who will be directed to conduct the election under current applicable codes.
- b. If the Golden Rain Foundation does not provide a contracted vendor to assume all election services, then Section 3 **PROCEDURES WILL BE FOLLOWED AND SECTION 4 ELECTION MATERIALS** will be prepared and processed by the Mutual Corporation or Golden Rain Foundation:

3. INSPECTORS OF THE ELECTION

THE BOARD SHALL APPOINT ONE OR THREE INSPECTORS, AS THE BOARD ELECTS, 90 DAYS IN ADVANCE OF THE ANNUAL MEETING OF THE MEMBERS.

a. Qualifications and Number of Inspectors

An inspector of the election may not be a member of the Mutual Board of Directors, or a candidate for the Mutual Board of Directors, or related to a member of the Mutual Board of Directors, or under contract to the association for any compensable services.

b. Inspectors of the Elections – Duties

- 1. Determine the number of shareholders entitled to vote and the voting power of each.
- 2. Determine the authenticity, validity and effect of proxies, if any.
- 3. Receive mail-in proxy forms and ballots.
- 4. Open mail-in proxy forms and ballots at the annual meeting.
- 5. Hear and determine all challenges and questions in connection to the right to vote.

STOCKHOLDERS MEETINGS
ANNUAL ELECTIONS – MUTUAL Twelve

6. Count and tabulate all votes.
7. Determine the results of the election.
8. Perform his or her duties expeditiously, impartially, and in good faith at all times.

4. ELECTION MATERIALS

a. Notice Letter

The notice letter, mail-in secret ballot, voting instructions and mailing instructions for the Mutual annual election shall be mailed out to each Mutual apartment no later than 30 days prior the annual meeting.

b. Secret Ballots Returned by Mail

The mail-in secret ballot is required to be mailed to the “Inspectors of the election” for proper verification and validation, and must be received before 4:00 p.m. on the day before the annual meeting.

The mail –in secret ballot is irrevocable once it is ~~validated~~ **RECEIVED** by the inspectors of election.

The mail-in secret ballot, if sealed and properly mailed, will be opened the day of the annual meeting by the inspectors of the election.

5. VOTING

a. Qualification for Voting

Votes may be cast by ~~mutual members in good standing.~~ **THE NAMED MUTUAL MEMBER AS RECORDED ON THE STOCK RECORDS OF THE CORPORATION.**

- 1) By ballot in person on the day of the annual meeting; or
- 2) By using the mail-in secret ballot; or
- 3) By using the mail-in proxy form.

b. Cumulative Voting

In accordance with the Mutual Bylaws, voting will be “cumulative.”

c. Voting by Secret Ballot

STOCKHOLDERS MEETINGS

ANNUAL ELECTIONS – MUTUAL Twelve

All ballots shall be prepared in a manner consistent with providing and ensuring that the member's vote will be by "secret ballot."

6. OBSERVERS OF THE ELECTION APPOINTED BY THE BOARD OF DIRECTORS

ANY CANDIDATE OR OTHER MEMBER OF THE MUTUAL MAY WITNESS THE COUNTING AND TABULATION OF THE VOTES

OBSERVER(S) MAY NOT INTERFERE IN ANY WAY WITH THE COUNTING PROCESS, BUT MAY WATCH AND LISTEN.

a. ~~There shall be ONE TO three (3) observers (WITNESSES) of the election appointed by the Mutual Board of Directors (90) 30 days before the annual meeting day. The Board may also appoint alternative ALTERNATE OR ADDITIONAL observers of the election. The observers of the election may appoint and oversee additional assistant observers of the election in any number deemed to be reasonable by the Mutual Board of Directors.~~

7. ELECTION RESULTS ACTIONS BY MUTUAL BOARDS WHEN A CONTRACTED VENDOR IS RETAINED FOR ELECTIONS

a. ~~Each Mutual may appoint observer(s) who may make their observations to its respective Mutual Board.~~

b.a. ~~Each~~ **THE** Mutual Board shall validate its own election. **AND RECORD THE TABULATED RESULTS IN THE MINUTES OF THE NEXT REGULAR MEETING OF THE BOARD OF DIRECTORS.**

MUTUAL OPERATIONS

STOCKHOLDERS MEETINGS

Annual Elections – Mutual Twelve

MUTUAL ADOPTION

AMENDED

TWELVE: 08 Feb 07 13 Jan 11, 08 Mar 12

MUTUAL 12 PRESIDENT'S REPORT

FEBRUARY 11, 2016

JOE WELCH, PRESIDENT

More than \$3, 500,000

Is being set aside in the Mutual 12 roofing reserves to be spent during 2017, 2018, 2019 and 2020 to put new roofs on all of the buildings in Mutual 12.

GRF Project Coordinator David Rudge will be the speaker at the Thursday, March 14, 2016 Mutual 12 Regular Monthly Meeting at 9:00 a.m. in the Administration Conference Room. He will share information learned in the roofing projects of other Mutuels. He will speak before we do other business. Shareholders are free to stay for the rest of the meeting or leave at any time. Knowledgeable shareholders in other Mutuels have provided valuable assistance on their projects. **IT'S YOUR MONEY AND YOUR HOME.**

NEW REQUIREMENT

PERMIT REQUIRED FOR ALL FLOORING

Read the flooring resolution in the Minutes. Whether you choose carpet, vinyl, wood, composite or tile, a permit is now required for the reasons listed in the resolution.

Also read the clarifications carefully in the attached DRAFT of amended Policy 7622.12 MUTUAL REPAIRS AND REPLACEMENT. The only time Mutual 12 pays for flooring is if it's original asphalt tile that has not been altered in any way that has worn out or been damaged due to Mutual responsibility.

EVERY SHAREHOLDER NEEDS HO6 INSURANCE

Things to know from the CFO February 2016 Regular Meeting

Since we are at the beginning of the new 2016 accounting year, and the annual audit for the 2015 is on-going, my report will necessarily be short. Nothing to report for last year yet, and not enough data with only one month into the new year to comment about trends and so forth.

That being said, attached is Summary Recap of the Financial Statements dated January 31, 2016.

For those who have wondered about money for recycling of trash, Cal-Met Services has sent a check to GRF in the amount of \$1,845.03 dated 1/11/2016 for the year 2014. Attached is a copy of the letter from the Calif. Dept. of Resources Recycling and Recovery as explanation. Mutual 12's pro-rated share of this check is \$126.20.

The CFO Council monthly meetings in January and February were very interesting and topical. The guest speaker in January was from the CPA firm of NSBN who talked about the audit process, and their responsibilities in preparing the annual report and opinion of the Financial Statements. In February, two representatives from DLD Insurance Co., provided a comprehensive chart of the insurance policies covering GRF and the Mutuels. They explained each and answered many questions about the coverage and claims process.

More and continuing information to come on the absolute need by every member/shareholder to have an HO6 Personal Property and Liability policy.

Respectfully submitted:
Susan Ferraro
CFO, MUTUAL TWELVE

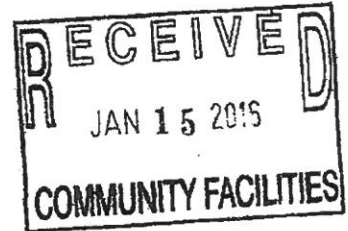


DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

801 K STREET, MS 19-01, SACRAMENTO, CALIFORNIA 95814 • (916) 322-4027 • WWW.CALRECYCLE.CA.GOV

November 30, 2015 ✓

Cal Met Services Inc
P O Box 2137
Paramount, CA 90723



Curbside Supplemental Payment for calendar year ("CY") 2014 for:
City of Seal Beach (CS1137)

The Department of Resources Recycling and Recovery (CalRecycle) is making curbside supplemental payments pursuant to Public Resources Code §14549.6(a). As an eligible curbside operator, the payment in the amount of **\$1,845.03** is being sent to you as the operator of the curbside program for City of Seal Beach.

Your payment represents the curbside supplemental payment program's share of \$15 million to be distributed for CY 2014. The payment is based on the volume of beverage containers reported to CalRecycle by your operation for the period of January 1, 2014 through December 31, 2014. CalRecycle derived the rate of \$0.0096487318 per beverage container by dividing the total volume of beverage containers collected by all eligible curbside and neighborhood drop-off programs into the \$15 million. Statute requires operators of the curbside and neighborhood drop-off programs to expend the payment for activities related to beverage container recycling.

If you have any questions regarding this payment, please contact Hieu Le in the Market Information Section at (916) 323-5778.

Sincerely,

Mike Miller
Operations Manager

2014
MUTUAL 12 SHARE = 126.20

cc: City of Seal Beach
P O Box 2069
Seal Beach, CA 90740

1012 Seal Beach Mutual No. Twelve
 Financial Statement Recap
 01/31/2016

P.O. Box 2069
 Seal Beach CA 90740

| Jan Actual | Jan Budget | | 2016 Y-T-D Actual | 2016 Y-T-D Budget |
|-----------------|----------------|---|----------------------|----------------------|
| 106,993 | 106,993 | Carrying Charges | 106,993 | 106,993 |
| 42,371 | 42,371 | Reserve Funding | 42,371 | 42,371 |
| 149,363 | 149,364 | Total Regular Assessments | 149,363 | 149,364 |
| 777 | 0 | Financial Income | 777 | 0 |
| 1,005 | 1,117 | Other Income | 1,005 | 1,117 |
| 1,782 | 1,117 | Total Other Income | 1,782 | 1,117 |
| 151,146 | 150,481 | Total Mutual Income | 151,146 | 150,481 |
| 65,156 | 65,156 | GRF Trust Maintenance Fee | 65,156 | 65,156 |
| 9,948 | 12,629 | Utilities | 9,948 | 12,629 |
| 569 | 927 | Professional Fees | 569 | 927 |
| 19,356 | 19,870 | Outside Services | 19,356 | 19,870 |
| 11,422 | 9,528 | Taxes & Insurance | 11,422 | 9,528 |
| 42,371 | 42,371 | Contributions to Reserves | 42,371 | 42,371 |
| 148,822 | 150,481 | Total Expenses Before Off-Budget | 148,822 | 150,481 |
| 2,324 | 0 | Excess Inc/(Exp) Before Off-Budget | 2,324 | 0 |
| 2,324 | 0 | Excess Inc/(Exp) After Off-Budget | 2,324 | 0 |
| | | Restricted Reserves | | |
| (911) | 0 | Appliance Reserve Equity | 36,938 | 0 |
| 0 | 0 | Painting Reserve | 46,451 | 0 |
| 27,966 | 0 | Roofing Reserve | 2,559,525 | 0 |
| 0 | 0 | Emergency Reserve Equity | 340,915 | 0 |
| (78,755) | 0 | Infrastructure Reserve | 425,566 | 0 |
| (51,700) | 0 | Total Restricted Reserves | 3,409,395 | 0 |

February 11, 2016

MUTUAL 12 SECRETARY'S REPORT

It feels like we're just getting into the 2015-2016 Board year and the 2016-2017 election cycle has already started. Every year we elect 7 Mutual 12 shareholders to serve on the Mutual 12 Board of Directors. Every other year, the even numbered years, we elect a Golden Rain Foundation Representative. That election will be separate. You will receive two ballots this year, one for GRF and one for Mutual 12.

If you'd like to become a Director for Mutual 12, get an application and a copy of the Mutual 12 Election Rules from Stock Transfer between Friday, March 11 and Monday, April 11. (Our deadline is actually Sunday but GRF is closed.) Return your application and a resume if you choose to provide one by that deadline, Monday, April 11.

There are two ways to run in Mutual 12. You can run as Director for the parcel you live in or at large. At large candidates can only be elected if no one runs who lives in one of the parcels. The Director elected at large then becomes the Parcel Director for that otherwise unrepresented parcel.

If there's more than one candidate running in a parcel only one can be elected to the Board even if the other candidate gets more votes than any other candidate running for the Board. If no one is on the ballot for the parcel you live in, stand up and nominate yourself at the Annual Meeting on Thursday, June 9, vote for yourself and you're in. You can also be nominated by another shareholder. Of course, if more than one shareholder self nominates at the meeting for that parcel, the one with the most votes wins. At the meeting an at large candidate can be nominated for an unrepresented parcel if there's still no candidate who lives in the parcel.

As Mutual 12 Secretary, I will gladly help you to properly fill out your application and/or assist you with procedures. However, you must turn in your own application and resume.

Respectfully submitted, Lucille Findlay