

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

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Findlay at 9:05 a.m. on Thursday, July 10, 2014, followed by the *Pledge of Allegiance*, in the Administration Building Conference Room.

**ROLL CALL**

Present: President Findlay, Secretary Ferraro, CFO Woodruff, and Directors Evans and Hamilton

Absent: Vice President Fluharty and Director Welch

GRF Representative: Mrs. Damoci

Guests: Ten shareholders of Mutual Twelve

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

President Findlay welcomed guests and staff to the meeting.

**SHAREHOLDERS' COMMENTS**

A shareholder said there is remodeling next door and the neighbors have been polite, a shareholder said she appreciates President Findlay's help and also the Board members, a shareholder thanked the Board for their new cart pad, a comment about carts in carport spaces, comments on landscaping, and the shareholder in Unit 10-F handed Director Hamilton documents concerning a request for a patio and for an Internal Dispute Resolution (IDR) hearing.

**MINUTES**

President Findlay called for approval of the Regular Board Meeting minutes of May 8, 2014; the Special Meeting minutes of May 23, 2014; and the Special Meeting minutes of June 27, 2014, as corrected (two shareholders present, not one). Upon a MOTION duly made by Secretary Ferraro and seconded by Director Hamilton, it was

RESOLVED, To approve the Regular Meeting minutes of May 8, 2014, as printed; the Special Meeting minutes of May 23, 2014, as written; and the Special Meeting minutes of June 27, 2014, as corrected.

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

**BUILDING INSPECTOR'S REPORT**

Inspector Antisdell reviewed his written report (see attached).

**BUILDING INSPECTOR'S REPORT (continued)**

Director Evans reported carport violations. Inspector Antidel said he will send letters to those shareholders. Also, Secretary Ferraro stated she has a partial list of vacant and for sale units that need an inspection. Inspector Antidel said he will schedule inspections.

Inspector Antidel left the meeting at 9:38 a.m.

**GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT**

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

**CORRESPONDENCE**

President Findlay reported on two letters from shareholders. One letter was concerning the financial report given at the Annual Shareholders' Meeting. The second letter was thanking the Board for replacing the old original water heater, with a special thank-you to Vice President Fluharty who has diligently worked with Service Maintenance to have these water heater replacements done and the plumbing checked behind the water heater.

**MUTUAL ADMINISTRATION DIRECTOR'S REPORT**

Mrs. Weller said that the Annual Shareholders' Meetings are over, and there are many new and good Directors elected. She is preparing the yearly recap on the Mutuals' elections with percentages of votes per Mutual. Mrs. Weller will be making flyers to be attached to the minutes this year, and she will continue to globalize some of the Mutuals' policies. She also reminded the Board members of the Directors' Training Seminar on July 14, 2014. In addition, Directors and shareholders are invited to attend the Presidents' Council the first Thursday of each month at 9:00 a.m. in Clubhouse Four. Mrs. Damoci also invited Directors to the Executive Committee/Presidents' Council Roundtable the third Friday of each month at 1:00 p.m. in the Administration Building Conference Room.

President Findlay said that at the Presidents' Council the Occupancy Agreement was discussed. The Mutuals were asked to review their Occupancy Agreements. It was the consensus of the Board members that President Findlay would review Mutual Twelve's documents and report her findings. Also, she asked the Board to review Policy 1920.1 – Traffic Rules and Regulations – Enforcement.

(President Findlay excused Recording Secretary Day for a break at 9:55 a.m. and she returned at 10:10 a.m.)

**OLD BUSINESS**

President Findlay asked for a motion to ratify rescinded Policies 7506 – Sidewalk Traffic Restriction and Policy 7506.1 – Roller Skates, Roller Blades, Skateboards, Bicycles, Scooters, and Tricycles. Upon a MOTION duly made by CFO Woodruff and seconded by Director Evans, it was

RESOLVED, To ratify rescinded Policies 7506 – Sidewalk Traffic Restriction and Policy 7506.1 – Roller Skates, Roller Blades, Skateboards, Bicycles, Scooters, and Tricycles.

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

President Findlay asked for a motion to ratify amended/posted Policy 7502.12 – Carport Regulations and Common Area Traffic Policy. Upon a MOTION duly made by Director Hamilton and seconded by Director Evans, it was

RESOLVED, To ratify amended/posted Policy 7502.12 – Carport Regulations and Common Area Traffic Policy.

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

President Findlay asked for a motion to ratify adopted/posted Policy 7590.G – Feeding Wildlife. Upon a MOTION duly made by CFO Woodruff and seconded by Director Evans, it was

RESOLVED, To ratify adopted/posted Policy 7590.G – Feeding Wildlife.

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

President Findlay asked for a motion to adopt new globalized Policy 7551.G – Unsanitary Premises and Fire Loading Conditions (attached). Upon a MOTION duly made by CFO Woodruff and seconded by Director Evans, it was

RESOLVED, To adopt, on a preliminary basis until the 30-day posting period is completed, Policy 7551.G – Unsanitary Premises and Fire Loading Conditions.

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

The Board members discussed the turf renovation and the bid that is still valid. Upon a MOTION duly made by CFO Woodruff and seconded by Director Hamilton, it was

RESOLVED, To postpone action on renovating the turf until the new Landscape Committee meets.

**OLD BUSINESS (continued)**

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

President Findlay reviewed the Mutual Twelve Decision Making Protocol 2014/2015 (attached). Following a discussion, and upon a MOTION duly made by Director Hamilton and seconded by Director Evans, it was

RESOLVED, To accept the Mutual Twelve Decision Making Protocol 2014/2015, as written.

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

President Findlay discussed and recommended Mutual committee assignments (see attached roster). Upon a MOTION duly made by Secretary Ferraro and seconded by Director Hamilton, it was

RESOLVED, To accept the committee assignments outlined by President Findlay.

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

President Findlay discussed the agreement concerning trees being removed from shareholder flower beds.

**NEW BUSINESS**

CFO Woodruff discussed her concerns about Directors sharing her e-mail address with shareholders. It was the consensus of the Board members not to give out Directors' personal e-mail addresses without prior approval from the Director.

President Findlay discussed her response regarding Directors' complaints about her leadership at a previous agenda planning meeting (her full response is in the corporate file). It was the consensus of the Directors present that the current and past practice of presidential oversight should continue.

CFO Woodruff discussed reinvesting the Mutual CDs and bonds maturing in August. Upon a MOTION duly made by CFO Woodruff and seconded by Secretary Ferraro, it was

RESOLVED, That Mutual Twelve Landscape and Physical Property Committees will establish and maintain a Mutual Project Plan to include sufficient project definition, scope, costs, and schedule detail to support the 2015 budget and reserve studies, and to support Mutual investment strategies.

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

**NEW BUSINESS (continued)**

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

RESOLVED, That for the Mutual Twelve Board 2014/2015 term, restricted reserve funds and unrestricted general funds are to be invested in 3-month, 6-month, 9-month, and/or 1-year Certificate of Deposits (CDs). The amount to be invested at each certificate term is to be determined based on the Mutual's project plan and based on the anticipated expenditures over each CD term time period. For example, an amount equal to the estimated expenditures associated with work scheduled for months 3 through 6 may be invested in 3-month CDs, an amount equal to the estimated expenditures associated with work scheduled for months 6 through 12 may be invested in either 6-month or 9-month CDs, and an amount equal to the estimated expenditures associated with work scheduled for month 13 and beyond may be invested in 1-year CDs.

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

President Findlay discussed an incident that occurred in Mutual Twelve concerning the access of shareholder phone numbers in the Leisure World Phone Book.

**CHIEF FINANCIAL OFFICER'S REPORT**

CFO Woodruff submitted her report (as attached).

July 10, 2014

**ADJOURNMENT**

There being no further business to conduct, President Findlay adjourned the meeting to go into Executive Session to discuss legal and members issues at 11:17 a.m.



Attest

Susan Ferraro, Secretary  
SEAL BEACH MUTUAL TWELVE  
cd:7/25/14

Attachments

**NEXT MEETING: August 14, 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 JULY 10, 2014**

7/10/14

RESOLVED, To ratify rescinded Policies 7506 – Sidewalk Traffic Restriction and Policy 7506.1 – Roller Skates, Roller Blades, Skateboards, Bicycles, Scooters, and Tricycles.

RESOLVED, To ratify amended/posted Policy 7502.12 – Carport Regulations and Common Area Traffic Policy.

RESOLVED, To ratify adopted/posted Policy 7590.G – Feeding Wildlife.

RESOLVED, To adopt, on a preliminary basis until the 30-day posting period is completed, Policy 7551.G – Unsanitary Premises and Fire Loading Conditions.

RESOLVED, To postpone action on renovating the turf until the new Landscape Committee meets.

RESOLVED, To accept the Mutual Twelve Decision Making Protocol 2014/2015, as written.

RESOLVED, To accept the committee assignments outlined by President Findlay.

RESOLVED, That Mutual Twelve Landscape and Physical Property Committees will establish and maintain a Mutual Project Plan to include sufficient project definition, scope, costs, and schedule detail to support the 2015 budget and reserve studies, and to support Mutual investment strategies.

RESOLVED, That for the Mutual Twelve Board 2014/2015 term, restricted reserve funds and unrestricted general funds are to be invested in 3-month, 6-month, 9-month, and/or 1-year Certificate of Deposits (CDs). The amount to be invested at each certificate term is to be determined based on the Mutual's project plan and based on the anticipated expenditures over each CD term time period. For example, an amount equal to the estimated expenditures associated with work scheduled for months 3 through 6 may be invested in 3-month CDs, an amount equal to the estimated expenditures associated with work scheduled for months 6 through 12 may be invested in either 6-month or 9-month CDs, and an amount equal to the estimated expenditures associated with work scheduled for month 13 and beyond may be invested in 1-year CDs.

July 10, 2014

## **1. MUTUAL ESCROW ACTIVITY**

- **Prelisting Inspections**
- 8-A/63-G/77-D
- **New Buyer Orientation**
- 39-C/7-I
- **Close of Escrows**
- 7-I/57-B/7-I

## **2. MUTUAL PERMITS AND REMODELS**

- 66-L FINAL- A/C/35-F-ELECTRICAL LATH/71-C-FOOTING/77-B-FRAMING/34-A-BIG FOUR/77-B INSULATION/34-A-INSULATION/71-C BIG FOUR/8-F-SHEAR/34-A-LATH/8-E-A/C FINAL/42-A-A/C FINAL/8-E-DRYWALL/65-D-FOOTING/77-B-FINAL/10-F FINAL/11-A-FINAL

## **3. MUTUAL PROJECTS**

- METER BOX CIELINGS JAY WILL START CHECKING NEXT WEEK/74-D/E BLOCK WALL CAP AND RETAINING WALL TURNED INTO MAINT./SIDEWALK PUDDLE AREAS JURADO WILL WALK WITH ME TO GET PRICE THIS WEEK/NO PARKING SIGNS HAVE BEEN ORDERED/AND PAINTING OF CARPORTS HAS BEEN TURNED INTO MAINT.

## **4. MUTUAL WORK**

- FOLLOW UP FIRE INSPECTIONS AND SPECIALS NEED TO SCHEDULE MUTUAL AND SHAREHOLDER REQUESTS
- 10F PAVERS AT END OF UNIT



Carole Damoci  
Mutual 12 Representative  
July 10, 2014

The new year has begun. This year I've been elected Vice-president of the Golden Rain Foundation and will be Chairing the Executive Committee. I'm also serving on the Physical Property, Recreation and Finance Committees.

It should be a full year for the GRF. We're doing our first Reserve Study. We're replacing the walls along the channel behind Clubhouse 2 and maybe the wall north of the main gate. We will be looking at uses for the land along Westminster Blvd. Some roads will be repaved and we'll be rewriting some policies and the employee handbook. Also the Emergency Prep. Red Book.

I've also been elected V-P of the Golden Age Foundation and will also be serving as the Special Projects Coordinator and liaison to the GRF.

The new Amphitheater season is underway. The first show was well attended. I believe the major shows will fill the Amphitheater. I need to note that only one guest will be admitted with each Shareholder to the three main shows. The Kingston Trio, Frankie Avalon and Debbie Reynolds. No one will be admitted without showing their Golden Rain card to these three shows.

It will be a full year and I'm looking forward to the challenge.

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

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Carport Regulations and Common Area Traffic Policy - Mutual Twelve****A. Carport Use**

1. Carports are to be used for parking of self-propelled land vehicles in operating condition. Any stored items in the carports must be completely contained in the carport cabinets (except as stated in 3).
2. Current fire regulations prohibit the storage of fuel oil or any combustible material in anywhere in the carport areas.
3. One bicycle or tricycle per resident, a folding shopping cart, and a ladder or stepstool may be stored under the cabinets in the owner's assigned or rented space (chains and locks recommended). Nothing else may be stored anywhere on the floor or stoop of the carport space.
4. No second vehicle of any kind may be parked beside self-propelled land vehicles because that would infringe upon another occupant's vehicle space.
5. All vehicles, when parked in the carports, must be headed in.
6. At each inspection of the carports by the staff of the Physical Property Department, notice will be given to each shareholder found in violation stating that the improperly stored items must be removed within ten (10) days or the items will be removed at the shareholder's expense.
7. Installation of a power outlet in the carport for charging small (non-highway) electric carts is no longer permitted. A registered, fee paying shareholder who already has a power outlet in their carport space can be "grandfathered in" only for charging one cart that shareholder already owns or a replacement cart that can be charged at the existing outlet. The outlet shall be removed at the end of that shareholder's occupancy.  
  
Other electric cart owners shall install a charging pad at their apartment as described in Policy 7507.12.
8. Any damages sustained to the carport are the responsibility of the shareholder.

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Carport Regulations and Common Area Traffic Policy - Mutual Twelve****B. Carport Assignments**

1. Carport assignments are controlled by the Mutual Corporation and a record of assignments is kept in the Stock Transfer Office of the Golden Rain Foundation.
  - a. Any vehicle parked in a carport must bear a current vehicle decal issued by the Seal Beach Leisure World Security Department (except as stated in 3. a.).
  - b. No person shall park any vehicle in any carport not assigned to him/her without permission from the Mutual Board of Directors (procedure stated in 2.) or a temporary visitor form on the dash (3. a.). Mutual 12 shareholders desiring to change carport assignments must obtain approval of the Mutual Board of Directors so that the change can be properly recorded in the Stock Transfer Office.
  - c. The request for carport re-assignment, if approved, is only temporary and is valid only so long as both participating parties agree to the temporary change. One party determining to withdraw from the agreement may do so as may the successor owner of that party's apartment. The Mutual Corporation retains, at all times, the authority to revoke and cancel this temporary change of carport assignment, at its discretion. The reassignment of carport spaces, herein provided, will automatically become null and void in the event of a sale of the stock representing either apartment, with absolutely no exceptions to the rules herein provided.
2. Carport space or storage space may not be rented to or used by anyone who is not a Mutual Twelve shareholder and a member in good standing of the Golden Rain Foundation.
  - a. A shareholder may allow temporary, short-term parking of a vehicle used by a houseguest in their assigned carport during and not to exceed the visitors permitted 60-day stay in one year. A form available from directors or Stock Transfer containing the beginning and ending dates the vehicle will be parked and the shareholder's name and unit number shall be placed on the drivers side of the vehicle's dashboard to be read outside the vehicle.

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Carport Regulations and Common Area Traffic Policy - Mutual Twelve****C. Mutual Driveway/Roadway Restrictions**

1. The speed limit is 10 miles per hour. All vehicles must park with the flow of traffic. Parking is limited to 30 minutes in green zones and is not allowed in red or yellow zones.
2. Mutual Twelve shareholder RVs may park on driveways less than 48 hours for loading and unloading only. Visitor and vacation RVs may park on Trust streets and the Clubhouse 4 lot as permitted in GRF's Policy 1920, not on Mutual Twelve driveways.

**D. Inoperable or Leaking Vehicles**

1. No inoperable, wrecked, unlicensed, or leaking vehicles may be brought into or parked on Mutual Twelve property. Mutual 12 requests that GRF not allow such vehicles to be parked within 10 feet of Mutual 12 property.
2. Mutual 12 shareholders are responsible for prompt and thorough removal of any leak or spill that they or their visitors have caused.

**E. Towing Vehicles**

The Security Department is hereby authorized by the Board of Directors of Mutual Twelve, pursuant to clause (1) of subparagraph (E) of paragraph (1) of subdivision (1) of Section 22658 of the California Vehicle Code to cause the removal and towing of a vehicle which is parked on any Mutual Twelve property within 15 feet of a fire hydrant or in a fire lane, or in a manner which interferes with an entrance or exit from the private property, so long as such towing conforms to other provisions of said Section 22658.

Any towing that results from this authorization will be at the vehicle owner's expense in conformity with the provisions of Section 22658.

**F. Sidewalk Traffic**

1. Gasoline-powered vehicles are prohibited from using sidewalks in this Mutual. Exceptions shall be limited to the following:

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Carport Regulations and Common Area Traffic Policy - Mutual Twelve**

- a. Emergency medical vehicles belonging to the Health Care Center
  - b. Service vehicles designated for sidewalk use belonging to the GRF
  - c. Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with shareholders or the Mutual Twelve Corporation
2. Due to potential safety hazards, Mutual 12 shareholders and their visitors may not use roller skates, roller blades, or skateboards in Mutual 12.
  3. Except for employees working in Leisure World, visitors residing outside Leisure World may ride bicycles or tricycles on Mutual sidewalks or streets only if accompanied by a shareholder.
  4. No vehicle may be parked on any Mutual 12 walkway. (Exceptions for vehicles listed in F. 1 when necessary.)
  5. Mutual 12 shareholders parking their electric carts at their apartment must park on the charging pad.
- G. Secondary Carport Cabinets
1. Shareholders are permitted to have a secondary carport storage cabinet installed beneath the existing cabinet with Board approval and a permit from the GRF Physical Property Department.
  2. A licensed contractor shall build the cabinet per the attached dimensions and specifications. Any modification to dimensions or specifications must have voted Board approval. Plywood for the cabinet must be  $\frac{3}{4}$ " thick and have one (or more) good sides. Paint and hardware must match the existing cabinet.
  3. The maintenance of and any damage to the carport cabinet are shareholder responsibility.
  4. Any shareholder who installs a secondary carport storage cabinet without Board approval and a permit from the Physical Property Department must, upon receipt of a written notice of violation, cure that violation within ten (10) days (the "cure period"). If the violation is not cured within the cure period, the cabinet will be removed and any resulting damage to the carport repaired at the shareholder expense.

(Jul 14)

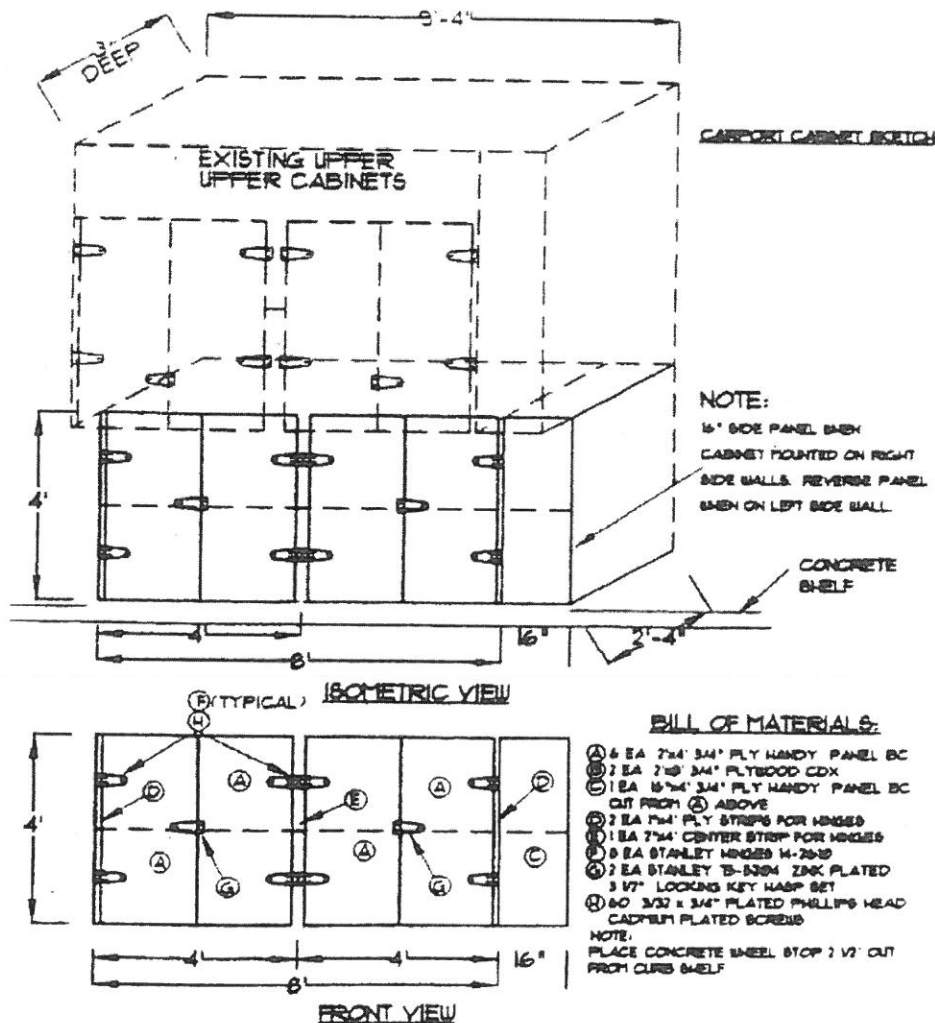
**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Carport Regulations and Common Area Traffic Policy - Mutual Twelve**

5. A secondary carport storage cabinet may not be installed if it will cause the shareholder's primary street vehicle to extend beyond the drip line. The cabinet must be removed and any damage to the carport corrected if the vehicle that is not too long is exchanged for one that is.
  6. At sale or transfer the new shareholder must accept responsibility for the cabinet or it must be removed and any resulting damage to the carport repaired at seller's expense.
  7. Any other construction which involves the Mutual's carports, walls, floors, beams or ceilings is not permitted.
- H. Enforcement
1. Remedies to cure violations of this policy will be determined by the Mutual 12 Board of Directors as permitted by the governing documents and applicable law and may include fines.
  2. The Mutual 12 Board of Directors, Mutual Administration, Physical Property and Security will provide warnings, citations and follow through as needed and approved by the Mutual 12 Board.
  3. Security may remove a parking decal from a Mutual 12 vehicle on Mutual 12 property when the shareholder is in violation of GRF Policy 1920 or 1920.1 but only after informing the shareholder and the Mutual 12 President in person, by phone, e-mail or certified letter and providing the shareholder, when possible, an opportunity to cure the violation.
  4. Inclusions and exclusions of GRF Policy 4090 noted in Policy 7581.12 – Enforcement of Traffic Regulations are reflected in this policy. To the extent of any conflict between GRF Policy 1920 or 1920.1 and this policy, Mutual 12 Policy 7502.12 – Carport Regulations and Common Area Traffic Policy shall prevail on Mutual Twelve Corporation property.

MUTUAL OPERATIONS

RESIDENT REGULATIONS

Carport Regulations and Common Area Traffic Policy - Mutual Twelve



MUTUAL ADOPTION

AMENDMENT(S)

TWELVE: 04-11-68

10-09-80; 04-11-85; 02-08-01, 08-12-04, 01-06-06, 07-10-14

(Jul 14)

**MUTUAL OPERATIONS****DRAFT****SHAREHOLDER/RESIDENT (Mutual 17) REGULATIONS****Unsanitary Premises and Fire Loading Conditions**

The purpose of this policy is to protect the peaceful, healthy, and safe lifestyle to which each member is entitled by focusing on the prevention of fires, insect and rodent infestation, and unsanitary conditions within member's unit and patio.

Chapter 10 of the 1997 Uniform Housing Code, Section 1001.11, defines in part, hazardous or unsanitary premises as the accumulation of weeds, vegetation, junk, offal (decaying meat products), dead organic matter, debris, garbage, rat harborages, stagnant water, combustible materials, similar materials or conditions on the premises of the unit, or storage inside of the oven or on the stovetop or inside a microwave oven, which may constitute fire, health, or safety issues.

The Occupancy Agreement, Article 5, Premises to be Used for Residential Purposes Only, states in part: "The member shall not permit or suffer anything to be done or kept upon said premises which will increase the rate of insurance in the building, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the premises."

**Unsanitary Premises and Fire Loading Conditions – Unit – Patio & Carport**

For purposes of this policy, unsanitary or rodent- and insect-inviting conditions or fire-loading conditions are described as the excessive acquisition and collection of large amounts of objects. Such collections of objects may include, but are not limited to: stacked paper goods, newspapers, books, magazines, mail, trash, stored cardboard boxes, plastic trash bags, food stuffs, cleaning aids, clothing and collectables, pet waste or unclean pet cages, and a lack of ingress and egress at windows and doors.

Additionally, members may not store within their unit, or on their patio, any large amounts of incendiary items such as grease, oil, gasoline, paint or paint thinner, or any other liquids or substances noted to be flammable, or any large amount of hobby materials. Working on hobbies in unit or patio will be permitted by the Mutual Directors on a case-by-case basis, considering the health, safety, welfare, and aesthetics of all residents affected. Also prohibited are construction materials to include but not limited to: stacked wood, siding, metal pieces, welding tools, or any items in support of conducting or



MUTUAL OPERATIONS**DRAFT****SHAREHOLDER/RESIDENT (Mutual 17) REGULATIONS**Unsanitary Premises and Fire Loading Conditions

practicing a business upon the premises, which is in direct opposition to the terms and protections set forth in this policy.

Unit Fire Inspections and Special Unit Inspections

Each unit will be inspected at the regular annual or bi-annual Mutual fire/safety inspection conducted by the Physical Property Department or any special inspection as ordered by the Mutual Board of Directors, with a duly posted 72-hour notification to the member.

Any infractions will be indicated and the member informed by mail to cure the infraction within 32 days of the date of the letter. A follow-up inspection of the premises will be conducted to assure compliance.

**The Occupancy Agreement, Article 5, Premises to be Used for Residential Purposes Only, states in part: "The member shall not permit or suffer anything to be done or kept upon said premises which will increase the rate of insurance in the building, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the premises."**

Source Guides: Mutual Occupancy Agreement, Article (5)  
1997 Uniform Housing Code, Chapter 10 - Substandard Buildings:  
1001.11

(Draft created 4-03-14 pw)

# Fire/Safety Inspection Condition of a Unit

Mutual & Unit #:	
Date of Inspection:	

Conditions as Noted	Yes	<u>Picture</u>
<b>Kitchen</b>		
Items and/or food stored inside the <b>oven</b>		
Items and/or food stored inside the <b>microwave oven</b>		
Items and/or food stored on the <b>cook top</b>		
Rotting food and/or excessive items in the <b>sink</b> and/or on <b>countertops</b>		
Rotting food in the <b>refrigerator</b>		
Dirty dishes and evidence of gnats, <u>flies</u> or maggots		
Cleaning aides and/or other collectibles <u>items</u> under the floor soffit in front of the sink		
<b>Living Room</b>		
<del>Collected</del> Items covering the <b>chairs</b>		
<del>Collected</del> Items covering the <b>sofa</b>		
Does the floor have <u>Traversing room reduced to only a path on the floor</u> to traverse the unit?		
Are <u>Ingress and egress blocked at some or all of the windows</u> ingress and egress clear?		
Are <u>Ingress and egress blocked at some or all of the doors</u> (including sliding doors) ingress and egress clear?		
Is there <del>Mail</del> stacked up on the <b>floor</b> at the door? [move to 4 <sup>th</sup> place]		
Are any and all <u>Items cover tables</u> covered with collected items? [move up to 3 <sup>rd</sup> place]		
<b>Bathroom(s) (1) Bathroom <input type="checkbox"/> (2) Bathrooms <input type="checkbox"/></b>		
Are <u>Items cover countertops</u> clear and able to be used?		
Are there clothes and i-Items stored in the <b>shower</b> making it unusable?		
Are e Cleaning aides and/or other items under the <b>floor soffit</b> in front of the sink?		
Is the <u>Items and/or filth clutter or cover the floor</u> clear of collected items?		
Is the <b>Toilet</b> is not usable?		
<b>Bedroom(s) (1) Bedroom <input type="checkbox"/> (2) Bedrooms <input type="checkbox"/></b>		
Are the <b>Bed(s)</b> clear and able to too covered with items to be slept in?		
Is the floor clear? <u>Traversing room restricted by items on floor</u>		

Are there <u>Restrictions include</u> large <b>piles of clothing</b> ? [move to bottom of bedroom list]		
Is the <b>Closet</b> full and can no longer be used?		
Is the bedroom <b>Window</b> ingress and egress <u>is blocked clear</u> ?		
<b>Patio</b>		
Are there Piles of construction materials on the patio: wood/siding/etc.?		
Are there Combustible liquids stored in large quantities on the patio?		
Is there Evidence of welding tools (acetylene torch) present on patio?		
Is there Indoor furniture on the patio?		
Are there Storage boxes and/or plastic on the patio?		

Other disallowed items

| Excessive accumulation of any kind

|

[The above two items are additions to the patio list. Consider an "other" cell at the end of each room list]

## MUTUAL 12 DECISION MAKING PROTOCOL 2014/2015

### Shareholder Committees

The President appoints committees from among the membership of Mutual 12. (By-Law Article VI Section 4)

These committees are advisory

### Board Committees

Board Resolution will appoint committees of the Board. (By-Law Article V Section 14.) The President will recommend members and leaders for Board committees. Directors may present alternatives. The President, as ex officio member, may choose whether to participate in committee proceedings and, if the Board so resolves, in committee leadership.

The Board has authority and responsibility on the merits of any Physical Property or Landscape work beyond the basic or routine.

The committee's job is to gather facts and to advise the Board.

The Board's job is to make informed decisions.

The President's job is to formalize the Board's decisions.

Committee members as well as other Board members monitor contractors, both Mutual and shareholder. Problems are reported to the Mutual's Building Inspector for resolution. Security can be called when necessary. The President should be contacted when problems occur.

The Landscape Committee and the Building Inspector work directly with the Landscape Supervisor.

#### Laundry Room Chairs

The brands and models of washers and dryers are determined by Board resolution. Laundry Room Chairs are authorized to troubleshoot and report problems to Service Maintenance. Laundry Room Chairs are authorized to consult with Service Maintenance and order necessary repairs and replacements.

#### Spending Authorizations

The Building Inspector has authority up to \$1,000 for necessary repairs and work. Service Maintenance or an outside contractor may perform work.

The President has authority up to \$1,000 on necessary

Physical Property repairs and work through Service Maintenance. Emergency service by an outside contractor such as a midnight flood clean-up can be authorized as well. This spending authority may be delegated on appliance and fixture repairs and replacements.

The Landscape Chair may authorize up to \$500 on emergency or necessary repairs.

The President or the President's designee and the Physical Property Inspector determine what work needs to be done on apartments in escrow, inside and garden - whether at seller's expense or Mutual expense. Only unusual cases need to come to the Board.

No Director is authorized to form or amend a contract with an outside vendor, order non emergency services from Service Maintenance, change a Board approved contract or place orders - outside or inside (Service Maintenance) - no matter how small without Board approval.

## **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 May 31:** The Mutual Twelve operating expenses posted for the month-ending May 31, 2014 totaled \$135,717 against an operating budget of \$137,866. This represents a \$2,149 favorable budget variance. The primary contributors to the favorable variance are:

- Landscape Extra - \$850 under budget, Structural Repairs - \$1,079 under budget and Service Maintenance -1,738 under budget (No corrective action required: Painting, structural repairs, as well as, Landscape related work not covered by our Landscape contract are typically grouped and scheduled to be completed based on severity and priority; thus, it is anticipated that these expenses will vary from month to month.)
- Property and Liability Insurance – \$1,776 over budget – (Watch item: The actual Leisure World Property and Liability Insurance premium for 2014 is substantially higher than the 2014 estimate provided by GRF to the Mutuals. For now, this over-budget expense item continues to be off-set by various other expense items that are running slightly under budget.

**Year- to-date (YTD) May 31, 2014:** YTD Mutual Twelve total expenses totaled \$673,348 against an YTD reported expense budget of \$689,330. This represents a \$15,982 favorable variance (up from \$13,833).

YTD total mutual income and contributions to Capital amounts to \$715,678. Subtracting total YTD expenses from this number gives Mutual Twelve an excess YTD income of \$42,330 (up from \$35,453). Excess 2014 income is allocated to Unrestricted General Investments and is used to cover future Mutual 12 2014 budget over-runs.

### **Restricted Reserves:**

**Appliance Reserve: \$69,426.92 (Up from \$14,753.46)** This is to be used for future appliance replacements (cooktops, ovens, refrigerators). Note: As of January 2014, water heaters are included as a physical asset covered by infrastructure reserves. This change was made to insure funds are available to support future replacement of water heaters currently being installed to replace our 50 year+ old water heaters. Accordingly, an accounting journal entry adjustment was made 5/21/2014 to transfer expenses associated with 81 water heater replacement SROs from the appliance reserve to the infrastructure reserve.

**Painting Reserve: \$283,896.65 (Up from \$282,835.98)** This is to be used for stucco and woodwork painting of the Mutual buildings (currently scheduled for 2015).

**Roofing Reserve: \$2,259,411.17 (Up from \$2,236,735.34)** This is to be used for replacement of building and carport roofs (currently scheduled to start in 2017 and continue through 2020).

**Infrastructure Reserve: \$448,295.28 (Down from \$500,219.04 due to expenses associated with 81 water heater replacements and sidewalk repairs)** This is to be used for major mutual infrastructure repairs/replacements (major building structural repairs, asphalt sealing/repairs, walkway repairs, lawn renovation). Major projects scheduled for 2014 include replacement of original water heaters and landscape renovation.

**Emergency Reserve: \$321,734.63 (Up from \$312,709.63)** This is money set aside for emergency (unplanned) events and supplies that require immediate funding, of which, a minimum of \$200,000 is earmarked to cover future Mutual 12 insurance deductibles. The deductible is \$50,000 per insurable event.

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



**SEAL BEACH MUTUAL NO. 12**  
**FINANCIAL STATEMENTS RECAP**  
For the Six Months Ending June 30, 2014

**INTERNALLY PREPARED**  
FOR MANAGEMENT USE ONLY

<i>June</i>			<i>YTD</i>	
<i>Actual</i>	<i>Budget</i>		<i>Actual</i>	<i>Budget</i>
\$100,642	\$100,642	Regular Assessment	\$603,850	\$603,852
37,327	35,112	Reserve Funding	223,962	210,672
<b>137,969</b>	<b>135,754</b>	<b>Total Regular Assessments</b>	<b>827,812</b>	<b>814,524</b>
		Service Income	25	
4,478	1,215	Financial Income	23,586	7,290
538	897	Other Income	7,240	5,382
<b>5,016</b>	<b>2,112</b>	<b>Total Other Income</b>	<b>30,851</b>	<b>12,672</b>
<b>142,985</b>	<b>137,866</b>	<b>Total Mutual Income</b>	<b>858,663</b>	<b>827,196</b>
		Trust Maintenance Cost	378,474	378,486
63,079	63,081	Utilities	65,001	77,022
12,480	12,837	Professional Fees	3,948	7,620
530	1,270	Outside Services	96,031	113,364
22,872	18,894	Taxes & Insurance	50,650	40,032
8,429	6,672	Contributions To Reserves	223,962	210,672
37,327	35,112			
<b>144,717</b>	<b>137,866</b>	<b>Operating Expenses Before Off-Bdgt</b>	<b>818,066</b>	<b>827,196</b>
<b>(1,732)</b>		<b>Excess Inc / (Exp) Before Off-Bdgt Items</b>	<b>40,597</b>	
<b>(1,732)</b>		<b>Excess Inc / (Exp) After Off-Budget Items</b>	<b>40,597</b>	
		<b>Restricted Reserves</b>		
(21,278)		Appliance Reserve	48,149	
1,061		Painting Reserve	284,957	
22,676		Roofing Reserve	2,282,087	
		Emergency Reserve	321,735	
11,507		Infrastructure Reserve	459,802	
		<b>Total Restricted Reserves</b>	<b>3,396,730</b>	

ROSTER

**SEAL BEACH MUTUAL TWELVE  
BOARD OF DIRECTORS  
2014-2015**

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<b>DIRECTOR</b>	<b>PARCEL BLDGS.</b>	<b>ADDRESS</b>	<b>TELEPHONE</b>
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<b><u>MORTGAGE PARCEL NO. 1</u></b> Lucille Findlay <b>PRESIDENT</b> Ex-Officio all committees Physical Property/Landscape Cmte, Co-Chair	<b>64-69</b>	13321 Twin Hills Drive, 58-F	430-8425
<b><u>MORTGAGE PARCEL NO. 2</u></b> Roy Fluharty <b>VICE PRESIDENT</b> Physical Property Cmte. Chair of Laundry Rooms 8, 11, 67, 72, 77	<b>70-73</b>	13450 St. Andrews Drive, 73-J	714-813-8201
<b><u>MORTGAGE PARCEL NO. 3</u></b> Janet Evans Community Relations/Luncheon Cmte, Chair	<b>74-78</b>	1650 Glenview Road, 77-C	818-326-0010
<b><u>MORTGAGE PARCEL NO. 4</u></b> VACANT *	<b>6-11</b>		
<b><u>MORTGAGE PARCEL NO. 8</u></b> Sharon Woodruff <b>CHIEF FINANCIAL OFFICER</b> Physical Property Cmte. Co-Chair	<b>55-63</b>	13331 Twin Hills Drive, 56-L	714-328-7897
<b><u>MORTGAGE PARCEL NO. 9</u></b> Susan Ferraro <b>SECRETARY</b>	<b>40-47</b>	1690 Interlachen Road, 42-E	596-3133
<b><u>MORTGAGE PARCEL NO. 10</u></b> Joe Welch Landscape Cmte. Chair of Laundry Rooms 37, 41, 45, 57, 60, 64	<b>34-39</b>	13181 Del Monte Drive, 38-J	533-1423
<hr/>			
<b>Valerie McRoberts</b> Emergency Supply Coordinator		1650 Glenview Road, 77-I	922-9078
<b>JoAnn Goostree</b> Website & Paint Cmte. Chair		13240 Twin Hills Drive, 44-A	430-6252
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<b><u>GOLDEN RAIN FOUNDATION REPRESENTATIVE</u></b>			
<b>Carole Damoci</b>		13350 St. Andrews Drive, 68-J	405-4965
<hr/>			
<b>Total Directors:</b>	<b>7</b>	<b><u>Regular Meetings:</u></b>	2nd Thursday of each month Admin. Bldg. Conference Room @ 9:00 a.m.
Number of Buildings:	44		
Number of Carport Buildings:	13	<b><u>Annual Meeting:</u></b>	2nd Thursday of June Clubhouse 4 @ 10:00 a.m.
Number of Apartments:	452	<b><u>Recording Secretaries:</u></b>	Pam Westphal, 431-6586, Ext. 319 Carol Day, 431-6586, Ext. 320
Number of Laundry Rooms:	11		

**SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**SEAL BEACH MUTUAL NO. TWELVE**

**May 23, 2014**

The Special Meeting of the Board of Directors of Seal Beach Mutual No. Twelve was called to order by President Findlay at 9:02 a.m. in the Physical Property Conference Room.

**ROLL CALL**

Present: President Findlay, Vice President Frambach (9:07), and Directors Evans, Fluharty, and Welch

Not Present: CFO Woodruff and Secretary Norlander

Guests: Two Mutual 12 shareholders

Staff: Mr. Antisdell, Building Inspector

The purpose of the meeting is to conduct business that could not reasonably wait until the July Regular Monthly Meeting.

**EXECUTIVE SESSION**

After President Findlay welcomed the guests the Board adjourned to Executive Session at 9:05 a.m. to discuss a member issue. (Vice President Frambach left the meeting at 9:45 a.m.) The Board returned to regular session at 9:50 a.m.

**SPECIAL MEETING BUSINESS**

The guests were invited back and the Regular Special Meeting resumed at 9:55 a.m.

After discussion and upon a motion duly made by Director Welch and seconded by Director Fluharty, it was

RESOLVED, To postpone discussion of turf renovation until the July regular meeting and, in the meantime, work toward sprinkler coverage improvement.

The motion carried by unanimous vote of the Board members present.

After discussion it was the consensus of the Board that Mutual 12 should replace any failed sprinkler controllers with controllers that meet upcoming requirements. After further study Rain Master Eagle will probably be the Board's choice.

After discussion and upon a motion duly made by Director Fluharty and seconded by Director Welch, it was

RESOLVED, To accept the proposal from Pinnacle Landscape Co. for one Rain Master Pro Max universal irrigation controller at \$1,650 to remain in the possession of Mutual 12.

The motion carried by unanimous vote of the Board members present.

After review and upon a motion duly made by Director Fluharty and seconded by Director Welch, it was

RESOLVED, To ratify amended/posted Policy 7502.12 Carport Regulations and Common Area Traffic Policy.

The motion carried by unanimous vote of the Board members present.

After discussion and upon a motion duly made by Director Evans and seconded by Director Welch, it was

RESOLVED, To rescind on a preliminary basis until the 30-day posting period is completed Policy 7506 Sidewalk Traffic Restrictions and Policy 7506.1 Roller Skates, Roller Blades, Skateboards, Bicycles and Scooters since they are now included in Policy 7502.12.

FURTHER RESOLVED, To cross reference Policy 7582.12 Towing Vehicles.

The motion carried by unanimous vote of the Board members present.

The Board discussed completion of the Secondary Cabinet section and further revisions to Policy 7502.12. Upon a motion duly made by Director Welch and seconded by Director Fluharty, it was

RESOLVED, To amend on a preliminary basis until the 30 day posting period is completed Policy 7502.12 Carport Regulations and Common Area Traffic Policy.

The motion carried by unanimous vote of the Board members present.

President Findlay explained the GRF Executive Director's recommendation for shareholders displaced in an emergency now that the Mutual Self

Insurance policy has been rescinded. After discussion and upon a motion duly made by Director Fluharty and seconded by Director Welch, it was

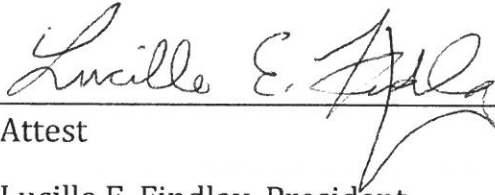
RESOLVED, That, when an apartment is uninhabitable in an emergency and the shareholder is not able to find a friend, family member or make other arrangement Mutual 12 will pay for one night of hotel stay.

The motion carried by unanimous vote of the Board members present.

President Findlay explained that she had only recently become aware that since late 2005 shareholders have been signing an occupancy agreement substantively different from the one she signed in 2003 and the one referred to during the work done toward changing the Occupancy Agreement in 2009. The Board agreed that the Occupancy Agreements would be an appropriate topic to bring up at the July Presidents' Council meeting.

### **ADJOURNMENT**

President Findlay adjourned the meeting at 11:42 p.m.



A handwritten signature in cursive script, reading "Lucille E. Findlay", is written over a horizontal line. The signature is positioned to the left of the line, and the line extends to the right.

Attest

Lucille E. Findlay, President  
SEAL BEACH MUTUAL NO. TWELVE

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

**June 27, 2014**

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Findlay at 9:00 a.m. on June 27, 2014, in the Physical Property Conference Room.

Those members present were: President Findlay, Vice President Fluharty, Secretary Ferraro, CFO Woodruff, and Directors Welch and Hamilton. Director Evans was absent. Also present were a shareholder and Inspector Antidel.

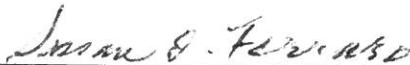
The purpose of the meeting was to discuss priorities for 2014/2015 and plan the agenda for the Regular Monthly Board Meeting of July 10, 2014. Also, to consider approval of irrigation improvement orders.

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

RESOLVED, To accept the purchase orders from Pinnacle Landscape to provide and install new sprinkler heads at identified locations and a new water controller for a combined expenditure of \$3,138.

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

The meeting was adjourned by President Findlay at 10:40 a.m.



Attest

Susan Ferraro, Secretary  
SEAL BEACH MUTUAL NO. TWELVE

cd:7/02/14