

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
July 14, 2016**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Gillon at 9:00 a.m. on Thursday, July 14, 2016, followed by the *Pledge of Allegiance*, in the Administration Building Conference Room A.

ROLL CALL

Present: President Gillon, Vice President Fluharty, Secretary Sprague, CFO Ferraro, and Directors Anderson (9:06 a.m.), Findlay, and Carson

GRF Representative: Mrs. Damoci

Guests: Seven shareholders of Mutual Twelve

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

President Gillon welcomed guests and staff to the meeting.

BOARD ACTION

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

RESOLVED, To regretfully accept the resignation of Joe Welch from the Mutual Twelve Board of Directors, effective July 18, 2016.

The MOTION passed.

President Gillon announced that Tony Anderson has stepped down as Vice President and will remain on the Board of Directors as a Director.

SHAREHOLDERS' COMMENTS

Several shareholders made comments.

GRF REPRESENTATIVE

Mrs. Damoci updated activity on the GRF Board.

MINUTES

President Gillon called for approval of the Special Meeting minutes of May 3, 10, 16, 19, and 31, 2016; of June 20, 24, and 27, 2016. The Special Meeting minutes of July 5, 2016 (attached), a correction was noted on page 3: delete the first paragraph. Upon a MOTION duly made by President Gillon and seconded by Director Findlay, it was

RESOLVED, To approve the Regular Monthly minutes of May 12, 2016; and the Special Meeting minutes of May 3, 10, 16, 19, and 31, 2016; of June 20, 24, and 27, 2016; and of July 5, 2016 by Consent Calendar. A correction was noted on the July 5, 2016, minutes on page 3: delete the first paragraph.

The MOTION passed.

Copies of the Special Meeting minutes that were approved by this motion are attached.

BUILDING INSPECTOR'S REPORT

Mr. Salazar presented his report (attached).

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

RESOLVED, To approve the Change Order on the cart pad installation at Unit 46-I, and authorize President Gillon to sign the permit.

The MOTION passed.

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

RESOLVED, To postpone action on Unit 57-B permit until the July 18, 2016, Board Meeting.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by President Gillon and seconded by Secretary Sprague, it was

RESOLVED, To approve the sidewalk proposal for Unit 74-E, and to authorize the President to sign the permit.

The MOTION passed.

Building Inspector Salazar left at 9:38 a.m.

CORRESPONDENCE

President Gillon summarized three pieces of correspondences.

NEW BUSINESS

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

RESOLVED, That upon maturity on August 12, 2016, of the Business Access Liquid CD held at First Foundation Bank, the Board authorizes the transfer of the proceeds at that date to the US Bank Money Market Account to be reinvested at that time.

The MOTION passed.

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

RESOLVED, To amend Policy 7496.12 – Infrastructure Modifications, on a 120 day emergency approval period.

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

RESOLVED, To further amend Policy 7496.12 - Infrastructure Modifications, by striking out the Exception under A. number 1 from the policy.

The MOTION passed (policy attached).

Following a discussion, Policy 7480.12 – Architectural Standards will be formatted and included with the other Mutual policies.

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

RESOLVED, To amend Policy 7485.12 – Unit Water Shutoff and Re-pipe on Remodels, on a preliminary basis until the 30-day posting period is completed.

The MOTION passed (policy attached).

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

NEW BUSINESS (continued)

RESOLVED, That Mutual Twelve approve Mr. C's Towing Agreement, effective after the discussed correction is made.

The MOTION passed.

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

RESOLVED, That the Board of Directors' contact information not made public.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by President Gillon and seconded by Secretary Sprague, it was

RESOLVED, To appoint Richard Carson of Unit 72-E as a Director (following a secret ballot) on the Mutual Twelve Board of Directors for the remaining 2016-2017 term of office.

The MOTION passed.

CHIEF FINANCIAL OFFICER'S REPORT

Ms. Ferraro presented her report (attached).

President Gillon called a break at 10:37 a.m. to 10:54 a.m.

July 14, 2016

ADJOURNMENT

President Gillon adjourned the meeting at 10:54 a.m. and announced that following there would be an Executive Session to discuss member issues.



Attest

Rose Marie Sprague, Secretary
SEAL BEACH MUTUAL TWELVE

jl:08/10/16
Attachments

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

**NEXT MEETING: August 11, 2016,
ADMINISTRATION BUILDING CONFERENCE A, @ 9:00 A.M.**

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

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF JULY 14, 2016**

07/14/16 RESOLVED, To regretfully accept the resignation of Joe Welch from the Mutual Twelve Board of Directors, effective July 18, 2016.

RESOLVED, To approve the Regular Monthly minutes of May 12, 2016; and the Special Meeting minutes of May 3, 10, 16, 19, and 31, 2016; of June 20, 24, and 27, 2016; and of July 5, 2016 by Consent Calendar. A correction was noted on the July 5, 2016, minutes on page 3: delete the first paragraph.

RESOLVED, To approve the Change Order on the cart pad installation at Unit 46-I, and authorize President Gillon to sign the permit.

RESOLVED, To postpone action on Unit 57-B permit until the July 18, 2016, Board Meeting

RESOLVED, To approve the sidewalk proposal for Unit 74-E, and to authorize the President to sign the permit.

RESOLVED, That upon maturity on August 12, 2016, of the Business Access Liquid CD held at First Foundation Bank, the Board authorizes the transfer of the proceeds at that date to the US Bank Money Market Account to be reinvested at that time.

RESOLVED, To amend Policy 7496.12 – Infrastructure Modifications, on a 120 day emergency approval period.

RESOLVED, To further amend Policy 7496.12 - Infrastructure Modifications, by striking out the Exception under A. number 1 from the policy.

RESOLVED, To amend Policy 7485.12 – Unit Water Shutoff and Re-pipe on Remodels, on a preliminary basis until the 30-day posting period is completed.

RESOLVED, That Mutual Twelve approve Mr. C's Towing Agreement, effective after the discussed correction is made.

RESOLVED, That the Board of Directors' contact information not made public.

RESOLVED, To appoint Richard Carson of Unit 72-E as a Director (following a secret ballot) on the Mutual Twelve Board of Directors for the remaining 2016-2017 term of office.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: 12

INSPECTOR: Jay Salazar

MUTUAL BOARD MEETING DATE: July 14, 2016

PERMIT ACTIVITY									
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS		
64A	Remodel	CITY	04/04/16	08/10/16		6/21, 29; 7/8, 11	Ogan		
73L	Remodel	CITY	03/01/16	07/21/16	YES	4/11, 4/25, 5/11, 5/16	Ogan Repipe		
34L	Remodel	CITY	03/10/16	06/14/16	YES	4/11, 5/9, CNP, GRF	Heavenly World Repipe		
72F	Remodel	CITY	04/04/16	07/30/16	YES	6/3, 24 - 7/1, 7/16	Alpha Master Repipe		
72F	HVAC Install	CITY	06/02/16	09/02/16	YES		Yes		
74E	Remodel	GRF	03/21/16	08/19/16	YES	5/4/16, 6/8, 10, 13, 16	Kress Repipe		
73K	Window Retro Fit	CITY	04/12/16	05/09/16	NO	05/05/16	Seaport Sash & Door		
62A	Carpet Install	GRF	05/01/16	05/15/16	NO	05/16/16	Kary's Carpets		
7I	Flooring Install	GRF	05/01/16	06/04/16	NO	05/16/16	Kary's Carpets		
42H	Flooring Install	GRF	05/05/16	05/10/16	NO	05/16/16	Kary's Carpets		
47B	Walkway Entry	CITY	05/23/16	06/23/16	NO	06/10/16	Nationwide Painting		
57B	Remodel	CITY	06/13/16	08/31/16			BJ & Co		
67C	Flooring Install	GRF	06/01/16	07/30/16	NO	06/14/16	Kary's Carpets		
6B	Flooring Install	GRF	05/11/16	06/11/16	NO	06/14/16	Home Depot		
41F	Bathroom Remdel	CITY	06/30/16	10/15/16			Kress		
61C	HVAC Install	CITY	06/22/16	08/22/16			Greenwood		
76E	Minor Remodel	CITY	06/06/16	11/21/16			Southcoast Restoration		
64D	HVAC Install	CITY	07/05/16	08/05/16	NO	07/11/16	Alpine		
64L	Flooring Install	GRF	06/27/16	06/30/16			The Finishing Touch		
41C	Flooring Install	GRF	07/11/16	08/11/16			Nationwide Painting		
61G	HVAC Replacement	CITY	07/25/16	10/02/16			Greenwood		
43D	HVAC Install	CITY	07/25/16	08/25/16			Alpine		
11K	Microwave Oven Install	CITY	07/06/16	07/17/16			Ogan		
9K	Shower Cut Down	CITY	07/05/16	08/05/16			NuKote		

(19) permits projects
(7) ambler
(15)

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: 12

INSPECTOR: Jay Salazar

MUTUAL BOARD MEETING DATE: July 14, 2016

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
56I	HVAC Install	CITY	07/20/16	08/20/16			Alpine

CNP = Correction Notice Posted
 Completed
 Contractor Issue: Pending

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	COE DATE	ROF
34I		05/19/15	05/05/16	05/12/16	05/24/16	05/26/16	07/07/16
7I		11/05/15	04/15/16	04/08/16	04/19/16	04/22/16	05/17/16
41H		02/03/16					
45F		02/19/16	06/01/16	06/07/16	06/20/16	06/21/16	06/27/16
35G		03/07/16	07/08/16	07/20/16	08/02/16	08/03/16	
77E		03/07/16	03/25/16	04/01/16	04/01/16	04/15/16	05/09/16
59B		03/08/16	04/18/16	04/18/16	04/29/16	05/02/16	05/19/16
65B		03/09/16	04/18/16	04/27/16	05/09/16	05/11/16	05/19/16
74C		03/09/16					
47B		03/24/16					
47E		03/24/16	05/12/16	05/12/16	05/24/16	05/12/16	07/07/16
42D		03/29/16	05/19/16	05/19/16	06/01/16	06/02/16	
46I		10/28/16	04/15/16	04/24/16	05/04/16	05/05/16	05/16/16

July ¹⁴~~13~~, 2016

CFO Remarks: Let the minutes reflect that:

For their review, a monthly financial report was submitted to each Board member for the period ending June 30, 2016.

In summary:

Cash on hand (Daily operations)	\$ 374,762
Cash – Reserve Accounts	\$3,638,651
Total Assets	\$6,235,409
Total Liabilities	\$ 220,699
Delinquent Account	\$ 4,100

No one account exceeds \$1800 or is 12 months in arrears.

Attached is recap as attachment

1012 Seal Beach Mutual No. Twelve
 Financial Statement Recap
 04/30/2016

P.O. Box 2069
 Seal Beach CA 90740

Apr Actual	Apr Budget		2016 Y-T-D Actual	2016 Y-T-D Budget
106,993	106,993	Carrying Charges	427,972	427,972
42,371	42,371	Reserve Funding	169,482	169,484
149,363	149,364	Total Regular Assessments	597,454	597,456
35	0	Service Income	35	0
1,553	0	Financial Income	5,362	0
3,314	1,117	Other Income	10,197	4,468
4,902	1,117	Total Other Income	15,594	4,468
154,265	150,481	Total Mutual Income	613,047	601,924
65,156	65,156	GRF Trust Maintenance Fee	260,624	260,624
9,015	12,629	Utilities	38,098	50,516
371	927	Professional Fees	2,679	3,708
24,818	19,870	Outside Services	75,189	79,480
11,422	9,528	Taxes & Insurance	45,687	38,112
42,371	42,371	Contributions to Reserves	169,482	169,484
153,153	150,481	Total Expenses Before Off-Budget	591,760	601,924
1,112	0	Excess Inc/(Exp) Before Off-Budget	21,288	0
1,112	0	Excess Inc/(Exp) After Off-Budget	21,288	0
		Restricted Reserves		
(1,104)	0	Appliance Reserve Equity	31,552	0
0	0	Painting Reserve	46,541	0
23,486	0	Roofing Reserve	2,629,981	0
0	0	Emergency Reserve Equity	340,915	0
19,590	0	Infrastructure Reserve	455,389	0
41,971	0	Total Restricted Reserves	3,504,378	0

**NOTICE OF EMERGENCY CHANGE TO 7000
SERIES POLICIES, RULES AND
REGULATIONS**

Dear Shareholder,

Your Mutual Board of Directors has passed the emergency amendment(s) to the 7000 Series Policies, Rules and Regulations (PRR) attached to this memo and listed below. The rule change(s) created by said amendment(s) became effective on the date of passage.

GENERAL NOTICE OF EMERGENCY RULE CHANGES		
PRR No.	PRR Name	Change Made by Board on:
7496.12	Infrastructure Modifications	July 14, 2016

PURPOSE OF CHANGE
Clarifies responsibility of shareholder and contractor for Mutual infrastructure when affected by separate interest modification.

Mutual No. 12

Posting Date

To become permanent the above policy changes must be resolved, reposted for comment and ratified by 11-11-16.

MUTUAL OPERATIONS
PHYSICAL PROPERTY

DRAFT

Building EXTERIOR and Common Area Infrastructure Modifications –
Mutual Twelve Only – Effective 11-12-15

This Policy supplements laws, codes, Golden Rain Foundation and Mutual 12 governing documents, and other requirements. It does not weaken or eliminate any requirement of any kind that is not addressed herein.

A. GENERAL REQUIREMENTS

1. Any building exterior or interior common area modification must be approved by Board RESOLUTION* unless Board approval is on file or clear in policy. (Exception: Interior walls may be painted or papered without a GRF or Mutual permit.)
2. All such modifications approved for shareholders shall be at shareholder expense.
3. Shareholder and shareholder's contractor are responsible for repair and/or replacement of any Mutual 12 infrastructure components disturbed or modified during construction.
As an example but not a limitation, repair or replacement of Mutual sidewalk light wiring damaged during and resulting from shareholder walkway replacement sprinkler line work, grade changes, etc. must be corrected at contracting shareholder expense.
4. There shall be no shareholder construction or other shareholder encroachment under the attic access, in front of or in a location compromising access to or interfering in any way with any kind of electrical, electronic and or information transmission equipment including their enclosures wherever located. No encroachment shall be allowed on any kind of easement or access not mentioned above unless exempted by Board RESOLUTION*.
5. Proof of grade protection or restoration is a required component of any proposal for a GRF Building Permit that includes expansion into the patio area and/or any exterior common area modification.
6. Any time, including garden border adjustments, changes are made or turf is restored ~~soil is added~~, excess soil shall be removed and any new soil shall be added at shareholder expense. In any Mutual or shareholder contract, price of soil and turf addition or removal shall be included whether specifically stated in the contract or not.

**MUTUAL OPERATIONS
PHYSICAL PROPERTY**

DRAFT

**Building EXTERIOR and Common Area Infrastructure Modifications –
Mutual Twelve Only – Effective 11-12-15**

7. For any modification requiring sprinkler changes, the entire turf area adjacent to the separate interest must have adequate coverage. Sprinklers must be changed as needed on build outs to prevent sprinkling of windows.

8. When garden border changes narrow the garden area, sprinklers must be added as needed at shareholder expense. Additionally, coverage of other areas on the affected sprinkler station(s) shall not be negatively affected.

9. All **grade, border and** sprinkler modifications, ~~including but not limited to grade and garden borders,~~ must be performed by the Mutual's landscape contractor unless another contractor is authorized by Board RESOLUTION*.

10. Any shareholder modification that does not require a GRF Physical Property Permit, does require a Mutual permit (Policy 7480.12.1 – Architectural Standards – Approval Form).

11. All applicable law and codes, GRF and Mutual requirements and contract supersede GRF Building Inspector "FINISH BUILDING" sign off on the GRF Building permit.

12. Neither GRF nor the Mutual allows contractors to work outside of regular business hours. If contractors or their employees are found on site outside of regular business hours a fine may be imposed of up to \$500 for each occurrence in addition to other punitive action.

B. PRIMARY ENTRANCE WALKWAY RELOCATION AND CHANGES

1. The primary contractor is responsible for the work performed. ~~and must be licensed in the State of California and the City of Seal Beach. A Golden Rain Foundation Building Permit will be obtained prior to the start of work. All work, maintenance, and repairs will be performed at the expense of the requesting resident.~~

2. Shareholder(s) of the adjoining unit, if any, must agree to the relocation of their entrance walkway, if applicable. A written agreement must be signed by both parties prior to any work being performed by the contractor.

3. The contractor's site plan shall show all changes necessary to meet the following conditions:

**MUTUAL OPERATIONS
PHYSICAL PROPERTY**

DRAFT

**Building EXTERIOR and Common Area Infrastructure Modifications –
Mutual Twelve Only – Effective 11-12-15**

- a. The site plans shall define the areas affected by the relocation of the entrance walkways which are connected to the main sidewalk and all affected units.
 - b. The site plans shall show:
 - 1) The original "as is" walkway and sprinklers in dash lines;
 - 2) The proposed relocated walkway(s) and sprinkler units including those to be installed to ensure coverage of all turf areas affected in heavy lines.
 - c. The lawn area(s) affected by the proposed relocated walkway must be properly watered and the plan must indicate this by showing the position of each affected sprinkler. Sprinkler units must be located on each side of each new walkway and in all other turf areas affected by the relocation. The sprinkler units shall be the same type as others used in the Mutual.
4. The new lawn adjoining each new walkway shall be tapered (up or down) to match the level of each new walkway so that lawn mowers can easily move across each walkway without causing damage. New sod is to be used to taper lawns to the level of each new walkway.
 5. New walkway shall be a minimum width of four feet and a maximum width of five feet. Any flare shall be included within the five-foot width.
 6. Walkways may include brick, flagstone, or any similar material between Mutual walkways and resident porch area. The maximum five-foot width must include at least three-inch cement mow strip on each side. Non-standard walkway damage will not be the responsibility of the Mutual or the gardening contractor.
 7. ~~The following are excerpts from the Golden Rain Foundation Building Permit:~~
 - ~~"I agree that I will not request the Golden Rain Foundation or Mutual No. Twelve to reimburse, repair or maintain the alteration."~~
 - ~~"I also agree to be personally responsible for the repair and maintenance of the alteration and authorize, in the event of my failure to perform, Mutual No. Twelve to perform repairs or maintenance upon the alteration."~~
 - ~~"Further, I agree that they will personally maintain the alteration and, in the event of their failure, Mutual No. Twelve may perform maintenance or~~

**MUTUAL OPERATIONS
PHYSICAL PROPERTY**

DRAFT

**Building EXTERIOR and Common Area Infrastructure Modifications –
Mutual Twelve Only – Effective 11-12-15**

~~repairs for which the resident will pay the Mutual Corporation upon being billed.”~~

8. ~~7.~~ All expenses relating to any work done on the Mutual property of affected units are to be charged to the **requesting** shareholder. ~~who makes an entrance walkway change request.~~

C. SECOND ENTRANCE

1. The stoop of any second entrance located at the edge of a building's footprint shall not exceed minimum code requirements in length and width.
- ~~2. Second entrance stoops that are located within the separate interest but less than the minimum code requirement shall extend beyond the building footprint only far enough to meet that requirement.~~
- 2.** Walkways are not allowed on second entrances.
- 3.** Third entrances are not allowed.

D. THRESHOLDS

1. All door thresholds must be flush with the patio or stoop.
2. Demolition and replacement of existing patio slabs shall take place as needed to accomplish this requirement.

E. STEPS

Steps are not allowed anywhere on the Mutual 12 premises, interior or exterior. (The concrete platforms in the back of the carport stalls under the cabinets are not steps)

F. APRONS

1. **Policy 7425.12 requires a 12-inch exterior apron added to the main foundation structure. Wider aprons are not permitted.**
2. **A bay foundation may be flush with the structure or have an apron not to exceed 6”**

MUTUAL OPERATIONS
PHYSICAL PROPERTY

DRAFT

Building EXTERIOR and Common Area Infrastructure Modifications –
Mutual Twelve Only – Effective 11-12-15

G. SOUNDPROOFING

1. Soundproofing is always required:

- On all common walls exposed during construction.
- On all walls of second bathrooms.

2. Recommended soundproofing:

For common walls, in particular any room considered a bedroom or sleeping room.

H. INSULATION

1. Before any construction involving the attic receives the FINISH BUILDING sign off, all insulation must be put back in place or replaced so that protection is at least as good as original. Skylight structure insulation must be put in place securely.
2. Shareholder is encouraged to specify high quality fire resistant insulation anywhere insulation is required.

I. ACCESS

As required by CA Civil Code §4760 support of the common interest development may not be compromised. Following are examples of infrastructure considerations.

1. Observation opening for the water heater must be at least 8" X 8" and as visible and easily accessible as the original.
2. Plumbing fixtures whether in the original location or relocated must be no more obstructed than the original.
3. Any variance, such as but not limited to under sink water purifier, requires Board approval and GRF Building Permit and work on obstructed original fixtures will be at shareholder expense.

**MUTUAL OPERATIONS
PHYSICAL PROPERTY**

DRAFT

**Building EXTERIOR and Common Area Infrastructure Modifications –
Mutual Twelve Only – Effective 11-12-15**

*** All Mutual 12 Board RESOLUTIONS must take place at meetings in
compliance with CA Civil Code § 4900 et. sec.**

ATTACHMENTS:

CONTRACTOR COMPLIANCE AGREEMENT

MUTUAL ADOPTION

AMENDED

Twelve 9 Jan 03

12 Nov 15 27 Jun 16 (Emergency 120 Days)

MUTUAL OPERATIONS
PHYSICAL PROPERTY

DRAFT

Building EXTERIOR and Common Area Infrastructure Modifications –
Mutual Twelve Only – Effective 11-12-15

CONTRACTOR COMPLIANCE AGREEMENT

I/We the undersigned, understand and agree to comply with all of the laws, codes, governing documents, and requirements of the Golden Rain Foundation and Seal Beach Mutual No. Twelve for work briefly described below applicable to:

Apt. No.: _____ GRF Building Permit No.: _____

COMPANY NAME: _____

BY: _____ Title: _____
(Signature)

Name Printed: _____ Date: _____

SHAREHOLDER UNDERSTANDING OF RESPONSIBILITY

Prior to signing this or any other document related to this modification of Mutual 12 property I/We have obtained any and all assistance needed to fully understand my responsibility as shareholder/owner of the separate interest.

I/We understand that the sentence, "I agree all work will comply with Foundation and Mutual Corporation policies regulations and procedures." is included in the NOTICE TO RESIDENT OF AGREEMENT section of the GOLDEN RAIN FOUNDATION BUILDING PERMIT.

PRINT NAME

(Signature) Date: _____

MUTUAL OPERATIONS

PHYSICAL PROPERTY

Architectural Standards – Mutual Twelve Only

Civil Code §4760 explains the shareholder's right to improve or modify their separate interest subject to the governing documents, applicable law and issues of structural and mechanical integrity as well as support of any portions of the common interest development. Explanation of Mutual Twelve's review procedures outlined in §4765 appears below.

A. REQUIREMENTS AND LOCATION IN GOVERNING DOCUMENTS

You must obtain architectural approval for any change in the exterior of your unit, any structural alterations to the interior and plumbing or electrical alterations or any change in the common area. Most architectural provisions are included in the 7400 PHYSICAL PROPERTY Section of the 7000 SERIES POLICIES, RULES AND REGULATIONS. See also 7502.12, 7507.12, 7572.12, and 7574.12 in the 7500 SHAREHOLDER REGULATIONS Section. These policies are available at www.lwsb.com, the Leisure World Library or from a Mutual Twelve Director.

The Member shall not, without the written consent of the Corporation, make any structural alterations in the premises, or in the water, gas or steam pipes, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements, or fixtures from the premises. (Occupancy Agreement, Article 12). "Premises include your unit and the common area.

B. PROCEDURES

Small alterations, for example changing a garden border from concrete scallops to brick, require only written Board approval on the Policy 7480.12.1 Architectural Standards – Approval Form. Any significant change or addition requires a GOLDEN RAIN FOUNDATION BUILDING PERMIT.

Typically, the Member engages a contractor who has complied with or complies with the GRF CONTRACTOR REQUIREMENTS. The contractor submits plans to the Mutual's GRF Building Inspector. The permit is then prepared and, after approval, signed by the designated Mutual Director, the Owner/Member, the Contractor and the GRF Building Inspector. The Contractor, if required, will obtain City permits. Approval of GOLDEN RAIN FOUNDATION BUILDING PERMIT does not constitute approval by the City, nor does approval by the City constitute approval by GOLDEN RAIN FOUNDATION.

(May 16)

MUTUAL OPERATIONS**PHYSICAL PROPERTY****Architectural Standards – Mutual Twelve Only**

No work of any kind that requires a GRF or Mutual Building Permit may be commenced anywhere in Mutual Twelve until said permit has been fully executed and posted fully visible from the exterior. Non-compliance may result in immediate shut down of the job.

Permits for any construction work valued at more than \$10,000 to be performed in Mutual Twelve shall require a Performance Bond that shall provide sufficient funds to Mutual Twelve to complete that work in the event it is not completed by the date stated in the permit for any reason, if

1. The contractor is not listed on the GRF Physical Property List of Approved Contractors, and
2. The contractor has not been completing more than \$100,000 in contracts in Leisure World, Seal Beach per year for the last three years.

The Owner/Member and the Mutual Director sign the NOTICE TO RESIDENT OF AGREEMENT section of the permit that informs the Owner/Member that they and any successors are totally responsible for the alteration and its maintenance. The Contractor and Building Inspector sign the section that details Contractor responsibilities.

Mutual Twelve will, whenever practicable, sign permits where there are established precedents for the work to be performed within one week of the Building Inspector's approval. Unless circumstances cause further delay, decisions on contracts where there are special considerations including, but not limited to, those described in Policy 7411.12 New Plan Concepts and Changes will be made by the next Regular Monthly Meeting of the Mutual Twelve Board of Directors that occurs after that one-week period.

If an application for an alteration is not approved, the reason for disapproval and the maximum time for response or, if required, request for reconsideration shall be provided to the owner/members within ten days. The Owner/Member's rights if a proposed change is disapproved are located in California Civil Code §4765.

Once all requirements have been met, the contractor must display the GOLDEN RAIN FOUNDATION BUILDING PERMIT on the unit in a prominent location visible to passers by. Timely completion and approval are expected on all

(May 16)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

Architectural Standards – Mutual Twelve Only

aspects of the alteration. See Policy 7403.1 Building Alterations or Additions as amended and updated explains expectations and penalties.

C.ATTACHMENT

1. Golden Rain Foundation Building Permit

[GRF Building Permit goes here]

(See Mutual Twelve Board Approval Form – Policy 7480.12.1)

MUTUAL ADOPTION
TWELVE: 11-13-14

AMENDMENTS
5-12-16

MUTUAL OPERATIONS**PHYSICAL PROPERTY****Unit Water Shutoff and Re-pipe on Remodels – Mutual Twelve**

THAT the main domestic water shutoff valve shall be installed when a full remodel is being completed. Definition of a full remodel shall consist of:

1. All of the drywall is removed from the unit down to the studs.
2. Kitchen and bath remodels: re-piping of the unit shall apply when the cabinets are removed.

When either of these provisions are met, unit water lines shall be re-piped in copper piping with one main water shutoff valve located at the water heater.

1. Shutoff valve shall be accessible through the water heater inspection hole and tagged for its purpose (Main Water Shutoff Valve for Unit _____).
2. Tie in for new main water line shall take place on the cold side of the water heater line in the attic.
3. Install a $\frac{3}{4}$ "x1"x1" bull headed tee, connect the $\frac{3}{4}$ " line back into the unit it is shared with. New 1" line shall have a 1" ball valve installed at this point to get the building water back on and give the remodeled unit control of water supply to continue with the re-pipe. Use of a dielectric union is okay for the tie in as long as it stays accessible.

Costs for unit re-piping during the two defined provisions shall be borne by the Mutual if the fixture location is not changed. If the fixture location is changed, the shareholder shall pay for all re-piping of said fixtures. All other additional fixtures installed at the unit shall be paid for by the shareholder.

The Mutual reserves the right to choose to do re-piping of additional fixtures that are on the same party walls as the unit being remodeled. This includes less than full remodels. For example, shower only when wallboard is exposed, and kitchen or bathroom cabinet removal only.

(Jul 15)

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
May 3, 2016**

The Special Meeting of the Board of Directors of Seal Beach Mutual No. Twelve was called to order by President Welch at 8:34 a.m. on Tuesday, May 3, 2016 in the Physical Property Department "Green" Room.

ROLL CALL

Present: President Welch, Vice President/CFO Ferraro, Secretary Findlay, and Directors Anderson, Fluharty, Gillon and Thomas (8:40)

Also present were 11 Mutual 12 shareholders.

SHAREHOLDERS COMMENTS

President Welch invited shareholders to speak.

BUSINESS

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

RESOLVED, To RESCIND the following Resolution of the April 14 Regular Monthly Mutual 12 Meeting

RESOLVED, That until architectural modification policies are reviewed, amended as needed, and ratified by the full Board all Golden Rain Foundation Building Permits will be reviewed by the Mutual Twelve Physical Property Committee and then be approved by a majority of the Board in a Mutual Twelve Board Meeting, in compliance with CA Civil Code §4900 et sec.

Upon a MOTION duly made by Secretary Findlay and seconded by Director Gillon, it was

RESOLVED, To AMEND the MOTION to RESCIND the above Resolution of the April 14 Regular Monthly Meeting with the following SUBSTITUTE:

RESOLVED, That, until shareholder modification policies are reviewed, amended as needed, and ratified, all Golden Rain Foundation Building Permits will be reviewed by the Mutual 12 Physical Property Committee and then be approved by a majority vote in a Mutual 12 Board meeting in compliance with CA Civil

Code §4900 et. sec. The Open Meeting Act. The Mutual 12
President's signature shall be withheld until after Board approval.

President Welch asked for and it was the consensus of the Board to have a roll call vote.

The MOTION to substitute failed: President Welch, No; Director Anderson, No; Director Gillon, Yes; Vice President/CFO Ferraro, Yes; Director Fluharty, No; Director Thomas, No; Secretary Findlay, Yes

President Welch then asked for and it was the consensus of the Board to have a roll call vote on the main motion.

The MOTION passed: President Welch, Yes; Director Anderson, Yes; Director Gillon, No; Vice President/CFO Ferraro, No; Director Fluharty, Yes; Director Thomas, Yes; Secretary Findlay, No

After discussion and upon a MOTION duly made by Vice President/CFO Ferraro and seconded by Director Gillon, it was

RESOLVED, To approve payment to Class One Arboriculture not to exceed \$2,800 for completed 2016 tree planted and to accept the change order and new deadline for the remaining trees to be planted.

The MOTION passed by a unanimous vote of the Directors.

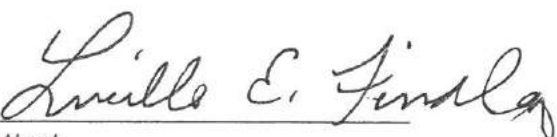
The Directors were provided with copies of the RESOLUTIONS of March 10, 2005 to review for discussion at a future meeting.

EXECUTIVE SESSION

Member issues were discussed in Executive Session

ADJOURNMENT

President Welch adjourned the meeting at 10:10 a.m. and announced that following there would be an Executive Session to discuss member issues.



Attest

Lucille E. Findlay, Secretary

SEAL BEACH MUTUAL NO. TWELVE

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
May 10, 2016**

The Special Meeting of the Board of Directors of Seal Beach Mutual No. Twelve was called to order by President Welch at 9:04 a.m. on Tuesday, May 10, 2016 at 9:00 a.m. on the grounds of Mutual 12 near Building 60.

ROLL CALL

Those Directors present were: President Welch, Secretary Findlay, and Directors Fluharty and Thomas. Also present were GRF Inspector Salazar, Jose Luis and Carlos Hernandez of S.C. Yamamoto Landscape, Oscar Gutierrez and Israel Ramirez of Pinnacle Landscape and two Mutual 12 Shareholders.

Directors absent were: Vice President/CFO Ferraro, and Directors Anderson and Gillon

BUSINESS

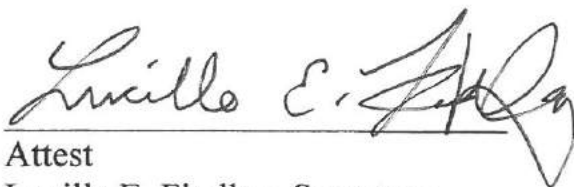
Jose Luis, S. C. Yamamoto Foreman, demonstrated turning on a few stations using his tablet. He recommended the watering schedule be changed from 10:00 p.m. to 6:00 a.m. Board members expressed concern about changing from the contract schedule of 11:00 p.m. to 5:00 a.m.

The Pinnacle Supervisor, Oscar Gutierrez brought attention to the need to exclude Wednesday night and Thursday night due to GRF News delivery and Friday mowing. He also stated his belief that pressure would be lower due to combining controllers and the new irrigation lines that cover large areas. He will identify location of sensors.

SHAREHOLDERS COMMENTS Shareholders were invited to comment and ask questions.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:35 a.m.



Attest

Lucille E. Findlay, Secretary
Seal Beach Mutual No. Twelve

**EMERGENCY SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF SEAL BEACH MUTUAL NO. TWELVE
May 16, 2016**

The Emergency Special Meeting of the Board of Directors of Seal Beach Mutual No. Twelve was called to order by President Welch at 1:34 p.m. on Monday, May 16, 2016 in the Physical Property Conference Room.

ROLL CALL

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

Absent: Director Fluharty

The purpose of the meeting was to approve the proposal for the garden at the F/G end of Building 10.

BUSINESS

President Welch proposed a special item of business, to approve the grading and turf at Apartments 7 F and G. After discussion President Welch withdrew his request since \$1,450 had already been approved for that work.

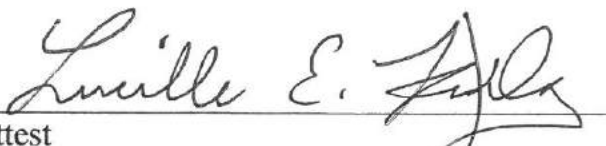
The proposed work at the F/G end of Building 10 was then discussed. \$3,865 and the plan, consisting of turf and a flowerbed with a scallop border along the wall, for planting this common area to be maintained by Mutual 12 was approved on February 3, 2016. After further discussion and upon a MOTION by Secretary Findlay seconded by Director Gillon, it was

RESOLVED, To ask Pinnacle Supervisor Oscar Gutierrez to prepare a alternative to the plan for the Mutual common area behind the retaining wall at the F/G end of Building 10 for the Board's consideration. This plan would eliminate the turf and the entire area would be plants.

The motion failed with three yes votes Findlay, Ferraro and Thomas

ADJOURNMENT

There being no further business President Welch adjourned the meeting at 2:30 p.m.



Attest

Lucille E. Findlay, Mutual 12 Secretary

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

May 19, 2016

The Emergency Special Meeting of the Board of Directors of Seal Beach Mutual No. Twelve was called to order by Vice President/CFO Ferraro at 4:32 p.m. on Thursday, May 19, 2016 at Mutual 12 Apartment 58F.

ROLL CALL

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

Absent were President Welch and Director Fluharty

The purpose of the meeting was to decide whether to re-pipe plumbing for the fixtures in Apartment 73A that are on the same party wall as the unit being remodeled, 73L per Policy 7485.12 Unit Water Shutoff and Re-pipe on Remodels – Mutual Twelve.

BUSINESS

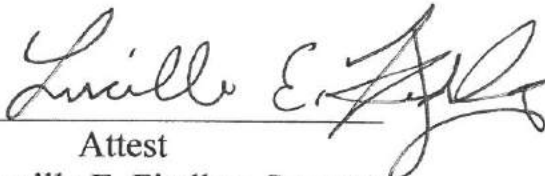
After discussion and upon a MOTION duly made by Director Anderson and seconded by Director Thomas, it was

RESOLVED, to exercise the option per Policy 7485.12 to repipe with type L copper the kitchen and bathroom side of 73A for a cost of approximately \$2,400.

The motion passed with a unanimous vote of the Directors present.

ADJOURNMENT

There being no further business, Vice President/CFO Ferraro adjourned the meeting at 4:47 p.m.



Attest

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

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
May 31, 2016**

The Special Meeting of the Board of Directors of Seal Beach Mutual No. 12 was called to order at 1:30 p.m. on Tuesday, May 31, 2016 in the Physical Property Conference Room.

ROLL CALL

Those members present were: President Welch, Vice President/CFO Ferraro, Secretary Findlay (1:36 p.m), and Directors Gillon and Fluharty.

Absent was: Director Thomas

Also present were Inspector Salazar and four shareholders.

APPROVAL OF MINUTES

Upon a MOTION duly made by Vice President/CFO Ferraro and seconded by Director Gillon, it was:

RESOLVED, to approve the Minutes of the Mutual 12 Regular Monthly Meeting of April 14, 2016 as corrected by Director Gillon at the Mutual 12 May 12, 2016 Regular Monthly Meeting.

SHAREHOLDER COMMENTS

President Welch invited the shareholders to speak.

OLD BUSINESS

After discussion and upon a MOTION duly made by Vice President/CFO Ferraro and seconded by Director Gillon, it was

RESOLVED, to accept the 20% reduction in the invoice from All American Sign Co., Inc. due to their inability to provide the Mutual 12 building signs within the contracted time limit. Further, since the company won't be putting the signs up, installation charges in the amount of \$750 will be subtracted from revised invoice.

The MOTION passed.

Upon a further MOTION duly made by President Welch and seconded by Vice President/CFO Ferraro, it was

RESOLVED, to ask Service Maintenance to install Mutual 12's new building signs on Saturday overtime as soon as possible.

The MOTION passed by a unanimous vote of the Directors present.

NEW BUSINESS

After discussion and upon a MOTION duly made by President Welch and seconded by Secretary Findlay, it was

RESOLVED, To approve a 5' x 9' cart pad of interlocking terra cotta pavers with a 3" cement mow strip on 2 sides within the 5' x 9' dimensions at Unit 45D. The cart pad is to be placed on the north side of the apartment walkway next to and parallel to the garden area.

The MOTION passed by a unanimous vote of the Directors present.

After Discussion and upon a MOTION duly made by Secretary Findlay and seconded by Director Gillon, it was

RESOLVED, to approve flooring at Unit 67C to include laminate flooring in two bedrooms, tile in the kitchen and bathroom and indoor outdoor carpet on the patio.

The MOTION passed by a unanimous vote of the Directors present.

It was the CONSENSUS of the Board to add, as an emergency item, concerns about use of gas blowers on apartment porches to the Agenda.

After discussion, the Landscape Chairs were directed to, once again, review the contractual requirements for keeping blowers away from apartment porches with the Landscape Supervisor.

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

RESOLVED, To approve \$3,645 for the grading and planting planned to improve safety and drainage in the Mutual landscape area behind the retaining wall at the F/G end of Building 10.

The MOTION passed with one NO vote, Fluharty.

After discussion and upon a MOTION duly made by President Welch and seconded by Director Anderson, it was,

RESOLVED, that the Board does not approve Pinnacle Landscape invoice #37157 dated 5/12/2016 in the amount of \$1,978.36 and that it is to be returned to Pinnacle to seek payment from M.J. Jurado, Inc. who requested the repair.

The motion passed by a unanimous vote of the Directors present.

After discussion and upon a MOTION duly made by Secretary Findlay and Seconded by Director Anderson, it was

RESOLVED, To request that Community Facilities Director Weaver direct Physical Property staff to prepare and provide specifications for an Amendment to Mutual 12 Policies 7403.4.12 Skylights in Bathrooms and Kitchens and 7403.5 Skylights in Permanent Roof Extensions to require skylight flashing that is soldered with no sealant as described by Inspector/Project Coordinator Rudge in

his roofing presentation at the May 14, 2016 Mutual 12 Regular Monthly meeting.

The motion passed by a unanimous vote of the Directors present.

Upon a MOTION duly made by Secretary Findlay and seconded by Vice President/CFO Ferraro, it was

RESOLVED, To add to the Agenda as an emergency item the Class One Arboriculture request for a Change Order to their Contract to allow sub contractors.

The MOTION passed.

After discussion, including the information that the proposed subcontractor has a chipper which will allow Class One employees to dedicate more of their time to maintenance of the trees, and upon a MOTION duly made by President Welch and seconded by Director Anderson, it was

RESOLVED, To approve the Class One Arboriculture Change Order to subcontract some work with a Class One Arborist always on site. All other items in the contract to remain unchanged.

The MOTION passed by a unanimous vote of the Directors present.

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

RESOLVED, That the Flooring Resolution be amended to clarify that indoor outdoor carpet on patio/porch may be allowed, but is not recommended.

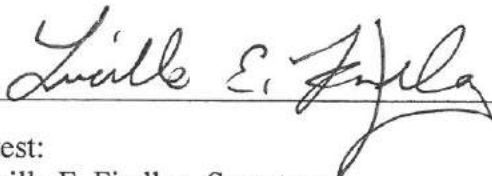
The MOTION passed by a unanimous vote of the Directors present.

EXECUTIVE SESSION

Shareholder and contractor issues were discussed.

ADJOURNMENT

There being no further business President Welch adjourned the meeting at 3:39 p.m. and announced there would be an Executive Session to discuss shareholder and contractor concerns.



Attest:

Lucille E. Findlay, Secretary

SEAL BEACH MUTUAL NO. TWELVE

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
June 20, 2016

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:33 p.m. on , Monday, June 20, 2016 in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, Vice President Anderson, CFO Ferraro, Secretary Sprague, Directors Welch, Findlay, and Fluharty

Also present were 2 shareholders and Inspector Salazar

The purpose of the meeting is:

NEW BUSINESS

President Gillon reported that tree bags and hand watering is being done. Yamamoto broke a water line.

The following permits were reviewed:

The AC permit on unit 72F was not signed until a diagram of AC placement is received.

Discussion on unit 76E permit was rejected due to incomplete blue prints, external diagram showing sidewalk placement etc. is missing. The Board considers it incomplete and therefore not signing the permit.

Discussion on permit on 41F contract for bathroom remodel.

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

RESOLVED: To authorize President Gillon to sign the permit for construction on 41F shower and bathroom upgrade

The Motion failed

Following a Motion made by Director Findlay, and Second by Secretary Sprague it was:

RESOLVED: That the Motion on 41F be postponed.

The Motion passed.

Discussion on permit for a heat pump for unit 61C.

Following a discussion and on Motion made by President Gillon, and second by Director Fluharty it was:

RESOLVED: To authorize President Gillon to sign the permit for 61C for a heat pump.

The Motion passed.

Discussion on the need to add to Policy on Satellite Dish a proper drawing of specifications on installation of Satellite Dish.

Following a Motion made by CFO Ferraro, and second by Director Fluharty it was:

RESOLVED: To authorize President Gillon to sign the permit for 38J Satellite Dish installation.

The Motion passed.

Following a discussion on a revision to the flooring permit resolution, the Board decided that there would be no changes at this time. Director Findlay provided the Board with proposed modifications to policy 7496.12 to be reviewed by the Board on a future agenda.

The Board adjourned to Executive Meeting at 2:45 p.m. Executive session suspended at 3:55 p.m. to return to Special Meeting.

Inspector Salazar provided additional information on the permit for 41F. Following further discussion on permit 41F shower and bathroom remodel and upon Motion made by CFO Ferraro, and second by Director Findlay it was:

RESOLVED: To authorize President Gillon to sign permit for 41F shower and bathroom remodel.

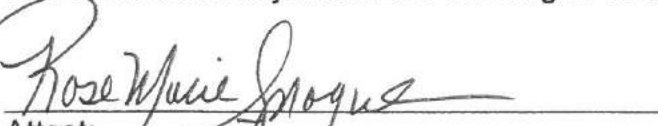
The Motion passed. Director Anderson absent

EXECUTIVE SESSION

Member issues were discussed in Executive Session.

ADJOURNMENT:

President Gillon adjourned the meeting at 4:00 P.M.



Attest:

Rose Marie Sprague, Secretary

SEAL BEACH MUTUAL NO. TWELVE

MINUTES OF THE SPECIAL EMERGENCY MEETING OF THE BOARD OF
DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
June 24, 2016

CALL TO ORDER:

The Special Emergency Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 8:12 a.m. on Friday, June 24, 2016 at the end of Buildings 44-45.

ROLL CALL:

Those members present were: President Gillon, Vice President Anderson, Secretary Sprague, (left meeting at 8:30 a.m.) Directors, Fluharty, Findlay and CFO Ferraro (arrived at 8:40)

Absent were: None

Also present: Jose Luis, S.C. Yamamoto
Carlos Hernandez, S.C. Yamamoto
Oscar Gutierrez, Pinnacle Landscape

The purpose of the meeting was to determine whether coverage problems were due to malfunction of stations on new controllers installed by S.C. Yamamoto or maintenance issues, the responsibility of Pinnacle

During the field walk and testing, a number of sprinkler heads were adjusted. Pinnacle made a sprinkler head repair at 69D/E, and at 74H (Section D), replacing an I 40 rotary sprinkler head with a PGP 4 head. Mr. Luis stated that I 40 rotors will need to be replaced with PGP 4 rotors due to lower water pressure in the new system

Mr. Luis and Mr. Hernandez will return on 6/27 and 6/28 to double check Sections A and D to make sure that in those areas the system is working correctly. The remaining areas will be scheduled for similar testing.

Director Fluharty left the meeting at 9:05 a.m.

ADJOURNMENT:

President Gillon adjourned the meeting at 9:28 a.m.



Attest:

Susan Ferraro, Acting Secretary
SEAL BEACH MUTUAL NO. TWELVE
/SF

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
JUNE 27, 2016

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:32 P.M. on Monday June 27, 2016, in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, CFO Ferraro, Secretary Sprague, Directors Welch, Findlay, and Fluharty. Vice President Anderson

Also present: One Shareholder
Inspector Salazar

President Gillon advised there was a walk through this past week with Pinnacle and Yamamoto to test sprinklers, and another one is schedule for the upcoming week. The Emergency supply shed is in need of an inventory and additional supplies.

NEW BUSINESS:

The Board reviewed 46I permit application for a cart pad site. Following a discussion and on MOTION made by President Gillon, and Second by Director Welch, it was:

RESOLVED: To reject the permit for 46I until the Shareholder's contractor submits a map as to the placement of the cart not to exceed dimensions of 5 feet by 9 feet and placed adjacent to the apartment on the left side of the apartment entrance walkway Further, the signed Notice of Non-Responsibility needs to be included with the permit.

The MOTION passed

The Board reviewed 64L permit application for flooring installation. Following a discussion on 64L and on MOTION made by President Gillon, and second by Director Welch it was:

RESOLVED: That the Board authorizes President Gillon to sign the permit for 64L flooring installation upon receipt of the Notice of Non-Responsibility signed by both contractor and shareholder..

Motion passed. (No Anderson).

The Board reviewed 64D permit application to install 12000 BTU heat pump... Inspector Salazar advised that the new map for placement of heat pump has not been received.

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

RESOLVED: To reject permit for 64D until a new drawing of location of heat pump and signed Notice of Non-Responsibility is received.

The MOTION passed.

The 57B permit for remodel will not considered until copies of the permit are made for each Director to review in advance of discussion.

The Board reviewed 72F remodel permit following its request for a new sketch of placement of entrance walkway and sample of slate for walkway.

Following a discussion on 72F and on MOTION made by President Gillon, and second by Director Welch it was:

RESOLVED: that the Board approves the change order for 72F for the entrance walkway placement and authorizes President Gillon to sign the change order..

The MOTION passed.

Further, on MOTION made by Director Welch and second by Director Fluharty it was:

RESOLVED: That the Board approves the permit for HVAC for 72F and authorizes President Gillon to sign the permit.

The MOTION passed.

The Board reviewed 76E permit for kitchen improvements and installation of air conditioning unit.

On MOTION made by President Gillon, and second by Director Fluharty it was:

RESOLVED: That the Board rejects the permit for 76E until the drawing for the placement of the HVAC unit is received along with a diagram representative of the two bedroom apartment.

The MOTION passed.

Director Welch reported potential problems with Building 38 roof edge. Mr. Salazar to have Roofing Standards to examine the roof.

The flooring resolution was not ready and will be on a future agenda.

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

RESOLVED: To amend Policy 7496.12 – Building and Common Area Modifications by adding emergency amendments for INFRASTRUCTURE MODIFICATIONS effective for 120 days pursuant to Civil Code 4360(d)

The MOTION passed. (Anderson abstained).

The meeting was Adjourned to Executive Session to discuss member and legal issues at 3:15 p.m.

Upon consensus of the Board members present, the special meeting was readjourned at 4:00 p.m. at the request of Mark Weaver, Facilities Director. Mr. Weaver joined the meeting to provide the Board with additional information on the permit for 76E.

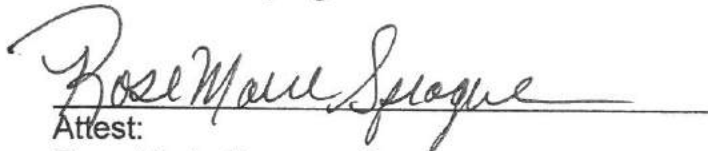
Following discussion and on Motion made by Director Findlay, and second by Director Welch it was:

RESOLVED: To approve the permit for 76E and authorizes President Gillon to sign the permit upon receipt of the diagram of the placement of the HVAC unit as per policy.

The MOTION passed.

ADJOURNMENT:

President Gillon adjourned the meeting at 4:12 p.m. to return to the Executive Session still in progress..



Attest:

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

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
July 5, 2016

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:31 p.m. on Tuesday, July 5, 2016 in the Physical Property Conference Room

ROLL CALL:

Those members present were: President Gillon, Vice President Anderson, CFO Ferraro, Directors Fluharty, Welch and Findlay
Absent was: Secretary Sprague
Also present: 4 Shareholders

NEW BUSINESS:

Following a discussion and on MOTION made by Director Fluharty and seconded by Director Welch, it was:

RESOLVED: To approve 64D Building Permit application to replacement existing air conditioning unit.

The Motion passed

Following a discussion and on MOTION made by CFO Ferraro and seconded by Director Welch, it was:

RESOLVED: To approve Building Permit application for cart pad installation having received a revised drawing for the location and receipt of signed Notice of Non Responsibility and authorize the President to sign the permit

Upon further discussion, upon MOTION made by Director Welch and seconded by President Gillon, it was:

RESOLVED: To postpone approval of 46l cart pad permit.

The Motion passed (No Ferraro)

Following a discussion and on MOTION made by Director Findlay and seconded by CFO Ferraro, it was:

RESOLVED: To postpone approval of 57B Building Permit application for full remodel until contractor insurance, the applicability of a performance bond along with shareholder contract concerns are resolved.

RESOLVED: To withdraw the motion.

The Motion passed

Upon MOTION made by Director Findlay and seconded by CFO Ferraro, it was:

RESOLVED: To reject 57B Building Permit application due to multiple concerns and conflict with existing policies.

The Motion passed

Following a brief discussion on the approval for plumbing upgrades in common wall 74E,F, & D upon MOTION made by CFO Ferraro and seconded by, Vice President Anderson, it was:

RESOLVED: That in the case of the full remodel of 74E, Policy 7485.12 Unit Water Shutoff and Re-pipe is applicable and that the policy includes that the Mutual reserves the right to choose to do re-piping of additional fixtures that are on the same party walls as the unit being remodeled. Whereas, a contract dated June 24, 2016 between Mutual 12 and J.C. Kress Construction, contractor for 74E remodel, along with a corresponding invoice 127416 dated May 25, 2016 in the amount of \$5,400.00 for re-piping at 74E, 74D, and 74F was recently submitted for Board approval, and since the re-piping work was completed on June 10, 2016, the Board now accepts the proposal in the amount of \$5,400.00 and authorizes the President to sign the contract. The expenditure to be charged to the Infrastructure Reserve account.

Upon further discussion, on MOTION made by Director Welch and seconded by Director Findlay, it as:

RESOLVED: To postpone the approval of 74E,D,&F pending further study.

The Motion passed.

Upon Motion made by CFO Ferraro and seconded by President Gillon, it was:

RESOLVED: That when a remodel meets the criteria for re-piping at Mutual expense including when the Board chooses to do re-piping of additional fixtures that are on the same party walls as the unit being remodeled as per Policy 7485.12, a RESOLUTION approving the contractor, scope of work, and cost shall be required prior to Board authorization for the Mutual President to sign the contract and commencement of the plumbing re-piping.

FURTHER RESOLVED: That the Supervisor of Physical Property is directed to determine prior to asking the Board to sign the permit to remodel whether it is the intent of the shareholder's contractor to do this work and at what cost to the Mutual. The Board will then determine whether to engage that contractor or direct the Supervisor of Physical Property to seek other bids.

Following a discussion and upon MOTION made by President Gillon and Seconded by Director Fluharty, it was:

RESOLVED: To withdraw the above-stated motions.

The MOTION passed

Following a discussion, and upon MOTION made by President Gillon and seconded by Director Welch, it was:

RESOLVED: To accept Pinnacle Landscape proposal to replace 2 broken valves at LR 57 and 4 rainbird sprinklers for a total of \$908 to be charged to the Landscape Extras expense account.

The MOTION passed. (No Fluharty)

The Purchase of a generator and shed from Mutual 14 is not ready as the Board desires input from the Emergency Preparedness Coordinator on the subject.

President Gillon read out loud a resolution prepared by the Mutual Twelve attorney concerning John Lee and Phoebe Lee (34L) and informed the Board that our attorney approves that it be discussed for Board action in an open meeting. Upon MOTION made by President Gillon and seconded by Director Welch, it was:

RESOLVED: To accept and approve the following in accordance with legal advice:

Seal Beach Mutual No. Twelve

RESOLUTION OF BOARD OF DIRECTORS

(John Lee and Phoebe Lee)

WHEREAS, the board of directors (the "Board") of Seal Beach Mutual No. Twelve ("Association") believes it must take action to stop John Lee and Phoebe Lee from purchasing and altering units within the Association because of a history of disregard for the Association's governing documents and damaging the Association's property;

WHEREAS, John Lee and Phoebe Lee presently own unit 34-L within the Association and have, in the recent past, owned multiple other units within the Association property and other Mutuels within the neighborhood;

WHEREAS, John Lee and Phoebe Lee have purchased units within the Association and other Mutuels for the purpose of remodeling and then reselling them;

WHEREAS, in violation of the Association's governing documents, including, without limitation, the Bylaws and Occupancy Agreement, John Lee and Phoebe Lee have performed work on their units themselves and by using unlicensed workers;

WHEREAS, most recently, John Lee and Phoebe Lee hired a contractor called Heavenly World and such contractor allowed John Lee to act as a project supervisor, to contract directly with subcontractors and to do work on unit 34-L himself in violation of the Association's governing documents;

WHEREAS, the Association has informed John Lee and Phoebe Lee that their actions violate the Association's governing documents on multiple occasions, but that has not deterred their behavior in violation of the documents;

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Board shall not, at this time or in the future, approve applications for John Lee or Phoebe Lee to purchase or transfer any unit within the Association.

FURTHER RESOLVED, the Board shall not, in the future, approve, allow or authorize John Lee, Phoebe Lee, Heavenly World contractor, any other contractor working for the Lees, or their respective employees, sub-contractors, or any other person associated with such entities to perform any modifications or alterations whatsoever to Association property wherever situated.

Dated: July 5, 2016


Print Name: _____
Secretary of Mutual Twelve

The MOTION passed.

ADJOURNMENT:

President Gillon adjourned the regular meeting at 3:19 p.m. and called for a 5 minute break.

EXECUTIVE SESSION followed to discuss a legal matter.



Attest:
Susan Ferraro, Acting Secretary
SEAL BEACH MUTUAL NO. TWELVE
/sdf