

* * * Mutual 12 Minutes May 14, 2015 * * *

**MUTUAL 12 ANNUAL MEETING
THURSDAY, JUNE 11, 10:00 A.M.
CLUBHOUSE 4**

ANNUAL REPORTS

ELECTION OF DIRECTORS

COMPLIMENTARY BRUNCH BUFFET



* * * * *

MUTUAL 12 LAUNDRY ROOMS

SUMMER SAVINGS PLAN

(Edison's "Time of Use")

June 1 through October 1

**Help keep carrying charges down by doing laundry
at the lowest rates possible.**

**BEST: Weekends and holidays
EDISON'S LOWEST RATES**

**OK: Weekdays
Before noon and after 6:00 p.m.**

**WORST: Noon to 6:00 p.m. weekdays
EDISON'S HIGHEST RATES**

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
May 14, 2015**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Findlay at 9:00 a.m. on Thursday, May 14, 2015, followed by the *Pledge of Allegiance*, in the Administration Building Conference Room A.

ROLL CALL

Present: President Findlay, Vice President Evans, Secretary/CFO Ferraro, and Directors Welch, Fluharty, Gillon, and Jaeger-Hudson

GRF Representative: Mrs. Damoci

Guests: Five shareholders of Mutual Twelve

Staff: Mrs. Weller, Mutual Administration Director (9:20 a.m.)
Building Inspector Salazar (9:20 a.m.)
Ms. Day, Recording Secretary

President Findlay welcomed guests and staff to the meeting.

SHAREHOLDERS' COMMENTS

Comments were: the ballot being confusing, thanked the Board for their hard work, thank the Board for the last Mutual luncheon and especially Vice President Evans who organized the event, and best wishes to all the Directors not returning and the newly- elected Directors in the future.

MINUTES

President Findlay asked if there were any corrections to the April 9, 2015, Regular Monthly Board Meeting minutes. There being no corrections to these minutes, President Findlay declared them approved.

President Findlay asked if there were any corrections to the Special Meeting minutes of April 1, 2015, and April 20, 2015. There being none, she declared them approved.

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 NEWS*.

CORRESPONDENCE

The Board received one letter concerning smoking on patios (Executive Session) and one letter regarding concerns about the Board's priorities, policies, procedures and purchases.

CORRESPONDENCE (continued)

President Findlay, once again, provided documentation and explanation of the Board's diligent and transparent decision making on these issues as well as correction on misunderstandings of policies referenced in the correspondence.

PAINTING COMMITTEE AND WEBSITE COORDINATOR'S REPORT

In Ms. Goostree's absence, President Finlay said the Board members appreciate all the work she is doing for the Mutual.

BUILDING INSPECTOR'S REPORT

Inspector Salazar reviewed his written report summary (see attached). He stated things were going smoothly in the Mutual.

Inspector Salazar requested that if anyone sees a remodel going on and no permit is posted on the building, please let him know immediately. No contractor should be working in the Mutual that does not follow the rules or is being disrespectful to shareholders.

President Findlay is attaching the Fenn Termite Report to the minutes for shareholders to check to make sure their area is listed, if they know of work that is needed. Inspector Salazar stated that he is doing some spot checking of items on the Fenn report. In addition, he briefly discussed the cooktop roof vents and will obtain the labor costs to install the necessary replacements.

President Findlay reported two roof leaks to Inspector Salazar in Units 76-E and 64-C.

OLD BUSINESS

President Findlay reported that she has no information at this time on the sprinkler controller purchase and installation but would like to have a Special Meeting on the sprinkler problems. **She stated that a verbal warning from the City for wasting water was recently issued for street flooding on Interlachen Road and St. Andrews Drive. A fine due to our worn-out sprinkler controllers could cost us more than new controllers!**

President Findlay asked Inspector Salazar if the contract for Class One Arboriculture was ready. He stated yes and would go to his office and return with the contract.

President Findlay stated that the Auto-Out fire suppressant canisters will be discussed in Executive Session.

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

Following a discussion, and upon a MOTION duly made by CFO/Secretary Ferraro and seconded by Director Jaeger-Hudson, it was

OLD BUSINESS (continued)

RESOLVED, To send the draft of Policy 7731.12 – Internal Dispute Resolution – IDR to the Mutual Twelve attorney for legal review and comment.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by CFO/Secretary Ferraro and seconded by Vice President Evans, it was

RESOLVED, To cancel the June 11 Regular Board Meeting due to the Annual Shareholders' Meeting on the same day.

The MOTION passed.

NEW BUSINESS

President Findlay discussed a request from two shareholders to remove the top row of deco blocks around the new Edison transformers. Edison may still eventually want all of the deco blocks around the transformers removed. President Findlay will obtain an estimate on the cost to remove the top row of deco blocks around the two new transformers.

President Findlay discussed Policy 7404.12 – Unit Water Shutoff and Re-pipe on Remodels – Mutual Twelve (attached). Upon a MOTION duly made by President Findlay and seconded by Director Gillon, it was

RESOLVED, To adopt, on a preliminary basis until the 30-day posting period is completed, Policy 7404.12 – Unit Water Shutoff and Re-pipe on Remodels – Mutual Twelve.

The MOTION passed.

President Findlay discussed the Board action in March 2015 of the removal of the bumper boards along the carport walls and replacing them with concrete wheel stops along the bottom of the walls. She distributed pictures of replacement options and reported the project is estimated to cost \$5,037. It was the consensus of the Board members to instruct Service Maintenance to begin work on the project.

Following a discussion, and upon a MOTION duly made by Director Welch and seconded by Director Jaeger-Hudson, it was

NEW BUSINESS (continued)

RESOLVED, To rescind the resolution of April 9, 2015, as follows: That installation, repair, replacement or removal of items received by a shareholder from any Mutual Twelve authorized vendor or service provider is at shareholder expense unless Mutual Twelve has accepted responsibility by resolution at a noticed Mutual Twelve Meeting.

The MOTION passed.

Following further discussion, and upon a MOTION duly made by Director Welch and seconded by Vice President Evans, it was

RESOLVED, That installation, repair, replacement or removal of items received by a shareholder from any Mutual Twelve authorized vendor or outside service provider is at shareholder expense unless Mutual Twelve has accepted responsibility by resolution at a noticed Mutual Twelve Meeting, and

FURTHER, That any standard item purchased by a shareholder from GRF Purchasing Department and installed to replace an original item by Service Maintenance or a contractor working for the shareholder under an appropriate GRF Building Permit will be serviced at Mutual expense to the same extent as a standard item purchased by Mutual Twelve.

The MOTION passed.

Director Welch discussed replacement for the wood boards that cap the end walls of the carport buildings with a composite board material used in other Mutuels. It was the consensus of the Board members to request that Inspector Salazar obtain estimates for doing the same thing in Mutual Twelve.

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

RESOLVED, To authorize President Findlay and CFO/Secretary Ferraro to open new CDARS accounts with First Foundation Bank using existing funds in the First Foundation Bank Business checking account in the amount of \$100,000 as follows: one 6-month CDARS for \$50,000 at .20 percent interest rate and one 1-year CDARS for \$50,000 at .50 percent interest rate, both CDARS to continue to be designated as Infrastructure Reserves, and

NEW BUSINESS (continued)

FURTHER, To authorize President Findlay and CFO/Secretary Ferraro to open new CDARS accounts with First Foundation Bank using existing funds in the First Foundation Bank Business checking account in the amount of \$150,000 as follows: one 6-month CDARS for \$50,000 at .20-percent interest rate and one 1-year CDARS for \$100,000 at .50-percent interest rate, both CDARS to continue to be designated as Emergency/Contingency Reserves.

Following a roll-call vote, the MOTION passed unanimously.

Per the Mutual's Bylaws Article IV, Section 7, a shareholder at a Board Meeting before the Annual Shareholders'/Stockholders' Meeting must state: "I intend to vote my ballot cumulatively for the election of Directors for the 2015-2016 term of office." Shareholder Charles Harper, Unit 76-E, verbally made this statement.

President Findlay stated that Mr. Pogrebinsky of Unit 70-E, via e-mail, has agreed to act as an Observer of the Election at the Annual Shareholders' Meeting on June 11, 2015. She said if anyone else is willing to be appointed as one of the three Observers of the Election, please let her know. Mutual Administration Director Weller reminded the Board and shareholders that any candidate or other shareholder is free to quietly watch the Inspectors count and tabulate the votes from outside the rope.

President Findlay excused Recording Secretary Day for a break at 10:50 a.m. to 11:05 a.m., and the Board took a 5-minute break at 10:50 a.m.

EMERGENCY PREPAREDNESS REPORT

President Findlay reported that shareholder Charlie Harper has volunteered to work on the committee regarding pets and their welfare. Mr. Nell thanked Mr. Harper for his assistance.

Emergency Preparedness Coordinator Nell presented his report (as attached).

LUNCHEON COMMITTEE REPORT

The Board gave their sincere thanks to Vice President Evans for her efforts on a successful luncheon which received very positive feedback from the shareholders. Vice President Evans reported that 138 tickets (\$6.50 per person) were sold for the Mutual Luncheon on April 30, 2015. Shirley's Catering guaranteed 150 meals at \$13.00 per person, and the Mutual made up the difference in cost. She thanked Linda Herman who was paid \$150 for the outstanding entertainment. President Findlay purchased decorations and raffle prizes (she will be reimbursed). Vice President Evans provided six floral decorations and approximately 10 meals were packed "to go."

ANNOUNCEMENTS

President Findlay stated that at the Annual Shareholders' Meeting there will be a complimentary buffet. Also, the Summer Savings Plan's flyer on keeping Edison's charges down in the laundry rooms will be posted again this year.

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Mrs. Weller presented her report on pets and pet registration (attached).

PRESIDENT'S REPORT

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

CFO/SECRETARY'S REPORT

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

DIRECTOR'S REPORT

Director Welch thanked all Board members for their efforts this past year and looks forward to working together going forward.

EXECUTIVE SESSION

Member and legal issues were discussed in Executive Session.

ADJOURNMENT

President Findlay adjourned the meeting at 11:30 a.m. and announced that there would be an Executive Session to discuss member and legal issues.



Attest
Susan Ferraro, CFO/Secretary
SEAL BEACH MUTUAL TWELVE

cd:5/26/15
Attachments

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

**NEXT MEETING: ANNUAL SHAREHOLDERS' MEETING
Thursday, June 11, 2015, in Clubhouse Four at 10:00 a.m.**

**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 MAY 14, 2015**

- 4/01/15 RESOLVED, To instruct Physical Property Inspector Salazar to obtain bids for concrete pavement replacement in all carport driveway areas and report back to the Board in order to schedule carport driveway pavement replacement over a period of time beginning with the most critical areas identified.
- RESOLVED, That Mutual Twelve accepts the SCE Energy Savings Assistance (ESA) Program to work with income-qualified shareholders within the terms of the SCE ESA Program, with the exception of the refrigerators.
- 4/20/15 RESOLVED: To authorize President Findlay and CFO Ferraro to open new CDAR accounts with First Foundation Bank using existing funds in the First Foundation Bank Business checking account in the amount of \$475,000 as follows: One two-year CDAR for \$175,000 at .70% interest rate, One 1-year CDAR for \$150,000 at .50% interest rate, One 1-year CDAR for \$100,000 at .50% interest rate, and one 6-month CDAR for \$50,000 at .20%.
- RESOLVED: To request GRF Accounting Department to transfer \$132,000 from the Seal Beach Mutual No. Twelve First Foundation Bank Essential Business Checking account to the Seal Beach Mutual No. Twelve US Bank Money Market Account.
- RESOLVED: To request GRF Accounting to transfer \$100,000 from Seal Beach Mutual No. Twelve BNY Mellon Money Market Account to Seal Beach Mutual No. Twelve US Bank checking account. Upon receipt of the transferred fund from BNY Mellon, the Board authorizes the President and CFO to purchase from the US Bank checking account, one \$100,000 CDAR from First Foundation Bank for a term of 2-years at the prevailing rate of .70%.
- RESOLVED: To request a formal bid for Inventory and Assessment of Mutual 12 trees from Class One Arboriculture.
- 5/14/15 RESOLVED, To send the draft of Policy 7731.12 – Internal Dispute Resolution – IDR to the Mutual Twelve attorney for legal review and comment.
- RESOLVED, To cancel the June 11 Regular Board Meeting due to the Annual Shareholders' Meeting on the same day.

5/14/15 RESOLVED, To adopt, on a preliminary basis until the 30-day posting period is completed, Policy 7404.12 – Unit Water Shutoff and Re-pipe on Remodels – Mutual Twelve.

RESOLVED, To rescind the resolution of April 9, 2015, as follows: That installation, repair, replacement or removal of items received by a shareholder from any Mutual Twelve authorized vendor or service provider is at shareholder expense unless Mutual Twelve has accepted responsibility by resolution at a noticed Mutual Twelve Meeting.

RESOLVED, That installation, repair, replacement or removal of items received by a shareholder from any Mutual Twelve authorized vendor or outside service provider is at shareholder expense unless Mutual Twelve has accepted responsibility by resolution at a noticed Mutual Twelve Meeting, and

FURTHER, That any standard item purchased by a shareholder from GRF Purchasing Department and installed to replace an original item by Service Maintenance or a contractor working for the shareholder under an appropriate GRF Building Permit will be serviced at Mutual expense to the same extent as a standard item purchased by Mutual Twelve.

RESOLVED, To authorize President Findlay and CFO/Secretary Ferraro to open new CDARS accounts with First Foundation Bank using existing funds in the First Foundation Bank Business checking account in the amount of \$100,000 as follows: one 6-month CDARS for \$50,000 at .20 percent interest rate and one 1-year CDARS for \$50,000 at .50 percent interest rate, both CDARS to continue to be designated as Infrastructure Reserves, and

FURTHER, To authorize President Findlay and CFO/Secretary Ferraro to open new CDARS accounts with First Foundation Bank using existing funds in the First Foundation Bank Business checking account in the amount of \$150,000 as follows: one 6-month CDARS for \$50,000 at .20-percent interest rate and one 1-year CDARS for \$100,000 at .50-percent interest rate, both CDARS to continue to be designated as Emergency/Contingency Reserves.

• **MUTUAL ESCROW ACTIVITY:**

NMI	PLI	NBO	FI	COE	ROF
66G	35K	43J	66K	66K	66K
10K	56J	42G	42G	43J	42G
64E	70J	35K	43J	42K	35K
73A (P)	10L	10F	35K	10F	42K
	47I	42K	10F	42G	
	68D	56J	39E	10F	
	8F	34A	42K	35K	
	34C	47I	56J	56J	
	72E	68D	47I	47I	
	73L	73L			
	11J (P)				
	34I (P)				
	35D (P)				

Legend: NMI = New Member Inspection

PLI = Pre Listing Inspection

NBO = New Buyer Orientation

FI = Final Inspection

COE = Close of Escrow

ROF = Release of Funds

(P) = Pending

• **CONSTRUCTION ACTIVITY: PERMITS: See Attached Mutual 12 Permit Activity Log**

• **MUTUAL PROJECTS:**

- Carport Driveway Safety Painting:
 - David Rudge is coordinating this project: Pending
- Ground Vault, Grates & Walkway Posts Paint: Pending
- Tree Care Maintenance:
 - Completed and Invoiced for 90% of Contracted Price
- Irrigation Controls Installation – Applying for SoCal Water\$mart Rebate:
 - Pending Application Results & Pinnacle’s Feedback
- Carport Driveway Maintenance and Repair Project:

May 14, 2015

- SMD Temporary Patch and Repair: Pending
- Large Project Specification and Job Scope: Pending
- Exterior Paint Project:
 - Start Date: Change Order 08/24/2015
- Sewer Re Pipe:
 - Pending
- Gutter Installation:
 - Pending
- Tree Inventory and Maintenance Project: Class One Arboriculture
- Stove Top Roof Vent Maintenance:
 - (11) Buildings Inspected with (18) Stove Top Vent Needing Maintenance (Mutual 12 Has Secured (10) Stove Top Vents)

● **CONTRACTS**

- Carport Driveway Safety Painting awarded to PCI
- Ground Vault, Grates & Walkway Posts Paint: Pending
- Irrigation Controls Installation awarded to Pinnacle Landscape Company
 - On Hold Pending Rebate Status
- Exterior Paint Project awarded to Hutton
- Carport Driveway Maintenance and Repair awarded to SMD and Pending
- Sewer Maintenance and Re Pipe awarded to PENDING
- Gutter Installation awarded to PENDING
- Tree Inventory and Maintenance Project awarded to Class One Arboriculture
- Stove Top Roof Vent Maintenance: Pending

● **MUTUAL REQUESTS/VISITS**

Units:	65A	34G	37C	78J	66F	62F	
	62C	64E	66L	47A	43E	72A	73K
	62F	47D	68I	72A	74E	38I	68L
	10L						

● **SPECIAL INSPECTIONS**

- 5 Units

Carole Damoci
Mutual 12 Representative
May 14th, 2015

The term for this year GRFs' Board is winding down and elections for 10 Board members and 4 officers will be held in June. There were only 9 open seats before the passing of the GRF Director from Mutual 2 so there will be a special election for that seat the end of June.

The wall on Seal Beach Blvd is almost finished and will continue around behind the nursing home. The wall along the channel behind the RV lot is up next. It has already been approved and a contract signed. This leaves the Westminster Blvd wall to go. That's scheduled to be done in 2016/2017.

The Amphitheater Thursday night shows are set and should be released to the Newspaper soon. The Amphitheater has been repainted, the floors refinished and the rigging has replaced so we're ready for the first show in June.

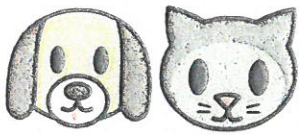
The SB&T Committee has approved a 3 month trail on bus service between here and Denny's and the Trader Joes' shopping center which will open access to the movie theaters and restaurants there for those of our Shareholders who no longer drive. It will go to the full Board later this month and, if approved should start in July.

We are still looking at the possibility of having a dog park inside the walls of Leisure World and will be researching it further. There are a lot of issues in this so time will tell.

We will be having a 4th of July party in clubhouse 6 on Saturday the 4th with a C&W band. There will be BBQ trucks and our LW clubs will be showing off and selling their wears.

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

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



Seal Beach Mutuals Please Register Your Pet





Pet Registration is Required Under Policy 7501

Pets are an Important Part of Our Community

- Pets are part of our community and our family.
- Please register your pet at the Stock Transfer Office.
- You are required to provide proof of HO6 Insurance with liability coverage at the time of registration.
- Policy 7501 sets forth reasonable rules and regulations.
- Quadruped pets are limited to 25 pounds at maturity.

IMPORTANT: Once registered, you will receive a special decal to affix to the front of your apartment letting emergency personnel know you have a pet in your apartment. You will also receive a tag identifying your mutual.

- Walk your pet on a 6-foot leash **only** . 
- Retractable leashes are not allowed.
- Remove all pet waste deposited on lawns & sidewalks.

-  If your pet cat or dog bites the mail person, it may result in a cease of mail delivery and if your cat or dog bites anyone else it may result in litigation and the possible removal of your pet from the community.

- Only one pet per apartment –  No Guest's pets allowed.

EMERGENCY PREPAREDNESS COORDINATOR'S REPORT
David Nell

The Disaster First Aid Training Class will occur on Saturday May 16, 2015, at 9:00 a.m. to 2:00 p.m. in Clubhouse Three, Room 4. The fee is \$22 cash or check made out to OCEVA. Mutual Twelve attendees were four individuals including myself.

A new member of the PEP team was introduced to the Directors: Charlie Harper who resides at Unit 76-E can be reached by phone at 562-431-2672. Charlie will focus on the Emergency Preparedness of the shareholders who have animals.

David Nell
Emergency Preparedness Coordinator

MUTUAL 12 MAY 14, 2015 REGULAR MONTHLY MEETING

President's Perspective

This is the last meeting of the 2014-2015 Board year. There will be no regular meeting in June. Instead, we will have the Mutual 12 Annual Shareholders' Meeting on Thursday, June 11, in Clubhouse 4. Come hungry. Your Board is treating you to a complimentary brunch. We set up round tables near the stage on one side so you can enjoy munching and sipping before, during and after the meeting.

First, nominations will be completed and closed. If you want to see if there are nominations from the floor, bring your unvoted ballot with you. Also you may bring in sealed ballots to give to the Inspectors. Be sure to be on time if you have a ballot or ballots to turn in. The polls close not long after 10:00. You may bring in neighbors' ballots as long as they're properly sealed in the inner and outer envelopes and the top left corner of the outside envelope is complete.

After nominations close, it will be time for shareholder comments. You are Mutual 12. Your concerns are vitally important. All shareholders are welcome to observe the Inspectors as they process and count the ballots during the meeting.

Next, Administration, your Golden Rain Director and your Mutual 12 Directors will report on the year that was. Then the meeting will be recessed until the counting is complete

Stick around after the Annual Meeting for the new Board's Organizational Meeting. The newly elected Directors will choose officers for the 2015-2016 term.

If you didn't receive a ballot or misplaced yours, call Accurate Voting at **1 (855) 588-5522**. They will send one to you. Those who are at their second home elsewhere and their ballot was delivered to their Leisure World apartment can call, too. Voting twice is not a problem. The Inspectors check carefully and will count only the first ballot they process from a shareholder.

Finally, remarks about the "Patio" amendment. A big thank you to the Mutual 12 Board of Directors. We have different points of view on the issue, but we worked together to prepare and execute the survey and then to prepare Exhibit 1. We tried our best to create standards that reflect what you told us on the survey. If the ballot measure sounds like an attorney wrote it, it's because it was written by our Mutual 12 attorney. A big thank you goes to the departments under the Community Administration umbrella - especially Carol Weller, Jodi Hopkins, Courtney Knapp, and Tom Lockhart. From planning the survey through getting the ballot prepared, they were there for us. Feel free to call me **(562) 430-8425** if you have questions. I will explain but will not try to influence your vote.

Respectfully submitted, Lucille Findlay

Things to know from the CFO MAY 2015 Regular Meeting

The GRF Accounting Department has, for the most part, completed the accounting software transition so that the Mutual now receives timely monthly financial reports. Attached is a copy of the April recap for your review. At this time we are within budget, with only a 1/3 of the year completed.

Along with new accounting software, the Accounts Receivable delinquency report has been improved to provide more detail on the amounts that are owed from Mutual 12 shareholders. For April, Out of 452 units there are 13 shareholders (2.8% of the total) who owe for monthly assessments, property taxes, and service maintenance orders that are more than 30 days past due. That indicates to me that 97% of Mutual 12 shareholders pay their bills and on time.

The Board appreciates all the responsible shareholders here in Mutual 12 who keep their account current , as well as the GRF accounting staff who diligently work to assist the Board in collecting the past-due receivables so that our cash flow is optimized to meet our regular operating spending needs and fund reserve savings.

Summary Review of reserves:

<u>Appliances</u>	\$ 51,055
For replacements of ovens, stoves, refrigerators	
<u>Painting</u>	\$ 306,603
Exterior painting all buildings – TO BE SPENT SOON	
<u>Roofing</u>	\$2,512.084
For replacement of roofs and gutters & downspouts	
<u>Emergency/contingency</u>	\$ 343,339
For the unexpected immediate needs not covered by other reserves (uninsured losses, insurance deductibles, unanticipated repairs, disaster recovery, as so on)	
<u>Infrastructure</u>	\$ 440,532
For repair/replacement of water heaters, plumbing, electrical, walk lights, structural, landscape upgrades, asphalt, driveways, etc.	
<u>Operating Reserves</u>	\$ 47,895
To be used as credit on 2016 budget	
TOTAL	\$ 3,701,508

Respectfully submitted:

Susan Ferraro
CFO, MUTUAL TWELVE

1012 Seal Beach Mutual No. Twelve
 Financial Statement Recap
 04/30/2015

P.O. Box 2069
 Seal Beach CA 90740

Apr Actual	Apr Budget		2015 Y-T-D Actual	2015 Y-T-D Budget
100,353	100,353	Carrying Charges	402,836	402,836
37,692	37,693	Reserve Funding	150,769	150,772
138,045	138,046	Total Regular Assessments	553,605	553,608
70	0	Service Income	70	0
3,549	2,391	Financial Income	14,082	9,564
2,283	1,098	Other Income	5,307	4,392
5,902	3,489	Total Other Income	19,459	13,956
143,948	141,535	Total Mutual Income	573,064	567,564
63,081	63,081	GRF Trust Maintenance Fee	253,748	253,748
9,194	12,941	Utilities	43,138	51,764
489	922	Professional Fees	3,304	3,688
18,841	18,573	Outside Services	70,517	74,292
13,453	8,326	Taxes & Insurance	42,972	33,304
37,692	37,693	Contributions to Reserves	150,769	150,772
142,751	141,536	Total Expenses Before Off-Budget	564,449	567,568
1,197	(1)	Excess Inc/(Exp) Before Off-Budget	8,616	(4)
1,197	(1)	Excess Inc/(Exp) After Off-Budget	8,616	(4)
		Restricted Reserves		
(5,232)	0	Appliance Reserve Equity	51,055	0
4,094	0	Painting Reserve	306,603	0
23,486	0	Roofing Reserve	2,512,084	0
23,755	0	Emergency Reserve Equity	343,339	0
9,613	0	Infrastructure Reserve	440,532	0
55,715	0	Total Restricted Reserves	3,653,613	0

MUTUAL OPERATIONS**DRAFT****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.

MUTUAL OPERATIONS

DRAFT

PHYSICAL PROPERTY

Unit Water Shutoff and Re-pipe on Remodels – Mutual Twelve

The total number of original fixtures in any unit is five; all State and local plumbing codes shall apply. Copper pipe shall be TYPE L only. (11/13/14)

Unit _____

Contractor Signature

Date

Shareholder Signature

Date

****OFFICE COPY – KEEP WITH PERMIT****

MUTUAL ADOPTION

TWELVE:

(Draft created 5-19-15cd)



TERMITE + PEST CONTROL
A Full Service Pest Control Company

If your unit # is on this list, any damage that has not been taken care of will be corrected before your building is painted.

December 22, 2014

Golden Rain Foundation
Physical Properties
PO Box 3519
Seal Beach, California 90740

Please call Inspector Salazar at (562) 431-6586 Extension 364 to report new termite droppings or damage not on this list. Please don't expect a return call; the report will be logged.

This is to advise you that we have completed the annual inspection of Mutual #12. Termite reports were not written on Mutual #12 this year. Listed below are our findings & recommendations.

Building 6:

- **Unit G:** drywood termites and termite damage noted and treated at the exterior sheathing and meter box. Dry rot noted at the blocking.
- **Unit L:** drywood termites noted and treated at fascia

Building 7:

- **Unit A:** drywood termites and termite damage noted and treated rafters
- **Unit D:** dry rot noted at the rafter
- **Unit F:** drywood termites and termite damage noted and treated rafters
- **Unit G:** dry rot noted at the rafter
- **Unit L:** drywood termites noted and treated at the attic, plate

Building 8:

- **Unit A:** drywood termites noted and treated at the attic rafters
- **Unit G:** drywood termites noted and treated at the attic rafters
- **Unit H:** drywood termites and termite damage noted and treated at the rafter.
- **Unit L:** dry rot noted at the exterior fascia.

Building 9:

- **Unit B:** drywood termites noted and treated at the patio trim
- **Unit F:** drywood termites and termite damage noted and treated at the window sill. Dry rot noted at the fascia and rafter
- **Unit J:** dry rot noted at the blocking.
- **Unit K:** Dry rot noted at the posts.
- **Unit L:** drywood termites and termite damage noted and treated at the sheathing.

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Building 10:

- **Unit C:** drywood termites noted and treated at the patio trim
- **Unit F:** drywood termites and termite damage noted and treated at the window sill. Dry rot noted at the fascia and rafter
- **Unit J:** dry rot noted at the blocking.
- **Unit K:** Dry rot noted at the posts.
- **Unit L:** drywood termites and termite damage noted and treated at the sheathing.

Building 11:

- **Unit A:** dry rot noted at the rafter
- **Unit F:** drywood termites and termite damage noted and treated at the meter box.
- **Unit L:** dry rot noted at the fascia. Drywood termites noted and treated at the attic rafter.

Building 34:

- **Unit H:** drywood termites noted and treated at the attic ridge blocking.
- **Meter box:** Old termite pellets noted
- **Attic entryway:** Old termite pellets noted.

Building 35:

- **Unit E:** old termite damage noted at the rafter tails
- **Unit F:** old termite damage noted at the rafter tails

Building 36:

- **Unit A:** drywood termites noted and treated at the attic stud.
- **Unit C:** drywood termites noted and treated at the attic joist.

Building 37:

- **Unit A:** dry rot noted at the corbel and fascia
- **Unit H:** dry rot noted at the corbel.
- **Unit N:** drywood termites noted and treated at the meter box.

Building 38:

- **Unit D:** old termite damage noted at the fascia.
- **Unit G:** dry rot noted at the fascia.
- **Unit I:** old termite damage noted at the south meter box frame rafter
- **Unit L:** old termite damage noted at the fascia and dry rot noted at the fascia and corbel.

Building 39:

- **Unit A:** dry rot noted at the fascia
- **Unit B:** old termite damage noted at the attic skylight.
- **Unit G:** drywood termite damage noted at the attic access frame and window sill, dry rot noted at the fascia and old termite damage noted at the fascia and corbel.

Building 40:

- **Unit A:** dry rot noted at the fascia by the gutter.
- **Unit D:** dry rot noted at the blocking and header by the entry. Drywood termites noted and treated at the attic joist.
- **Unit E:** dry rot noted at the side beam.
- **Unit H:** dry rot noted at the corner fascia

Building 41:

- **Unit B:** dry rot noted at the side beam.
- **Unit D:** drywood termites noted and treated at the attic joist, rafters and top plate.
- **Unit H:** drywood termites noted and treated at the attic top plate and side beam. Dry rot noted at the side beam.

Building 42:

- **Unit A:** drywood termites noted and treated at the attic joist and meter box frame.
- **Unit F:** dry rot noted at the side fascia.
- **Unit G:** drywood termites noted and treated at the entry blocking. Dry rot noted at the fascia and blocking above the gate.
- **Unit L:** drywood termites noted and treated at the meter box frame.

Building 43:

- **Unit A:** drywood termites noted and treated at the exterior rafter.
- **Unit B:** drywood termites noted and treated at the exterior fascia and rafter.
- **Unit F:** drywood termites and termite damage noted and treated at the blocking and the window sill.

Building 44:

- **Unit D:** drywood termites and termite damage noted and treated at the attic blockings, studs and joists.
- **Unit E:** dry rot noted at the rafter
- **Unit H:** drywood termites and termite damage noted and treated at the post. Dry rot noted at the fascia.

Building 45:

- **Unit A:** drywood termites and termite damage noted and treated at the fascia. Dry rot noted at the rafter.
- **Unit D:** drywood termites and termite damage noted and treated at the exterior rafter and blocking.
- **Unit H:** drywood termites and termite damage noted and treated at the attic, joists and studs

Building 46:

- **Unit A:** drywood termites noted and treated at the attic stud. Dry rot noted at the fascia.
- **Unit E:** dry rot noted at the header.
- **Unit F:** dry rot noted at the corbel.
- **Unit H:** dry rot noted at the fascia.

Building 47:

- **Unit B:** drywood termites and termite damage noted and treated at the fascia. Old termite damage noted at the fascia.
- **Unit D:** drywood termites and termite damage noted and treated at the trim.
- **Unit G:** dry rot noted at the patio header.
- **Unit L:** dry rot noted at the fascia.

Building 55:

- **Unit A:** drywood termites noted and treated at the post.
- **Unit G:** dry rot noted at the fascia and header.
- **Unit J:** dry rot noted at the fascia.
- **Unit K:** old termite damage noted at the patio skylight framing.

Building 56:

- **Unit A:** drywood termites noted and treated at the meter box frame. Dry rot noted at the corner beam.
- **Unit B:** drywood termites noted and treated at the attic studs.
- **Unit E:** dry rot noted at the fascia by the gutter.
- **Unit F:** dry rot noted at the corner fascia.
- **Unit L:** drywood termites and termite damage noted and treated at the fascia above the gate. Old termite damage noted at the rafter above the A/C unit and the corner fascia. Dry rot noted at the side fascia and corner blocking.

Building 57:

- **Unit B:** old termite damage noted at the patio skylight trim.
- **Unit D:** drywood termites noted and treated at the side fascia. Dry rot noted at the laundry room beam, fascia and meter box door.

Building 58:

- **Unit A:** dry rot noted at the header by entry.
- **Unit D:** old termite damage noted at the side window trim.
- **Unit E:** dry rot noted at the corner header beam.
- **Unit H:** dry rot noted at the fascia and rafter above the window.

Building 59:

- **Meter box:** old termite damage noted
- **Unit A:** dry rot noted at the fascia corner
- **Unit B & C:** old termite damage noted at the attic stud.

Building 60:

- Clear at time of inspection.

Building 61:

- Unit A: old termite damage noted at the patio header

Building 62:

- Unit A: drywood termites and termite damage noted and treated at the fascia.
- Unit D: dry rot noted at the rafter and fascia.
- Unit E: old termite damage noted at the exterior rafter
- Unit J: dry rot noted at the siding and rafter.
- Unit L: drywood termites noted and treated at the attic rafter

Building 63:

- Unit A: drywood termites and termite damage noted and treated at the exterior rafter and siding.
- Unit B: dry rot noted at the exterior sheathing
- Unit E: drywood termites and termite damage noted and treated at the rafter and fascia.
- Unit G: old termite damage noted at the blocking.
- Unit J: old termite damage noted at the rafter
- Unit K: drywood termites and termite damage noted at the exterior rafter and fascia.
- Unit L: dry rot noted at the rafter

Building 64:

- Unit A: drywood termites noted and treated at the exterior rafter and attic rafter.
- Unit L: drywood termites and termite damage noted and treated at the meter box and attic top plate

Building 65:

- Unit B: drywood termites and termite damage noted and treated at the attic joist and access frame. Old termite damage noted at the side beam.

Building 66:

- Unit G: drywood termites and termite damage noted and treated at the window trim. Old termite damage noted at the side fascia. Dry rot noted at the patio header.
- Unit L: drywood termites and termite damage noted and treated at the window trim.

Building 67:

- Unit B: drywood termites and termite damage noted and treated at the rafters and attic rafter.
- Unit C: dry rot noted at the rafter and siding
- Unit J: dry rot noted at the fascia
- Unit K: drywood termites and termite damage noted and treated at the rafters.
- Unit L: drywood termites and termite damage noted and treated at the rafters.

Building 68:

- **Unit A:** drywood termites and termite damage noted and treated at the rafters and sheathing.
- **Unit G:** dry rot noted at the fascia
- **Unit K:** dry rot noted at the rafter.
- **Unit L:** drywood termites and termite damage noted and treated at the rafters and attic stud

Building 69:

- **Unit A:** old termite damage noted at the corbel. Drywood termites and termite damage noted and treated at the corbel and blocking.
- **Unit C:** drywood termites and termite damage noted and treated at the window trim.
- **Unit F:** drywood termites and termite damage noted and treated at the fascia.
- **Unit G:** drywood termites and termite damage noted and treated at the rafter, fascia and corbel.
- **Unit H:** old termite damage noted at the fascia.
- **Unit I:** old termite damage noted at the door trim.

Building 70:

- **Unit A:** drywood termites and termite damage noted and treated at the fascia. Dry rot noted at the fascia and corbel.
- **Unit B:** dry rot noted at the fascia.
- **Unit F:** drywood termites and termite damage noted and treated at the trim.
- **Unit G:** dry rot noted at the fascia.

Building 71:

- **Unit A:** dry rot noted at the fascia. Drywood termites noted and treated at the post.
- **Unit C:** dry rot noted at the rafter tail.
- **Unit L:** old termite damage noted at the corbel.

Building 72:

- **Unit A:** old termite damage noted at the fascia.
- **Unit F:** dry rot noted at the rafter
- **Unit G:** dry rot noted at the rafter. Drywood termites and termite damage noted and treated at the fascia.
- **Unit H:** drywood termites and termite damage noted and treated at the fascia.
- **Unit I:** drywood termites and termite damage noted and treated at the rafter and fascia.
- **Unit K:** drywood termites and termite damage noted and treated at the fascia.
- **Unit L:** drywood termites noted and treated at the attic rafters

Building 73:

- **Unit B:** drywood termites noted at the attic rafter.
- **Unit E:** drywood termites and termite damage noted and treated at the rafter.
- **Unit G:** dry rot noted at the fascia
- **Unit K:** drywood termites and termite damage noted and treated at the fascia.

Building 74:

- **Unit A:** dry rot noted at the corbel and fascia. Old termite damage noted at the rafter.
- **Unit B:** dry rot noted at the fascia
- **Unit D:** dry rot noted at the corbel and fascia. Drywood termites and termite damage noted and treated at the attic top plate, joist and studs.
- **Unit E:** old termite damage noted at the rafter.
- **Meter box:** drywood termites and termite damage noted and treated at the meter box frame

Building 75:

- **Unit A:** dry rot noted at the fascia.
- **Unit B:** dry rot noted at the rafter tail
- **Unit D:** dry rot noted at the corbel. Old termite damage noted at the rafter and fascia.
- **Meter box:** drywood termites and termite damage noted and treated at the meter box trim

Building 76:

- **Unit G:** Drywood termites and termite damage noted and treated at the attic blocking. Dry rot noted at the corbel...
- **Unit L:** drywood termites and termite damage noted and treated at the fascia. Old termite damage noted at the blocking

Building 77

- Clear at time of inspection

Building 78:

- **Unit C:** dry rot noted at the post
- **Unit F:** dry rot noted at the fascia
- **Attic entry:** old termite pellets noted.

Carport 134:

- **#1:** dry rot noted at the vertical trim. Old termite damage noted at the fascia.
- **#4:** dry rot noted at the fascia.
- **#36:** dry rot noted at the fascia

Carport 135:

- **#9:** old termite damage noted at the vertical trim.
- **#14:** old termite damage noted at the vertical trim
- **#17:** old termite damage noted at the vertical trim

Carport 136:

- Clear at time of inspection

Carport 137:

- **#7:** drywood termites noted and treated at the fascia
- **#12:** drywood termites noted and treated at the rafter tail. Old termite damage noted at the vertical trim.

Carport 138:

- #1: old termite damage noted at the fascia corner.

Carport 139:

- Clear at time of inspection

Carport 140:

- #1: dry rot at the stucco molding

Carport 141:

- #9: old termite damage noted at the fascia
- #12: drywood termites noted and treated at the vertical trim.
- #20: drywood termites noted and treated at the vertical trim.

Carport 142:

- #7: old termite damage noted at the vertical trim.
- #13: old termite damage noted at the vertical trim.
- #40: drywood termites and termite damage noted and treated at the vertical trim.

Carport 143:

- #12: old termite damage noted at the vertical trim corner. Dry rot noted at the fascia.

Carport 144:

- Clear at time of inspection

Carport 145:

- Clear at time of inspection

Carport 146:

- #7: drywood termites noted and treated at the rafter tail
- #8: drywood termites noted and treated at the rafter tail

If you have any questions or concerns regarding these results, please contact our office at anytime. Again, we are pleased to be of service to Mutual 12, and will continue to be of service to you throughout the year whenever a termite problem may arise.

Thank you,

Fenn Termite & Pest Control, Inc.

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
April 1, 2015**

An Special Meeting of the Board of Directors of Seal Beach Mutual Twelve was convened at 1:35 p.m. by President Findlay on Wednesday, April 1, 2015, in the Administration Building Conference Room B.

Directors present were: President Findlay, CFO/Secretary Ferraro, and Directors Fluharty, Jaeger-Hudson, Gillon, and Welch. Vice President Evans was absent. Also present were Inspector Salazar and one shareholder.

The Board members discussed the repair or replacement of failed driveway asphalt at Carport 140. Also, to consider allowing SCE Energy Savings Assistance Program within Mutual Twelve.

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

RESOLVED, To instruct Physical Property Inspector Salazar to obtain bids for concrete pavement replacement in all carport driveway areas and report back to the Board in order to schedule carport driveway pavement replacement over a period of time beginning with the most critical areas identified.

The MOTION passed.

Upon a MOTION duly made by Director Fluharty and seconded by Director Jaeger-Hudson, it was

RESOLVED, That Mutual Twelve accepts the SCE Energy Savings Assistance (ESA) Program to work with income-qualified shareholders within the terms of the SCE ESA Program, with the exception of the refrigerators.

The MOTION passed.

President Findlay adjourned the meeting to go into an Emergency Executive Session at 2:45 p.m. to discuss a contractual issue.

Following the Emergency Executive Session, President Findlay adjourned the Special Meeting at 2:54 p.m.



Attest

Susan Ferraro, CFO/Secretary
SEAL BEACH MUTUAL TWELVE

cd:4/14/15

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

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
April 20, 2015**

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Findlay at 2:05 p.m. on April 20, 2015, in the Physical Property Conference Room

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

Not present: Director Jaeger-Hudson

Also present were: 3 shareholders

Shareholder's comments were to offer assistance with the Mutual 12 Annual Luncheon, and observing the meeting.

OLD BUSINESS:

Director Welch reported that the Paint Committee decision was to keep the existing 4 color schemes for the buildings and the 1 carport color scheme. Further he reported that Hutton Painting cannot start the Mutual 12 job until August 24, 2015 which will require a change order. In the meantime, the Mutual will continue to work with shareholders and building captains to prepare for the painting project, including bids for installation of gutters and downspouts. Hearing no objection, the change order is approved.

President Findlay stated the Physical Property Committee decided to do a temporary asphalt patch at Carport 140 pending a report from the Physical Property Inspector, Jayson Salazar, on the most critical areas that need repair or replacement. Service Maintenance will be performing the patch, however if the cost exceeds \$1000, it will be submitted to the Board for approval.

NEW BUSINESS:

CFO Ferraro reported that CDARS in the amount of \$609,393 held at First Foundation Bank had matured and, based upon analysis of cash requirements and reserve allocations, she was recommending \$475,000 be reinvested and the remainder of \$132,000 be transferred the Mutual Twelve US Bank Money Market Account. This will leave a small balance in the First Foundation checking account as there will be additional CDARS maturing in May.

Following a review and discussion, and upon a MOTION made by CFO Ferraro and second by Vice President Evans, it was:

RESOLVED: To authorize President Findlay and CFO Ferraro to open new CDAR accounts with First Foundation Bank using

existing funds in the First Foundation Bank Business checking account in the amount of \$475,000 as follows: One two-year CDAR for \$175,000 at .70% interest rate, One 1-year CDAR for \$150,000 at .50% interest rate, One 1-year CDAR for \$100,000 at .50% interest rate, and one 6-month CDAR for \$50,000 at .20%.

A roll call vote was taken:	President Findlay	Yes
	Vice President Evans	Yes
	Secretary/CFO Ferraro	Yes
	Director Welch	Yes
	Direct Fluharty	Yes
	Director Gillon	Yes

The MOTION passed.

Upon a MOTION made by CFO Ferraro and second by Vice President Evans, it was:

RESOLVED: To request GRF Accounting Department to transfer \$132,000 from the Seal Beach Mutual No. Twelve First Foundation Bank Essential Business Checking account to the Seal Beach Mutual No. Twelve US Bank Money Market Account.

A roll call vote was taken:	President Findlay	Yes
	Vice President Evans	Yes
	Secretary/CFO Ferraro	Yes
	Director Welch	Yes
	Direct Fluharty	Yes
	Director Gillon	Yes

The MOTION passed.

CFO Ferraro reported that bonds held by BNY Mellon Bank had matured and the funds were in the BNY Mellon Bank checking account. In keeping with earlier Board resolutions, she recommended to transfer \$100,000 to the Mutual 12 US Bank checking account in order to purchase a CDAR investment.

Upon a MOTION made by CFO Ferraro and second by Vice President Evans, it was:

RESOLVED: To request GRF Accounting to transfer \$100,000 from Seal Beach Mutual No. Twelve BNY Mellon Money Market Account to Seal Beach Mutual No. Twelve US Bank checking account. Upon receipt of the transferred fund from BNY Mellon, the Board authorizes the President and CFO to purchase from the US Bank checking account, one \$100,000 CDAR from First Foundation Bank for a term of 2-years at the prevailing rate of .70%.

A roll call vote was taken:	President Findlay	Yes
	Vice President Evans	Yes

Secretary/CFO Ferraro	Yes
Director Welch	Yes
Direct Fluharty	Yes
Director Gillon	Yes

The MOTION passed.

In follow-up to the presentation by Mr. Komen, representing Class One Arboriculture Trees as the April 9 regular meeting, President Findlay displayed a sample report prepared by Class One Arboriculture Trees.

Following a discussion upon a MOTION made by Director Welch, and second by Vice President Evans, it was:

RESOLVED: To request a formal bid for Inventory and Assessment of Mutual 12 trees from Class One Arboriculture.

The MOTION passed.

President Findlay reported on an incident of power outage in Mutual Twelve that required that Mutual to borrow a generator from another Mutual, and she asked that the Board consider purchase of a generator to be available for Mutual Twelve use. Director Welch volunteered to research the topic and report his findings at a subsequent meeting.

There being no further business to conduct, President Findlay adjourned the meeting at 2:49 p.m. and announced the Board would be going into an Executive Session to discuss member and contract issues.



Attest:

Susan Ferraro, Secretary
SEAL BEACH MUTUAL NO. TWELVE

/sf