

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
May 11, 2017**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Gillon at 9:03 a.m. on Thursday, May 11, 2017, followed by the *Pledge of Allegiance*, in the Administration Building, Conference Room A.

ROLL CALL

Present: President Gillon, Vice President Carson, Secretary Sprague, CFO Ferraro, and Directors Anderson and Findlay

GRF Representative: Absent

Guests: Two shareholders of Mutual Twelve

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

President Gillon welcomed guests and staff to the meeting.

SHAREHOLDER'S COMMENTS

One shareholder commented she came today to see what is going on in the Mutual and the issues. One shareholder wanted to acknowledge the help they had received from a Director.

Per the Mutuals' Bylaws, Article IV, Section 7, Peter Segó, Unit 74-E, stated he intended to vote his ballot cumulatively for the election of Directors for the 2017-2018 term of office.

GRF REPRESENTATIVE

In Mrs. Damoci's absence, President Gillon presented her report (attached).

MINUTES

President Gillon asked for any corrections to the Regular Meeting minutes of April 13, 2017; and the Special Meeting minutes for April 3, 2017; April 10, 2017, April 17, 2017, April 24, 2017, and May 1, 2017. There being no corrections, and upon a MOTION duly made by President Gillon and seconded by Vice President Carson, it was

RESOLVED, To approve the Regular Meeting minutes of April 13, 2017; and the Special Meeting minutes of April 3, 2017; April 10, 2017, April 17, 2017, April 24, 2017, and May 1, 2017; by Calendar Consent.

The MOTION passed.

MINUTES (continued)

NOTE: The Special Meeting minutes of March 6, 2017, which were approved by the Board of Directors, were inadvertently left out of the attachments of the Regular Board Meeting minutes of April 13, 2017 (see copy attached).

BUILDING INSPECTOR'S REPORT

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

RESOLVED, To approve the non-contract work order from Pinnacle Landscape for irrigation sprinkler improvement at Building 34, Unit L, for a total cost of \$526 to be charged to Landscape Extras, and authorize the President to sign the work order.

The MOTION passed.

President Gillon stated that the Mutual is staying with the posted schedule for re-piping by John Nelson Plumbing.

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

RESOLVED, To approve the permit application to install a flagpole at Unit 47-D, and authorize the President to sign the permit.

The MOTION passed.

Inspector Salazar presented his summary report (attached).

Following a discussion, and upon a MOTION duly made by President Gillon and seconded by Vice President Carson, it was

RESOLVED, To approve a three-year contract (2017-2019) with Fenn Pest & Termite Control for an annual termite inspection and report, along with localized treatment of all accessible areas, and approve the as needed cost, when authorized by the Mutual, as called out in Exhibit B of the April 25, 2017, memo from Mark Weaver, GRF Facilities Director.

The MOTION passed.

Inspector Salazar left the meeting at 10:01 a.m.

CORRESPONDENCE

President Gillon read a letter from a shareholder requesting a bottlebrush tree be removed near Building 59. Also, a letter was received from a shareholder regarding reimbursement for a hotel stay while Building 68 sewer was being relined.

ANNOUNCEMENTS

The Leisure World CDBG Bathroom Accessibility Grant has funding of \$180,000 available to modify bathrooms with a shower cut-down and high toilet. The company administering the grant is CivicStone, Inc., 4195 Chino Hills Parkway #267, Chino Hills, CA, 91709. Flyers will be attached to the minutes with more information or you can call CivicStone, Inc., at 909-364-9000 to have an application sent to you.

The Pinnacle gardeners cannot do any private gardening jobs while they are working in the Mutual on Monday to Friday. They cannot do private gardening work during their lunch hour or on their breaks. Please contact Pinnacle to make an advance appointment for private gardening work by calling Oscar Gutierrez at 951-743-5866. The Mutual Twelve gardening crew cannot accept gratuities, private payments, or tips while they are doing Mutual Twelve work Monday to Friday.

ANNUAL SHAREHOLDERS MEETING

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

RESOLVED, To cancel the June 8, 2017, Regular Monthly Board Meeting due to the Annual Shareholders' Meeting on the same day.

The MOTION passed.

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins passed out an informational sheet describing the duties of the Stock Transfer Office, and reminded the Board about the Life Options Expo being held on Saturday, July 8, 2017 (attached).

PRESIDENTS REPORT

President Gillon submitted her report (attached).

UNFINISHED BUSINESS

President Gillon recused herself on the next agenda item, "12.1 Temporary relocation during repair and maintenance," and left the meeting at 10:07 a.m.

UNFINISHED BUSINESS (continued)

Vice President Carson took over the meeting as acting Chair.

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

WHEREAS, CA Civil Code §4775 (b) states the following:
“The costs of temporary relocation during the repair and maintenance of the areas within the responsibility of the association shall be borne by the owner of the separate interest affected.” and

WHEREAS, Mutual Twelve legal counsel has advised the Seal Beach Mutual No. Twelve Board of Directors that “shall” in this context is not permissive.

BE IT RESOLVED, that Seal Beach Mutual No. Twelve shall not assume responsibility for housing shareholders relocated during repair and maintenance of the common area.

Following a roll call vote, the MOTION passed with five “yes” votes (Anderson, Sprague, Ferraro, Findlay, and Carson). Absent – Gillon.

President Gillon returned to the meeting at 10:19 a.m.

Following a discussion, and upon a MOTION duly made by President Gillon and seconded by Vice President Carson, it was

RESOLVED, That the Board prepare their own draft of Policy 7549 – Lockout Procedure, and when the draft is completed the policy will be sent to the Mutual attorney for review.

After further discussion, and upon a MOTION duly made by CFO Ferraro and seconded by Vice President Carson, it was

RESOLVED, That the Board is not prepared to approve Policy 7549 – Lockout Procedure at this time and will discuss this with the Mutual attorney on a telephone conference call.

The MOTION passed.

UNFINISHED BUSINESS (continued)

Following a discussion, and upon a MOTON duly made by Vice President Carson and seconded by Director Findlay, it was

UNFINISHED BUSINESS (continued)

RESOLVED, To inform the Stock Transfer Office, from Mutual Twelve, to stop asking for a doctor's note from future new buyers.

The MOTION passed.

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

WHEREAS, a review of all the Mutual Operations Accounting and Fiscal Policies was recently completed by the CFO Council, it is

RESOLVED, To accept the recommendation of the CFO Council members to rescind, due to obsolescence or irrelevancy, the following listed Accounting and Fiscal policies: 7301 – Audit Expense, 7302 – Capital Accounts, 7304 – Financing Capital Projects, 7310 – Mutual Budgets, 7320 – Patronage Refunds, 7331 – Impounds, and 7331.2 – Impound Account Agreement on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

President Gillon called a short break at 10:35 a.m. to 10:45 a.m.

Recording Secretary Day left on break at 10:35 a.m. to 10:50 a.m.

NEW BUSINESS

CFO Ferraro presented her Luncheon Committee report (attached).

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

RESOLVED, To accept Invoice No. 22257-6 from Association Reserves in the amount of \$1,420 for the onsite reserve study to take place this year in 2017, for the reserve study applicable to budget year 2018.

The MOTION passed.

NEW BUSINESS (continued)

CFO Ferraro reported that Shawn Anderson has made an appointment to meet at her unit on Tuesday, May 16, 2017, at 2:00 p.m. to do a preliminary on-site study, and that Director Anderson will also take part in the meeting.

CFO Ferraro stated that in the past she has handled the investments and wishes to continue with the future investments over the next six months. It was the consensus of the Board that CFO Ferraro continues as before.

Following a discussion, and upon a MOTION duly made by President Gillon and seconded by Vice President Carson, it was

RESOLVED, To hire Service Maintenance to replace electrical sockets in the laundry rooms with GFI plugs as needed to respond to the findings of the annual D&L audit. If the laundry room dryers need GFI plugs Mutual Twelve will require written assurance that the GFI plugs are compatible with the demand controllers. The cost is to be charged to the Standard Service account.

The MOTION passed.

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

RESOLVED, That in the event of failure of the lighting ballast to the original bedroom/den soffit and kitchen light fixtures, a standard LED light fixture (supplied by the Purchasing Department) shall be installed, including cool white daylight LED bulbs at the Mutual's cost.

The MOTION passed.

The Board members discussed amending Policy 7502.12 – Carport Regulations and Common Area Traffic Policy (attached). Upon a MOTION duly made by Director Findlay and seconded by President Gillon, it was

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

The MOTION passed.

The Board members discussed adopting Policy 7435.12 – Lower Carport Cabinets (attached). Upon a MOTION duly made by President Gillon and seconded by Vice President Carson, it was

NEW BUSINESS (continued)

RESOLVED, To adopt Policy 7435.12 – Lower Carport Cabinets on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

The Board members discussed amending Policy 7425.12 – Landscape (attached). Upon a MOTION duly made by President Gillon and seconded by Director Findlay, it was

RESOLVED, To amend Policy 7425.12 – Landscape on a preliminary basis until the 30-day posting period is completed.

The MOTION passed with one “no” vote (Anderson).

CHIEF FINANCIAL OFFICER’S REPORT

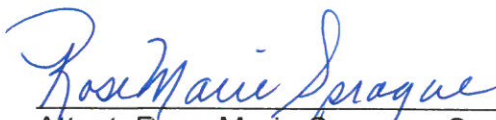
Ms. Ferraro presented her luncheon and financial reports (attached).

DIRECTOR’S REMARKS

Several Directors made remarks.

ADJOURNMENT

President Gillon adjourned the meeting at 12:03 p.m. and announced that following there would be an Executive Session to discuss member issues.



Attest, Rose Marie Sprague, Secretary
SEAL BEACH MUTUAL TWELVE
cd:5/16/17
Attachments

**NEXT MEETING: ANNUAL SHAREHOLDERS MEETING
June 8, 2017, at 10:00 a.m. in Clubhouse 4**

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 MAY 11, 2017**

05/11/17 RESOLVED, To approve the non-contract work order from Pinnacle Landscape for irrigation sprinkler improvement at Building 34, Unit L, for a total cost of \$526 to be charged to Landscape Extras, and authorize the President to sign the work order.

RESOLVED, To approve the permit application to install a flagpole at Unit 47-D, and authorize the President to sign the permit.

RESOLVED, To approve a three-year contract (2017-2019) with Fenn Pest & Termite Control for an annual termite inspection and report, along with localized treatment of all accessible areas, and approve the as needed cost, when authorized by the Mutual, as called out in Exhibit B of the April 25, 2017, memo from Mark Weaver, GRF Facilities Director.

RESOLVED, To cancel the June 8, 2017, Regular Monthly Board Meeting due to the Annual Shareholders' Meeting on the same day.

WHEREAS, CA Civil Code §4775 (b) states the following: "The costs of temporary relocation during the repair and maintenance of the areas within the responsibility of the association shall be borne by the owner of the separate interest affected." and

WHEREAS, Mutual Twelve legal counsel has advised the Seal Beach Mutual No. Twelve Board of Directors that "shall" in this context is not permissive.

BE IT RESOLVED, that Seal Beach Mutual No. Twelve shall not assume responsibility for housing shareholders relocated during repair and maintenance of the common area.

RESOLVED, That the Board is not prepared to approve Policy 7549 – Lockout Procedure at this time and will discuss this with the Mutual attorney on a telephone conference call.

RESOLVED, To inform the Stock Transfer Office, from Mutual Twelve, to stop asking for a doctor's note from future new buyers.

WHEREAS, a review of all the Mutual Operations Accounting and Fiscal Policies was recently completed by the CFO Council, it is

RESOLVED, To accept the recommendation of the CFO Council members to rescind, due to obsolescence or irrelevancy, the following listed Accounting and Fiscal policies: 7301 – Audit Expense, 7302 – Capital Accounts, 7304 – Financing Capital Projects, 7310 – Mutual Budgets, 7320 – Patronage Refunds, 7331 – Impounds, and 7331.2 – Impound Account Agreement on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To accept Invoice No. 22257-6 from Association Reserves in the amount of \$1,420 for the onsite reserve study to take place this year in 2017, for the reserve study applicable to budget year 2018.

RESOLVED, To hire Service Maintenance to replace electrical sockets in the laundry rooms with GFI plugs as needed to respond to the findings of the annual D&L audit. If the laundry room dryers need GFI plugs Mutual Twelve will require written assurance that the GFI plugs are compatible with the demand controllers. The cost is to be charged to the Standard Service account.

RESOLVED, That in the event of failure of the lighting ballast to the original bedroom/den soffit and kitchen light fixtures, a standard LED light fixture (supplied by the Purchasing Department) shall be installed, including cool white daylight LED bulbs at the Mutual's cost.

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

RESOLVED, To adopt Policy 7435.12 – Lower Carport Cabinets on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To amend Policy 7425.12 – Landscape on a preliminary basis until the 30-day posting period is completed.

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
April 3, 2017**

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:38 on Monday, April 3, 2017 in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, Vice President Carson, CFO Ferraro, Secretary Sprague, Directors Findlay, Anderson 1:53

Also present: Inspector Salazar 1:42

The purpose of the meeting is to discuss Shareholder and Contractor issues.

Discussion on 73F. Physical Property is waiting for the Contractor to be approved.

Discussion on 45F.

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

RESOLVED, to approve the permit for 45F for carport storage cabinet and authorize the President to sign the permit.

The Motion passed.

Discussion on 72G.

Following a discussion and on **MOTION** made by Director Findlay, and second by President Gillon, it was:

RESOLVED, that Mutual Twelve will no longer allow contractors to tie into the 4 inch main line.

The Motion passed.

Discussion on 36C. Inspector Salazar to do a SRO to repair the porch light at 36C and bill to the Shareholder.

David Rudge joined the meeting at 2:24

Discussion on water heater replacement during the re-pipe project.

David Rudge left the meeting at 2:39

Inspector Salazar to do a SRO to Purchasing for water heaters for re-piped buildings for as many as they can store for the Mutual.

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

April 3, 2017

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

RESOLVED, that Mutual 12 replace water heaters that are dated 2007 or before during the re-pipe project.

The Motion passed.

Discussion on 68E.

Following a discussion on 68E, and on **MOTION** made by Director Findlay, and second by CFO Ferraro, it was:

RESOLVED, to accept the proposal by SOS Services #730066 for \$5978.00 to repair the 2 inch drain line in unit 68E, and authorize the President to sign the proposal.

The Motion passed.

RECESS:

Recess to Executive Session at 2:56

RESUMED:

Meeting resumed a 4:02

Inspector Salazar rejoined the meeting at 4:04

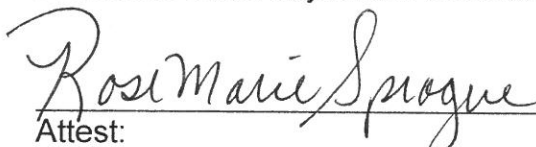
Discussion on an Change Order Invoice from SOS. Inspector Salazar to inspect building 68 to see if the project is complete. The Mutual will pay the Change Order Invoice after the inspection.

Discussion on 72B. Inspector Salazar, President Gillon, and Vice President Carson to re-inspect 72B.

Discussion on 68F. Inspector Salazar to obtain pricing for standard replacement flooring and pricing to match the flooring like to like including a water barrier under the flooring for unit 68F.

ADJOURNMENT:

President Gillon adjourned the meeting at 4:28



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
APRIL 10, 2017**

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:40 on Monday, April 10, 2017 in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, Vice President Carson, CFO Ferraro, Secretary Sprague, Directors Findlay and Anderson.
Also present: One Shareholder, Inspector Salazar.

The purpose of the meeting is to discuss Shareholder and Contractor issues.

Discussion on 57A between the 57A and Inspector Salazar. Inspector Salazar promised to contact Kress Construction as soon as he left the meeting regarding the repair on unit 57A. Inspector Salazar told the Shareholder he would phone the Shareholder before he went home on 4/10/2017 with an update on the unit repairs.

Discussion on 68F. The Board is waiting on additional quotes on flooring.

Discussion on 11F.

Following a discussion on 11F and on **MOTION** made by President Gillon, and second by Vice President Carson, it was:

RESOLVED, to approve the permit for 11F for shower cut down and authorize the President to sign the permit.

The Motion passed.

Discussion on 34A.

Following a discussion on 34A and on **MOTION** made by Director Findlay, and second by Secretary Sprague, it was:

RESOLVED, to approve the flooring permit for 34A and authorize the President to sign the permit.

The Motion passed.

Discussion on 77E.

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
APRIL 10, 2017**

Following a discussion on 77E and on MOTION made by President Gillon, and second by Vice President Carson, it was:

RESOLVED, that President Gillon send a letter to the Shareholder at 77E and give them a 60 day deadline to restore and repair the damage to the unit.

The Motion passed.

Discussion on 77E window permit.

Following a discussion on 77E and on MOTION made by President Gillon, and second by Director Anderson, it was:

RESOLVED, to approve the permit for 77E to install new windows and authorize the President to sign the permit.

The motion passed.

Discussion on 7L.

Discussion on Cert Shed.

Following a discussion on Cert Shed and on MOTION made by President Gillon, and second by Secretary Sprague, it was:

RESOLVED, to rescind resolution "to authorize the President to purchase a storage shed for the generators not to exceed \$700.00" made on 2017-01-30.

The Motion passed.

Further, on MOTION made by President Gillon, and second by Vice President Carson, it was:

RESOLVED, to accept the proposal from Rob Ogan to run electrical conduit to the Mutual Twelve Cert Shed at Laundry Room 57 not to exceed \$2,000.

The Motion passed.

Discussion on removal of Liquidambar tree at 56G and plum tree at 56K.

Following a discussion, and on MOTION made by Director Findlay, and second by Vice President Carson, it was:

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
APRIL 10, 2017**

RESOLVED, to accept Pinnacle Sales Order dated March 28, 2017 to remove the Liquidambar tree at 56G and plum tree at 56K to be charged to Landscape Trees Expense and authorize the President to sign the Sales Order.

The Motion passed.

Discussion on SOS Invoice and Change Order for sewer repair at building 68. It was the Consensus of the Board for CFO Ferraro to pay those invoices.

Discussion on 43C.

Following a discussion on 43C, and on MOTION made by CFO Ferraro, and second by President Gillon, it was:

RESOLVED, to approve the replacement of the dead bush to match the other bush on the other side of the entryway at 43C, to be charged to Landscape Extras.

The Motion passed.

Discussion on scheduling for On-Site Reserve Study on May 18, 2017. President Gillon, CFO Ferraro and Director Anderson to join the reserve review.

Discussion on 7502.12.1 Adoption of GRF Policy 1927-37 Fines for Parked Vehicles.

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

RESOLVED, to send the letter written by the Board and the attachment with the traffic parking fines for Policy 7502.12.1 Adoption of GRF Policy 1927-37 Fines for Parked Vehicles by first class mail to all Shareholders in Mutual 12.

The Motion passed.

Discussion on Laundry Room dryers. The Board is going to post signs in the Laundry Rooms above the dryers regarding Demand Controllers.

Discussion on Mutual 12 and GRF overnight parking passes. Director Findlay to review the Mutual modified form with Courtney from Stock Transfer.

Mark Weaver joined the meeting at 3:24. He left the meeting at 3:38.

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
APRIL 10, 2017**

Discussion on 68F.

Following a discussion on 68F, and on MOTION made by Vice President Carson, and second by Director Anderson, it was:

RESOLVED, to restore the flooring in 68F to its original condition and original materials.

The Motion Passed.

Discussion on Unit 70A. This unit is going through a certificate change. The work orders to bring the garden to standard as listed on the P.L.I. form are to be completed by Johns Landscape and then billed to and paid by the original owner.

Discussion on Caregiver Registration Renewal. Mutual Administration to send letters to all Shareholders who did not register their caregivers.

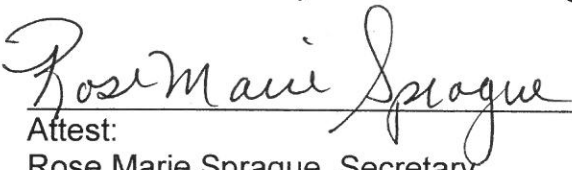
The meeting was adjourned to Executive Session at 4:06.

The Special meeting was rejoined at 4:23.

Discussion on Alpha Masters agreement. The Board reviewed the Alpha Masters settlement agreement written up by Physical Properties. The agreement states the terms correctly as settled on by the Board in the meeting held on March 6, 2017. President Gillon will sign the agreement.

ADJOURNMENT:

President Gillon adjourned the meeting at 4:23.



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
APRIL 17, 2017**

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:39 on Monday, March 17, 2017 in the Physical Property Conference Room.

ROLL CALL:

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

Absent were: Vice President Carson

Also present: Inspector Salazar

The purpose of the meeting is to discuss Shareholder and Contractor issues.

Discussion on Change Order for 35B from John Nelson Plumbing.

David Rudge joined the meeting at 1:43. David left the meeting at 1:52.

Following a discussion about 35-B on **MOTION** made by President Gillon, and second by Secretary Sprague, it was:

RESOLVED, to accept the Change Order #1 from John Nelson Plumbing Co. for \$750.00 for 35-B to be charged to the Infrastructure Reserve Fund and authorize the President to sign the Change Order.

The Motion passed.

Discussion on Change Order for 35-K.

Following a discussion on 35-K, and on **MOTION** made by President Gillon, and second by Director Findlay, it was:

RESOLVED, to approve the Change Order #1 for from Granite Transformations for 35-K in the amount of \$1700.00 and authorize the President to sign the Change Order.

The Motion passed.

Discussion on 77-E.

Following a discussion on 77-E and on **MOTION** made by President Gillon and second by Director Findlay, it was:

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
APRIL 17, 2017**

RESOLVED, to accept the permit for 77-E by M & M Construction & Skylights for skylight install and Change Order #1 in the amount of \$500.00 for drywall install and authorize the President to sign the permit and change order.

The Motion passed.

Discussion on 77-E.

Following a discussion on 77-E and on **MOTION** made by President Gillon, and second by Director Findlay, it was:

RESOLVED, to accept the permit from Kary's Carpets for 77-E for linoleum flooring, base boards, and patio tile, to be installed after the drywall has been repaired and authorize the President to sign the permit.

The Motion passed.

Discussion on 07-L.

Following a discussion on 07-L and on **MOTION** made by President Gillon, and second by Director Anderson, it was:

RESOLVED, to accept the permit for the remodel at unit 07-L from Konrad Konstruction, Inc. and authorize the President to sign the permit.

The Motion passed.

Vice President Carson joined the meeting at 2:41.

Discussion on 73-F. The Board reviewed the blueprints for 73-F. The blueprints need to be modified so that the bay window needs to come back to the post location one foot from the unit corner, the concrete landing pad outside the sliding doors need to be reduced in width, more information is needed about the accessibility of the water heater, and placement of the heat pump. Inspector Salazar to bring the permit back to the Board next week.

Discussion on 67-D.

Following a discussion on 67-D, and on **MOTION** made by CFO Ferraro and second by Director Anderson, it was:

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
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APRIL 17, 2017**

RESOLVED, to approve the permit from Bixby Plaza Carpeting & Flooring for carpeting at unit 67-D and authorize the President to sign the permit.

The Motion passed.

Discussion on 70-I.

Following a discussion on 70-I, and on **MOTION** made by President Gillon, and second by Director Findlay, it was:

RESOLVED, to not approve the permit for 70-I until the Shareholder has provided certification from a third party contractor approved to work in Leisure World, that the unpermitted work meets code compliance.

The Motion passed. No Carson

The meeting went into Executive Session at 3:15

The Special Meeting was rejoined at 3:25

President Gillon will write a letter to the Shareholder at 70-I within 10 days that the permit was not approved.

Discussion on 73-G.

Following a discussion on 73-G, and on **MOTION** made by Director Findlay and second by Vice President Carson, it was:

RESOLVED, to approve the permit from Bergkvist Construction, for the opening in the existing wall in the livingroom at 73-G and authorize the President to sign the permit.

The Motion passed.

Discussion on 37-G. Prelisting issues need to be completed by the Shareholder prior to the sale of the unit.

Discussion on 72-B.

Following a discussion on 72-B and on **MOTION** made by President Gillon, and second by Vice President Carson, it was:

RESOLVED, to have the shower refinished at 72-B at Mutual expense.

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
APRIL 17, 2017**

The Motion passed.

Following a discussion and on **MOTION** made by President Gillon and second by Vice President Carson, it was:

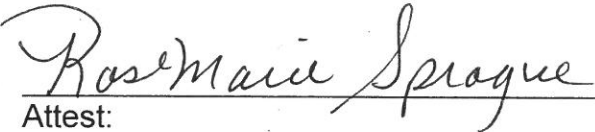
RESOLVED, to ratify the rescission of policy 7512 GUARANTOR AGREEMENT FORM.

The Motion passed.

Inspector Salazar left the meeting at 4:18

ADJOURNMENT:

President Gillon adjourned the meeting at 4:27



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
APRIL 24, 2017**

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:34 on Monday, April 24, 2017 in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, Vice President Carson, CFO Ferraro, Secretary Sprague, Directors Findlay 1:40, Director Anderson.

Also present: Inspector Salazar, David Rudge 1:36, Mr. John Nelson, One Shareholder.

The purpose of the meeting is to discuss Shareholder and Contractor issues.

Discussion on re-pipe project of the buildings. Mr. John Nelson, of John Nelson Plumbing discussed the work being done in the mutual for the re-piping project.

Following a discussion and on **MOTION** made by President Gillon, and second by Secretary Sprague, it was:

RESOLVED, to permit Mr. John Nelson to have John Nelson Plumbing install Moen Mixers during the re-piping of the buildings.

The Motion passed.

Discussion on the feasibility of accelerating the re-piping of the buildings. CFO Ferraro discussed her analysis study of the mutual ability to accelerate the re-piping of the buildings. David Rudge can schedule six buildings per month.

Following a discussion and on **MOTION** made by President Gillon, and second by Director Anderson, it was:

RESOLVED, to accelerate the schedule for the re-piping up to eight (8) buildings per month.

The Motion passed.

David Rudge will interface with ERC to accelerate the re-piping of the buildings.

David Rudge to check into the cost of using ground penetration radar for evaluating the sewer pipes.

Mr. John Nelson left the meeting at 2:21.

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
APRIL 24, 2017**

Discussion on roofing bids. The Board asked David Rudge to begin the process of getting quotes on re-roofing of the mutual buildings. He will also get quotes on adding extra insulation, installing of additional fire walls in the attics, and present a list of prices for replacements of skylight domes.

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

RESOLVED, to have David Rudge put together a request for proposal to do eight (8) roofs for 2018.

The Motion passed.

David Rudge left the meeting at 2:36.

Discussion on 35-K. The permit for 35-K is being held further information on placement of the pantry and closet.

Discussion on 07-L Inspector Salazar to follow up on placement of things not visible on the diagram.

Discussion on 70-I. Inspector Salazar spoke with the shareholder and contractor to provide documentation on installation of shower.

Discussion on 78. In one unit where the shareholder was absent, the locks were changed to allow access for John Nelson Plumbing. President Gillon authorized the locks to be changed.

Discussion on units who do not have keys in the lockbox.

Following a discussion and on **MOTION** made by President Gillon, and second by Vice President Carson, it was:

RESOLVED, when Inspector Salazar finds a unit that does not have keys in the lockbox the President will notify the Parcel Director and if the Parcel Director cannot get a key placed in the lockbox the President will send out a letter.

The Motion passed.

Discussion on 07-F. Inspector Salazar is waiting for a formal proposal from Kress to install a weep screed.

Discussion on 64-I and 64-J. Both roofs need a leak evaluation by Roofing Standards.

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
APRIL 24, 2017**

Discussion on 67-D. It was the Consensus of the board that the issue at unit 67-D is the skylight. President Gillon to write a letter to the shareholder explaining what the technical reason Roofing Standards found about the skylight leak.

Discussion on 72-B. SRO submitted for the last of the escrow work. Inspector Salazar will provide President Gillon a date for Nu-Kote to pass it on to the Shareholder.

Inspector Salazar to look for an alternate company to do the termite repairs in the carports.

Discussion on 68-F. The Board is still in the process of getting repair bids for the final repair of the flooring.

Discussion on 72-K. Vice President Carson to contact the shareholder's son to inform him on how to register as a caregiver.

Inspector Salazar left the meeting at 3:29.

A break was taken at 3:29

The meeting was rejoined at 3:37

Discussion on fire inspection forms. Mutual 12 will review the forms to be used for fire inspections.

Discussion on 64-F. The Board Authorized Pinnacle to repair or replace the sprinkler head at 64-F.

Following a discussion, it was the Consensus of the Board to trim all the Hawthorne at all mutual flowerbeds. Director Findlay to supervise the trimming.

Following a discussion, and on **MOTION** made by Secretary Sprague, and second by President Gillon, it was:

RESOLVED, the shareholder at 39-E Cohen, carport 145-014 gives permission to 37-C, Hinkson to use his carport space and storage.

The Motion passed.

Following a discussion, and on **MOTION** made by Secretary Sprague, and second by President Gillon, it was:

RESOLVED, the shareholder at 37-C, Hinkson, carport 145-029 gives permission to 39-E, Cohen, to use her carport space and storage.

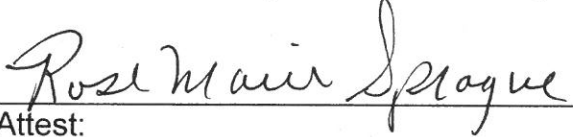
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
APRIL 24, 2017

The Motion passed.

The meeting was adjourned to Executive Session.

ADJOURNMENT:

President Gillon adjourned the meeting at 4:12.



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
MAY 1, 2017**

DRAFT

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:37 on Monday, May 1, 2017 in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, Vice President Carson, CFO Ferraro, Secretary Sprague, Directors Findlay and Anderson
Also present: Inspector Salazar, Charlie Kress (2:00-2:20)

The purpose of the meeting is to discuss Shareholder and Contractor issues.

Discussion on 45-F.

Following a discussion on 45-F, and on **MOTION** made by CFO Ferraro, and second by President Gillon, it was:

RESOLVED, To approve the building permit at 45-F for removal of asbestos ceiling and authorize the President to sign the permit.

The Motion passed.

Discussion on 07-F. Mr. Charlie Kress joined the meeting at 2:00 and presented a demonstration on how the weep screed works. He will provide a quote to the Board for unit 07-F. Mr. Kress left the meeting at 2:20.

Discussion on 68-E. Inspector Salazar is still in the process of getting more quotes to repair the 2 inch drain line for unit 68-E lavatory sink. The drain line is broken at a fitting located underneath the tile in the bathroom. To repair the drain line the contractor must break through the tile floor and excavate to the broken section of the sewer to repair the lateral line. The leak was reported by SOS on 2017/03/31.

Inspector Salazar left the meeting at 2:38.

Discussion on the upcoming fire inspections. The Board is going to use the GRF standard form with an additional check list of items the Board wishes to survey such as non-compliant fixtures.

Discussion on 34-L. President Gillon to contact John's Landscape Co. to make an appointment with Israel from Pinnacle to test the sprinklers at 34-L.

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
MAY 1, 2017**

DRAFT

Discussion on building 57.

Following a discussion on building 57, and on **MOTION** made by Director Findlay, and second by President Gillon, it was:

RESOLVED, To accept the work order dated April 24, 2017 from Pinnacle Landscape Co. to replace plastic irrigation valves with brass valves and add extra valve boxes for \$2,110.00 at building 57, to be paid from Landscape Extras and authorize the President to sign the work order.

The Motion passed.

Discussion on building 78.

Following a discussion on building 78, and on **MOTION** made by President Gillon and second by Vice President Carson, it was:

RESOLVED, To approve the work order for an emergency repair already completed at building 78 for \$285.00 to be paid from Landscape Extras and authorize the President to sign the work order.

The Motion passed.

A break was taken at 3:28. The meeting rejoined at 3:32.

Discussion on posting of Special Meeting Minutes. After the Recording Secretary submits the minutes to Mutual Administration, a copy of the minutes will be posted to laundry room 57 on the Special Notice Bulletin Board.

Discussion on the smoke detector project.

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

RESOLVED, To charge the expense for the installation of the smoke detectors in the bedrooms be charged to the Emergency Contingency Reserve account.

The Motion passed.

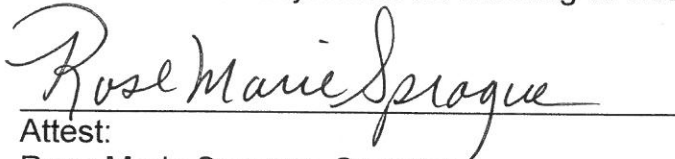
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
MAY 1, 2017

DRAFT

The meeting adjourned to the Executive Session at 4:02

ADJOURNMENT:

President Gillon adjourned the meeting at 4:02

A handwritten signature in cursive script that reads "Rose Marie Sprague". The signature is written in black ink and is positioned above a horizontal line.

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
MARCH 6, 2017**

CALL TO ORDER:

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Gillon at 1:38 on Monday, March 6, 2017 in the Physical Property Conference Room.

ROLL CALL:

Those members present were: President Gillon, Vice President Carson, CFO Ferraro, Secretary Sprague, Director Anderson

Absent was: Director Findlay

Also present: Inspector Salazar

The purpose of the meeting is to discuss Shareholder and Contractor issues.

Discussion on 8B. Inspector Salazar to meet with the Contractor and Shareholder for a new proposal for windows that open on the patio.

Discussion on 69D. The permit was tabled until John's submits a new sketch for the car pad placement. The present sketch is not in the correct space according to the Mutual Policy.

Discussion on 76E. The contractor still has not turned in the permit that was promised several weeks ago.

Discussion on Fenn carport inspection. Inspector Salazar will find out the cost of repairs for termite damage in the carports.

Discussion on 46H. Inspector Salazar to follow up on escrow repairs that haven't been done yet.

Discussion on 67D. Inspector Salazar waiting to get information from Roofing Standards.

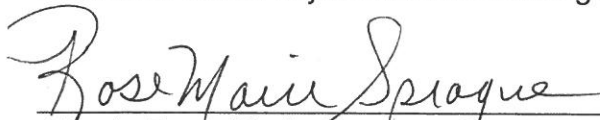
Discussion on 76D. Inspector Salazar waiting to get information from Service Maintenance.

Inspector Salazar left the meeting at 2:31.

The meeting was adjourned to Executive Session.

ADJOURNMENT:

President Gillon adjourned the meeting at 2:32



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

Carole Damoci
Mutual 12 GRF Representative

May 10th, 2017

It's long been a requirement in LW for vehicles owned by Shareholders to have GRF decals on them and for all cars to have valid registrations and insurance. Tickets with monetary fines attached are being issued to all vehicles parked on Trust property that are not identified. 2 Mutuals have already signed on to the Golden Rain parking policy and soon no Shareholder's car will be allowed to park anywhere in LW without a current decal, valid registration and insurance.

The Recreation committee on Wednesday approved the plans for the multipurpose courts behind clubhouse 2. It will now go the Physical Property Committee to go out for bids. It will have a basketball hoop, bocce ball court, badminton, pickle ball courts, golf cage, picnic area and barbecues.

The replacement of the ID Cards has been put off till the second week in July.

As always, if you have any questions concerning the Golden Rain Foundation, please feel free to contact me. I would love to hear from you and answer any of your questions I can. If I don't have your answers I will get them.

Respectfully submitted,
Carole S. Damoci
GRF President
562-405-4965
president@lwsb.com or cdamoci@lwsb.com

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: 12

INSPECTOR: Jay Salazar

MUTUAL BOARD MEETING DATE: May 11, 2017

Print Date: 5/11/2017

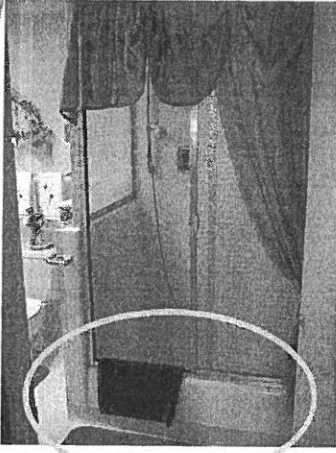
CONTRACTS	
CONTRACTOR	PROJECT
SOS	Sewer Line Repair and Re-lining Project
Andre Landscape	Tree Care & Maintenance
John Nelson Plumbing	Copper Re-pipe Project
ERC	Abatement per Copper Re-pipe
Fenn Termite + Pest Control	Board Approved
OC Plumbing	Pending Board Review and Approval
Ogan Construction	Electrical Supply at CERT Shed LR 57
MUTUAL & SHAREHOLDER SITE VISITS (Including Roof Leaks: Pinks)	
UNIT	PURPOSE
39L/A	Plumbing Inspection



Leisure World CDBG Bathroom Accessibility Grant

Do you have trouble stepping into or out of your shower? If so, the City of Seal Beach has a Bathroom Accessibility Program to help.

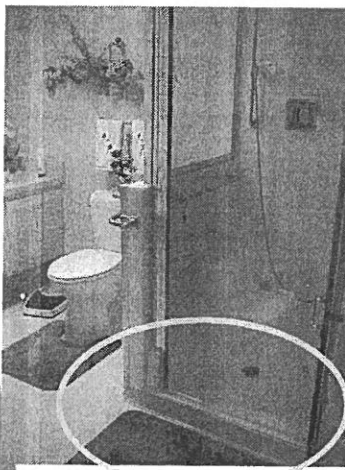
Before Cut Down



If you qualify for the program, the City will convert your bathtub into a shower and can provide a high-boy toilet... **completely free!** This is made possible by a generous grant from HUD, the County of Orange, and the City of Seal Beach. However, funds are limited.

***Accepting applications
now***

After Cut Down



Please contact CivicStone (Seal Beach's Program Management Company) to request your application and submit your completed application right away!

Phase 1 Application Deadline = July 31st

Phase 2 Application Deadline = October 9th

Phase 3 Application Deadline = Open

**Contact: CivicStone, Inc. at
(909)-364-9000**



City of Seal Beach
CDBG Bathroom Accessibility Program
Leisure World Seal Beach

Frequently Asked Questions (FAQ):

Where is the Money coming from? The County of Orange Housing & Community Development Department allocates federal grants from HUD every year. This year the City of Seal Beach applied to the County of Orange for a grant in Leisure World and received \$180,000.

What improvements will be made? The grant improvements provide for a shower modification and/or High-Boy toilet installation. The tub will be cut to a 4 inch lip that will allow the resident to “walk-in” without stepping over a high tub wall. (Metal and Porcelain tubs DO NOT qualify for the cut-down modifications.) “High-Boy” toilets may also be installed.

Do I have to pay the money back? No. If you qualify, the improvements are made free of charge...no strings attached.

Who do I contact? CivicStone, Inc. at: (909) 364-9000

Who is CivicStone? CivicStone is a Consulting company hired by the City of Seal Beach to administer the City's Bathroom Accessibility Program. CivicStone has administered this program for over 10 years.

Who will do the work? The City will select approved contractors to perform the cut-down to the shower, install the new glass door enclosure, as well as install a “High-Boy” toilet, if needed.

What are the requirements?

#1 Funding for the City of Seal Beach's Bathroom Accessibility Program requires that all applicants are over 55 years of age and have a gross household income less than or equal to the HUD 80% median income for Orange County levels listed on page 4 of this application. **Any applicant exceeding the established income levels will NOT be eligible for the grant.**

#2 A licensed medical doctor must complete the *Doctor's Analysis Form* (included in this package) rating the physical condition of the applicant with respect to mobility problems, pain with movement, or trouble with balance. This rating allows us to help the most needy applicants first until the funds are all spent.

***All of the information submitted with the application is kept strictly confidential.**

Mutual Administration Director's Report
May 2017
Stock Transfer Office

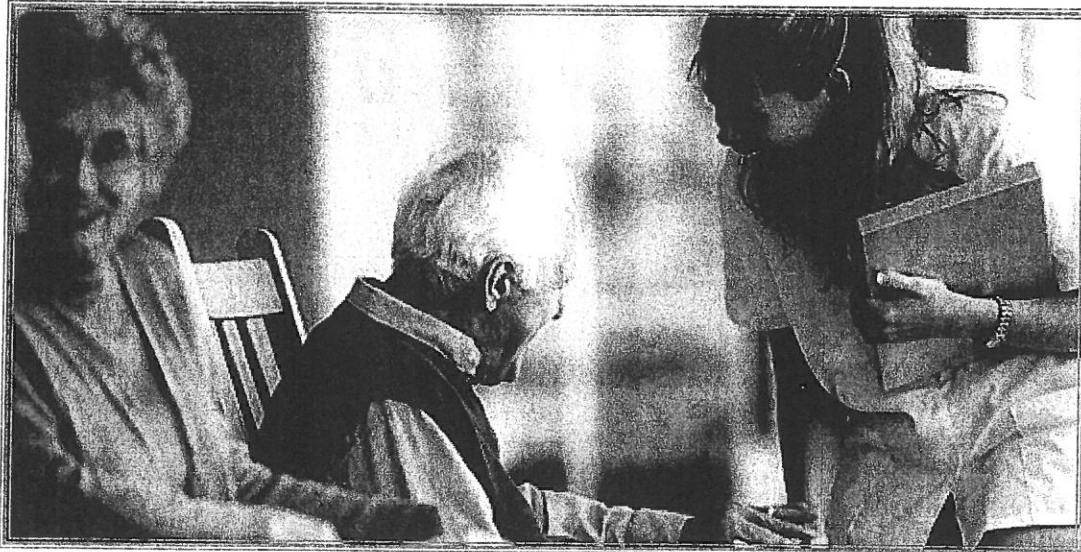
1. **Stock Transfer works with Escrow Companies to process and close escrows:**
 - a. Process escrow paperwork making sure all pertinent documentation has been submitted that is required by the Bylaws and policies.
 - b. Notify escrow of any monies owed to be paid out of proceeds of sale including monthly carrying charge arrearages, legal fees, cable charges, supplemental property taxes, and/or escaped inheritance taxes.
 - c. 524 escrows were closed in 2016 for a total of \$113,050,418 in sales.
2. **Trust approvals for sales and transfers:**
 - a. Trust materials are sent to corporate counsel for review and release. Staff members are not attorneys and are not permitted to give legal advice.
 - b. Upon letter of release from counsel, the unit may be sold or transferred.
 - c. 326 trust reviews were completed in 2016.
3. **New Buyer check-in and introduction at the close of escrow:**
 - a. I.D. picture taken
 - b. Welcome packet, keys, ID card and share certificates issued.
 - c. A Finance check-in appointment will be scheduled to review monthly assessment information and establish automatic payments if desired.
4. **In-house escrows: Membership transfers of title without a sale:**

Same process as escrow without an escrow company as there is no sales price attached to the transfer. Process takes 30-45 days for completion.
5. **Simple transfers of title:**

Transfers that do not include a membership:

 - i. Removal of a person
 - ii. Addition of a Non-Resident Co-Owner
 - iii. Replacement of lost certificates
6. **Process Co-Occupant and Renter applications (Mutual Seventeen Only):**
 - a. Co-Occupants pay the GRF membership fee and have membership privileges, but are not owners on title/stock.
 - b. Renters in Mutual No. Seventeen pay an annual pro-rated GRF membership fee.
7. **Other responsibilities:**
 - a. Sell guest passes
 - b. Sell maps
 - c. Register pets (1,097 registered animals in 2016)
 - d. Register caregivers (365 registered in 2016)
 - e. Replace I.D. cards
 - f. Distribute Bereavement books
 - g. Issuance of Realtor passes
 - h. Issuance of Service passes to legal heirs, churches, and various organizations that conduct business in Leisure World.
 - i. Assist with copy service needs in Distribution.
 - j. **Big Project:** Mutual and GRF Annual Elections (25 unique elections in 2016)
 - k. **Big Project:** Year-end mail-out (6,000+ packets mailed December 29, 2016)

Live *Your* Life On *Your* Terms



Come find opportunities to enhance your quality of life at
The Life Options Expo

Presented by
The Golden Rain Foundation, Leisure World, Seal Beach

Saturday, July 8, 2017
9:00 a.m. - 12:00 p.m.
Clubhouse 2

The community-based expo will provide residents of Leisure World, Seal Beach, with an opportunity to learn about options that are available to enhance your quality of life. Come meet and speak with participating businesses and agencies who operate Assisted Living Facilities, Board and Care Operators, Home Care Agencies, Placement Specialists, Elder Care Agencies, Long Term Planning and County Organizations.

For information about The Life Options Expo, please contact Cynthia Tostado, LCSW at 562-431-6586 x317.



"As we grow older, we must discipline ourselves to continue expanding, broadening, learning, keeping our minds active and open." — Clint Eastwood

President's Report

Margaret Gillon, May 11, 2017

As we go into May several projects are keeping the board busy. The Annual Mutual meeting is next month on June 8, 2017, at 10 AM, and so there will not be a regular monthly meeting.

SMOKE DETECTOR INSTALLATION PROJECT. The smoke detector safety project initiated early this year has been completed by Service Maintenance. Now, to the best of our knowledge, all bedrooms in the mutual have smoke detectors in them installed by the Mutual. The new detectors have 10 years batteries and should serve us well. I would like to thank Secretary Rose Marie Sprague for leading this project and coordinating all the information that had to be given to Service Maintenance to complete the project successfully.

GARDEN UPDATES. Shareholders are updating their gardens and we are seeing some lovely fresh plants and flowers. A few reminders: All plants must be 10" away from the building wall; Plants and pots cannot be put on the building apron; the mutual has a list of non-permitted plants in Policy 7425.12 (attached) so please check the non-permitted list before buying plants for your garden; fruits and vegetables are not allowed in the gardens; large plants are required to be trimmed by the gardeners to remain within the garden area boundaries.

COPPER REPIPING CONTINUES. The copper repiping by the John Nelson company is ongoing. In May the board and John Nelson , Co., agreed to re-pipe as many as 8 buildings per month. We have increased the buildings being done each month in the hope that the re-piping will be completed before the end of the year. Shareholders who have already had their building re-piped are reporting to the board how clean and careful our contractors are as they work in the shareholder units.

MUTUAL SHAREHOLDER LUNCHEON. The mutual luncheon was a great success. The theme was Italian. Many volunteers worked to help the luncheon committee. The luncheon report from CFO and committee chair Susan Ferraro is attached. Many thanks to the Susan and to all the committee members and the volunteers for the extra hours they donated to provide us with a fun tasty lunch.

ANNUAL MEETING. See you at the Mutual Twelve Annual Meeting and Election !

May 11, 2017

THE APRIL 27th ANNUAL SHAREHOLDER LUNCHEON REPORT IS AS FOLLOWS:

The Mutual 12 Luncheon this year was a buffet style Italian themed event. The buffet was set up by a new caterer to Mutual 12, Love at First Bite. Their decorations blended perfectly with those chosen by our luncheon committee to dress our tables and create an Italian Café atmosphere. There were three delightful ladies who set up and served the food to about 135 people in attendance and additional 18 takeout boxes for those who could not attend.

The entertainer this year was Mr. David Kaufman who traveled from No. Hollywood to Leisure World for the first time. As shareholders arrived and while they enjoyed the meal, they heard him sing familiar songs while accompanying himself on guitar. His last song was an Italian favorite, "Amore" while people exited.

All who attended were very patient about waiting until their table number was randomly drawn to be able to join the line to fill their plates. Within about 30 minutes all tables had their food. A special thank you for patience goes to those at table 6 who never were invited to the buffet, since the table numbers were written on round chips, the upside-down 6 looked like a 9. Nevertheless, when the last call came, they just politely got in line at that time.

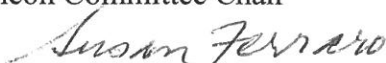
There were 3 drawings for the 50/50 proceeds, and raffles tickets were drawn for thirteen door prizes. Given out were 6 gift certificates for local restaurants, 4 bottles of Italian red wine, 1 lovely painted watering can with fresh flowers, as well as the head-table silk flower arrangement. The grand prize was an original award winning oil painting by our own Marty Silberling and with luck of the draw it found a good home with one of Marty's art students. A sincere special thank you to Marty for donating his artwork this year.

The numbers: Receipts for ticket sales and 50/50	\$1,103.00
Expenditures: Love at First Bite Catering	\$2,401.10
Entertainment	\$ 400.00
Decorations/Door Prizes	<u>\$ 292.66</u>
Total Expenses	\$3,093.76
Total Cost	\$1,990.76

This year's budget was \$1,825.00 resulting in a \$169.76 over budget variance.

As Luncheon Chair, I again extend my sincere appreciation and thanks to each Board member for their help and a special thank you to the committee members, their spouses and to shareholder volunteers who assisted in preparation, ticket taking, 50/50 sales, setting up and cleaning up and so much more. They are: Secretary Rose Sprague and her husband Gary, Director Lucille Findlay, volunteers Phyllis Kale, Elinor Petoletti, Yo Kishi Rose Mary Peterson, and Jo Anne Goostree who was our photographer for the day.

Respectfully submitted,
Susan Ferraro
Luncheon Committee Chair



CFO REPORT REGULAR MEETING – MAY 11, 2017

Attached to this report is the Summary Financial Statement Recap for the period ended April 30, 2017. A full copy of the Financial Statement Report has been provided to each director of review.

Of important note to all, is that the Service Maintenance Labor Rate charged by the Golden Rain Foundation has increased to \$42.00 per hour, billed in 15 minutes increments. This is a 7.7% increase that will affect Mutual 12's expenses effective May 1, 2017. This was NOT anticipated when the budget was prepared.

The numbers: Cash in the Bank:	\$331,425 (Operations)
Reserves:	
Appliance	\$ 16,874
Painting	\$ 51,341
Roofing	\$1,459,796
Infrastructure	\$2,015,835
Emer/Contingency	<u>\$ 330,564</u>
Total Reserves	\$3,874,411
Reserve Commitments:	\$1,580,727 (Copper Re-pipe, Sewer Replacement)
Shareholder Receivables	\$4,533 (82% current, \$2,340 of which is an SRO) (SRO = Service Maintenance Order)
Operating Income and Expense Notes:	
<u>Mutual Excess Income:</u>	\$ 24,121

Mutual Expenses:

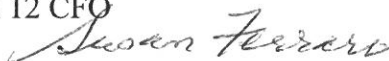
Insurance is overstated at this time but will moderate by the end of the year due to the payment terms of the insurer. It is anticipated that there will be about \$3,500 positive budget variance at the end of the year.

Professional fees include Legal expense which will be over budget the remainder of the year due to several shareholder legal matters and Mutual 12 corporate general counsel and advice.

As CFO, I intend to rewrite or amend certain MUTUAL OPERATIONS, Accounting and Fiscal Policies that are outdated, but, in my opinion, provide important organizational and practices information for shareholders and future Chief Financial Officers.

I look forward to seeing you at the Annual Shareholder Meeting, June 8, 2017 !!!

Respectfully submitted,
Susan Ferraro
Mutual 12 CFO



P.O. Box 2069
 Seal Beach CA 90740

Apr Actual	Apr Budget		2017 Y-T-D Actual	2017 Y-T-D Budget
111,631	111,631	Carrying Charges	446,523	446,524
54,800	54,800	Reserve Funding	219,202	219,200
166,431	166,431	Total Regular Assessments	665,724	665,724
1,427	326	Financial Income	5,322	1,304
(9,714)	2,039	Other Income	20,465	8,156
(8,287)	2,365	Total Other Income	25,787	9,460
158,144	168,796	Total Mutual Income	691,511	675,184
65,400	65,400	GRF Trust Maintenance Fee	261,600	261,600
7,900	11,806	Utilities	32,177	47,224
6,055	1,619	Professional Fees	18,316	6,476
26,227	25,788	Outside Services	91,807	103,152
11,503	9,384	Taxes & Insurance	44,288	37,536
54,800	54,800	Contributions to Reserves	219,202	219,200
171,885	168,797	Total Expenses Before Off-Budget	667,390	675,188
(13,741)	(1)	Excess Inc/(Exp) Before Off-Budget	24,121	(4)
2,064	0	Depreciation Expense	6,976	0
(15,805)	(1)	Excess Inc/(Exp) After Off-Budget	17,145	(4)
		Restricted Reserves		
(3,112)	0	Appliance Reserve Equity	16,874	0
2,500	0	Painting Reserve	51,341	0
40,695	0	Roofing Reserve	1,358,867	0
(431)	0	Emergency Reserve Equity	330,565	0
(79,344)	0	Infrastructure Reserve	536,038	0
(39,692)	0	Total Restricted Reserves	2,293,684	0

14

AGENDA
ANNUAL SHAREHOLDERS' MEETING
SEAL BEACH MUTUAL TWELVE
June 8, 2017
10:00 a.m.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. QUORUM CERTIFICATION
4. SHAREHOLDER DECLARED INTENT TO VOTE CUMULATIVELY
5. SECRETARY CERTIFICATION OF NOTICE OF MEETING
6. ACCURATE VOTING SERVICES TO EXPLAIN WRITE-IN CANDIDATE PROCESS
7. INTRODUCTION OF 2017-2018 CANDIDATES / NOMINATIONS FROM THE FLOOR
8. MOTION TO CLOSE THE NOMINATIONS
9. BEGIN BALLOTING – ACCURATE VOTING SERVICES WILL EXPLAIN THE BALLOTING PROCEDURE AND, AFTER SUFFICIENT TIME TO VOTE, WILL ASK THE INSPECTORS TO COLLECT THE BALLOTS IN THE BALLOT BOXES.
10. CLOSE BALLOTING. ANY INTERESTED MUTUAL TWELVE SHAREHOLDERS MAY ACCOMPANY ACCURATE VOTING SERVICES TO THE COUNTING AREA TO OBSERVE THE COUNTING OF THE BALLOTS.
11. WHEN THE COUNTING IS COMPLETED, THE NEWLY-ELECTED BOARD WILL HOLD ITS ORGANIZATIONAL MEETING TO ELECT OFFICERS.
12. RESULTS OF THIS ELECTION WILL BE POSTED ON THE MAIN DOORS OF ALL THE CLUBHOUSES UPON COMPLETION OF THE FINAL TALLY OF BALLOTS.
13. MOTION TO DISPENSE WITH READING OF THE MINUTES OF LAST SHAREHOLDERS' MEETING
14. INTRODUCTION OF 2016-2017 BOARD OF DIRECTORS
15. INTRODUCTION OF GRF REPRESENTATIVE, AND MUTUAL ADMINISTRATION DIRECTOR
16. DIRECTORS' REPORTS
17. A. GRF REPRESENTATIVE'S REPORT
B. MUTUAL ADMINISTRATION DIRECTOR'S REPORT
18. ELECTION RESULTS / ADJOURNMENT

MUTUAL OPERATIONS**DRAFT AMEND 2017-05-11****PHYSICAL PROPERTY****Landscape – Mutual Twelve Only**

- 1 **Shareholder Garden.** Shareholders may garden in the bordered common area in front of their units in compliance with this policy. The border itself is Mutual property and shareholders must be in possession of a Board approved Policy 7480.12.1 Architectural Standards Approval Form prior to making any change.
 - 1.1 **Garden Area Size**
 - 1.1.1 The maximum garden area allowed for one side of a building is 48 inches from the main stucco structure or measure from the original roof support post location. The garden area shall conform to the width of the majority of other units on the same side of the building, but may not exceed 48 inches. The 48-inch width includes original or Board approved decorative edge blocks which may not exceed six inches in width. All plants must be kept trimmed 12 inches from the building to allow inspectors, maintenance personnel or painters access to the building for inspections, repairs or painting and to allow for rodent and pest control.
 - 1.2 **Shareholders may not encroach with plants or any other objects or material beyond the above area** including, but not limited to, the building end access area (Policy 7481.12), on or near the pad mount transformers and their surrounds (Policy 7492), on or near ground vaults, on turf, in tree wells, hanging from trees, in carport end gardens or in other common area Mutual gardens.
 - 1.3 **Permitted plants**
 - 1.3.1 There are many colorful flowers and plants that will provide beauty in your gardening area. All garden plants must be small enough to continue to have appropriate foliage at maturity when trimmed according to the parameters of this policy. Read the tag inserted in the nursery pot, write ups in gardening books or information on gardening websites to be sure the plants won't grow too large for the area where you're allowed to garden. Topiary must be maintained at shareholder expense. Mutual gardeners will only trim a simple outside form or remove untended topiary. Be sure any gardener or other who purchases and/or installs plants for you knows what's allowed in Mutual 12. Mutual Directors can help you access information.
 - 1.3.2 **Warning!** Rabbits love pansies and some other flowering plants. Place them in tall pots or pots on stands.
 - 1.4 **Non permitted plants**
 - 1.4.1 Following are groups and examples of plants that **may not** be placed in shareholder gardening areas. The examples are not a definitive list. Some plants fit into more than one group. Consult with the Mutual Board to confirm whether a plant is acceptable.

MUTUAL OPERATIONS**DRAFT AMEND 2017-05-11****PHYSICAL PROPERTY****Landscape – Mutual Twelve Only**

- 1.4.2 Non-permitted plants may not be planted in the ground or in pots.
- 1.4.3 Plants that may grow too tall or have branches and leaves too wide to be contained appropriately within the permissible gardening area.
- 1.4.4 Plants with invasive root systems. These can destroy foundations.
- 1.4.5 Ground cover and other plants that spread or send runners and invade other planting, neighboring gardens and or turf.
- 1.4.6 Hedges more than four feet tall
- 1.4.7 Single plants more than five feet six inches tall or four feet wide
- 1.4.8 Non-permitted-plants (partial list)
 - 1.4.8.1 Baby Tears
 - 1.4.8.2 Bamboo
 - 1.4.8.3 Bird of Paradise
 - 1.4.8.4 Cactus
 - 1.4.8.5 Cedar-type bushes (The very small low growing junipers in this group are exceptions)
 - 1.4.8.6 Ferns
 - 1.4.8.7 Food of any kind
 - 1.4.8.8 Fruit
 - 1.4.8.9 Garlic, onions and greens
 - 1.4.8.10 Hibiscus
 - 1.4.8.11 Ivy
 - 1.4.8.12 Marguerite (large variety)
 - 1.4.8.13 Tradescantia (wandering Jew)
 - 1.4.8.14 Trees of any kind (Junipers other than very small varieties, eugenia, cypress, plumaria, rubber trees, palms, tropical, citrus, and dwarf trees are all included in the category of trees).
 - 1.4.8.15 Vegetables
 - 1.4.8.16 Wild Mint
- 1.4.9 All plants installed by shareholders or their agents that violate this policy, become unsightly or diseased, or grow too large for the garden area shall be subject to removal at shareholder expense.

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MUTUAL OPERATIONS**DRAFT AMEND 2017-05-11****PHYSICAL PROPERTY****Landscape – Mutual Twelve Only****1.5 Shareholder Gardening Requirements and Responsibilities**

- 1.5.1 Vines are permitted only on a free standing, flat trellis no taller than 5 feet, no wider than 4 feet and no less than 14 inches from the face of the building. Foliage must be kept 12 inches below the eaves and confined to the trellis.
- 1.5.2 Fertilization and plant pest control in the garden area are the financial responsibility of the shareholder.
- 1.5.3 Watering the gardening area is shareholder responsibility. A sprinkler system may be installed in a shareholder gardening area if it meets approved City codes, is connected to the shareholder's gardening faucet pipe outlet and a Board approved GRF Building Permit is posted prior to installation. Sprinkler heads must be installed so as not to spray water on the building structure.
- 1.5.4 A shareholder wishing to adjust their gardening area to match the adjoining units, not exceeding 48 inches may submit a 7480.12.1 Architectural Standards – Approval Form to the Board of Directors. If approved, border adjustment must be done by a landscape contractor or gardener approved by the Mutual at shareholder expense. Prior to border adjustment, all plants and items not permitted by this landscape policy must be removed from the requesting shareholder's garden area.
- 1.5.5 The Policy 7480.12.1 – Architectural Standards – Approval Form is required for any change in border material whether from the original Mutual scalloped border or a previously changed border.
- 1.5.6 No plants, decorative items, or other objects can obstruct the window of a sleeping room that must be kept clear for emergency exit.

1.6 Garden hardscape

- 1.6.1 Hardscape as detailed below must be authorized by the Board on a Policy 7480.12.1 – Architectural Standards – Approval Form.
- 1.6.2 Stone pebbles, not less than 1" nor more than 3" diameter, may be used to cover the gardening area when Board approved. Glass pebbles are specifically prohibited.
- 1.6.3 NO pebbles aggregate, gravel or any hard substance that includes pieces smaller than 1" may be spread, strewn or placed in the garden.
- 1.6.4 When the Policy 7480.12.1 form is accompanied by a plan or sketch and approved by the Board, pavers (not interlocking), may be placed randomly as decorative feature or in sections interspersed with areas of soil or pebbles when a plan or sketch presented to the Board along with

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the approval form is approved by the Board.

- 1.6.5 When the Policy 7480.12.1 form is accompanied by a plan or sketch and approved by the Board, a few (five or less) larger rocks of appropriate size for our small gardens may be placed in the garden area as decorative features.
- 1.6.6 The only soft covering permitted in flowerbed areas is landscape cloth under approved hardscape.
- 1.6.7 Poured concrete is expressly forbidden in the garden area.
- 1.6.8 Shareholders with hardscape installed prior to 10/13/16 may apply for Board approval or waiver until sale or transfer. Application does not assure approval.
- 1.6.9 Shareholders may be required at any time and at their expense to remove unapproved or deteriorated hardscape. Such hardscape will be removed at seller expense upon sale or transfer.
- 1.6.10** All garden hardscape will be removed at sale or transfer unless the buyer or successor agrees maintain it.
- 1.7 **Plants in pots** may be placed in the shareholder gardening area if the plants are not in violation of section 1.4.
 - 1.7.1 No potted plant or other object may be placed on the unit walkways.
 - 1.7.2 Any use of pots or potted plants must be reasonable.
 - 1.7.3 Every gardening area pot must be placed directly on a flat concrete paver larger than the pot. No saucers may be placed under pots due to the possibility of standing water attracting mosquitoes bearing West Nile Virus.
 - 1.7.4 Pots placed on scaffolding or arranged on top of other pots or plants are not permitted.
 - 1.7.5 Log or branch sections may not be used as stands or decoration due to probability of termite or other infestation.
 - 1.7.6 Potted plants and other decorative items may not be placed on the apron, walkway or beyond the bordered garden area.
 - 1.7.7 Pots may not be lowered into the ground for stability or any other reason. Top-heavy potted plants must be removed from the premises.
 - 1.7.8 Pots must be sturdy and “attractive.” For example, inexpensive red plastic pots are not sturdy, ceramic pots are usually “attractive”; nursery pots are not “attractive.” When pots become broken or deteriorated,

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plants must be repotted or removed from the premises.

- 1.7.9 Individual potted plants must fit within the garden area according to rules for other plants. Overgrown potted plants must be removed from the premises. The 6' height limit includes flowers, foliage, and stalks. If plants in the ground fill the garden area, they must be removed as needed to provide space for potted plants.
- 1.7.10 No part of a potted plant or other object may extend into the 3' wide emergency access area or interfere with access to any part of the premises.
- 1.7.11 All removals of shareholders' pots and or plants are at shareholder expense.
- 1.7.12 Pots or other items, including but not limited to ceramics and other decorative accessories, wherever placed are shareholder responsibility. Neither the Mutual nor its employees are responsible for theft or breakage.
- 1.8 Shareholder gardening is a privilege and may be revoked.**
- 1.9 Gardening areas may not be paved for patio use.** Mutual 12 shareholders did not approve the By-Law amendment that would have allowed paving the common area adjacent to the separate interest for patio use. Portable outdoor furniture may be used on the lawn but may not be left out over night or when it interferes with mowing or other maintenance.
- 1.10 Mutual Responsibility in Shareholder Gardening Areas**
 - 1.10.1 Every 4 to 6 weeks, gardeners will remove weeds, trim the plants and rake the flower beds. The gardeners will trim plants that require maintenance and/or extend outside the garden area.
 - 1.10.2 If work is not satisfactory, tell a Mutual 12 Director. Gardeners answer only to their supervisors. Special gardening requests must be directed to a gardener hired by the shareholder. Gardeners contracted by the Mutual may not work for shareholders during business hours or breaks therein. Tips may not be offered or accepted.
 - 1.10.3 If a shareholder wishes to maintain their own gardening area, red flags may be obtained from the Parcel Director (the gardeners will not cultivate a garden area with red flags). If a red flagged gardening area is not maintained according to this policy, the shareholder will be notified, and gardeners will be asked to remove the flags and resume maintenance.
 - 1.10.4** Roses are pruned in December/January by gardeners, except for red-

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flagged garden areas.

1.11 **Sale or Transfer**

1.11.1 Upon the sale or transfer of the shareholder's stock, the garden area size will be adjusted as needed to conform to the established size of the garden areas on that side of the building, not to exceed 48 inches, and all items not permitted under Gardening, Item 2, shall be removed from the garden area at the seller's expense. Work to be done by landscape contractor designated by Mutual. Mutual pays contractor, and seller or transferor pays the Mutual. Transfers may not be completed until transferor pays Mutual.

1.12 **Construction Permit**

1.12.1 When a shareholder hires a contractor that is approved by the Golden Rain Foundation to modify the exterior structure of the main foundation, the contractor must add a 12-inch exterior apron to the main foundation structure. If garden is non-conforming the border shall be aligned with the width of the adjoining gardens on the building, not to exceed 48 inches, and all plants and items not permitted by this policy shall be removed from the garden area. at the shareholder's expense.

2 **All Other Landscape Areas**

2.1 All of the ground areas located outside of the shareholder gardening area allowed for each unit are maintained by the Mutual's landscape contractor according to Mutual 12's contract with that company. For example, the garden areas next to laundry rooms, carport walls and the tree plots are the responsibility of the Mutual. **Shareholders may not place plants, whether in the ground or potted, or decorative items anywhere beyond the borders of the gardening areas adjoining the residential buildings.**

3 **Trees**

3.1 Maintenance and improvement of the Mutual 12 Urban Forest will be based on the most current findings and inventory prepared for Seal Beach Mutual No. Twelve.

3.2 Placement of new trees shall take into consideration the sprinkler system and sewer lines.

3.3 **Planting, Care and Removal**

3.3.1 Trees are the responsibility of the Mutual, including planting, care and removal. Trees may be planted in common areas only, not in a shareholder's garden area. Replacement or new trees may be planted in vacant planting sites by landscape companies with approved arborist

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hired by the Board at the Mutual's expense.

- 3.4 EXCEPTION: Shareholders may submit a request, in writing, to the Board to have an approved tree planted in a vacant planting site by a contractor hired by the Mutual at the shareholder's expense. All planting of trees must be done under the supervision of Board approved professional arborists. Board-approved trees are selected, as needed, by the arborist and picked up from a nursery and delivered as part of the cost of planting.
- 3.5 Pruning or "lacing" (thinning) is performed on a scheduled basis. Root control will be done, as needed, to limit intrusion of roots under walkways, garden areas or buildings. Broken branches, wind-caused or otherwise, will be removed by the gardeners.
- 3.6 Due to disease, falling branches, leaning dangerously, root invasion or other cause, a tree may need to be removed. In most cases, a professional arborist will be asked to inspect the tree and give an opinion. The gardening supervisor may also be consulted before an arborist is called.
- 3.7 Specifications and a bid process will be used for the removal of trees, except for some small trees or emergency removals. In order to reduce expenses, tree removal may be coordinated with other Mutuels requiring the same. Small trees with obvious problems may be removed by the gardeners upon approval of the Board.

MUTUAL ADOPTION**AMENDMENT(S)**

TWELVE: 2001-10-11

2003-05-08; 2011-10-11; 2016-11-28; 2017-05-11

(2017-05-11)

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Garden Area Size

~~Shareholders are permitted to have a garden area in front of their units, but must maintain the garden area in a manner considered to be an enhancement of the appearance of the Mutual. The maximum garden area allowed for one side of a building is 48 inches from the main stucco structure or measure from the roof support post, but not the added bay window stucco structure. The garden area may conform to the width of the majority of other units on the same side of the building, but may not exceed 48 inches. Certain plants, bushes and shrubs are not permitted in the garden area (see Garden Use and Gardening, Item 2). The 48 inch width includes any decorative edge blocks (which may not exceed six inches in width). All plants must be kept trimmed 12 inches from the building to allow inspectors, maintenance people or painters access to the building for inspections, repairs or painting and to facilitate rodent control.~~

- ~~a. Resale/Transfer: Upon the resale or transfer of the shareholder's stock, the garden area must conform to the size of the adjoining garden areas on the building, not to exceed 48 inches. All items not permitted under Gardening, Item 2, shall be removed from the garden area at the seller's expense.~~

~~Construction Permit: When a shareholder hires a contractor that is approved by the Golden Rain Foundation to modify the exterior structure of the main foundation, the contractor must add a 12 inch exterior apron to the main foundation structure. The contractor may be required to conform the garden area to match the width of the adjoining units in the building, not to exceed 48 inches. At that time, all items not permitted under Gardening, Item 2, shall be removed from the garden area at the shareholder's expense.~~

- ~~b. Shareholders: Shareholders may submit a written request to the Board of Directors to adjust their garden area to match the adjoining units on the building, not exceeding 48 inches. If approved, shareholder shall remove all items not permitted under Gardening, Item 2, from the garden area at the shareholder's expense.~~

Garden Use

~~Shareholders may plant the greenery of their choice in their garden areas, except for non-permitted items. Trees or other plants which have invasive root growth and the potential to damage the Mutual structures and walkways are prohibited. Vines are not permitted to climb on any structure, trees or light pole. If a trellis is used, it must be free standing and be kept 12 inches below the eaves and 14 inches from the face of the building (so as not to deface the building structure and to allow access for inspection for maintenance, such as painting). If there is any offending growth, it will be removed by the Mutual at the shareholder's expense if the shareholder fails to maintain the appearance of the garden area in a manner consistent with this policy.~~

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1. ~~Fertilization and plant pest control in the garden area is the financial responsibility of the shareholder. Watering the gardening area is also the shareholder's responsibility. Shareholders may have a sprinkler system installed in their garden area if it meets approved City codes and is connected to the shareholder's gardening faucet pipe outlet.~~
2. ~~Sprinkler heads must be so installed as not to spray water on the building structure (contact your Mutual Director for requirements).~~
3. ~~Approximately once a month, gardeners will remove weeds, trim the plants and rake the flower beds. The gardeners will trim all plants that extend outside the garden area line. The following plants should not be in the garden area: baby tears, wild mint or plants of the spiderwort family (**gardener will remove these items because they can spread onto the lawn and kill the grass or the plants in other garden areas**).~~
4. ~~Roses are pruned in December/January by gardeners, except for red flagged garden areas. If a shareholder wishes to maintain their own garden,~~
5. ~~Red flags can be obtained from the Parcel Director (the gardeners will not cultivate a garden area with red flags).~~
6. ~~Carport garden areas are Mutual property and shareholders are not permitted to plant plants in those areas.~~
7. ~~Shareholders may not put potted plants, tools or any other items on top of or around the SCE electrical transformer structures, and may not create a garden area around its deco block structure. This also applies to the flat steel plates that cover the cable/phone cellars.~~
8. ~~Garden areas may not be paved for patio use. Mutual 12 shareholders did not approve the By Law amendment that would have allowed paving common area adjacent to the separate interest for patio use. Portable outdoor furniture may be used on the lawn but may not be left out over night or when it interferes with mowing or other maintenance.~~
9. ~~Garden hardscape as detailed below must be authorized by the Board on a Policy 7480.12.1 – Architectural Standards – Approval Form.~~
 - a. ~~Small (1" to 3") stone pebbles may be used to cover the garden area when Board approved. Glass pebbles are specifically prohibited.~~
 - b. ~~NO pebbles aggregate, gravel or any hard substance that includes pieces smaller than 1' may be spread, strewn or placed in the garden.~~

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- ~~c. When the Policy 7480.12.1 form is accompanied by a plan or sketch and approved by the Board, pavers (not interlocking), may be placed randomly as decorative feature or in sections interspersed with areas of soil or pebbles when a plan or sketch presented to the Board along with the approval form is approved by the Board.~~
 - ~~d. When the Policy 7480.12.1 form is accompanied by a plan or sketch and approved by the Board, a few (five or less) larger rocks of appropriate size for our small gardens may be placed in the garden area as decorative features.~~
 - ~~e. The only soft covering permitted in flowerbed areas is landscape cloth under approved hardscape.~~
 - ~~f. Poured concrete is expressly forbidden in the garden area.~~
 - ~~g. Shareholders with hardscape installed prior to 10/13/16 may apply for Board approval or waiver until sale or transfer. Application does not assure approval.~~
 - ~~h. Shareholders may be required at any time and at their expense to remove unapproved or deteriorated hardscape. It will be removed at shareholder expense upon sale or transfer.~~
 - ~~i. All garden hardscape will be removed at sale or transfer unless the buyer or successor agrees to keep and maintain it.~~
- ~~10. Border material; The Policy 7480.12.1 — Architectural Standards — Approval Form is required for any change in border material whether from the original Mutual scalloped border or a previously changed border.~~
- ~~11. Shareholders may place permitted plants in pots in the garden area in front of their apartment. The following rules apply. Any use of pots or potted plants must be reasonable.~~
- ~~a. Every outside pot must be placed directly on a flat concrete paver larger than the pot. No saucers may be placed under pots due to the possibility of standing water attracting mosquitoes bearing West Nile Virus.~~
 - ~~b. Pots placed on scaffolding or arranged on top of other pots or plants are not permitted. Log or branch sections may not be used as stands or decoration due to probably termite or other infestation.~~
 - ~~c. Potted plants and other decorative items may not be placed on the apron, walkway~~
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- or beyond the bordered garden area.
- d. ~~Pots may not be lowered into the ground for stability or any other reason. Top heavy potted plants must be removed from the premises.~~
 - e. ~~Pots must be sturdy and attractive. For example, ceramic pots are usually attractive; nursery pots are not. When pots become broken or deteriorated, plants must be repotted or removed from the premises.~~
 - f. ~~Individual potted plants must fit within the garden area according to rules for other plants. Overgrown potted plants must be removed from the premises. The 6' height limit includes flowers, foliage, and stalks. If plants in the ground fill the garden area, they must be removed as needed to provide space for potted plants.~~
 - g. ~~No part of a potted plant or other object may extend into the 3' wide emergency access area or interfere with access to any part of the premises.~~
 - h. ~~All removals of pots and or plants are at shareholder expense.~~

~~Note: Items placed within the separate interest (building footprint) or in the garden area including but not limited to pots, ceramics and other decorative accessories are shareholder responsibility. Neither the Mutual nor its employees are responsible for theft or breakage.~~

Turf Uses

~~The turf areas consist of all the ground areas located outside of the garden area allowed for each unit. The walkway entrance shall not have plants planted on either side or any type of potted plant placed on the walkway. The garden areas next to carport walls and the tree plots are the responsibility of the Mutual.~~

Trees – Planting, Care and Removal

1. ~~Trees are the responsibility of the Mutual, including planting, care and removal. Trees may be planted in common areas only, not in a shareholder's garden area. Trees must be on the list of approved trees and the Board of Directors must pre-approve the planting. Replacement or new trees may be planted in select locations at the Mutual's expense.~~

~~EXCEPTION: Shareholders may submit a request, in writing, to the Board of Directors to have a tree planted by the gardeners at the shareholder's expense. All planting of trees must be done by Board approved professional gardeners.~~

~~Board approved trees are selected, as needed, by the arborist and picked up from a
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**MUTUAL OPERATIONS
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- nursery and delivered as part of the cost of planting.
- 2. ~~Pruning or "lacing" (thinning) is performed on a scheduled basis. Root control will be done, as needed, to limit intrusion of roots under walkways, garden areas or buildings. Broken branches, wind caused or otherwise, will be removed by the gardeners.~~
- 3. ~~Due to disease, falling branches, leaning dangerously, or other cause, a tree may need to be removed. In most cases, a professional arborist will be asked to inspect the tree and give an opinion. The gardening supervisor may also be consulted before an arborist is called.~~
- 4. ~~Specifications and a bid process will be used for the removal of trees, except for some very small trees. In order to reduce expenses, tree removal may be coordinated with other Mutuels requiring the same. Small trees with obvious problems may be removed by the gardeners upon approval of the Board of Directors.~~

Gardening

- 1. ~~Perennial flowers do well in this climate and soil and there are many colorful flowers and plants that will provide beauty in your garden area. REMINDER: young plants and flowers need protection from rabbits.~~
- 2. ~~The following flowers or plants may *not* be planted in flower beds. Other plants or flowers may be added to this list in the future by the Board of Directors. Call your parcel director to confirm if a plant is acceptable.~~

Baby Tears	Citrus or fruit of any kind	Trees of any kind
Bamboo	Ferns	Wild Mint
Bird of Paradise	Hibiscus	
Cactus	Ivy	
Cedar type bushes	Spiderwort	

~~Also prohibited: Any large or long leaf plants that cannot be contained in the garden area.~~

~~NOTE: Plants grow with time and it is important to keep them trimmed. Plants should never be allowed to rub against the building structure, stucco or deco blocks.~~

Trees

~~Maintenance and improvement of the Mutual 12 Urban Forest will be based on the findings and inventory contained in the TREE INVENTORY prepared for Leisure World Mutual 12 Seal Beach by James Komen – Class One Arboriculture Inc. June 14 2015.~~

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MUTUAL OPERATIONS
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Placement shall be considered with respect to the sewer line

MUTUAL ADOPTION ————— AMENDMENT(S)

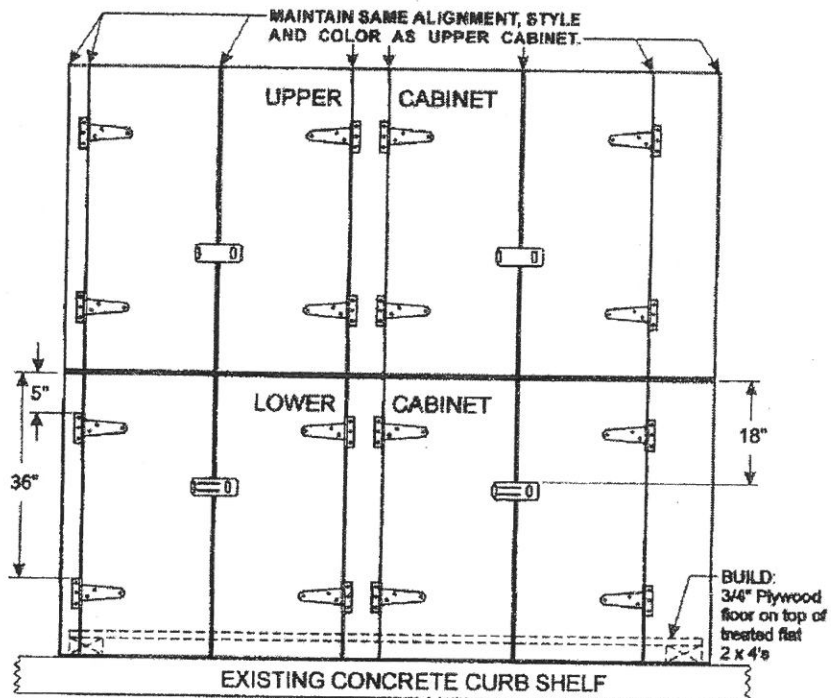
TWELVE: 2001-10-11 ————— 2003-05-08; 2011-10-11; 2016-11-28

MUTUAL OPERATIONS**ADOPT DRAFT****PHYSICAL PROPERTY****SECONDARY CARPORT CABINETS – Mutual Twelve**

- 1 Shareholders are permitted to have a secondary carport storage cabinet installed beneath the existing cabinet with Board approval and a permit from the GRF Physical Property Department.
- 2 A licensed contractor shall build the cabinet per the attached dimensions and specifications. Any modification to dimensions or specifications must have voted Board approval. Plywood for the cabinet must be $\frac{3}{4}$ " thick and have one (or more) good sides. Paint and hardware must match the existing cabinet.
- 3 The maintenance of and any damage to the carport cabinet are shareholder responsibility.
- 4 Any shareholder who installs a secondary carport storage cabinet without Board approval and a permit from the Physical Property Department must, upon receipt of a written notice of violation, cure that violation within ten (10) days (the "cure period"). If the violation is not cured within the cure period, the cabinet will be removed and any resulting damage to the carport repaired at the shareholder expense.
- 5 A secondary carport storage cabinet may not be installed if it will cause the shareholder's primary street vehicle to extend beyond the drip line. The cabinet must be removed and any damage to the carport corrected if the vehicle that is not too long is exchanged for one that is.
- 6 At sale or transfer the new shareholder must accept responsibility for the cabinet or it must be removed and any resulting damage to the carport repaired at seller's expense.
- 7 Any other construction which involves the Mutual's carports, walls, floors, beams or ceilings is not permitted.

MUTUAL OPERATIONS**ADOPT DRAFT**

PHYSICAL PROPERTY

SECONDARY CARPORT CABINETS – Mutual Twelve**NOTES:**

1. Lower cabinet will vary from 46 1/2" TO 48" in height. Build accordingly.
2. Lower cabinet front must be flush with existing concrete curb shelf.
3. Block all areas between upper and lower cabinet to prevent rodent intrusion.

MATERIALS:

1. HASP = Masterlock No. 704DPF - Big Paint Store - \$6.50 ea.
2. HINGES = Stanley, SKU-218272 Heavy Duty Gate Hinge - Hardware Source - \$2.49 ea.
3. Use quality 3/4" exterior plywood on front, doors and sides with the same or better finish as the top cabinets and caulk where needed.
4. Prime and paint all visible surfaces, inside and out.

MUTUAL ADOPTIONAMENDMENT(S)

TWELVE: 2017-05-11

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MUTUAL OPERATIONS**DRAFT AMEND 2017-05-11****RESIDENT REGULATIONS****Carport Regulations and Common Area Traffic Policy - Mutual Twelve****1 Carport Use**

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

2 Carport Assignments

- 2.1 Carport assignments are controlled by the Mutual Corporation and a record of assignments is kept in the Stock Transfer Office of the Golden Rain Foundation.

(May 16)

MUTUAL OPERATIONS**DRAFT AMEND 2017-05-11****RESIDENT REGULATIONS****Carport Regulations and Common Area Traffic Policy - Mutual Twelve**

- 2.1.1 Any vehicle parked in a carport must bear a current vehicle decal issued by the Seal Beach Leisure World Security Department (except as stated in 2.2.1).
 - 2.1.2 No person shall park any vehicle in any carport not assigned to him/her without permission from the Mutual Board of Directors (procedure stated in 2.1.3) or a temporary visitor form on the dash (2.21.). Mutual 12 shareholders desiring to change carport assignments must obtain approval of the Mutual Board of Directors so that the change can be properly recorded in the Stock Transfer Office.
 - 2.1.3 The request for carport re-assignment, if approved, is only temporary and is valid only so long as both participating parties agree to the temporary change. One party determining to withdraw from the agreement may do so as may the successor owner of that party's apartment. The Mutual Corporation retains, at all times, the authority to revoke and cancel this temporary change of carport assignment, at its discretion. The reassignment of carport spaces, herein provided, will automatically become null and void in the event of a sale of the stock representing either apartment, with absolutely no exceptions to the rules herein provided.
- 2.2 Carport space or storage space may not be rented to or used by anyone who is not a Mutual Twelve shareholder and a member in good standing of the Golden Rain Foundation.
 - 2.2.1 A shareholder may allow temporary, short-term parking of a vehicle used by a houseguest in their assigned carport during and not to exceed the visitors permitted 60-day stay in one year. A form available from directors or Stock Transfer containing the beginning and ending dates the vehicle will be parked and the shareholder's name and unit number shall be placed on the drivers side of the vehicle's dashboard to be read outside the vehicle.

MUTUAL OPERATIONS**DRAFT AMEND 2017-05-11****RESIDENT REGULATIONS****Carport Regulations and Common Area Traffic Policy - Mutual Twelve**

- 3 Mutual Driveway/Roadway Restrictions
 - 3.1 The speed limit is 10 miles per hour. All vehicles must park with the flow of traffic. Parking is limited to 30 minutes in green zones and is not allowed in red or ~~yellow~~ **white** zones.
 - 3.2 Mutual Twelve shareholder RVs may park on driveways less than 48 hours for loading and unloading only. Visitor and vacation RVs may park on Trust streets and the Clubhouse 4 lot as permitted in GRF's Policy 1920, not on Mutual Twelve driveways.
- 4 Inoperable or Leaking Vehicles
 - 4.1 No inoperable, wrecked, unlicensed, or leaking vehicles may be brought into or parked on Mutual Twelve property. Mutual 12 requests that GRF not allow such vehicles to be parked within 10 feet of Mutual 12 property.
 - 4.2 Mutual 12 shareholders are responsible for prompt and thorough removal of any leak or spill that they or their visitors have caused.
- 5 Towing Vehicles
 - 5.1 Pursuant to Clause (1) of subparagraph (E) of paragraph (1) of subdivision (1) of Section 22658 of the California Vehicle Code:
 - 5.1.1 The Security Department is hereby authorized by the Board of Directors of Mutual Twelve **to cause the REMOVAL AND TOWING OF A VEHICLE WHICH IS PARKED ON ANY MUTUAL TWELVE PROPERTY LOCATED WITHIN 15 FEET OF A FIRE HYDRANT OR IN A FIRE LANE, OR IN A MANNER WHICH INTERFERES WITH AN ENTRANCE OR EXIT FROM THE PRIVATE PROPERTY**, so long as such towing conforms to the other provisions of said Section 22658.
 - 5.1.2 The Security Department is further authorized to cause the removal and towing of a vehicle that is in violation of Seal Beach Mutual No. Twelve policies on Mutual No. Twelve property when authorized by a majority vote of ~~in~~ **in a Board quorum meeting** in compliance with CA Civil Code §4910-4925 of the Davis-Stirling Open Meeting Act and signed by the

(May 16)

MUTUAL OPERATIONS**DRAFT AMEND 2017-05-11****RESIDENT REGULATIONS****Carport Regulations and Common Area Traffic Policy - Mutual Twelve**

Mutual President and one other officer.

5.1.3 Mutual Twelve relies on the assurance of the Golden Rain Foundation that appropriate signage is and will continue to be posted at all shareholder entrances to the Seal Beach Leisure World community and that all vehicle code reporting and notice requirements will be met.

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

6 Sidewalk Traffic

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

6.1.1 Emergency medical vehicles belonging to the Health Care Center

6.1.2 Service vehicles designated for sidewalk use belonging to the GRF

6.1.3 Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with shareholders or the Mutual Twelve Corporation

6.2 **Due to potential safety hazards, Mutual 12 shareholders and their visitors may not use roller skates, roller blades, or skateboards in Mutual 12.**

6.3 Except for employees working in Leisure World, visitors residing outside Leisure World may ride bicycles or tricycles on Mutual sidewalks or streets only if accompanied by a shareholder.

6.4 No vehicle may be parked on any Mutual 12 walkway. (Exceptions for vehicles listed in F.4 6.1 when necessary.)

6.5 Mutual 12 shareholders parking their electric carts at their apartment must park on the charging pad.

~~7~~ **Secondary Carport Cabinet – See Policy 7435.12 Secondary Carport Cabinets**

~~G. Secondary Carport Cabinet~~

(May 16)

MUTUAL OPERATIONS**DRAFT AMEND 2017-05-11****RESIDENT REGULATIONS****Carport Regulations and Common Area Traffic Policy - Mutual Twelve**

1. ~~Shareholders are permitted to have a secondary carport storage cabinet installed beneath the existing cabinet with Board approval and a permit from the GRF Physical Property Department.~~
2. ~~A licensed contractor shall build the cabinet per the attached dimensions and specifications. Any modification to dimensions or specifications must have voted Board approval. Plywood for the cabinet must be 3/4" thick and have one (or more) good sides. Paint and hardware must match the existing cabinet.~~
3. ~~The maintenance of and any damage to the carport cabinet are shareholder responsibility.~~
4. ~~Any shareholder who installs a secondary carport storage cabinet without Board approval and a permit from the Physical Property Department must, upon receipt of a written notice of violation, cure that violation within ten (10) days (the "cure period"). If the violation is not cured within the cure period, the cabinet will be removed and any resulting damage to the carport repaired at the shareholder expense.~~
5. ~~A secondary carport storage cabinet may not be installed if it will cause the shareholder's primary street vehicle to extend beyond the drip line. The cabinet must be removed and any damage to the carport corrected if the vehicle that is not too long is exchanged for one that is.~~
6. ~~At sale or transfer the new shareholder must accept responsibility for the cabinet or it must be removed and any resulting damage to the carport repaired at seller's expense.~~
7. ~~Any other construction which involves the Mutual's carports, walls, floors, beams or ceilings is not permitted.~~
- 8 Enforcement
 - 8.1 Remedies to cure violations of this policy will be determined by the Mutual 12 Board of Directors as permitted by the governing documents and applicable law and may include fines.
 - 8.2 The Mutual 12 Board of Directors, Mutual Administration, Physical Property and Security will provide warnings, citations and follow through as needed and

(May 16)

MUTUAL OPERATIONS**DRAFT AMEND 2017-05-11****RESIDENT REGULATIONS****Carpport Regulations and Common Area Traffic Policy - Mutual Twelve**

approved by the Mutual 12 Board.

- 8.3 Security may remove a parking decal from a Mutual 12 vehicle on Mutual 12 property when the shareholder is in violation of GRF **Traffic** Policy ~~4920 or 4920.1~~ but only after informing the shareholder and the Mutual 12 President in person, by phone, e-mail or certified letter and providing the shareholder, when possible, an opportunity to cure the violation.
- 8.4 Inclusions and exclusions of GRF Policy 4090 noted in Policy 7581.12 – Enforcement of Traffic Regulations are reflected in this policy. To the extent of any conflict between GRF **Traffic** Policy ~~4920 or 4920.1~~ and this policy, Mutual 12 Policy 7502.12 – Carpport Regulations and Common Area Traffic Policy shall prevail on Mutual Twelve Corporation property.

MUTUAL ADOPTION**AMENDMENT(S)**

TWELVE: 04-11-68

10-09-80; 04-11-85; 02-08-01, 08-12-04, 01-06-06,
07-10-14; 05-12-16; 2017-05-11

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Audit Expense – All Mutuals Except Fifteen**

WHEREAS, in the past the audit expense has been charged to the year when the expense was billed and not for the year for which the audit was made

THEREFORE, BE IT RESOLVED that the audit expense be hereafter charged to the expenses for the year for which the audit was made. The audit expense for 1969 shall be charged to 1969 expenses.

MUTUAL ADOPTION:**RESCIND**

ONE	04-30-70
TWO	04-16-70
THREE	04-20-70
FOUR	04-06-70
FIVE	04-03-70
SIX	04-24-70
SEVEN	05-15-70
EIGHT	04-09-70
NINE	05-20-70
TEN	03-30-70
ELEVEN	04-02-70
TWELVE	03-30-70
FOURTEEN	03-26-70
FIFTEEN:	04-02-70
SIXTEEN	04-09-70
SEVENTEEN	N/A

Rescinded 07-21-14

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Capital Accounts**

Legal opinion from Attorney W. A. Williams in letter dated 28 Oct 70 to the Controller:

"One of the unfortunate aspects of each Mutual at Leisure World is the fact that it was set up as a general corporation in its inception. This, of course, requires it to be controlled by the general corporation laws for the State of California.

With respect first to dividends, it would be unlawful for the declaration of any kind of dividend out of these funds as, in my opinion, they constitute a paid-in surplus. Paid-in surpluses cannot be used for the payment of dividends except to shares entitled to preferential dividends. None of the shares in the Mutual Corporations qualify as shares entitled to preferential dividends. I would disagree with the position that the funds are available for patronage dividends. The only funds that I would view as available for patronage dividends are those funds paid in by the members as payments in excess of the budget and remaining at the end of the year. A liability can attach to the director and the shareholder receiving those payments if they are not authorized by law. California Corporation Code holds a liability of shareholders for receipt of an unauthorized dividend in Corporation Code 1510. Illegal declaration of dividends can constitute a misdemeanor in the State as set forth in the Penal Code for the State of California.

The only source of dividends that can be made is from earned surplus or out of net profits earned during the preceding accounting period which is not to be less than six months or more than one year. In this latter instance, such dividends can be declared despite the fact that the next assets of the corporation may be less than the stated capital unless there are liquidation preferences on some share, a problem which we do not have.

The fact that these funds, however, cannot be used for dividends does not prevent their use for proper corporate purposes, particularly the establishment of reserve accounts, and I see no reason why the funds cannot be used for reserve account needs or as you have indicated, by transfer within the capital accounts. However, these funds must be clearly designated in that the original stated capital must be set forth and the paid-in surplus must be also clearly identified. It cannot be shown as an earned surplus at any time. Actually, an earned surplus could occur if the payments of the resident exceed the budget requirement set forth at the beginning of the year.

The Board of Directors will have the power to take the necessary steps for transfer of capital funds so long as those steps are within the framework of the restrictions I have indicated."

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Financing Capital Projects**

WHEREAS, Seal Beach Mutual No. _____ (all except Mutual No. Nine) recognizes the need for continuing development and improvement of the trust property of Seal Beach Leisure World for the benefit of all stockowners, and

WHEREAS, it is the desire of the Mutual Corporation to assist in the financing of capital improvements to the trust,

NOW, THEREFORE, BE IT RESOLVED that for any refund owing to the Mutual Corporation from the Golden Rain Foundation for the fiscal year 1972, this Corporation does hereby instruct the Golden Rain Foundation as their agent to:

1. Deposit to the credit of the trust fund of Seal Beach Leisure World which is held by the Golden Rain Foundation as trustee for the benefit of the Seal Beach Mutual Corporations any portion of the refund due this Corporation from the Golden Rain Foundation that is the proceeds in excess of the first \$50,000 of refund derived from the operation of the Golden Rain Foundation.
2. It is the intent of this resolution that the Golden Rain Foundation shall refund in the normal manner the first \$50,000 for the fiscal year 1972 and apply any refund in excess of \$50,000 to the capital funds of the trust in the same proportion that the original contributions were made to the trust.

BE IT FURTHER RESOLVED, that this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

Mutual No.5 (11-18-16) & Mutual No. 7 Only (Effective 11-21-00):

WHEREAS, Seal Beach Mutual No. _____ recognizes the need for continuing development and improvement of the trust property of Seal Beach Leisure World for the benefit of all stockowners, and

WHEREAS, it is the desire of the Mutual Corporation to assist in the financing of capital improvements to the trust,

NOW, THEREFORE, IT BE RESOLVED, that for any refund owing to the Mutual

Mutual No.5 (Effective 11-18-16) & Mutual No. 7 Only (Effective 11-21-00) (Cont'd.):

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Financing Capital Projects**

Corporation from the Golden Rain Foundation for the fiscal year 1972 and following fiscal years, this Corporation does hereby instruct the Golden Rain Foundation as their agent to:

1. Deposit to the credit of the trust fund of Seal Beach Leisure World which is held by the Golden Rain Foundation as trustee for the benefit of the Seal Beach Mutual Corporations any portion of the refund due this Corporation from the Golden Rain Foundation that is the proceeds in excess of the first \$50,000 of refund derived from the operation of the Golden Rain Foundation.
2. It is the intent of this resolution that the Golden Rain Foundation shall refund in the normal manner the first \$50,000 for the fiscal year 1972 and the following fiscal years and apply any refund in excess of \$50,000 to the capital funds of the trust in the same proportion that the original contributions were made to the trust.

BE IT FURTHER RESOLVED, that this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

MUTUAL ADOPTION**AMENDED****RESCINDED**

ONE		
TWO	11-16-72	
THREE	11-20-72	
FOUR	01-08-73	
FIVE	12-20-72	11-18-16
SIX	12-08-72	
SEVEN	01-19-73	11-21-00
EIGHT		
NINE	11-13-72	07-11-11
TEN	11-30-72	
ELEVEN	12-21-72	
TWELVE	11-09-72	
FOURTEEN	11-09-72	

MUTUAL OPERATIONS

RESCIND MUTUAL TWELVE

ACCOUNTING AND FISCAL

Financing Capital Projects

FIFTEEN	11-10-72
SIXTEEN	12-14-72

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Nine****I. LEGAL BASIS**

The Regulatory Agreement between the Mortgager (Mutual) and the Department of Housing and Urban Development (HUD) requires, under Section 4, that an Operating Budget shall be prepared and submitted to HUD sixty (60) days prior to the beginning of each fiscal year.

Civil Code 1365 requires distribution of the Operating Budget to the all members/stockholders annually 45 to 60 days before the beginning of the fiscal year. In addition, a summary of the association's reserves, whether special assessments will be needed for repairs or to replenish reserves, and a statement of the procedures used for the calculation of the reserves must be included.

The Management Agreement between the Mutuals and the Golden Rain Foundation requires, under paragraph Fourth, subparagraph (k), that the Foundation shall prepare a budget for adoption by the Mutuals for those items covered by the Agreement.

II. METHOD OF PREPARATION

Since the Management Agreement between the Mutual and the Foundation requires the Foundation to prepare a budget with respect to the items contained in the Agreement, and since these items become a portion of the budget of the Mutual Corporations, the following procedure is used in preparing and presenting budgets for adoption:

- A. The Golden Rain portion of the budget is prepared and adopted by the Board of Directors during July and August for the fiscal year following.

The portions of the budget covered by this adoption are:

Administration	Property Management
Recreation	Grounds Maintenance (Community Facilities)
Transportation	Community Facilities Maintenance
Security	Service Maintenance (all phases except Mutual Other
Janitorial Services	Improvements)

- B. After the adoption of the Golden Rain Foundation budget, the costs of this budget are allocated to the Mutual for use in their budget preparation.

- C. The Golden Rain Foundation is responsible for furnishing information to the Mutual Corporations regarding those budget items which are not covered by the Foundation

(Draft created 0-19-17 cd)

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Nine**

budget. These costs fall into two groups:

1. The items that are either required by contract or set up by governmental agencies are:

Real Estate Taxes	Hazard Insurance
State Franchise Tax	Mortgage Insurance
FHA Mortgage Insurance Premium	Mortgage Principal
Replacement Reserve	General Operating Reserve
Water and Sewer	

2. The items which must be determined by the Mutual Board individually are:

Audit Fee	Vacancy and Collection Losses
Electricity	Rubbish Removal*
Grounds Maintenance – other improvements	Service Maintenance – other improvements
Misc. Maintenance and Repairs	Painting Reserve
Supplemental Replacement Reserve	Special Contingency Funds

*Arranged cooperatively through the Golden Rain Foundation

- D. Recommendations by the Golden Rain Foundation concerning the Mutual budget, together with estimates of income, expenses, and monthly carrying charges, should be available to the Mutual Corporations four (4) working days period to their September Board Meeting. This will enable the Mutual Corporations to have a period of time for study, evaluation, adjustment, and adoption of their budget prior to October 1.

Approximately three (3) weeks are needed after Mutual adoption to complete the clerical work in the Controller's Office for preparing the documentation and required reports for submission to HUD by November 1, and the required distribution to the members/stockholders between November 1 and November 15.

III. OTHER INFORMATION

- A. The administrative staff is always ready and available to discuss proposed budget actions, and to make budget presentations when requested by the Mutual Board.

- B. The action by the Mutual Board is the final action on the budget subject to HUD

(Draft created 0-19-17 cd)

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Nine**

- approval, and is the determining factor in the monthly carrying charge for all residents.
- C. In order to keep all Directors informed of the procedures on the budget, the following other information is furnished:
1. The Presidents and Chief Financial Officers of the Mutual Boards are furnished pertinent budget information at the same time as the Golden Rain Board.
 - a) All Mutual Directors are furnished complete information on the Golden Rain budget when it is adopted, together with complete information on the Mutual budget recommendations.
- D. Normally, the first or second week in September is used for study meetings between the Mutual President and CFO/Treasurer and the staff so that complete information is available for determining budget factors.

Procedure

Amended: Jul 88, Aug 00

**Executive Director
Golden Rain Foundation**

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Patronage Refunds****I. Legal Basis**

The Articles of Incorporation provide, under Article II for Mutuals 1 through 5, and Article III for Mutuals 6 through 16, that the Board of Directions may make refunds to stockholders as provided by the Bylaws and Occupancy Agreement. The Occupancy Agreement, under Article 3, provides that the corporation agrees that it will refund or credit to the member at the end of each fiscal year his proportionate share of such sums as have been collected in anticipation of expenses which are in excess of the amount needed for expense of all kinds, including reserves, in the discretion of the Board of Directors. The procedure recommended by FHA for such refund is stated in Section 2.

II. Refund Procedure

1. Mutual Boards should consider patronage refunds only at the close of a fiscal year.
2. A standard form of the resolution to be adopted by the Board is available for use.
3. The payment of any refund should be subject to two contingencies:
 - a. Completion of the audit, showing that the funds are available for payment.
 - b. The resolution, together with the statement of the auditors that the funds are available, should be submitted to FHA for approval prior to the payment of the refund.

III. Suggestions

Questions concerning the form to be used and the processing for FHA approval should be directed to the Executive Director.

Revised: 20 July 77

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Impounds**

Budget for impounds is based on advice from mortgagee, and equal monthly payments made to the mortgagee are based on the budget. The mortgagee makes disbursements to payee and advises Mutuals the amounts disbursed. Types of impounds are as follows:

a. Hazard Insurance

Fire and lightning, windstorm, hail, explosions, smoke, riot, aircraft and motor vehicles, vandalism and malicious mischief.

b. Tax Reserve

Assessments by county assessor's office based on parcel or loan area within Mutual.

c. Mortgage Insurance

Based on one-half of 1% unpaid principal balance at the beginning of each year.

RESCIND

FIVE: 11-18-16

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two and Nine**

THIS AGREEMENT entered into this 21st day of February 1974 between Seal Beach Mutual Corporations Nos. One through Eleven, (except Mutual No. Nine, effective 07-10-06) hereinafter called Trustors, and Western Mortgage Corporation, a division of Unionamerica, Inc., a Delaware corporation, hereinafter called Servicer.

WITNESSETH:

WHEREAS, Metropolitan Life Insurance Company, a New York corporation, hereinafter called the Beneficiary, now holds deed of trust notes secured by deeds of trust on properties in Seal Beach Leisure World owned by Trustors, which notes represent loans insured by the Federal Housing Administration, hereinafter called FHA, and

WHEREAS, the Beneficiary has appointed Servicer as its correspondent and servicing agent to make collections and to fulfill the obligations of the Beneficiary in the servicing of FHA loans in accordance with the requirements of FHA, and

WHEREAS, the Beneficiary has directed Servicer as its agent to pay interest to Trustors on impound accounts held on the subject FHA loans, and

WHEREAS, the Beneficiary has directed Servicer as its agent to assume the administration of the Reserve Fund for Replacements to the mortgage properties, hereinafter called the Reserve Fund, which Reserve Fund is required by FHA to be maintained under the control of the Beneficiary, and

WHEREAS, the Beneficiary has further directed Servicer to invest such Reserve Fund and pay earnings to the Trustors, and

WHEREAS, the Beneficiary and FHA have agreed that Servicer may collect a reasonable fee from Trustors for the services to be provided under this Agreement, and

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

1. The Trustors shall continue to make regular monthly payments in cash to the Servicer in accordance with the terms of the deed of trust notes. A portion of such regular monthly payments shall be held by Servicer in impound accounts in amounts as required for the payment of taxes, insurance and M.M.I., as set forth in the impound analysis delivered to Trustors during the first month of each year. Another portion of such regular monthly
(Draft created 05-19-17 cd)

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two and Nine**

payments shall be held by Servicer in said reserve und for replacements in amounts as required by the FHA and provided for in the Agreement for the Reserve Fund on such FHA loans.

2. On or before the 30th day of each month, Servicer agrees to deposit the monthly impound collections received through the 20th day of that month into regular savings accounts in an institution insured by an agency of the Federal Government yielding the highest available interest rate with out the requirement of any fixed time period. Such savings accounts for the impounds shall be maintained as Trust or Custodial accounts in the name of Western Mortgage Corporation, as custodian for the Beneficiary. Servicer shall make withdrawals on such impound accounts as required for payments of taxes, insurance and M. M. I.

3. Servicer agrees to provide monthly accounting reports to Trustors and the Beneficiary on or before the fifth day of each month that will reflect all savings account transactions under this Agreement as of the 20th day of the preceding month. These reports will include a Cash Flow Statement reflecting for each loan account total impound collections for the month, deposits of impound funds into the custodial savings account, any authorized disbursement, and a reconciliation to the balance outstanding in such savings accounts as of the 20th day of each month.

4. Payments to the Trustors of interest earned on the savings accounts shall be made on a calendar quarterly basis, less 1/5th of the earned interest on such savings accounts. The parties hereto agree that such 1/5th of the earned interest to be retained by Servicer is a reasonable charge for the services performed by Servicer in the investment of the impound funds and payment of earnings to Trustors.

5. Servicer agrees to assume the duties and responsibilities of the Beneficiary in the administration of the portfolio of United States Government Bonds in which the Reserve Fund has been invested under certain agreements between Trustors and Beneficiary. Provided the loan is not in default, at the end of each calendar quarter, the Servicer agrees to accept United States Government Bearer Bonds in substitution for the amounts accumulated in the Reserve Fund from collections during the preceding quarter, provided the accumulated amounts are not needed for repairs of payment or other items required under the Agreement for the Reserve Fund. It is understood that if, at any time, the market value of the Bonds falls below the equivalent amount of cash for which they were exchanged, the Servicer, at its option, may require the Trustors to make up the deficiency. It is understood that the Servicer and/or Beneficiary assumes no liability resulting from the fluctuation in the market value of the

(Draft created 05-19-17 cd)

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two and Nine**

Bonds.

6. It is understood that the Trustors, after ascertaining the dollar amount for which Bonds may be substituted, will purchase the Bonds and deliver them to the Servicer. The Servicer will then refund to the Trustors an amount equal to the actual cost of the Bonds excluding commissions or the par value of the Bonds, whichever is less, but in no event in excess of the amount of the cash on hand. At the Trustors request, Servicer or its agent will detach the interest coupons for redemption and forward the proceeds to the Trustors.

7. Servicer will provide a calendar quarterly report to Trustors and the Beneficiary on or before the 20th day of the month following each quarter which will reflect any changes in the status of the Reserve Fund and the portfolio of United States Government Bonds being administered by Servicer for each Mutual corporation.

8. The Trustors agree to pay Servicer \$25.00 per transaction affecting the portfolio of United States Government Bonds in which the Reserve fund has been invested. "Transaction" for the purpose of such compensation to Servicer includes the sale, purchase, maturity or redemption of Bonds in the portfolio being maintained for coupons on such Bonds. In addition, Trustors agree to pay Servicer \$25.00 per calendar quarter for each Mutual corporation which has investments included in the portfolio being administered by Servicer. The calendar quarterly report on changes in the Bond portfolio submitted by Servicer to Trustees and Beneficiary in accordance with the provisions of paragraph 7 will be accompanied by a quarterly billing summarizing the number of transactions and the amounts owing to Servicer which shall be paid by Trustors within fifteen days of receipt; provided, however, that the compensation payable by Trustors to Servicer for the services provided in the administration of the bond portfolio shall not, in the aggregate in any one year, be less than \$4,000, nor more than \$10,000. The parties hereto agree that the compensation provided for in this paragraph for the administration of the Reserve Fund and the portfolio of United States Government Bonds in which the Reserve Fun has been invested, is a reasonable charge for the services performed by Servicer in connection therewith.

9. Servicer agrees to use due diligence in the performance of its duties and the exercise of its fiduciary responsibilities under this Agreement, and Trustors agree that Servicer and the Beneficiary shall not be responsible for any loss or damage suffered by Trustors in the execution of this Agreement that may be caused by circumstances beyond Servicer's control.

10. The parties agree that this Agreement shall be for a term of three years from
(Draft created 05-19-17 cd)

MUTUAL OPERATIONS**RESCIND MUTUAL TWELVE****ACCOUNTING AND FISCAL****Impound Account Agreement – All Mutuals Except Two and Nine**

the date of execution and will be automatically renewed on a year-to-year basis except upon 90 days advance written notice of termination given by either party prior to the expiration of the original term or any renewal period. The parties further understand and agree that the execution and implementation of this Agreement will be subject to the approval of the Beneficiary and the FHA; that this Agreement to pay interest on impound accounts to Trustors on Seal Beach Leisure World FHA loans is entered into on a voluntary basis by the Beneficiary and Servicer, and is not presently required by any law or governmental regulation; and further that any subsequent agreement between the parties to modify, amend or replace this Agreement shall be subject to the approval of the Beneficiary and the FHA.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, duly authorized the day and year first above written.

MUTUAL ADOPTION**RESCINDED**

ALL MUTUALS: Feb 1974

TWO:

02-17-11

NINE:

07-10-06

(Draft created 05-19-17 cd)

MUTUAL TWELVE

GOLDEN RAIN MONTHLY
SUMMARIES FOR

MAY 2017

(See information attached.)



APRIL 2017 MONTHLY SUMMARY

Strategic Planning Ad Hoc Committee • Tuesday, April 4, 2017 (May 2, 2017)

1. OLD BUSINESS:

- a) Ten Year Plan – Project Plan for 2017: The Committee agreed to hold a work study session on Project Plans for 2017 and 2018 on April 17, 2017, at 1:00 p.m., in Clubhouse Three, Room Six, as well as discussing Project Plans for 2018 and 2019.
- b) Mission and Vision Statements: The Committee discussed the Mission and Vision statements of Essex Meadows, as presented, and the drafts prepared by Ms. Hopewell for Golden Rain Foundation. The Committee concurred to accept the following: GRF Mission Statement We provide active, independent seniors with an exceptional retirement lifestyle by creating a wide variety of social, educational, and recreational opportunities. GRF Vision Statement We protect and preserve community assets through sound fiscal management, and identify and prepare creative solutions for the future, while promoting a sense of friendly, small-town community.

Security, Bus & Traffic Committee Meeting • Monday, April 5, 2017 (May 3, 2017)

1. CORRESPONDENCE:

- a) Ken Gray, M4-85C, Traffic Violations: The Committee moved to strongly recommend to the Executive Committee to hire an individual dedicated for parking enforcement duties, at 80 hours per week.

2. NEW BUSINESS:

- a) Parking Enforcement Vehicle: The Committee moved to authorize Interim Security Chief to rebrand Security Vehicle with the word, "Parking" on its doors, at an estimated cost not to exceed \$150.00.

3. POLICIES:

- a) Amend Policy: The Committee moved to recommend the GRF BOD amend Policies 5537-38, Minibus Service and 5538-38, Bus Safety Rules, and Policy 1927-37, Parking Rules for Trust Property, (for a 60 day posting period).
- b) Policies Referred to the Policy Re-write Sub-committee: The Committee concurred to refer Policies 5535-37, Pedestrian Gate Security; 5536-37, Main Gate: Open 24 Hours Daily; and 5536.03-37, Gate Security: Arts & Crafts Festival and Walk-A-Thon to the Policy Re-write Sub-committee for review.

4. STAFF REPORTS:

- a) Deputy Security Chief: The Committee concurred to send Policy 1927.01-37, Fees (Fines) for Parking Rules Violations on Trust Property and Policy 1927.02-37, Parking Rules for Trust Property to the Policy Re-write Sub-committee for further review.



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Physical Property Committee Meeting • Monday, April 10, 2017 (May 8, 2017)

1. OLD BUSINESS:

- a) St. Andrews Drive/Gate Plan: The Committee concurred to request the Executive Director obtain the cost on engineering and installation of fiber optic poles for the Committee's review at the upcoming meeting, and include with streets replacement.

The Committee concurred to request the Project Coordinator and Urban Crossroads to explore moving the median as far as possible, without moving the street light, to allow more room for a left-hand turn at Golden Rain Road and St. Andrews Drive.

The Committee concurred to request bids based on the drawing presented of turn openings in median for Mutual One, Carports 11-15.

The Committee concurred to implement yellow Bott's dots into the St. Andrews Drive and Triangle drawing to allow people to stay within the lane while making a right-hand turn.

The Committee concurred to request the Project Coordinator make an adjustment to the left drawing with diagonal parking (p. 23 in agenda packet) by allocating first two spaces for bike parking.

The Committee concurred to accept the sidewalk radius drawing, as presented.

The Committee concurred to requests bids, based on the St. Andrews Drive drawing, as presented.

- b) Budget to Comply with CAMUTCD: The Committee moved to update all traffic controls, pavement markings, and signage throughout the community, in compliance with CAMUTCD, in the amount not to exceed \$272,800 and forward this project to the Finance Committee for a Reserve (partial) and Capital funding approval, and to the Board of Directors for final approval.
- c) Amphitheater Parking Lot: The Committee concurred to postpone the Amphitheater parking lot project until the next year; the Facilities Director also stated that the markings for a fire truck will be handled in-house.
- d) Clubhouse Six Parking Lot Design: The Committee concurred to complete this project in conjunction with the Administration area project.

2. NEW BUSINESS:

- a) Open Bids – Sewer Cleaning: The Committee concurred to address the selection of a contractor at a future meeting.
- b) Traffic Light Pole Damage: The Committee moved to replace the traffic light, in an amount not to exceed \$8,795, and purchase an additional three poles, if available, for the total amount not



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to exceed \$36,000 for all four poles, and forward this request to the Finance Committee for funding approval.

3. POLICIES:

- a) Rescind Policy: The Committee moved to recommend the GRF BOD rescind Policy 1350-70, Community Grounds and Maintenance Service
- b) Policy 5130-70, Physical Property Committee: The Chair of the Policy Re-Write Sub-committee invited the Committee Chair to attend the Sub-committee meeting on April 13 in order to make amendments to the policy.

ADR Committee Meeting • Monday, April 11, 2017 (May 9, 2017)

1. **CORRESPONDENCE**: The Committee concurred to request the Facilities Director to further research samples of blinds and colors available for St. Theodore's Episcopal Church, Clubhouse Three and report at the next scheduled meeting.

2. OLD BUSINESS:

- a) Main Gate Landscape, Update: TO request approval of the Finance Committee to transfer \$20,000 from the excess Globe budget to the ADR Committee for the lighting and landscaping project at the Main Gate.
- b) Signage in front of Clubhouse: The Committee concurred to use the signage, as proposed by the Publications Manager; however, the door sign should be made with the logo colors and not white.
- c) Naming of the Garden Area: The Committee concurred to include this topic on next month's agenda.

3. NEW BUSINESS:

- a) Clubhouse Four: The Committee concurred to further discuss the wall behind dais, landscaping, lobby areas proposed murals and other pending Committee items at the upcoming Work Study meeting.
- b) Topiary Garden: The Committee concurred to further discuss at the upcoming Work Study meeting. The Chair will confirm the new location and requested Committee members L. Stone and J. Reed to shop for pots for the topiary plants.

4. POLICIES:

- a) Amend Policy: The Committee moved to accept proposed amendments to the ADR Committee Charter, Policy 5160-ADR and forward to the Board for final approval.



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Mutual Administration Committee Meeting • Tuesday, April 11, 2016 *(May 9, 2017)*

1. POLICIES:

- a) Amend Policy: The Committee moved to recommend the GRF BOD amend Policy 1201-33, Photo Identification Cards.

Publications Committee Meeting • Wednesday, April 12, 2017 *(May 1, 2017)*

1. OLD BUSINESS:

- a) Homepage and Landing Pages, Update: The Committee concurred to launch the development site for a period of time, upon the Committee's approval.

ITS Committee Meeting • Monday, April 12, 2017 *(May 1, 2017)*

1. OLD BUSINESS:

- a) Resources Page on the Website: The Committee concurred to request Chair Snowden and the ITS Systems Analyst present more information on this matter at the next scheduled meeting.

2. NEW BUSINESS:

- a) Axxerion Funding Request: The Committee moved to approve the request for additional \$50,000 for completion of Axxerion transition in Accounting and Purchasing Departments, forward this request to the Finance Committee as a Capital expense, and to the Board for final approval.
- b) Clubhouse Six Sign-in and Acceptance of Policy: The Committee concurred to inform the proper Committee of this issue, if it arises in the future, along with the warnings from a wireless provider.

Recreation Committee Meeting • Wednesday, April 13, 2017 *(May 10, 2017)*

1. CORRESPONDENCE:

- a) Correspondence re: LW Drones Service Club: The Committee concurred to review LW Drones Service Club request at the next meeting.
- b) St. Theodore Episcopal Church, Anne Walshe and the Bishop's Committee of St. Theodore Episcopal Church: The Committee concurred to review this correspondence at the next meeting.

2. NEW BUSINESS:

- a) Multipurpose Court, Clubhouse Two: The Committee agreed to take out the fire pit, and incorporate a seating area in place of it; allocate the area for a bocce ball court (South end by the parking area); show the overlay for basketball free throw lanes; add two more portable BBQ grills with at least one built-in counter (4 altogether); show overlay of the badminton area

over the pickle ball court; add a golf cart parking area; relocate the existing shed to improve the access; show an estimate layout for the croquet court; add a drinking fountain; keep the plant materials for landscaping consistent with the Front Gate.

- b) Billiard Tables, Clubhouse One and Two. Patio Furniture in Pool Area: The Committee moved to approve the service and repair of pool tables at Clubhouses One and Two by Mission Billiards and Barstools in the total amount of \$5,575.

The Committee moved to replace all of the swimming pool deck furniture with reconditioned furniture in the amount not to exceed \$8,500 and forward this request to the Finance Committee, and the Board for approval.

The Committee concurred to approve the purchase of two sneeze guards for the food counter at Clubhouse Six, as presented.

3. POLICIES:

- a) Policies to be reviewed at the next Committee meeting: The Committee moved to review Policies 1409-50, Amphitheater Dancing; 1485-50, Prohibition of Radio- or Remotely-Controlled Vehicles – Trust Property; and 5562-50, Amphitheater Program.
- b) Amend Policies: The Committee moved to recommend the GRF BOD amend Policies 1021-30, Posting of Signs on Trust Property; 1202-50, Club Membership; and 1401-50, Use of Community Facilities.
- c) Policies reviewed by the Committee: The Committee reviewed the following Policies: 1403-50, Commercial Use; 1406-50, Limitations on Use; Policy 1411-50, Recreational Facilities; 1422-50, Marquee; 1428-50, Clubhouse Artwork Displays; 1431-50, Liability Insurance – Clubs; 1466-50, Exercise Room Rules, Limitations and Etiquette; 1468-50, Pool Rules, Limitations and Use; Policy 1480-50, Arts and Crafts Festival; 1710-50, Adult Education; and 2609-30, Foundation Equipment.

4. Staff Reports

- a) Recreation Manager: The Committee concurred to review the Mother's Day event and the Beer and Wine Garden at the next scheduled meeting.

Executive Committee Meeting • Friday, April 14, 2017 (May 12, 2017)

1. NEW BUSINESS

- a) Student Intern: The Committee moved to approve a student intern from California State University, Long Beach reporting to the Member Resource and Assistance Liaison from June 2017 through May 2018.



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- b) GRF Employee Parking Passes: The Committee moved to support staff's action to redesign employee parking passes for use by Golden Rain Foundation and Health Care Center employees, to be created and distributed by the Security Department, in coordination with the Human Resources Department.
- c) Parking Enforcement Hire: The Committee moved to forward a non-budgeted request to the Finance Committee to fund two full-time dedicated parking enforcement staff, effective May 1, 2017, from Cost Center 37 (budgeted funding to be included in the 2018 Cost Center 37 budget), in an amount not to exceed \$56,770.77.

POLICIES

- a) Rescind Policies: The Committee moved to recommend the BOD rescind Policies 5441-30, Emergency Plan –Staff, 5509-30, Renewal of Service and Maintenance Contracts, 2135-30, Secretarial Services – Minutes, 5602-30, Voice Roll Call Vote, 5103-30, Committee Meetings – Board Members' Attendance, 2002-30, Administrative Organizations.
- b) Refer Policies to the Policy Re-write Sub-committee: The Committee moved to refer to the Policy Re-write Sub-Committee 5110-30, Executive Committee and 5041-30, Real Property Acreage.
- c) Amend Policy: The Committee moved to recommend the BOD amend Policy 5508-30, Renewal of Service and Maintenance Contracts.
- d) Policies Reviewed by the Committee: The Committee moved to post notice of review, with no action taken, to the GRF Website, Policies 5231-30, Receiving Donations and Gifts, 5440-30, Emergency Plan, 5442-30, Community Emergency Preparedness ,5511-30, Legal Services and 5511.01-30, Intent to Contact GRF Attorney at Foundation Expense.

Finance Committee Meeting • Tuesday, April 18, 2017 (May 16, 2017)

1. FINANCIALS

- a) Accept March 2017 Financial Statements for Audit: The Committee moved to recommend the GRF BOD accept the March 2017 Financial Statements for audit.
- b) Approve Closure of BNY Mellon Accounts: The Committee moved to recommend the GRF BOD authorize the Finance Department to instruct BNY Mellon to close the GRF investment account by selling the two GNMA bonds and transferring the proceeds plus the balance of the money market account to US Bank.
- c) Approve CDAR Purchase: The Committee moved to recommend the GRF BOD use \$490,000 from First Foundation Bank Money Market Reserves and \$510,000 from US Bank Money Market Reserves to purchase two \$500,000 52-week CDARs @ .45% to continue the investment ladder.



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2. OLD BUSINESS

- a) Approve Revised SRO Rate: The Committee moved to approve an increase to the labor recovery billing rate, effective May 1, 2017, from \$40.00 per hour (0.65 per minute) to \$42.00 per hour (0.70 per minute) for straight time, and from \$60.00 per hour (\$1.00 per minute) to \$63.00 per hour (\$1.05 per minute) for overtime, with the pending approval by the Board.

3. NEW BUSINESS

- a) Reserve Funding Request/Traffic Signal Pole: The Committee moved to approve and forward to the Board, non-scheduled Reserve funding to replace four traffic light standards (if available) at the intersection of Golden Rain Rd. and St. Andrews Dr. for a cost not to exceed \$36,000
- b) Globe Lighting Design: The motion failed to approve Reserve funds of \$32,287 from the refurbishment of the Globe, to design and install lighting for the Globe.

The Committee moved to approve \$2,000 for Architecture Design and Review Committee (ADRC) to begin the engineering process for the lighting of the Globe with the remaining money from the Reserve funding, and recommend for final approval from the Board.

- c) Supplemental Capital Funding Request/Axxerion Project: The Committee moved to approve and forward to the Board a recommendation to authorize an additional \$50,000 of Capital funds to be used to complete the software conversion of work orders, purchase orders, and inventory management from the Adapt and Great Plains systems to Axxerion.
- d) Display Cabinets for Clubhouse Four, Review: The Committee concurred to remove this item from the agenda and discuss at a later time.
- e) Reserve Funding Request/Swimming Pool Furniture Replacement: The Committee moved to approve Reserve funding request in the amount not to exceed \$8,000 for the purchase, and replacement of reconditioned deck furniture from Seabreeze Patio Furniture Inc.
- f) Non-budgeted Salary Expense, Security, Cost Center 37: Upon the approval of Mr. Hood and Mrs. Perrotti, the President advised that this request will be forward to the Board for final approval.

4. POLICIES:

- a) Review Policies: The Committee moved to amend Policies 2230-21, Authorized Signatories; 3321.01-31, Basic Purchasing Procedures and Responsibility; 3323-31, Disposition of Surplus Equipment; 5516-31, Committee Non-Budgeted Expenses, and 5520-31, Reserves.
- b) Amend Policies: The Committee moved to recommend the GRF BOD amend Policies 5523-31, Accounts Receivable Collection and Policy 5330-31, Capital Improvements.



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5. STAFF REPORTS:

- a) Purchasing Manager: The Committee moved to authorize the Purchasing Department to dispose of the swimming pool furniture at its discretion.

Recap of Golden Rain Foundation Board Activity of April 25, 2017

Approved Minutes

MOVED and duly approved to accept the minutes of the March 28, 2017 Golden Rain Foundation (GRF) Board of Directors (BOD) meeting, as presented.

Comply with California Manual on Uniformed Traffic Control Devices (CAMUTCD) MOVED and duly approved Reserve funding for the removal and replacement of signs and street marking and repainting of red curbs, per reset plan, in the amount of \$213,000, to be in compliance with the CAMUTCD. Further, I move to approve Capital Funding to update traffic control devices and certification of compliance with CAMUTCD, in the amount of \$35,000, with the contingencies of \$24,800. The total cost of the project is not to exceed \$272,800 and authorize the GRF President sign the contract and the Physical Property Chair approve any contingencies.

Trust Property Use Lease(s)

Failed to approve to accept an annual lease agreement with Leisure World Trailer Club, a California Corporation for a five year term, commencing January 1, 2017 and expiring December 31, 2021, at an annual rent of \$18,885 per year for the first year, payable ten (10) days after the lease is executed and invoice sent; \$20, 774 for year two (2); \$22,851 for year three (3); \$25,136 for year four (4); and \$27,650 for year five (5) with each annual payment due and payable within ten (10) days of invoice. Payment is due per the terms of the agreement (Exhibit A in agenda packet).

MOVED and duly approved the amended proposed lease agreement between the GRF and individual members of the GRF for the use of the property commonly identified as the 5.5 acres, deleting section XI. Default, and post the lease per provisions of Civil Code §4360(a).

MOVED and duly approved to conceptually approve a lease agreement between the Golden Rain Foundation and the RV Trailer Club, for the limited use of Trust Property to be identified within a section of the 5.5 acres of Trust Property, per terms and conditions to be determined in the amount of \$1.00 per year.

Approved Globe Reserve Fund Allocation, Engineering Services, Globe Lighting

MOVED and duly approved the allocation from the Globe Reserve Fund, in the amount of \$2,000, to design lighting for the Globe.

Approved Non-budgeted Funding for Parking Enforcement Hire

MOVED and duly approved the addition of 80 additional staff hours, within Cost Center 37, for the sole purpose of enforcement of Policy 1927-37 and similar Mutual parking policies.

Rescinded Policies under the Purview of the Executive Committee

MOVED and duly approved to rescind Policies 2002-30, Administrative Organizations; 2135-30,



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Secretarial Services – Minutes; , 5103-30, Committee Meetings – Board Members' Attendance; 5441-30 Emergency Plan –Staff, 5509-30, Renewal of Service and Maintenance Contracts; 5602-30, Voice Roll Call Vote, due to obsolescence, redundancy or a matter of law.

Accepted March 2017 Financial Statements for Audit

MOVED and duly accepted the March 2017 Financial Statements for audit.

Approved Closure of BNY Mellon Accounts

MOVED and duly approved to authorize the Finance Department to instruct BNY Mellon to close the GRF investment account by selling the two GNMA bonds and transferring the proceeds, plus the balance of the money market account, to US Bank.

Approved CDAR Purchase

MOVED and duly approved to use \$490,000 from First Foundation Bank Money Market Reserves and \$510,000 from US Bank Money Market Reserves to purchase two \$500,000 52-week CDARs @ .45% to continue the investment ladder.

Approved Revised SRO Rate

MOVED and duly approved to increase the labor recovery billing rate from \$40 per hour (\$0.67 per minute) to \$42 per hour (\$0.70 per minute) for straight time and from \$60.00 per hour (\$1.00 per minute) to \$63 per hour (\$1.05 per minute) for overtime, effective May 1, 2017.

Amended Policies Finance Committee

MOVED and duly approved to amend Policies 2230-31, Authorized Signatories; 3321.01-31, Basic Purchasing Procedure and Responsibility, 3323-31, Disposition of Surplus Equipment; 5523-31, Accounts Receivable Collections; 5516-31, Committee Non-budgeted Expenses; 5520-31, Reserves; and 5330-31, Capital Project Initiation, to reflect the changes consensually agreed on by Finance Committee members.

Approved Supplemental Capital Funds, Axxerion Software Project

MOVED and duly approved an additional \$50,000 of capital funds to be used to complete the software conversion of work orders, purchase orders and inventory management from the Adapt and Great Plains systems to Axxerion.

Amended Policy 1201-33, Photo ID Cards

MOVED and duly approved to amend Policy 1201-33, Photo ID Cards to update changes pertaining to the eligibility for, issuance and surrender of photo ID cards.

Approved Reserve Funds, Replacement of Golden Rain Traffic Light Poles

MOVED and duly approved to award a contract to Siemens Industry INC. to replace the traffic light pole (presented), in the amount not to exceed \$8,795, and purchase an additional three poles, if available, in a total amount not to exceed \$36,000 for all four poles, from Reserve Funding and authorize the President to sign the contract.

Approved Contract, Pest Control

MOVED and duly approved to award a three (3) year contract to Fenn Termite and Pest Control to provide monthly pest control service, a yearly termite report, and localized treatment for termite control to all Trust buildings, for a three-year term, in the amount not to exceed \$36,725 (breakdown



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of fees included in agenda packet), funding from the Operations budget and authorize the President to sign the contract.

Approved Reserve Funds, Replacement of Pool Area Furniture

MOVED and duly approved the purchase of used, reconditioned deck furniture from Seabreeze Patio Inc., in an amount not to exceed \$8,000, from the replacement reserve portion of the budget, and to authorize the Recreation Manager to make the purchase.

TENTATIVE VOTE: Amend Policy 1927-37, Traffic Rules and Regulations

MOVED and duly approved to amend Policy 1927-37, Traffic Rules and Regulation, to provide updated information for clarity and compliance.