

**MINUTES OF THE REGULAR MONTHLY MEETING  
OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL TWELVE  
October 9, 2014**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Findlay at 9:00 a.m. on Thursday, October 9, 2014, followed by the *Pledge of Allegiance*, in the Administration Building Conference Room.

**ROLL CALL**

Present: President Findlay, Vice President Fluharty, Secretary Ferraro,  
and Directors Welch and Evans

GRF Representative: Mrs. Damoci

Guests: Ms. Caldwell, Vista Paint (9:45 a.m.)  
Seven shareholders of Mutual Twelve

Staff: Mrs. Weller, Mutual Administration Director  
Ms. Miller, GRF Controller  
Mr. Antisdell, Building Inspector  
Mrs. Westphal, Recording Secretary

President Findlay welcomed guests and staff to the meeting.

**SHAREHOLDERS' COMMENTS**

Comments were from one shareholder who read about his concerns about the 2015 Budget.

**GUEST SPEAKER – 2015 BUDGET PRESENTATION – MS. MILLER**

Ms. Miller presented the Mutual Twelve proposed 2015 Operating Budget information. Following a discussion, and upon a MOTION duly made by Secretary Ferraro and seconded by Director Evans, it was

RESOLVED, To accept the 2015 Operating Budget for Mutual Twelve of \$1,673,629 (annual amount), resulting in a regular assessment of \$308.56 (monthly amount) per apartment per month, for an increase of \$8.22 per month over the total regular assessment of 2014, as presented, and to adopt this budget forthwith.

The MOTION carried with one "no" vote (Fluharty).

Ms. Miller left the meeting at 9:40 a.m.

**WEBSITE COORDINATOR'S REPORT**

Ms. Goostree reported that she is working on the Mutual Website. She said she and President Findlay will finalize parts of it to get it online.

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

Inspector Antisdell said he cannot go out to bid for paint contractors without knowing the colors. The Board decided that it will vote on the colors at the November Board Meeting instead of having a Special Meeting as Inspector Antisdell suggested.

Inspector Antisdell reviewed his monthly summary (see attached), and he and Ms. Caldwell left the meeting at 10:30 a.m.

**CORRESPONDENCE**

A resignation letter from CFO Woodruff was submitted by President Findlay. Upon a MOTION duly made by Director Evans and seconded by Director Welch, it was

RESOLVED, To regretfully accept the resignation of Sharon Woodruff from the Mutual Twelve Board of Directors, effective September 25, 2014.

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

**SPECIAL BOARD ACTION**

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

RESOLVED, To appoint Secretary Ferraro as Chief Financial Officer, as well as Secretary, of the Mutual Twelve Board of Directors.

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

**MUTUAL ADMINISTRATION DIRECTOR'S REPORT**

Mrs. Weller talked about the possibility of making GRF Policy 1801 – Qualified Permanent Residents and Co-Occupant Agreements into a Mutual 7000 Series policy.

Mrs. Weller presented her report about insurance (see attached). She also introduced global Policy 7504.G – Lock Resolution for all Mutuals to adopt.

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

**OLD BUSINESS**

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

RESOLVED, To post for the 30-day posting period Policy 7701.12 – Personal Liability and Property Insurance.

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

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

RESOLVED, To post for the 30-day posting period, Policy 7480.12 – Architectural Review and Decision Making.

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

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

RESOLVED, To adopt, on a preliminary basis until the 30-day posting period is completed, Policy 7585.12 – Governing Document Compliance and Fines.

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

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

RESOLVED, To adopt, on a preliminary basis until the 30-day posting period is completed, Policy 7585.12.1 – Fine Schedule.

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

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

RESOLVED, To compose a cover letter to be attached along with Policies 7585.12, 7585.12.1, 7701.12, and 7480.12 to Mutual Twelve's 2015 Budget insert in the annual disclosures in the *Golden Rain News*.

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

**PRESIDENT'S REPORT**

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

**CFO'S REPORT**

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

**SECRETARY'S REPORT**

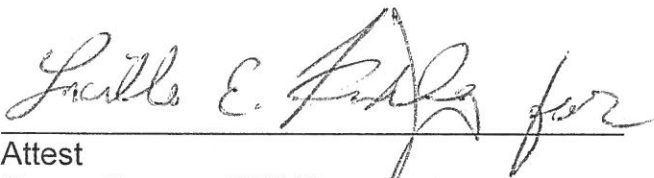
CFO/Secretary Ferraro submitted a report to be attached to the minutes.

**EXECUTIVE SESSION**

Member issues were discussed in Executive Session following the Regular Board Meeting. The following motion was unanimously carried in the Executive Session: RESOLVED, To remove the identified carport electrical outlets and conduits in their entirety at Mutual expense.

**ADJOURNMENT**

President Findlay adjourned the meeting at 12:06 p.m. and announced that there would be an Executive Session to discuss member issues.



Attest

Susan Ferraro, CFO/Secretary  
SEAL BEACH MUTUAL TWELVE

pw:10/27/14  
Attachments

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

**NEXT MEETING: NOVEMBER 13, 2014**

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

RESOLVED, To post for the 30-day posting period, Policy 7480.12 – Architectural Review and Decision Making.

RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7585.12 – Governing Document Compliance and Fines.

RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7585.12.1 – Fine Schedule.

RESOLVED, To compose a cover letter to be attached along with Policies 7585.12, 7585.12.1, 7701.12, and 7480.12 to Mutual Twelve's 2015 Budget insert in the annual disclosures in the *Golden Rain News*.

RESOLVED, To consult with the Mutual attorney regarding the next steps for possible amendment to the Bylaws concerning Extensions into Common Area for Patios.

RESOLVED, To direct Physical Property to add appropriate information including carport and space number to apartment files of shareholders with carport cart outlets and direct the Mutual Accountant to inform Physical Property when a contract is canceled and the outlet needs to be removed.

RESOLVED, To adopt, on a preliminary basis until the 30-day posting period is completed, Policy 7480.12.1 – Architectural Standards Approval Form.

RESOLVED, To accept the Laundry Room Chairs' recommendation to purchase Speed Queen Multi-Housing Manual Control Commercial Top Load Washers and Commercial Dryers as replacements for laundry rooms, as needed.

Executive  
Session

RESOLVED, To remove the identified carport electrical outlets and conduits in their entirety at Mutual expense.



Mutual  
Corporations

Community  
Unity

Golden Rain  
Foundation

# Insurance is your Responsibility



Fire



Theft



Water Damage



Natural Disaster

If it is determined that you are the cause of a fire in your apartment resulting in large scale serious damage to your apartment and personal belongings and there is serious damage to other neighbor's apartments and their personal belongings, or to the structure of the building or surrounding buildings, and common areas, you may be responsible to pay the Mutual insurance deductible.

**THE MUTUAL INSURANCE DEDUCTIBLE IS \$50,000.00**

Practice fire safety....stove-top fires can be deadly and devastating to those persons involved, as well as very costly. A pot or pan left carelessly on an active burner can cause damage to an entire building and its surroundings.

**Protect yourself and others by maintaining  
HO6 insurance on your apartment.**

Your insurance carrier can assist you with your specific needs.

The following chart shows your Reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target.

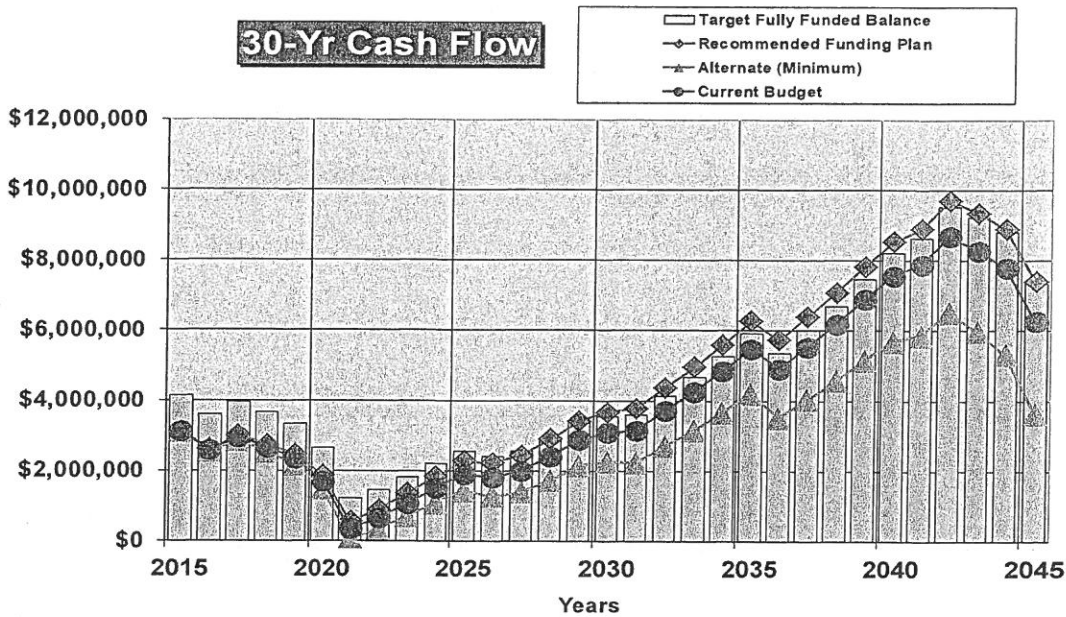


Figure 3

This figure shows this same information, plotted on a Percent Funded scale.

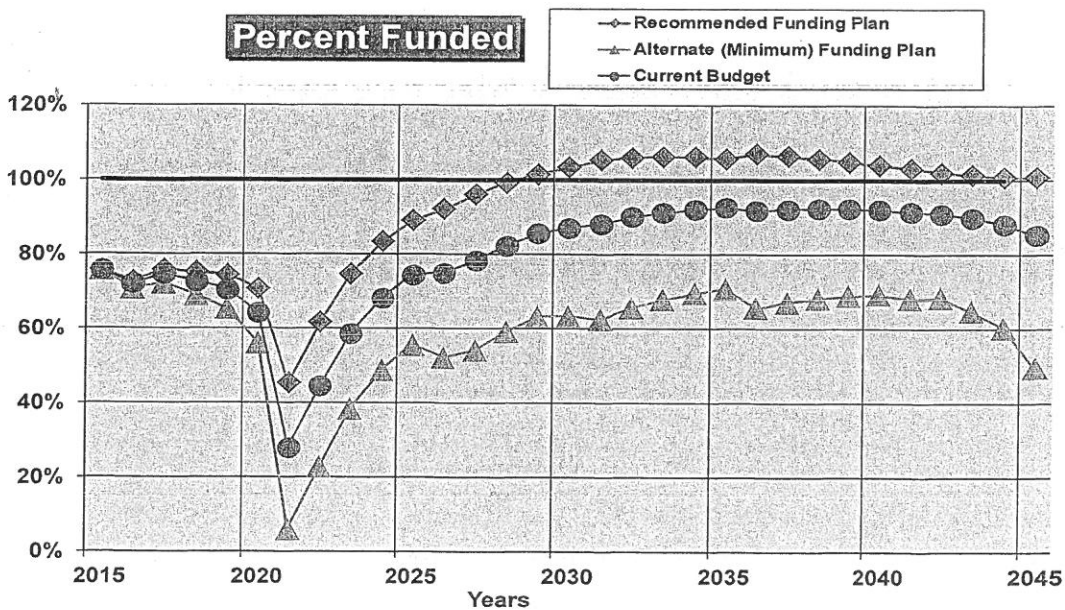


Figure 4



SECRETARY'S REPORT, October 9, 2014

Today a recommendation was brought to your Board to move Golden Rain Policy 1801 Qualified Permanent Residents and Co-Occupant Agreements into the 7000 Series Mutual policies. The Mutual 12 Board resolved that the policy "will remain under the domain of the Golden Rain Foundation, as appurtenant to the Mutual Corporations."

The stock cooperatives and condominium are the TOTALITY of Leisure World and GRF. In my opinion a buyer purchases in LEISURE WORLD and thus becomes a member/stockholder of one of the mutual corporations at his or her choosing.

Appurtenant is defined as a right of property.

As per Golden Rain Foundation By-Laws: Article II, Section 3: To become a "member of Golden Rain Foundation, one must make application concurrently with the "subscription agreement" for stock or membership in such cooperative housing corporation (aka Mutual.)

To me, the terms membership, stockholder become interchangeable in this context. It should also be noted that failure to pay the initiation fee shall render the candidate's eligibility of membership null and void at the discretion of the Board of Directors (GRF). Further, it states that the authorized number of memberships shall be equal to the cooperative stockholder occupants and Mutual 17 members for a total of 6608 units.

Also: Mutual By-Law Article III MEMBERSHIP defines membership/eligibility for stock ownership (hereinafter referred to as



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

**September 9, 2014**

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Findlay at 10:04 a.m. on September 9, 2014, in the Administration Conference Room B.

Those members present were: President Findlay, Vice President Fluharty, Secretary Ferraro, Directors Welch and Evans.  
Absent was: CFO Woodruff.

Also present were: Carol Weller, Mutual Administration Director, Mark Weaver, Community Facilities Manager, Jodi Hopkins, Mutual Administration Assistant and one shareholder.

The purpose of the meeting was to meet in Executive Session to discuss shareholder concern.

Upon consensus of the Board members present, the meeting was adjourned by President Findlay at 11:34 a.m.

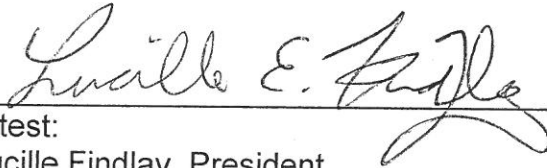


Attest:

Susan Ferraro, Secretary  
SEAL BEACH MUTUAL NO. TWELVE

/sf

There being no further business, President Findlay adjourned the meeting at 10:28 a.m.

A handwritten signature in cursive script, reading "Lucille E. Findlay", is written over a horizontal line.

Attest:

Lucille Findlay, President  
SEAL BEACH MUTUAL NO. TWELVE

/f

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL NO. TWELVE  
September 30, 2014**

The Special Meeting of Seal Beach Mutual No. Twelve was called to order by President Findlay at 9:00 a.m. on September 30, 2014, in Administrative Conference Room A.

Those members present were: President Findlay, Vice President Fluharty, Directors Welch and Evans. Secretary Ferraro was absent

Also present were: GRF Controller, Ms. Carolyn Miller (left at 9:48 a.m.) and Building Inspector Antisdell (arrived at 10:20 a.m.)

Controller Miller discussed Mutual 12 Director concerns about finance and budget decisions of the GRF and Mutual 12 Boards. Ms. Miller recommended additional discussion of the GRF concerns with Mutual 12 GRF Representative, Carole Damoci.

**NEW BUSINESS**

Shareholder Joyce Girvin of Apartment 68L presented a request to plant 2 Oliver Twist pittosporum in the flower bed at her apartment. President Findlay read the correspondence from Pinnacle Arborist, George Meadows. Following discussion and upon a MOTION duly made by Director Evans and seconded by Vice President Fluharty, it was

RESOLVED, To postpone a decision on the plants until the October 9 Regular Monthly Meeting of the Board.

After further discussion, the MOTION failed by a unanimous vote of the Board members present.

The shareholder then withdrew her request.

(President Findlay called for a break at 10:15 a.m. – 10:19 a.m.)

Inspector Antisdell presented the plan for the walkway at Apartment 9A. Following discussion, and upon a MOTION duly made by Director Welch and seconded by Vice President Fluharty, it was

RESOLVED, To approve the walkway as submitted.

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