

**MINUTES OF THE REGULAR MONTHLY MEETING  
OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL TWELVE  
September 10, 2015**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Welch at 9:00 a.m. on Thursday, September 10, 2015, followed by the *Pledge of Allegiance*, in the Administration Building Conference Room A.

**ROLL CALL**

Present: President Welch, Secretary Findlay, and Directors Jaeger-Hudson, Thomas, Fluharty, and Anderson

Absent: Vice President/CFO Ferraro

GRF Representative: Mrs. Damoci

Guests: Four shareholders of Mutual Twelve

Staff: Mrs. Weller, Mutual Administration Director  
Mr. Salazar, Building Inspector  
Mrs. Westphal, Recording Secretary

President Welch welcomed guests and staff to the meeting.

**SHAREHOLDERS' COMMENTS**

President Welch invited shareholders present to speak to the Board.

**MINUTES**

There being no corrections to the minutes of the Regular Monthly Meeting of August 13, 2015, the Special Meeting of August 21, 2015, and the Special Meeting of August 25, 2015, President Welch declared the minutes approved as written.

**GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT**

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

**BUILDING INSPECTOR'S REPORT**

Building Inspector Salazar reviewed his written report summary (see attached).

Following a discussion regarding irrigation controllers (see attached spreadsheet for details), and upon a MOTION duly made by President Welch and seconded by Director Anderson, it was

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

RESOLVED, To approve the new sprinkler controllers and system upgrade for the Mutual to include five controllers with wiring at \$27,900 and separation upgrade at \$67,445, for a total of \$95,345; complimentary first year satellite subscription is included; Inspector Salazar will assure timely rebate application for 144 stations at \$5,040.

The MOTION passed.

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

RESOLVED, To approve \$40,000 for SOS Services, Inc., to line as needed the lateral sewers serving Buildings 34, 36, 40, and 65.

The MOTION passed.

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

RESOLVED, That one Australian willow tree will be provided and planted by Pinnacle Landscape Management Inc. in the Mutual greenbelt in front of Unit 11-I; the shareholder at that unit has agreed to pay for this Mutual tree and its installation.

Following a roll call vote, the MOTION passed.

Secretary Findlay said that the Mutual will begin replacing greenbelt trees in January. This will be placed on the November Regular Monthly Board Meeting agenda.

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

RESOLVED, To rescind the motion of August 13, 2013, to purchase a vinyl wall for Laundry Room 11.

The MOTION passed.

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

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

RESOLVED, To fill in the area next to the Laundry Room 11 walkway with sod and install sprinklers for a cost of \$763 by Pinnacle Landscape Management Inc.

The MOTION passed.

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

RESOLVED, That all Mutual Twelve apartment water heaters that are models supplied prior to the mid-1990s will be replaced; a schedule will be prepared; also these water heaters will be replaced any time one of the following occurs:

If these water heaters need service, have to be disconnected, drained, and moved due to other services; or are in vacant, part-time occupancy, or sold/transferred apartments.

In all apartment water heater replacements, smitty pans and dual sensors will be included as well as a check inside the wall to evaluate and repair, if necessary, risers in that and the adjoining apartment; if a water heater needs to be drained and moved due to construction or an unrelated repair, risers will be checked and smitty pans and dual sensors will be supplied as needed; no water heater will be drained at Mutual expense simply to add a smitty pan; in any apartment that still has original angle stops, they will be replaced at the time of the water heater replacement.

The MOTION passed.

Building Inspector Salazar left the meeting at 10:21 a.m.

**MUTUAL ADMINISTRATION DIRECTOR'S REPORT**

Mrs. Weller presented her report (attached).

She also talked about a new issue of service animals and emotional support animals that are not classified as a "pet," under Federal guidelines, which could be a serious issue for the community. The Pet Policy will be rewritten. In addition, she is looking into the legality of doctors' notes being required when coming into the community and being able to live independently. She will be informing the Mutual Boards of the opinion she receives from the GRF attorney when she receives it.

(Recording Secretary Westphal left for a break at 10:25 a.m. – 10:40 a.m.)

**EMERGENCY PREPAREDNESS COORDINATOR'S REPORT**

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

**OLD BUSINESS**

All items of Old Business were done under the Building Inspector's Report.

**NEW BUSINESS**

All items of New Business were done under the Building Inspector's Report.

**PRESIDENT'S REPORT**

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

**CFO'S REPORT**

In the absence of Vice President/CFO Ferraro, her report will be attached to the minutes.

**SECRETARY'S REPORT**

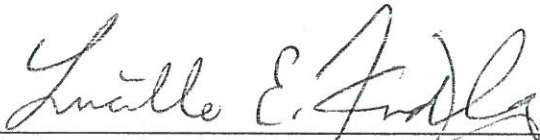
Secretary Findlay submitted a report to be attached to the minutes.

**EXECUTIVE SESSION**

Member and legal issues were discussed in Executive Session.

**ADJOURNMENT**

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



Attest, Lucille Findlay, Secretary  
SEAL BEACH MUTUAL TWELVE

pw:9/25/15  
Attachments

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

**NEXT MEETING: OCTOBER 8, 2015**

September 10, 2015

**RESOLUTIONS IN THE REGULAR  
MONTHLY MEETING OF SEPTEMBER 10, 2015**

9/10/15

RESOLVED, To approve the new sprinkler controllers and system upgrade for the Mutual to include five controllers with wiring at \$27,900 and separation upgrade at \$67,445, for a total of \$95,345; complimentary first year satellite subscription is included; Inspector Salazar will assure timely rebate application for 144 stations at \$5,040.

RESOLVED, To approve \$40,000 for SOS Services, Inc., to line as needed the lateral sewers serving Buildings 34, 36, 40, and 65.

RESOLVED, That one Australian willow tree will be provided and planted by Pinnacle Landscape Management Inc. in the Mutual greenbelt in front of Unit 11-I; the shareholder at that unit has agreed to pay for this Mutual tree and its installation.

RESOLVED, To rescind the motion of August 13, 2013, to purchase a vinyl wall for Laundry Room 11.

RESOLVED, To fill in the area next to the Laundry Room 11 walkway with sod and install sprinklers for a cost of \$763 by Pinnacle Landscape Management Inc.

RESOLVED, That all Mutual Twelve apartment water heaters that are models supplied prior to the mid-1990s will be replaced; a schedule will be prepared; also these water heaters will be replaced any time one of the following occurs:

If these water heaters need service, have to be disconnected, drained, and moved due to other services; or are in vacant, part-time occupancy, or sold/transferred apartments.

In all apartment water heater replacements, smitty pans and dual sensors will be included as well as a check inside the wall to evaluate and repair, if necessary, risers in that and the adjoining apartment; if a water heater needs to be drained and moved due to construction or an unrelated repair, risers will be checked and smitty pans and dual sensors will be supplied as needed; no water heater will be drained at Mutual expense simply to add a smitty pan; in any apartment that still has original angle stops, they will be replaced at the time of the water heater replacement.

Special Meeting 8/21/15 RESOLVED, To modify the contract with Roofing Standards for the purchase and installation of rain gutters and downspouts for 44 Mutual Twelve buildings; the change order will specify 2" x 3" downspouts with no hinges on the extensions at a revised price of \$130,020.

Special Meeting 8/25/15 RESOLVED, Whereas a CDAR held at First Foundation Bank in the amount of \$100,100 is maturing on August 27, 2015, the Board authorizes the reinvestment of said funds to open a new CDAR account in the amount of \$100,100 for a term of one year at the prevailing interest rate of .50 percent.

RESOLVED, Whereas a bond held at BNY Mellon in the amount of \$50,000 is maturing September 1, 2015, the Board authorizes the transfer of said funds upon maturity to the Mutual Twelve First Foundation Bank Essential Business Checking Account for the purpose of purchasing one CDAR in the amount of \$50,000 for a term of two years at the prevailing interest rate of .70 percent.

RESOLVED, That the committee appointed by the Board to conduct Policy 7585.12.1 – Fine Schedule hearings shall include two officers and one Director selected by the President.

RESOLVED, To ask Vice President/CFO Ferraro and Secretary Findlay to review and recommend amendment to Policy 7701.12 – Personal Liability and Property Insurance.

RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7731.12 – Internal Dispute Resolution – IDR.

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

Carole Damoci  
Mutual 12 Representative  
September 9<sup>th</sup>, 2015

The wall on Seal Beach Blvd is finished. A new sidewalk has been poured and the landscaping will be done with monetary help from the city. We will begin the wall behind the nursing home next. The wall along the channel behind the RV lot will be done after that. It's already been approved & a contract signed. This leaves the Westminster Blvd. wall. It's scheduled to be built next year but I don't think it will be started till 2017.

The Amphitheater Thursday night shows will end this week with the Mills Brothers performing. As the sub-committee on entertainment, Larry Blake, GRF Representative from Mutual 1, and I have picked the entertainment for the past 2 years and have been named to do that for next summers' shows also.

The movie Grease will be shown this coming Saturday night in the Amphitheater as part of the Seal Beach Centennial celebration. Everyone is invited to come dressed in costume.

Bus service from LW to Denny's & the Trader Joes' shopping center will end at the end of this month. Ridership will be evaluated at that time to see if it should be put into the 2016 budget as a permanent amenity for our shareholders.

We're still looking at the possibility of having a dog park inside the walls of Leisure World behind clubhouse 2 and will be researching it further.

We're looking forward to having a fall festival the end of October. It's still in the planning stages so I'll keep you posted as time goes on.

The budget season is in full swing. The 3 major fires in the last 2 years (Mutuals 3, 7 & 11) will mean an increase in assessments for both GRF & the Mutuals. There will be a town hall meeting in September on fire safety & the need for personnel liability insurance. There will be both an afternoon & evening meeting. I urge you all to attend one of the meetings.

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

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

• **MUTUAL ESCROW ACTIVITY:**

<b>NMI</b>	<b>PLI</b>	<b>NBO</b>	<b>FI</b>	<b>COE/ROF</b>
	11B	72E	72E	7K
	71E (P)	41F	68D	47I
	61H (P)		56C	11J
	67C (P)		8F	72E
	34L (P)			

**Legend:** NMI = New Member Inspection

PLI = Pre Listing Inspection

NBO = New Buyer Orientation

FI = Final Inspection

COE = Close of Escrow

ROF = Release of Funds

(P) = Pending

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

• **MUTUAL PROJECTS:**

- Carport Driveway Safety Painting: On hold until after exterior painting project
- Ground Vault, Grates & Walkway Posts Paint: On hold until after exterior painting project
- Irrigation Controls Installation – Applying for SoCal Water\$mart Rebate: Clarification per proposal price for Controller D wiring
- Exterior Paint Project: Start date begins Monday, 8/24/2015: Change order: Start Date September 2, 2015. Buildings 6, 7 & 8; 9, 10 & 11 are being painted as a section with building 6 complete



September 10, 2015

- Sewer Maintenance & Re Pipe: Proposed price of \$40,000 for sewer re lining at buildings:
  - 34 at 20' for \$8,000
  - 36 at 30' for \$12,000
  - 40 at 25' for \$10,000
  - 65 at 25' for \$10,000
- Gutter Installation: Start Date: September 2, 2015. Buildings 6, 7 & 8; 9, 10 & 11 are receiving gutters/downspouts in concert with Hutton painting.
- Carport Driveways Asphalt/Concrete Project
- Garden Area Tree Removal: In Progress. Completed, however, there is an invoicing issue that needs to be addressed: Pending
- Landscape Turf Repair & Root Barrier: Proposal submitted. Pending requested information, additional scope added to proposal
- Concrete Walkway Maintenance: Pending
- Fire Protection Maintenance: Proposal submitted. Awarded

● **CONTRACTS**

- Carport driveway safety painting awarded to PCI
- Ground vault, grates & walkway posts paint awarded to: PENDING
- Irrigation controls installation awarded to: PENDING
- Exterior paint project awarded to Hutton
- Sewer maintenance and re pipe awarded to: PENDING
- Gutter installation awarded to: Roofing Standards
- Carport Driveways Asphalt/Concrete Project awarded to: PENDING
- Garden area tree removal project awarded to John's Landscaping
- Landscape turf repairs & root barrier awarded to: PENDING (SC Yamamoto)
- Concrete walkway maintenance awarded to: PENDING
- Fire Protection Maintenance awarded to So Cal Fire Protection - ASI

● **MUTUAL REQUESTS/VISITS**

73L  
72E  
CP 137 44  
35C

<u>Description</u>	<u>Cost</u>	<u>Wiring</u>	<u>Total</u>	<u>Separation UPGRADE</u>	<u>Combined Total</u>
Controller A 36 Station	\$4,985	\$975	\$5,960	\$15,190	\$21,150
Controller B 30 Station	\$4,785	\$975	\$5,760	\$14,290	\$20,050
Controller C 30 Station	\$4,785	\$1,170	\$5,955	\$16,540	\$22,495
Controller D 18 Station	\$4,465	\$1,170	\$5,635	\$7,810	\$13,445
Controller E 30 Station	<u>\$4,785</u>	<u>\$975</u>	<u>\$5,760</u>	<u>\$13,615</u>	<u>\$19,375</u>
Totals	\$23,805	\$5,265	\$29,070	\$67,445	\$96,515
Less Wiring Controller D		-\$1,170	-\$1,170		-\$1,170
ADJUSTED TOTALS	\$23,805	\$4,095	\$27,900	\$67,445	\$95,345
<b><u>TOTAL COST INCLUDING UPGRADE</u></b>					<b>\$95,345</b>
5 Controllers w/wiring	\$27,900				
Separation Upgrade	<u>\$67,445</u>				
Total	\$95,345				

Additional Considerations

<b>Rebate/stn 144 stns</b>	\$35.00	\$5,040.00			
<b>Annual Subscription \$110/controller 1st year included</b>	\$110.00	\$550.00			

## **MUTUAL 12 PRESIDENT'S REPORT**

**SEPTEMBER 10, 2015**

**JOE WELCH, PRESIDENT**

**MUTUAL TWELVE BUILDING PAINTING IS MOVING ALONG. CONCERNS ABOUT DOWNSPOUT COLORS HAVE BEEN ADDRESSED. THE FOLLOWING ESTIMATE FOR THE PAINTING SCHEDULE DEPENDS ON THE WEATHER.**

- **Building 39 should be finished by October 12**
- **Work on buildings 40 through 47 will probably take place October 12 through October 31**
- **Building 55 should start about November 2 with Building 63 done by November 20.**
- **By November 23 we can expect painting to start on Building 64 with Building 69 at Glenview finished by December 8.**
- **Completion of the final group of buildings, 70 through 78, is expected by the end of the year.**

**CARPORT PAINTING WILL BE SCHEDULED AFTER THE APARTMENT BUILDINGS ARE FINISHED. YOU WON'T HAVE TO TAKE THINGS OUT OF THE CABINETS. WHEN YOUR CABINETS ARE PAINTED THEY WILL NEED TO BE UNLOCKED. YOU SHOULD COVER ANYTHING INSIDE YOUR CABINETS THAT PAINT OVERSPRAY MIGHT HARM WITH PLASTIC.**

Things to know from the CFO/VP September 2015 Regular Meeting

As you can see from the attached Special Minutes 8/25/15, the Board reviewed the Operating Budget and Reserve Funding for 2016. President Welch and I submitted the Mutual's input to Carolyn Miller, the GRF Controller on August 31<sup>st</sup> for review of content and completeness. At our next regular meeting, October 8, 2015, the final budget including GRF's input will be presented for Board approval. The budget will then be distributed in the Golden Rain News on November 15, 2015.

That being said, it seems that it is common knowledge amongst Mutual 12 shareholders that Property and Liability Insurance premiums have increased and will be reflected in the 2016 budget. (True) It appears, from comments made directly to me, that there is some misunderstanding about the need for said increase because of questions like, "Why do we have to pay for fires that occurred in other mutuals? We have insurance, don't they?" Let me explain...

- All insurance policies are negotiated and purchased through GRF for the entirety of Leisure World (They do an outstanding job..not easy)
- There is ONE Property and Liability policy that covers each mutual separately with the same dollar amount of coverage and the same deductible for each occurrence.
- Each fire occurrence counts against the master policy as a claim.
- A Mutual pays the deductible for each loss claim in their own Mutual (right now \$50,000) (Mutual 12 isn't paying for the deductibles for fires in other Mutuals, they are) But it could easily happen here and your Board understands the need to have those funds saved in order to avoid special assessments to you, the shareholder.  
(Note: Mutual 12 DID have a significant fire 12 years ago)

Deductibles (and at times co-insurance) are needed because insurance is a SHARED risk between the Mutual and the insurance company. Just like your auto policies, even if you are not at fault, you have to pay the deductible FIRST, then the insurance pays the remainder of the claim.

Insurance companies, in pricing the premiums looks at many factors, but of great importance is the number of claims and the FREQUENCY of claims. Leisure World as a whole has experienced more fires in the past 5 years than in the previous 50...that is what is driving up the premium costs and that is why you are being charged higher monthly fees for insurance protection.

Respectfully submitted:

Susan Ferraro  
CFO/VICE PRESIDENT  
MUTUAL TWELVE

P.O. Box 2069  
 Seal Beach CA 90740

Aug Actual	Aug Budget		2015 Y-T-D Actual	2015 Y-T-D Budget
100,353	100,353	Carrying Charges	804,248	804,248
37,692	37,693	Reserve Funding	301,538	301,544
<b>138,045</b>	<b>138,046</b>	<b>Total Regular Assessments</b>	<b>1,105,786</b>	<b>1,105,792</b>
35	0	Service Income	105	0
3,367	2,391	Financial Income	25,795	19,128
649	1,098	Other Income	8,908	8,784
<b>4,052</b>	<b>3,489</b>	<b>Total Other Income</b>	<b>34,808</b>	<b>27,912</b>
<b>142,097</b>	<b>141,535</b>	<b>Total Mutual Income</b>	<b>1,140,595</b>	<b>1,133,704</b>
63,081	63,081	GRF Trust Maintenance Fee	506,072	506,072
12,321	12,941	Utilities	93,525	103,528
546	922	Professional Fees	9,763	7,376
41,313	18,573	Outside Services	183,606	148,584
9,953	8,326	Taxes & Insurance	82,782	66,608
37,692	37,693	Contributions to Reserves	301,538	301,544
<b>164,907</b>	<b>141,536</b>	<b>Total Expenses Before Off-Budget</b>	<b>1,177,286</b>	<b>1,133,712</b>
<b>(22,809)</b>	<b>(1)</b>	<b>Excess Inc/(Exp) Before Off-Budget</b>	<b>(36,692)</b>	<b>(8)</b>
<b>(22,809)</b>	<b>(1)</b>	<b>Excess Inc/(Exp) After Off-Budget</b>	<b>(36,692)</b>	<b>(8)</b>
		<b>Restricted Reserves</b>		
(2,811)	0	Appliance Reserve Equity	45,801	0
4,094	0	Painting Reserve	322,979	0
0	0	Operating Reserve Equity	47,897	0
23,486	0	Roofing Reserve	2,606,026	0
0	0	Emergency Reserve Equity	350,339	0
777	0	Infrastructure Reserve	471,757	0
<b>25,546</b>	<b>0</b>	<b>Total Restricted Reserves</b>	<b>3,844,799</b>	<b>0</b>

Secretary's Report, September 10, 2015

As your Corporate Secretary, I'm responsible for the minutes of all Mutual 12 meetings. Fortunately the Minutes of the Regular Monthly Meeting are recorded and prepared by the GRF Mutual Recording Secretaries. All I have to do is review them and sign on the Board's behalf. I also "have charge of the membership transfer books and other books and papers as the Board of Directors may direct." Community Administration and Stock Transfer keep all of the important books and papers on our behalf.

Stock Transfer has a copy of one of your very important sets of documents that are seldom mentioned once escrow closes, the documents you signed in escrow. In addition to all of the typical information and disclosures found in escrow agreements are items specific to Leisure World and Mutual 12. In my view, certain of these are important supplements to your governing documents. Going to your personal files and reviewing your copy of your Escrow papers is, I believe, a worthwhile endeavor.

The heading for one section in the Escrow Instructions includes the phrase, "AS A MATTER OF RECORD." It includes the following, "BUYER IS AWARE that the purchase price includes exclusive use of one parking space."

The permitted vehicle use of this parking space is described in Policy 7502.12 Carport Regulations and Common Area Traffic Policy B. Carport Assignments. This section is reprinted on the following page for your convenience.

Contact your Parcel Director for further assistance. If your Director is not available, any Mutual 12 Director can assist with carport or other policy concerns. They have copies of all of the Mutual policies.

Mutual 12 policies, as well as other Mutual 12 information, are also available at [lwsb.com](http://lwsb.com). Just click on "Mutual 12" in the "Mutuals" drop down at the end of the menu bar. The Leisure World Library is another source for Mutual and GRF policies.

Respectfully submitted, Lucille Findlay

## MUTUAL OPERATIONS

### RESIDENT REGULATIONS

#### Carport Regulations and Common Area Traffic Policy - Mutual Twelve

##### B. Carport Assignments

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

## EMERGENCY PREPAREDNESS REPORT – David Nell

- I attended the Town Hall Meeting on Fire and Fire Safety on September 16.
- I attended a meeting on September 30 to learn about communications to be used should Leisure experience a real emergency.
- On the fourth Friday of each month, the GRF Emergency Planning Sub-Committee will meet at 1:00 p.m. in the Administration Conference Room; all Mutual Twelve representatives are invited to attend. The concept is that ideas and strategies will be interchanged and then moved up to the Emergency Planning Council for approval and implementation.
- On the first Friday of each month, the Mutual Emergency Planning Council will meeting in the Administration Conference Room A at 10:00 a.m.



MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL NO. TWELVE  
August 21, 2015

The Special Meeting of the Board of Directors of Seal Beach Mutual No. Twelve was called to order by President Welch at 9:03 a.m. on Friday, August 21, 2015 in the Physical Property Conference Room.

**ROLL CALL**

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

Absent: Director Jaeger-Hudson

Guests: Mr. Antisdell, Building Inspector  
Mr. G. Hutton, Hutton Painting  
Mr. J. Hutton, Hutton Painting  
Mr. Mulcahy, Roofing Standards  
Mr. Rodriguez, Roofing Standards

**BUSINESS**

The purpose of the meeting was to review and clarify issues regarding the painting of Mutual 12 buildings and installation of new rain gutters on the Mutual 12 buildings.

Issues clarified included

- Hutton will provide a Painting Schedule
- Inspector Salazar will check apartment exteriors and patios for existing damage, for example broken pots, loose or torn window screens and ragged carpet, before power wash begins on each building.
- Existing building number signs, both apartment and carport will not be put back up since new ones will be purchased. (Newer building location signs need to be saved.)
- Wood trim on bay windows will be painted bone white unless shareholders tape a note inside the window to leave trim unpainted or make special arrangements
- Window and door screens need to be removed from patios prior to painting
- Laundry Rooms will be painted Vista White. Old Bulletin Boards and non standard signs will not go back up

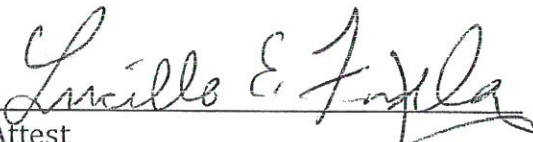
After discussion and upon a MOTION duly made by Vice President/CFO Ferraro and seconded by Director Thomas, it was

RESOLVED to modify the contract with Roofing Standards for the purchase and installation of rain gutters and downspouts for 44 Mutual 12 buildings. The change order will specify 2" x 3" downspouts with no hinges on the extensions at a revised price of \$130,020.

The Motion passed.

**ADJOURNMENT**

There being no further business the meeting was adjourned at 10:15 a.m.

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

/lf

MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL NO. TWELVE  
August 25, 2015

The Special Meeting of the Board of Directors of Seal Beach Mutual No. Twelve was called to order by President Welch at 9:05 a.m. on Tuesday, August 25, 2015 in the Physical Property Conference Room.

**ROLL CALL**

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

Absent: Director Jaeger-Hudson

Guest: One shareholder of Mutual Twelve

**Budget Discussion**

The Board members reviewed and made recommendations for the 2016 Seal Beach Mutual Twelve Operating Budget. Controller Carolyn Miller will present the budget and the Board will vote at the October 8, 2016 Regular Monthly Meeting.

**New Business**

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

RESOLVED: Whereas a CDAR held at First Foundation Bank in the amount of \$100,100 is maturing on August 27, 2015, the Board authorizes the reinvestment of said funds to open a new CDAR account in the amount of \$100,100 for a term of 1 year at the prevailing interest rate of .50 percent.

The MOTION passed.

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

RESOLVED: Whereas a bond held at BNY Mellon in the amount of \$50,000 is maturing September 1, 2015, the Board authorizes the transfer of said funds upon maturity to the Mutual Twelve First Foundation Bank Essential Business Checking Account for the purpose of purchasing one CDAR in the amount of \$50,000 for a term of 2 years at the prevailing interest rate of .70 percent.

The MOTION passed.

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

RESOLVED that the committee appointed by the Board to conduct Policy 7585.12.1 Fine Schedule hearings shall include two Officers and one Director selected by the President.

The MOTION passed.

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

RESOLVED to ask Vice President/CFO Ferraro and Secretary Findlay to review and recommend amendment to Policy 7701.12 Personal Liability and Property Insurance.

The MOTION passed.

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

RESOLVED to amend, on a preliminary basis until the 30-day posting period is completed, Policy 7731.12 Internal Dispute Resolution - IDR.

After a show of hands President Welch called for a roll call vote.

President Welch, Yes; Vice President/CFO Ferraro, Yes; Secretary Findlay, Yes; Director Anderson, Yes; Director Thomas, No; Director Fluharty, No

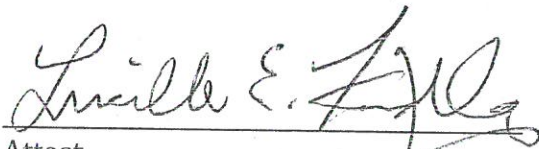
The MOTION passed with 4 Yes votes and 2 No votes.

### Executive Session

Shareholder and legal issues were discussed in Executive Session following the Special Meeting.

### Adjournment

President Welch adjourned the meeting at 11:45 and announced there would be an Executive Session to discuss shareholder and legal issues.



Attest

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

/lf