

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
May 10, 2018**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Gillon at 9:05 a.m. on Thursday, May 10, 2018, followed by the *Pledge of Allegiance*, in the Administration Building, Conference Room A.

SHAREHOLDER'S COMMENTS

No shareholders made comments.

ROLL CALL

Present: President Gillon, Secretary Sprague, CFO Ferraro, and Directors Anderson, Woodruff, and Harmon

Absent: Vice President Carson

GRF Representative: Mrs. Damoci

Guests: One shareholder of Mutual Twelve

Staff: Ms. Hopkins, Mutual Administration Director
Mr. Antisdell, Building Inspector
Ms. Gage, Recording Secretary

President Gillon welcomed guests and staff to the meeting.

MINUTES

President Gillon asked for any corrections to the Regular Meeting minutes of April 12, 2018. Upon a MOTION duly made by President Gillon and seconded by Secretary Sprague, it was

RESOLVED, To approve the meeting minutes for April 12, 2018 as revised on April 25, 2018.

The MOTION passed.

EMERGENCY AGENDA ITEMS

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

RESOLVED, To add an emergency agenda item under 5.0 Approval of Minutes to ratify a phone poll and to add an emergency agenda item under 6.C Work Order Approvals to approve an order for Curb Painting.

The MOTION passed, CFO Ferraro NO, Director Harmon abstained.

EMERGENCY AGENDA ITEMS (continued)

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

RESOLVED, To ratify the phone poll taken by President Gillon on Tuesday, May 8, 2018, to allow President Gillon to write a testimonial for John Nelson Plumbing regarding the copper re-piping that was done in the Mutual Twelve in 2017. The poll results were five yes.

The Motion passed, Ferraro NO.

BUILDING INSPECTOR'S REPORT

Inspector Antisdell discussed the monthly report (attached).

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

RESOLVED, to approve the work order from Bergkvist Construction for dry rot repairs to Mutual Twelve buildings not to exceed \$35,000.00 to be billed to the Roofing Reserve account.

The Motion passed.

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

RESOLVED, to approve the re-painting of Mutual 12 red curbs by the Service Maintenance department for an estimated cost of \$2,155.

The Motion passed.

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

RESOLVED, To approve the second gutter cleaning by Anguiano Lawn Care (John's Landscape Service).

The Motion passed.

Inspector Antisdell provided an update on the Dumpster Sign replacement project. After further discussion, it was decided that Inspector Antisdell will provide prices for the signs with powder coating at the next Board meeting.

Following questions, Inspector Antisdell left the meeting at 9:50 a.m.

GRF REPRESENTATIVE

GRF Representative Damoci presented her report (attached).

UNFINISHED BUSINESS

President Gillon provided an update on tree trimming for 2018. Upon further discussion, it was decided to postpone this discussion until the next Board meeting, to allow for more time for tree identification.

NEW BUSINESS

Per the Mutuals' Bylaws Article IV, Section 7, Darlene Milek Unit 78-E, shareholder of Mutual Twelve, stated that she intends to vote cumulatively for the election of Directors for the 2018-2019 term of office.

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

RESOLVED, to RESCIND the resolution made on March 08, 2018, "to have AWS Consulting Incorporated review and rewrite the roofing specifications for a cost of \$3,000 to be billed to Roofing Reserve."

The MOTION passed.

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

RESOLVED, To approve to move the June Regular Monthly Board Meeting to June 7, 2018, 9 A.M., due to the Annual Shareholders' Meeting being held on June 14, 2018.

The MOTION passed

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

RESOLVED, To amend Policy 7501 – Pet Ownership Policy on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

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

RESOLVED, To comply with Ca Civil Code 4360 (attached) the policies ratified by the Mutual Twelve board will be published on the LWSB.com website no later than 15 days after ratification and a clean updated copy of the ratified policy

NEW BUSINESS (continued)

will be attached to the minutes of the meeting that the policy was ratified at so that the ratified policy is published to all shareholders per the civil code and the mutual bylaws.

The MOTION passed.

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

RESOLVED, To attached a copy of the revised policies that were ratified on March 08, 2018, - 7481.12 Infrastructure Modifications, 7499.12 Air Conditioning, 7525 Withdrawal Inspection Process Fee, 7530 Withdrawal Inspection – to the meeting minutes from May 10, 2018, so they are published to all shareholders.

The MOTION passed.

Chief Financial Officer Report

Following a discussion, and upon the MOTION duly made by CFO Ferraro and seconded by, Secretary Sprague it was

RESOLVED, To authorize the CFO to reinvest the Certificate of Deposit that matures on May 25, 2018, held at US Bancorp in the amount of \$151,000 for a term not to exceed two years at the prevailing interest rate.

The MOTION passed.

(President Gillon called for a break at 11:00 a.m. and to return at 11:15 a.m.)

SECRETARY / CORRESPONDENCE

Secretary Sprague presented her report (attached).

Secretary Sprague received no correspondence.

CHIEF FINANCIAL OFFICER'S REPORT

CFO Ferraro presented her financial report (attached).

PRESIDENTS REPORT

President Gillon presented her report.

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Director Hopkins presented her report (attached).

ANNOUNCEMENTS

The de-thatching work has been completed. Thanks to all shareholders for their patience during this process. For the next four months our landscaper will be replacing all the sprinkler heads in the mutual with new water-wise heads. Until the sprinklers in each area are completely replaced we will not be watering the lawns. Do NOT hand water the lawns in your area. We need the grass as low as possible to access the sprinkler heads and sprinkler lines during the replacement.

Next month is our Annual Meeting on Thursday, June 14, 2018 at 9 a.m. Please attend to vote for your new directors and meet your neighbors. Our June monthly meeting will be held on Thursday, June 7, 2018, at 9 a.m. in the Administration Conference Room.

COMMITTEE REPORTS

CFO Ferraro submitted the Luncheon Committee report (attached).

DIRECTOR'S COMMENTS

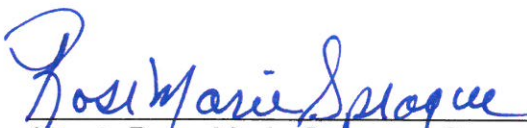
One Director made a comment.

SHAREHOLDER(S)' COMMENTS

One shareholder made a comment.

ADJOURNMENT

There being no further business to conduct, President Gillon adjourned the meeting at 11:27 a.m. and announced there would be an Executive Session following the meeting to discuss member issues.



Attest, Rose Marie Sprague, Secretary

SEAL BEACH MUTUAL TWELVE

dg:05/10/18

Attachments

**NEXT MEETING: June 7, 2018 at 9:00 a.m.
Administration Building, Conference Room A**

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 10, 2018**

05/10/18 RESOLVED, To add an emergency agenda item under 5.0 Approval of Minutes to ratify a phone poll and to add an emergency agenda item under 6.C Work Order Approvals to approve an order for Curb Painting.

RESOLVED, To approve the meeting minutes for April 12, 2018 as revised on April 25, 2018.

RESOLVED, To ratify the phone poll taken by President Gillon on Tuesday, May 8, 2018, to allow President Gillon to write a testimonial for John Nelson Plumbing regarding the copper re-piping that was done in the Mutual Twelve in 2017. The poll results were five yes.

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Per the Mutuals' Bylaws Article IV, Section 7, Darlene Milek Unit 78-E, shareholder of Mutual Twelve, stated that she intends to vote cumulatively for the election of Directors for the 2018-2019 term of office.

RESOLVED, to RESCIND the resolution made on March 08, 2018, "to have AWS Consulting Incorporated review and rewrite the roofing specifications for a cost of \$3,000 to be billed to Roofing Reserve."

RESOLVED, To approve to move the June Regular Monthly Board Meeting to June 7, 2018, 9 A.M., due to the Annual Shareholders' Meeting being held on June 14, 2018.

RESOLVED, To amend Policy 7501 – Pet Ownership Policy on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To comply with Ca Civil Code 4360 (attached) the policies ratified by the Mutual Twelve board will be published on the LWSB.com website no later than 15 days after ratification and a clean updated copy of the ratified policy will be attached to the minutes of the meeting that the policy was ratified at so that the ratified policy is published to all shareholders per the civil code and the mutual bylaws.

RESOLVED, To attached a copy of the revised policies that were ratified on March 08, 2018, - 7481.12 Infrastructure Modifications, 7499.12 Air Conditioning, 7525 Withdrawal Inspection Process Fee, 7530 Withdrawal Inspection – to the meeting minutes from May 10, 2018, so they are published to all shareholders.

RESOLVED, To authorize the CFO to reinvest the Certificate of Deposit that matures on May 25, 2018, held at US Bancorp in the amount of \$151,000 for a term not to exceed two years at the prevailing interest rate.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(12) TWELVE**

INSPECTOR: **JERRY ANTISDEL**

MUTUAL BOARD MEETING DATE: **May 10, 2018**

Print Date: **5/3/2018**

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	FINAL INSPECTION	CONTRACTOR / COMMENTS
6-G	HEAT PUMP	BOTH	02/19/18	05/19/18	NO	NONE	GREENWOOD
10-J	FLOORING	GRF	03/09/18	05/04/18	NO	NONE	BIXBY PLAZA CARPET
46-E	HEAT PUMP	BOTH	04/30/18	07/30/18	NO	NONE	GREENWOOD
47-G	DISHWASHER/KIT SINK	BOTH	04/25/18	06/30/18	NO	NONE	LOS AL BUILDERS
56-I	WINDOWS DRY WALL	BOTH	02/15/18	05/20/18	NO	NONE	LW DÉCOR
58-B	C P CABINET	GRF	04/20/18	09/20/18	NO	NONE	LW DÉCOR
68-L	DEN LIGHT	GRF	05/01/18	06/01/18	NO	NONE	KRESS CONSTRUCTION
77-B	COUNTER TOPS	BOTH	03/27/18	05/27/18	NO	NONE	NATIONWIDE
78-E	REMODEL	BOTH	04/19/18	05/20/18	NO	NONE	OGAN CONSTRUCTION
	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS

GREY AREAS HAVE BEEN SIGNED OFF

Escrow Activity

	NMI	PLI	NBO	FI	COE DATE	ROF
6-A		02/27/18	03/12/18	03/21/18	04/04/18	05/02/18
7-L		11/21/17	04/06/18	04/25/18	05/09/18	
34-L		09/22/17	03/15/18	03/20/18	04/03/18	
38-I		04/19/18				
46-A		03/30/18				
46-G		03/30/18	04/30/18	04/30/18	05/09/18	
55-G		04/04/18				
73-F		03/28/18				
73-H		04/12/17				

GREY AREAS HAVE BEEN SIGNED OFF

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation

FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

Contract Services

Project Description

EMPIRE PIPE CLEANING	CONTRACT GOOD UNTIL 2020
FENN TERMITE AND PEST CONTROL	CONTRACT GOOD UNTIL 2020
PINNACLE LANDSCAPE	MONTH TO MONTH
PINNACLE LANDSCAPE	IRRIGATION 2018
CONTRACT FOR DISH ON BUILDINGS	
PRICE FOR NEW CARPORT DUMPSTER SIGNS INSTALLED NOT TO EXCEED 350.00 FOR ALL CARPORTS	

Site Visits

51

Carole Damoci

May 10th, 2018

Mutual 12 GRF Representative

It has been my pleasure to serve the Shareholders of Mutual 12 for the last six years on the GRF Board but all good things must come to an end. I find that I will not be able to serve another two years as your Representative.

Since I made this decision after the time someone else would be able to step up we will be holding a special election to fill my seat. On or about June 14th a post card will be sent to all apartments in the Mutual asking for candidates to come forward. You will have 10 days to reply. The forms to be filled out can be picked up at the Stock Transfer office. The requirements are simple. You must be a Shareholder in Mutual 12. Cannot owe any monies to either the Mutual or GRF for anything that is over 30 days due. Parking tickets and Library fines included. Cannot hold any public office at this time.

If more than one person comes forward there will be an election. If no one comes forward the Mutual board will be asked to recommend someone. If there is still no one GRF has the right to open it up to all of Leisure World and make the selection their self's. This has only happened once in the 55 plus years of Leisure World and that was for Mutual 16 two years ago. Mutual 16 will also be having a special election this year.

If any Shareholder would like more information on being a Representative there is a great booklet called "So you want to be Director" that can be picked up at the Stock Transfer office in the Administration Building. Or please feel free to call me for any information you may need.

Again, thank you for your backing and kind words over the last six years. I've never had a job I enjoyed more.

Respectfully submitted,

Carole S. Damoci

562-405-4965

caroledamoci@yahoo.com

GRF Vice-President

cdamoci@lwsb.com



CIVIL CODE - CIV

DIVISION 4. GENERAL PROVISIONS [3274 - 9566] (Heading of Division 4 amended by Stats. 1988, Ch. 160, Sec. 16.)

PART 5. Common Interest Developments [4000 - 6150] (Part 5 added by Stats. 2012, Ch. 180, Sec. 2.)

CHAPTER 3. Governing Documents [4205 - 4370] (Chapter 3 added by Stats. 2012, Ch. 180, Sec. 2.)

ARTICLE 5. Operating Rules [4340 - 4370] (Article 5 added by Stats. 2012, Ch. 180, Sec. 2.)

4360. (a) The board shall provide general notice pursuant to Section 4045 of a proposed rule change at least 30 days before making the rule change. The notice shall include the text of the proposed rule change and a description of the purpose and effect of the proposed rule change. Notice is not required under this subdivision if the board determines that an immediate rule change is necessary to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the association.

(b) A decision on a proposed rule change shall be made at a board meeting, after consideration of any comments made by association members.

(c) As soon as possible after making a rule change, but not more than 15 days after making the rule change, the board shall deliver general notice pursuant to Section 4045 of the rule change. If the rule change was an emergency rule change made under subdivision (d), the notice shall include the text of the rule change, a description of the purpose and effect of the rule change, and the date that the rule change expires.

(d) If the board determines that an immediate rule change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the association, it may make an emergency rule change, and no notice is required, as specified in subdivision (a). An emergency rule change is effective for 120 days, unless the rule change provides for a shorter effective period. A rule change made under this subdivision may not be readopted under this subdivision.

(Added by Stats. 2012, Ch. 180, Sec. 2. (AB 805) Effective January 1, 2013. Operative January 1, 2014, by Sec. 3 of Ch. 180.)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

Infrastructure Modifications (formerly Policy 7496.12) – Mutual Twelve

- 1 **SCOPE** This Policy supplements laws, codes, Golden Rain Foundation and Mutual 12 governing documents, and other requirements. It does not weaken or eliminate any requirement of any kind that is not addressed herein.
- 2 **GENERAL REQUIREMENTS**
 - 2.1 Any building exterior or interior modification must be approved by Board Resolution unless Board approval is on file or clear in policy (Exception: Interior walls may be painted or papered without a GRF or Mutual permit.)
 - 2.2 All modifications approved for shareholders shall be at shareholder expense.
 - 2.3 Shareholder and shareholder's contractor are responsible for repair and/or replacement of any Mutual 12 infrastructure components disturbed, modified or damaged during construction.
 - 2.4 As an example but not a limitation, repair or replacement of Mutual sidewalk light wiring damaged during and resulting from shareholder walkway replacement, sprinkler line work, grade changes, etc. must be corrected at contracting shareholder expense.
 - 2.5 There shall be no shareholder construction or other shareholder encroachment under the attic access, in front of or in a location compromising access to or interfering in any way with any kind of electrical, electronic and or information transmission equipment including their enclosures wherever located. No encroachment shall be allowed on any kind of easement or access not mentioned above unless exempted by Board Resolution.
 - 2.6 Neither GRF nor the Mutual allows contractors to work outside of regular business hours. See Policy 7402.12 Working Hours – Contractors, Vendors and Shareholders. If contractors or their employees are found on site outside of regular business hours a fine may be imposed for up to \$500 for each occurrence in addition to other punitive action.
 - 2.7 GRF and Mutual requirements and contract supersede GRF Building Inspector "FINISH BUILDING" sign off on the GRF Building permit.

MUTUAL OPERATIONS**PHYSICAL PROPERTY****Infrastructure Modifications (formerly Policy 7496.12) – Mutual Twelve****3 LANDSCAPE**

- 3.1** Any time, including garden border adjustments, changes are made or turf is restored, excess soil shall be removed and any new soil shall be added at shareholder expense. In any Mutual or shareholder contract, price of soil and turf addition or removal shall be included whether specifically stated in the contract or not.
- 3.2** All grounds and sprinkler modification, including but not limited to grade and garden borders, must be performed by the Mutual's landscape contractor unless another contractor is authorized by Board resolution. All work performed will be at shareholder expense. (See Policy 7408.12 – Contractor Liability)

4 PRIMARY ENTRANCE WALKWAY RELOCATION AND CHANGES

- 4.1** Shareholder(s) of the adjoining unit, if any, must agree to the relocation of their **common** entrance walkway. A written agreement must be signed by both parties prior to any work being performed by the contractor.
- 4.2** New walkways shall be a minimum width of four feet and a maximum width of five feet. Any flare shall be included within the five-foot width.
- 4.3** Walkways may include brick, flagstone, or any similar material between Mutual walkways and resident porch area. The maximum five-foot width must include at least three-inch cement mow strip on each side. Non-standard walkway damage will be the responsibility of the shareholder.
- 4.4** The site plans shall define the areas affected by the relocation of the entrance walkways which are connected to the main sidewalk and all affected units.
- 4.5** The site plans shall show:
- 4.5.1** The original "as is" walkway.
- 4.5.2** The proposed relocated walkway(s).
- 4.6** All grounds and sprinkler modification, including but not limited to grade and garden borders, must be performed by the Mutual's landscape contractor unless another contractor is authorized by Board resolution. All work performed will be at shareholder expense. (See Policy 7408.12 – Contractor Liability)

(Mar 18)

MUTUAL OPERATIONS**PHYSICAL PROPERTY****Infrastructure Modifications (formerly Policy 7496.12) – Mutual Twelve****5 ADDITIONAL ENTRANCES**

- 5.1 Maximum of two entrances may be located at the edge of a building's footprint. Additional entrances are not allowed unless these additional entrances exit onto the separate interest patio area of the unit.
- 5.2 Walkways are not allowed on the additional entrances located at the edge of a building's footprint.
- 5.3 The stoop of an entrance located at the edge of a building's footprint shall not exceed minimum code requirements in length and width.

6 THRESHOLDS

- 6.1 Exterior sidewalk and interior slab shall not have more than 1.5" difference.
- 6.2 Demolition and replacement of existing patio slabs shall take place as needed to accomplish this requirement.

7 STEPS

- 7.1 Steps are not allowed anywhere on the Mutual 12 premises, interior or exterior (the concrete platforms in the back of the carports are not steps).

8 APRONS

- 8.1 Policy 7425.12 requires a 12-inch exterior apron added to the main foundation structure. Wider aprons are not permitted.
- 8.2 A bay foundation may be flush with the structure or have an apron not to exceed 6".
- 8.3 Apron to be part of monolithic pour for footing per Policy 7490 Standard Plans and Specifications diagram 9 of 15, Patio Roof Footing Slab, date May 1987.

MUTUAL OPERATIONS**PHYSICAL PROPERTY****Infrastructure Modifications (formerly Policy 7496.12) – Mutual Twelve****9 SOUNDPROOFING****9.1** Soundproofing is always required:

9.1.1 On all common walls exposed during construction.

9.1.2 On all walls of second bathrooms.

9.2 Soundproofing is recommended:

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

10 INSULATION

10.1 Before any construction involving the attic receives the FINISH BUILDING sign off, all insulation must be put back in place or replaced so that protection is at least as good as original. Skylight structure insulation must be put in place securely.

10.2 Shareholder is encouraged to specify high quality fire resistant insulation anywhere insulation is required.

11 ACCESS

11.1 Water heater whether in the original location or relocated must not be ~~no more~~ obstructed.

11.2 Any variance, such as but not limited to under sink water purifier, requires Board approval and GRF Building Permit. Any work on obstructed original fixtures will be at shareholder's expense.

12 ENCLOSED PATIOS

12.1 Enclosed patios may have all screens, windows, louvered windows, acrylic, backer board, drywall, deco blocks, doors, and all other enclosure materials removed when the unit is sold. Removal of enclosure materials is at the discretion of the Mutual board. The cost of removing enclosure materials will be at the Seller's expense. Exception, if there is proof of permits, ~~otherwise~~ it will be removed at Mutual expense.

MUTUAL OPERATIONS

PHYSICAL PROPERTY

Infrastructure Modifications (formerly Policy 7496.12) – Mutual Twelve

- 12.2 Modifying the patio to add any enclosure materials such as windows, doors, drywall, backer board, concrete fill in deco blocks, etc., requires a GRF Building Permit.
- 12.3 Acrylic, plastic, etc., may not be used for patio enclosure except when it is being used as a backing material for deco blocks.
- 12.4 No enclosed patio addition may have a door that locks. Only doors with direct entry into the unit may have locks, i.e., front door or sliding glass door leading directly into the unit from the patio. A door outside in the patio without direct access into the unit is not considered an entry door. To clarify, there can be no door locked before arriving to the primary entrance of the unit. Any lock on a patio door must be removed or the Mutual will remove it at the shareholder expense.

13 SEWER TIE-INS AND WATER DISTRIBUTION

- 13.1 All Sewer tie-ins to be at existing toilet at existing bath. Mutual Twelve does not allow contractors to tie into the 4 inch main line.
- 13.2 Interior water distribution lines are prohibited from being laid in the slab of the unit.

14 GUTTER & DOWNSPOUTS

- 14.1 If Downspouts are relocated, the contractor will replace existing gutter with a one piece gutter to the middle of the center unit of the building (the location of the seam).

15 WASHER / DRYER INSTALLATION

- 15.1 On Washer/Dryer installs there must be easy access such as a side door to shutoff valves.
- 15.2 The Washer/Dryer cabinet space must be large enough to easily remove the washer / dryer without having to remove the doors, the framing, or the molding.

ATTACHMENTS:

(Mar 18)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

Infrastructure Modifications (formerly Policy 7496.12) – Mutual Twelve

- **CONTRACTOR COMPLIANCE AGREEMENT**
- **SHAREHOLDER UNDERSTANDING OF RESPONSIBILITY**

MUTUAL ADOPTION

TWELVE: 2003-01-09

AMENDMENTS

2015-11-12, 2016-07-14 (Emergency 120 days),
2016-10-13, 2017-09-25, 03-8-18

MUTUAL OPERATIONS

PHYSICAL PROPERTY

Infrastructure Modifications (formerly Policy 7496.12) - Mutual Twelve

CONTRACTOR COMPLIANCE AGREEMENT

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

Unit No: _____ GRF Building Permit No.: _____

COMPANY NAME: _____

BY: _____ Title: _____
(Signature)

Name Printed: _____ Date: _____

SHAREHOLDER UNDERSTANDING OF RESPONSIBILITY

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

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

PRINT NAME

(Signature)

Date: _____

MUTUAL OPERATIONS

PHYSICAL PROPERTY

Air Conditioning/HVAC/Heat Pump Units - Mutual Twelve Only

In order to conform to revised requirements of the City of Seal Beach, the Uniform Building Code, and the regulations of the Physical Property Department of Leisure World, and in accordance with the previous practices of this Mutual, the installation of air conditioning units shall be approved and confirmed as follows.

1. LOCATION

- 1.1 Ducted and Ductless air conditioning/heat pumps shall be placed in front of an apartment as close to the center as feasible on all inside units.
 - 1.2 Corner Units: Ducted and Ductless air conditioning/heat pumps shall be placed on the short side of all corner apartments as close to the center as feasible.
 - 1.3 All new installations and change outs will require a four-inch-thick poured concrete slab.
 - 1.4 Replacement unit may remain at existing location.
2. All HVAC heating unit cement pads shall be flush with the apron.
 3. Ducted air conditioning/heat pumps size shall not exceed 3.5 ton.
 4. On the occasion of change of ownership, and with a charge against the seller's escrow, all air conditioning units shall be inspected and serviced or replaced, as needed, to conform with current building codes and all condensation drain lines will be checked and rodent-proofed as needed.
 - 4.1 If the HVAC unit is found to be in need of replacement or leveling, the Shareholder shall install a four-inch thick, poured concrete slab, flush with the apron and is required to be in compliance with all other provisions of this policy. All costs to be charged against the seller's escrow.
 5. All exposed lines (beginning and end) must be covered with sheet metal and/or expandable foam so they are rot-resistant and flame-, insect-, and vermin-proof. Lines must be installed inside the drip line.
 6. If the noise level exceeds city code either the inside or outside level, the shareholder is responsible for having unit(s) repaired at once. If the unit is not repaired by the shareholder, the unit may not be used by the resident or shareholder. If the Mutual repairs the unit, the shareholder will be billed for all expenses. Repair and maintenance of all units will be the responsibility of the shareholder.
 7. When removing previous HVAC units the contractor must remove the cement pad for the previous unit as well.

(Mar 18)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

Air Conditioning/HVAC/Heat Pump Units - Mutual Twelve Only

MUTUAL ADOPTION

AMENDMENTS

TWELVE: 08 Oct 87

04-11-02, 09-13-07, 10-08-09, 09-25-17, 03-8-18

MUTUAL OPERATIONS**SHAREHOLDER REGULATIONS****Withdrawal Inspection Process Fee**

RESOLUTION:

That Mutual No. _____ will charge a fee (**refer to table below**) for the inspection process when a share of stock is listed for sale, effective _____ (**see below**).

<u>MUTUAL AND ADOPTION</u>	<u>AMENDED/AMT</u>	<u>EFFECTIVE DATE</u>
ONE: 01 Aug 89/\$500		
TWO: 01 Aug 89/\$500		
THREE: 01 Aug 89	04-12-13/\$1,000	05-01-13
FOUR: 01 Aug 89	09-14-16/\$1,000	09-14-16
FIVE: 01 Aug 89	08-19-15/\$1,000	08-19-15
SIX: 01 Aug 89		
SEVEN: 01 Aug 89	11-16-16/\$1,200	11-16-16
EIGHT: 01 Aug 89	07-22-13/\$1,000	07-23-13
NINE: 01 Aug 89	03-13-13/\$1,000	04-01-13
TEN: 01 Aug 89	08-27-14/\$1,000	08-27-14
ELEVEN: 01 Aug 89	09-17-15/\$1,000	09-17-15
TWELVE: 01 Aug 89	11-12-15/\$1,000	11-12-15
FOURTEEN: 01 Aug 89	11-17-15/\$1,200	11-17-15
FIFTEEN: 01 Aug 89	04-15-13/\$1,000	05-01-13
	08-22-17 \$1,500	10-16-17
SIXTEEN: 01 Aug 89	03-18-13/\$1,000	04-01-13
SEVENTEEN: Not Applicable		

Mutual Ten reposted to membership 02-28-18
 Mutual Eleven reposted to membership 03-15-18
 Mutual Fourteen: reposted to membership 02-20-18
 Mutual Five: reposted to membership 04-18-18
 Mutual Twelve: reposted to membership 03-08-18

(May 18)

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Withdrawal Inspection**

RESOLUTION:

Immediately upon vacating by the selling shareholder, the dwelling shall be inspected. Expense of repair and maintenance shall be paid from the withdrawal repair deposit of Seller. Balance to Seller.

	<u>MU/DATE/AMOUNT</u>	<u>AMENDED/AMT.</u>	<u>AMENDED/AMT.</u>	<u>AMENDED/AMT.</u>
1	01-24-91/\$2,500	08-23-03/\$3,500	08-23-07/\$5,000	
2	11-15-90/\$2,500	09-16-04/\$3,500	09-20-07/\$5,000	01/17/13/\$8,000
3	07-14-95/\$2,500	-----	10-12-07/\$5,000	06-14-13/\$10,000
4	07-01-85/\$2,000	12-01-03/\$3,500	09-12-07/\$5,000	12-12-12/\$7,500
5	07-19-95/\$2,500	11-19-03/\$3,500	09-19-07/\$6,500	
6	12-06-89/\$2,500	04-26-05/\$3,500	09-25-07/\$5,000	
7	12-15-89/\$2,500	07-19-03/\$3,000	09-21-07/\$5,000	11-16-11/\$10,000 (see 7530.7)
8	09-24-90/\$2,500	05-17-05/\$3,500	09-24-07/\$5,000	
9	12-12-90/\$2,500	11-15-02/\$3,500	02-13-06/\$5,000	11-15-07/\$6,500 (see 7530.9)
10	10-24-90/\$2,500	08-27-03/\$3,500	10-24-07/\$6,500	
11	01-17-91/\$2,500	11-20-03/\$3,500	09-20-07/\$5,000	
12	12-13-90/\$2,500	02-10-05/\$3,500	10-11-07/\$5,000	03-14-13/\$7,500, 11-12-15/\$10,000
14	06-23-95/\$2,500	06-22-04/\$3,500	09-25-07/\$7,000	09-18-15/\$10,000
15	07-17-95/\$2,500	08-16-04/\$3,500	10-15-07/\$6,500	
16	06-28-95/\$2,500	02-25-05/\$3,500	09-17-07/\$6,500	
17	Not applicable			

Mutual 12 reposted to Membership 03-08-18

(Mar 18)

As I look around Mutual 12 I have noticed that a great many carports are not complying with storing boxes and other items on the floor or stoop which is not only unsightly, it can also be adding fuel in the event of a carport fire.

7502.12 **Carport Regulations and Common Area Traffic Policy**

Section 1.3 says: 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.**

Section 1.6 says: At each inspection of the carports by the staff of 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.

Please remove or store in the cabinets any items which are not in compliance with this policy. Let's keep the carports safe and Mutual 12 a desirable place to reside in. The Board appreciates your cooperation.

Thank You.

Rose Sprague

Secretary Mutual 12

CFO REPORT REGULAR MEETING – MAY 10, 2018

Attached to this report is the Summary Financial Statement Recap for the period ended April 30, 2018. The detailed Financial Statement Report has been provided to each director of review and comment.

The numbers: Cash in the Bank: \$361,809 (Operations)

Reserves:

Appliance	\$ 25,253
Painting	\$ 86,410
Roofing	\$1,781,355
Infrastructure	\$ 195,903
Emer/Contingency	\$ 295,971

Total Reserves \$2,384,892 (Net of contract commitments)


Shareholder Receivables \$3,163 (\$1,125 is 30 plus days past due)
(No one account is greater than \$1,800)

Operating Income and Expense Notes:

Mutual Excess Income: \$ 36,442

Mutual Expenses: At the end of the first 4 months of 2018, expense for the most part are all in line with estimated for the budget. On the positive side, legal expense are half of what was projected, so that is good news and a number of legal cases are closed and dollars have been recovered which is reflected in the excess income amount. On the negative side, incidental painting expense is higher due to replacements of ceiling heat fans that was not anticipated. Nothing extraordinary to report.

I look forward to seeing you at the Annual Shareholder Meeting, Thursday, June 14, 2018 !!!


Respectfully submitted,
Susan Ferraro
Mutual 12 CFO

1012 Seal Beach Mutual No. Twelve Financial Statement Recap 04/30/2018
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P.O. Box 2069
Seal Beach CA 90740

Apr Actual	Apr Budget		2018 Y-T-D Actual	2018 Y-T-D Budget
114,937	114,939	Carrying Charges	459,740	459,756
57,198	57,198	Reserve Funding	228,791	228,792
172,135	172,137	Total Regular Assessments	688,531	688,548
652	290	Financial Income	3,669	1,160
2,584	2,717	Other Income	16,465	10,868
3,236	3,007	Total Other Income	20,134	12,028
175,371	175,144	Total Mutual Income	708,665	700,576
69,020	69,020	GRF Trust Maintenance Fee	267,316	276,080
11,013	11,969	Utilities	46,096	47,876
3,809	2,934	Professional Fees	4,699	11,736
17,513	23,717	Outside Services	83,510	94,868
10,452	10,306	Taxes & Insurance	41,810	41,224
57,198	57,198	Contributions to Reserves	228,791	228,792
169,004	175,144	Total Expenses Before Off-Budget	672,222	700,576
6,367	0	Excess Inc/(Exp) Before Off-Budget	36,442	0
6,688	0	Depreciation Expense	26,711	0
(321)	0	Excess Inc/(Exp) After Off-Budget	9,731	0
		Restricted Reserves		
1,610	0	Appliance Reserve Equity	25,253	0
3,767	0	Painting Reserve	86,410	0
24,233	0	Roofing Reserve	1,781,355	0
22,312	0	Emergency Reserve Equity	295,971	0
22,168	0	Infrastructure Reserve	195,903	0
74,089	0	Total Restricted Reserves	2,384,893	0

Be Healthy • Enjoy Life • Plan for the Future



Come find opportunities
to enhance your quality of life at the
2018 LIFE OPTIONS EXPO

Presented by
The Golden Rain Foundation
Leisure World, Seal Beach

.....
Saturday, June 2, 2018
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 Facilities, Home Care, Senior Placement Specialists, Elder Care Agencies, Long Term Planning, Health Care Providers and County Organizations.

GRF does not endorse the service of any particular agency.

Participating providers are for information and referral only.

For information about the Life Options Expo, please contact Cynthia Tostado, LCSW at

562-431-6586 x317

No reservations needed to participate.

Annual Shareholder Luncheon April 26, 2018

The 2018 Shareholder Luncheon was well attended this year. We saw many old friends and a number of new shareholders joined in Mutual 12's once a year gathering. A HUGE thank you to our Building Captains who sold just under 150 tickets to our shareholders and their guests.

It was so wonderful to see people arriving dressed in the spirit of a Tropical Island getaway. Aloha shirts, leis, flowers tucked behind ears, flowing skirts, shell necklaces, and so much color. Our tables were popping with color too, bright pinks, purples, blues, and greens. Hurricane vases held equally colorful flowers, there were fish nets and shell decorations, colorful travel posters with swaying palm trees and orange sunsets. Overhead tropical music played in the background to complete the atmosphere. The Committee appreciates and thanks our GRF Representative Carole Damoci for her work and help in selecting and compiling the music playlist.

Our caterer, Love at First Bite, served delicious chicken kabobs, rice flavored with tropical fruits, and a healthy spinach salad with fresh strawberries and mandarin oranges. Individually wrapped shell shaped madeline cookies finished off the meal. Their staff set a lovely buffet table and efficiently served plates of food. Our Board Member, Rich Carson, brought a surprise birthday cake for his wife, so she could share her special day with all of us. Needless to say, the cake disappeared very quickly, yummy chocolate from Katella Deli.

Once all had finished their meals, raffle tickets were then drawn for sixteen door prizes. Thanks go to Pinnacle Landscape, Inc. for donating 5 lovely flowering garden plants. Other door prizes were: 3 poster art wall hangings, 4 bottles of wine, 2 flameless candle sets with sand and shell motif, and an orchid silk flower arrangement. The grand prize was an original oil painting by our own Marty Silberling depicting two hula dancers, and once again Mutual 12 thanks Marty for his generosity and support. Lastly there were 3 drawings for the 50/50 proceeds. Each table took home the hurricane flower table decoration selected on a random basis.

The numbers: Receipts for ticket sales and 50/50	\$1,204.00
Expenditures: Love at First Bite Catering	\$2,298.31
Decorations/Door Prizes	\$ <u>338.85</u>
Total Expenses	\$2,637.16
Total Cost	\$1,433.16

Budget for 2018 of \$1,825.00 minus cost of \$1,433.16 results in a \$391.84 under budget outcome

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: Committee Members: Secretary Rose Sprague, Director Sharon Woodruff and volunteers Yoshiko Kishi, Phyliss Kale, Rose Mary Peterson, Lucille Findlay, Darlene Brideau, LaBrenda Carson, Carol Burgener and Anita Miller who was our photographer for the day.

Respectfully submitted,

Susan Ferraro

Luncheon Committee Chair



MUTUAL TWELVE

GOLDEN RAIN MONTHLY
SUMMARIES FOR

May 2018

(See information attached.)

RECAP OF GOLDEN RAIN FOUNDATION BOARD ACTIVITY OF April 24, 2018

Approved Minutes

The minutes of the March 27, 2018 Golden Rain Foundation (GRF) Board of Directors (BOD) meetings were approved, as presented.

General – Reserve Funding Request – Administration Building: Elevator

MOVED and duly approved acceleration of Reserve funding, for the replacement of Asset ID 1800, Elevator, Administration Building, in the amount of \$92,631 (\$72,631 and a \$20,000 contingency) and authorize the President to sign the contract. The Board further authorizes the Chair of the Physical Properties Committee to review and approve the use of contingency funds.

General – Capital Funding Request – Mission Park: Concrete

MOVED and duly approved additional Capital Funding, in the amount of \$33,201, for the project 841-17, identified as Mission Park and further approve the MJ Jurado proposal 17-0369, in the amount of \$52,051, and authorize the President to sign the contract.

Architectural Design & Review Committee – Main Gate: Benches, Refuse Receptacle Replacement

MOVED and duly approved to authorize the Executive Director purchase five benches, three trash containers, and two ash cans for the replacement of the same around the Main Gate Building, at a cost not to exceed \$7,110.91 (includes tax not in attached quote), funding from contingencies of the Main Gate Entrance Project.

Communications Committee – Rescind Policy 2850-36, Display Advertising Commission

MOVED and duly approved rescind Policy 2850-36, Display Advertising Commission.

Finance Committee – Accept March Financial Statements

Moved and duly approved to accept the March Financial Statements for audit.

Finance Committee – Approve CDAR Purchase

Moved and duly approved to continue the investment ladder by investing \$500,000 from the First Foundation Bank Money Market Reserve account and from proceeds of a maturing CDAR (Reserve funds) in a 52-week CDAR @ .70%, which will be fully insured by the FDIC.

Finance Committee – Approve CARE Lease

Moved and duly approved a lease (May 1, 2018 to April 31, 2020) between the Golden Rain Foundation and CARE, a California Corporation, for the **limited** use of Trust Property identified as the CH6 Apartment, per terms and conditions of the attached agreement, in the amount of \$3,000 per month, and authorize the President to sign the lease conditioned upon CARE's submission of all documents required under the agreement.

Finance Committee – Approve RV Club Lease

Moved and duly approved to refer the RV Club Lease to the Finance Committee for review and to grant a sixty (60) day extension of the current lease.

Mutual Administration Committee – Rescind Policy 7730 – Member's Personal Records

Moved and duly approved to rescind Policy 7730 – Member's Personal Records.

Mutual Administration Committee – Adopt Policy 1001-30, Glossary of Terms
Moved and duly approved to adopt Policy 1001-30, Glossary of Terms.

Physical Property Committee – Amphitheater/News Building: Exterior Paint

Moved and duly approved to award a contract to Hutton Painting for \$28,800 to paint the complete Amphitheater area and Administration Building, using the color scheme approved by the ADRC, adding \$1,000 in contingencies, for a total cost not to exceed \$29,800, Reserve Funding and authorize the President to sign the contract.

Physical Property Committee – Clubhouse Four: Interior Paint (Ceramics, Arts and Lapidary Rooms)

Moved and duly approved to accelerated Reserve funding in the amount of \$5,600 (\$4,600, Hutton Painting and \$1,000, contingency funding), and authorize the President to sign the contract with Hutton Painting to paint the interior of the Ceramic, Art, Lapidary and storage rooms within Clubhouse Four.

Physical Property Committee – Clubhouse Four: LED Lights (Ceramics, Arts and Lapidary Rooms)

Moved and duly approved to accelerated Reserve funding, in the amount of \$9,340, and Non-Budgeted Operational expenses of \$7,000, from Cost Center 74, for the replacement of lighting within Clubhouse Four at the Ceramic, Art, and Lapidary rooms with energy efficient LED lighting and authorize the Executive Director to initiate the required purchase and the installation of the lighting.

Physical Property Committee – Clubhouse One: Interior Paint (approved Clubhouse Revitalization Funding)

Moved and duly approved to award a contract to CertaPro Painters for \$20,500, to paint the interior of Clubhouse One, using the color scheme approved by the ADRC, adding \$2,500 in contingencies, for a total cost not to exceed \$23,000, funding from the Clubhouse Revitalization Project, contingent upon verification by the Facilities Director of the scope of work, and authorize the President to sign any applicable contracts.

Physical Property Committee – Rescind Policy 5512-70, Bidding Procedure

Moved and duly approved to rescind Policy 5512-70, Bidding Procedure.

Recreation Committee - Golf Course Tree Pruning

Moved and duly approved Anguiano Lawn Care (Johns), for a three-year contract, in the amount of \$21,840.00, Operating funds, for the golf course tree trimming.

Recreation Committee – Mission Park Revision

Moved and duly approved revisions to Mission Park, as shown on Exhibit B (in the agenda packet).

Recreation Committee – Amend Policy 1202-50, Clubhouse Membership

Moved and duly approved to amend Policy 1202-50, Club Membership, as presented.

Recreation Committee – Amend Policy 1401-50, Outside Buses

Moved and duly approved to amend Policy 1401-50, Outside Buses, as presented.

Recreation Committee – Amend Policy 1403-50, Commercial Use

Moved and duly approved to amend Policy 1403-50, Commercial Use, as presented.

Recreation Committee – Amend Policy 1405-50, Literature-Community Facilities

Moved and duly approved to amend Policy 1405-50, Literature-Community Facilities, as presented.

Recreation Committee – Amend Policy 1471-50, Display of Trophies

Moved and duly approved to amend Policy 1471-50, Use of Community Facilities; Display of Trophies and Plaques, as presented.

Recreation Committee – Amend Policy 1511-50, Dissemination of Information – Clubs

Moved and duly approved to amend Policy 1511-50, Dissemination of Information-Clubs, as presented.

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL NO. TWELVE
Emergency Meeting
Wednesday, May 23, 2018, 10:05 AM**

CALL TO ORDER:

A Special Meeting of the Seal Beach Mutual No. Twelve was called to order by President Gillon at 10:05 AM in the Physical Property Conference Room in Building 5.

ROLL CALL:

Those members present were: President Gillon, Secretary Sprague, Directors Anderson and Harmon.

Absent were: Vice President Carson, CFO Ferraro, Director Woodruff

Guests were: Jerry Antisdale (GRF Inspector)

The purpose of the meeting was to review work order for carport concrete by M.J. Jurado.

Following discussion and on a Motion made by President Gillon and seconded by Director Harmon,

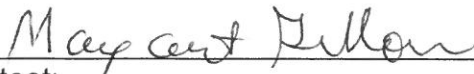
RESOLVED, to approve the proposal from M.J. Jurado estimate number 17-0417 for \$ 153,000.00 to remove asphalt, remove petromat, and construct 8" concrete in carports 138, 139, and 140.

The motion passed.

An executive session will follow the meeting.

ADJOURNMENT:

President Gillon adjourned the meeting at 10:38 AM.



Attest:

Margaret Gillon, President
SEAL BEACH MUTUAL NO. TWELVE