

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL TWELVE**  
**July 13, 2023**  
**Meeting begins at 9:00 a.m.**  
**Building Five, Conference Room B**  
**via Zoom Video and Conference Call Meeting**

**TO ATTEND:** The Shareholder will be provided with instructions on how to access the call via telephone or via video upon the Shareholder contacting GRF Mutual Administration at [mutualsecretaries@lwsb.com](mailto:mutualsecretaries@lwsb.com) or (562) 431-6586 ext. 313 and requesting the call-in or log-in information.

**TO MAKE COMMENTS DURING MEETING:** In order to make a comment during the open Shareholder forum, the Shareholder must submit their name, Unit number, and telephone number, via e-mail at [mutualsecretaries@lwsb.com](mailto:mutualsecretaries@lwsb.com), by no later than 3:00 p.m., on 07/12/2023, the business day before the date of the meeting. If you do not have access to an email, please call (562) 431-6586 ext. 313 and let us know that you wish to make a comment during the open shareholder forum.

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE
2. SHAREHOLDERS' COMMENTS (2-3 minutes per shareholder)
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUESTS:

Mrs. Damoci, GRF Representative  
Ms. Hall, Senior Director of Member Resources  
Ms. Schultze, Mutual Accountant  
Mr. Antisdell, Building Inspector  
Ms. Barua, Senior Portfolio Specialist (via zoom)  
Mr. Jackson, Portfolio Specialist  
Ms. Celestine, Assistant Portfolio Specialist

5. GRF REPRESENTATIVE Mrs. Damoci
6. GUEST SPEAKER Ms. Hall/Ms. Schultze
  - a. Discuss and vote to approve the 2022 CLA Drafted Audited Financial Statement (p. 3-23)
7. APPROVAL OF MINUTES:
  - a. **Regular Monthly Meeting Minutes of May 11, 2023**
  - b. **Organizational Meeting Minutes of June, 8, 2023** (p. 24)
8. BUILDING INSPECTOR'S REPORT Mr. Antisdell

Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (pp. 25)

  - a. Discuss and vote to approve the Fenn Pest 3-Year Bait Station Proposal. (p. 26-28)
  - b. Discussion of Termite Inspection
  - c. Discuss and vote on painting of stop signs and parking delineators on Carport Driveways (p. 29-30)
  - d. Discuss and vote to add lights to gazebo (p. 31)
  - e. Discuss pricing list of all signs to be replaced (handout)

9. **UNFINISHED BUSINESS**

- a. No unfinished Business

10. **NEW BUSINESS**

Mrs. Ferraro

- a. Approval of Monthly Finances of April and May and June. (p. 32)
- b. Discuss and vote to approve/deny Notice of Intent to Withdraw Authorization. (p. 33)
- c. Discuss and vote to approve/deny receiving monthly minutes of other Mutuals. (p. 34)
- d. Discuss and vote to approve/deny disclosure of “Yes” , “No” , and Abstention votes in Mutual minutes. (p. 35)
- e. Discuss and vote to approve/deny release of Board contact information. (p. 36)
- f. Discuss and vote to approve/deny the Property Tax Postponement application. (p. 37)
- g. Discuss and vote to approve appointment setting commitment by Mutual Board of Directors. (p. 38)
- h. Discuss and vote to approve maintaining Procedure 12-7510-3 – Eligibility Requirements. (p. 39)
- i. Discuss and vote to approve Mutual Twelve Code of Conduct and Code of Ethics. (p. 40-43)
- j. Discuss and vote to approve send Draft of 2023 Request for Member Contact Information to attorney for review. (p. 44-46)
- k. Discuss and vote to approve the Webmaster Access Document. (p. 47-51)
- l. Discuss and vote to approve the CINC Resident Portal and Invoice Approval. (p. 52-55)
- m. Discuss and vote to approve new purchase of Certificate of Deposit. (p. 56)
- n. Discuss and vote on all permits coming to the board and who will be responsible for signing them. (p. 57)
- o. Discuss notice of price increase for renewal of Weather TRAK Central Services (p. )

**STAFF BREAK BY 11:00 A.M.**

- 11. SECRETARY / CORRESPONDENCE Ms. Milek
- 12. CHIEF FINANCIAL OFFICER’S REPORT Mrs. Ferraro
- 13. PORTFOLIO SPECIALIST REPORT Mr. Jackson
- 14. ANNOUNCEMENTS

**NEXT MEETING: Thursday, August 10, 2023, 9:00 a.m. Location: Conference Room B, and via Zoom Video/Conference Call Meeting.**

- 15. COMMITTEE REPORTS
- 16. DIRECTORS’ COMMENTS
- 17. SHAREHOLDERS’ COMMENTS (2-3 minutes)
- 18. ADJOURNMENT
- 19. EXECUTIVE SESSION

**STAFF WILL LEAVE THE MEETING BY 12:00 P.M.**

# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO ACCEPT THE 2022 DRAFTED AUDITED FINANCIAL STATEMENTS (GUEST SPEAKER, ITEM A)  
**DATE:** JULY 13, 2023  
**CC:** MUTUAL FILE

---

I move to accept that the Board of Directors of Seal Beach Mutual Twelve, upon a presentation of the Financial Statements as of December 31, 2022, for the year then ended, and the proposed Accountant's Report as submitted by CliftonLarsonAllen (CLA), hereby accepts the above-mentioned Financial Statements and reports therein, and authorize the President to sign the Management Representation Letter .

"Significant delay of audit issuance due to Restatement of financial statement -

- The prior year financial statements have been restated to recognize the deferred reserve in accordance with ASU 606 and U.S. GAAP as applicable to Common Interest Realty Associations (CIRAs). As a result of the restatement, the deferred reserve funds are recognized as liabilities in the financial statement, instead of the past presentation as owners' equity. Income from deferred reserve is recognized when the related performance obligation is satisfied, which occurs when major repairs or replacements are expended, instead of when cash is collected."

Thanks,  
Alix Gruden, CPA, CCIFP  
Assurance Director, Nonprofit  
CLA (CliftonLarsonAllen LLP)

**SEAL BEACH MUTUAL NO. TWELVE**  
Financial Statements  
December 31, 2022

DRAFT

**SEAL BEACH MUTUAL NO. TWELVE  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>BALANCE SHEET</b>	<b>4</b>
<b>STATEMENT OF OPERATIONS</b>	<b>6</b>
<b>STATEMENT OF STOCKHOLDERS' EQUITY</b>	<b>7</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>8</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>9</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>STATEMENT OF DIRECT OPERATING EXPENSES</b>	<b>16</b>
<b>SUPPLEMENTARY INFORMATION REGARDING FUNDS     FOR FUTURE REPAIRS</b>	<b>17</b>

## INDEPENDENT AUDITORS' REPORT

Board of Directors and Members  
Seal Beach Mutual No. Twelve  
Seal Beach, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Seal Beach Mutual No. Twelve (the Mutual), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seal Beach Mutual No. Twelve as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis of Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Seal Beach Mutual No. Twelve and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Emphasis-of-Matter Regarding a Correction of an Error***

As discussed in Note 6 to the financial statements, certain errors regarding classification of assessments as of December 31, 2021 were discovered during the current year. Accordingly, amounts reported for project reserve and emergency reserve as of December 31, 2021 have been restated in the financial statements now presented. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Seal Beach Mutual No. Twelve's ability to continue as a going concern for Twelve year after the date the financial statements are available to be issued.

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for Twelve resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



***Auditors' Responsibilities for the Audit of the Financial Statements (Continued)***

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Seal Beach Mutual No. Twelve's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Seal Beach Mutual No. Twelve's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Report on Supplementary Information and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Direct Operating Expenses with comparative budget figures on page 15, is presented for purposes of additional analysis and is not a required part of the financial statements.

The Statement of Direct Operating Expenses is the responsibility of the Mutual's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The comparative budget information presented in the Statement of Direct Operating Expenses has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that information on future major repairs and replacements of common property on page 16 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Disclaimer of Opinion on Comparative Budget Information in the Statement of Operations***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The comparative budget information presented in the Statement of Operations and Statement of Direct Operating

Expenses which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*DRAFT*

**CliftonLarsonAllen LLP**

Pasadena, California  
May xx, 2023

DRAFT

SEAL BEACH MUTUAL NO. TWELVE  
BALANCE SHEET  
December 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents (Note 2)		
1111000 Cash	\$	71,644
1122000 Cash and cash equivalents		<u>290,148</u>
		<u>361,792</u>
Receivable:		
1130500 Members (Note 1)		26,565
1134000 Accrued interest		<u>10,142</u>
		<u>36,707</u>
Other current assets:		
1170000 Undivided beneficiary future interest in community trust funds		1,096,438
1150000 Prepaid expenses		<u>70,226</u>
		<u>1,166,664</u>
TOTAL CURRENT ASSETS		<u>1,565,163</u>

IMPOUND ACCOUNTS (Note 2)

1152500 Money market accounts		<u>215,047</u>
TOTAL IMPOUND ACCOUNTS		<u>215,047</u>

RESTRICTED DEPOSITS (Note 2)

Restricted cash and cash equivalents		1,395,585
Restricted investments		<u>825,000</u>
TOTAL RESTRICTED DEPOSITS		<u>2,220,585</u>

FIXED ASSETS

1501000 Land		676,494
1502000 Residences		10,035,146
1518000 Undivided beneficiary future interest in community facilities trust		<u>3,101,762</u>
		13,813,402
1519000 Accumulated depreciation		<u>(6,866,961)</u>
NET FIXED ASSETS		<u>6,946,441</u>

OTHER ASSETS

1650000 Repair and tax deposits (Note 2)		<u>29,789</u>
TOTAL OTHER ASSETS		<u>29,789</u>

TOTAL ASSETS	\$	<u>10,977,025</u> (continued)
--------------	----	----------------------------------

See accompanying independent auditors' report.  
The notes are an integral part of these financial statements.

SEAL BEACH MUTUAL NO. TWELVE  
BALANCE SHEET  
December 31, 2022

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

2111000 Payable to Golden Rain Foundation (Note 3)	\$	84,069
2111700 Project Commitments - Reserves (Note 1)		6,122
2120000 Prepaid monthly dues (Note 1)		17,582
2132100 Other liabilities		33,988
2153500 Property tax accrual		44,686
2180000 Repair and tax deposit liability		25,578
Deferred Reserve (Note 4)		2,214,463
TOTAL CURRENT LIABILITIES		<u>2,426,488</u>

TOTAL LIABILITIES 2,426,488

STOCKHOLDERS' EQUITY (Note 5)

Capital Stock:

3120000 Common stock of par value ranging from \$300 to \$416; authorized, issued and outstanding 452 shares	172,129
3510000 Additional paid-in capital	5,536,000
3448000 Equity in additions to community facilities and trust funds	3,560,985
3449000 Equity in additions to land & residences improvements	5,758,929
3515000 Excess income before depreciation and amortization:	600,776
3649500 Accumulated depreciation and amortization	(7,078,282)
TOTAL STOCKHOLDERS' EQUITY	<u>8,550,537</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 10,977,025

See accompanying independent auditors' report.  
The notes are an integral part of these financial statements.

SEAL BEACH MUTUAL NO. TWELVE  
STATEMENT OF OPERATIONS  
(with comparative budget figures)  
For the Year Ended December 31, 2022

	Actual	(Unaudited) Budget
OCCUPANCY INCOME		
Dwelling units, net of reserve funding	\$ 1,552,979	\$ 1,553,001
NON OCCUPANCY INCOME		
Release from project reserve	305,723	-
Interest	16,472	2,061
Interest income allocation	(976)	(976)
Inspection fees	44,500	28,747
Miscellaneous	1,665	488
TOTAL NON OCCUPANCY INCOME	367,384	30,320
TOTAL AVAILABLE FOR OPERATIONS	1,920,363	1,583,321
DIRECT OPERATING EXPENSES (see Supplementary Information)	1,915,764	1,583,321
EXCESS OF INCOME AND TRANSFERS OVER DIRECT OPERATING EXPENSES	4,599	\$ -
DEPRECIATION	252,963	
EXCESS OF DIRECT OPERATING EXPENSES AND DEPRECIATION OVER INCOME AND TRANSFERS	\$ (248,364)	

See accompanying independent auditors' report.  
The notes are an integral part of these financial statements.

SEAL BEACH MUTUAL NO. TWELVE  
STATEMENT OF STOCKHOLDERS' EQUITY  
For the Year Ended December 31, 2022

	Capital Stock	Additional Paid-in Capital	Equity in Additions to Community Facilities	Equity in Additions to Land & Residences Improvements	Excess Income Before Depreciation and Amortization	Accumulated Depreciation and Amortization	Total Stockholders' Equity
BALANCE AT JANUARY 1, 2022, as restated	\$ 172,129	\$ 5,536,000	\$ 3,300,606	\$ 4,246,299	\$ 596,177	\$ (6,825,319)	\$ 7,025,892
Equity in additions to community facilities trust	-	-	260,379	-	-	-	260,379
Equity in additions to land & residences improvements	-	-	-	1,512,630	-	-	1,512,630
Excess of income and transfers over direct operating expenses	-	-	-	-	4,599	-	4,599
Depreciation	-	-	-	-	-	(252,963)	(252,963)
<b>BALANCE AT DECEMBER 31, 2022</b>	<b>\$ 172,129</b>	<b>\$ 5,536,000</b>	<b>\$ 3,560,985</b>	<b>\$ 5,758,929</b>	<b>\$ 600,776</b>	<b>\$ (7,078,282)</b>	<b>\$ 8,550,537</b>

See accompanying independent auditors' report.  
The notes are an integral part of these financial statements.

SEAL BEACH MUTUAL NO. TWELVE  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Excess of direct operating expenses and depreciation over income and transfers	\$ (248,364)
Adjustments to reconcile to net cash provided by operating activities:	
Funding of replacement reserves	806,624
Building and land maintenance paid from reserve funds	1,206,907
Depreciation	252,963
Decrease in other receivables	10,695
(Increase) in accrued interest	(9,516)
(Increase) in prepaid expenses	(2,953)
Increase in payable to Golden Rain Foundation	71,297
(Decrease) in project commitment reserve	(1,306,070)
(Decrease) in prepaid monthly dues	(1,246)
Increase in other liabilities	15,353
Increase in property tax accrual	10,721
(Decrease) in repair and tax deposit liability	(24,372)
TOTAL ADJUSTMENTS	<u>1,030,403</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>782,039</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
(Purchase) of residences	(1,512,630)
Purchase of investments	224,000
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(1,288,630)</u>
NET (DECREASE) IN CASH	(506,591)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	<u>2,508,804</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	<u>\$ 2,002,213</u>

See accompanying independent auditors' report.  
The notes are an integral part of these financial statements.

SEAL BEACH MUTUAL NO. TWELVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Seal Beach Mutual No. Twelve (the "Mutual"), located in Seal Beach, California, is one of 16 similar corporations which own land, buildings and an undivided beneficiary future interest in community facilities held in trust by Golden Rain Foundation (the "Foundation") within a housing project consisting of 6,482 cooperative housing units and 126 condominium units known as Seal Beach Leisure World.

The stockholders of the Mutual are also members of the Foundation, a nonprofit corporation that operates and maintains the community facilities within the project for the benefit of all residents of Seal Beach Leisure World. The beneficiary future interest of the Mutual in the community facilities of the Foundation and Trust reserve funds, before deduction of accumulated depreciation, totals \$4,198,200, consisting of interest in Trust funds of \$1,096,438 and interest in community facilities of \$3,101,762.

Fixed Assets: The cost of residences and improvements are capitalized at cost and are being depreciated on a straight-line basis over the useful life of the asset which is principally forty years.

The Mutual's undivided future interest in the community facilities of the trust is being depreciated on a straight-line basis over the useful lives of the underlying assets, which range from five to thirty years.

Revenue Recognition: The Mutual has adopted Accounting Standards Update No. 2014-09, *Revenues from Contracts with Customers* ("ASC 606"), refer to Note 6. The Mutual disaggregates its revenue streams by type of service into two major categories that depict the nature, amount, timing, and uncertainty of revenues and related cash flows. The following depicts each revenue stream:

- Net occupancy income represents the monthly assessment that the Mutual charges to the shareholders for providing the bundled services of operating and maintaining the Mutual facilities. The Mutual recognizes this revenue stream on a monthly basis as the shareholders are assessed amounts based on approved budgets. Receivable from members at December 31, 2022 and 2021 were \$26,565 and \$37,260, respectively. Prepaid monthly dues from members at December 31, 2022 and 2021 were \$17,582 and \$18,828, respectively.
- The release from project reserve represents the satisfaction of performance obligations for replacement fund assessments. Performance obligations are satisfied when the funds are expended for their intended purposes, at which time, revenue is recognized by the Mutual.
- Other non occupancy income relates to incidental revenue earned by the Mutual as part of services provided to the shareholders, such as laundry machine revenue, late charges on delinquent balances, interest on investments, inspection fees, returned check / ACH fees and parking fines.

Generally, due to the nature of its revenues, the Mutual recognizes revenues as services are provided over time and its obligations are complete from express or implied contracts. Prepaid monthly dues is a contract liability consisting of advance payments on account by shareholders.



SEAL BEACH MUTUAL NO. TWELVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Expenses: Included in the Mutual's operating expenses are trust administration cost related to administration, recreation and community facilities. The Foundation charges each Mutual Corporation for these services in the proportion to the Mutual's number of units as compared with all the units in the project. Trust Administration costs for the 452 units controlled by Mutual Twelve were \$918,144 for 2022.

Project Commitments: Reserves represent outstanding balances due to contractors for reserve and replacement work that is in process or has been completed, but not paid in full as of the balance sheet date. The total cost of these project commitments have been reflected in the current year's reserve activities.

As of December 31, 2022, the balance of Project Commitments - Reserves is \$6,122.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These assumptions and estimates can affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of changes in members' equity during the reporting period. Actual results could differ from those estimates.

Statement of Cash Flows: For purposes of reporting cash flows, cash and cash equivalents include securities and municipal bonds maturing within 90 days of the original purchase date. No interest expense was incurred. During 2022, the Mutual had noncash investing and financing activities increasing both the undivided beneficiary future interest in community facilities trust funds and equity in additions to community facilities in the amount of \$260,379.

Concentration of Credit Risk: The Mutual's cash is maintained in three commercial banks. Cash maintained in U.S. Bank consists of demand deposits, certificates of deposit ("CD"), and money market accounts. U.S. Bank has a "Secured Deposit" program that provides insurance in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The Mutual's U.S. Bank accounts are fully covered by this program. Cash maintained in First Foundation Bank consists of a checking account and money market. Cash held in the checking and money market accounts total \$242,165 which is fully covered by FDIC insurance. Cash maintained in NuVision Federal Credit Union consists of short-term certificates of deposit ("CD") and savings account. Cash in the CD's and savings total \$216,021 which is fully covered by FDIC insurance.

SEAL BEACH MUTUAL NO. TWELVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising: Costs are charged to operations when incurred and are included in operating expenses. The Mutual did not incur any advertising expense as of December 31, 2022.

Income Taxes: Under Federal and State income tax regulations, income from member and non-member sources, net of applicable expenses, is taxable to the Mutual. Provision has been made in the current year for the 2022 tax expense or liability.

The Mutual adopted the provisions of FASB ASC Number 740-10, "Accounting for Uncertainty in Income Taxes." FASB ASC Number 740-10 changes the accounting for uncertainty in income taxes by creating a new framework for how organizations should recognize, measure, present and disclose uncertain tax positions in their financial statements. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax positions will more likely than not (>50%) be sustained upon the technical merits of the position. In accordance with FASB ASC 740-10, the Mutual adopted a policy to recognize penalties and interest resulting from those uncertainties in the period in which they are incurred as operating expenses. The Mutual has analyzed tax positions taken for filing with the Internal Revenue Service and the California Franchise Tax Board. The Mutual believes that income tax filing positions will be sustained upon examination, and does not anticipate any adjustments that would result in a material adverse affect on the Mutual's financial condition, results of operations, or cash flows. Accordingly, the Mutual has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2022.

Subsequent Events: Date of Management's Review - Subsequent events have been evaluated through May XX, 2023, the date that these financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS, INVESTMENTS, AND RESTRICTED CASH

Deposits and investments are presented on the balance sheet at December 31, 2022 as follows:

Cash and cash equivalents	\$	361,792
Impound accounts - cash equivalents		215,047
Repair and tax deposits - cash equivalents		29,789
Restricted cash and cash equivalents		1,395,585
Total cash and cash equivalents and restricted cash	\$	2,002,213
Restricted investments	\$	825,000
Total	\$	2,827,213

SEAL BEACH MUTUAL NO. TWELVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 2 - CASH AND CASH EQUIVALENTS, INVESTMENTS, AND RESTRICTED CASH (Continued)

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Restricted investments are comprised of certificates of deposits with maturities greater than three months. Investments in certificates of deposit are valued based on fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer. Certificates of deposits are measured using level 2 inputs within the fair value hierarchy.

SEAL BEACH MUTUAL NO. TWELVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 2 - CASH AND CASH EQUIVALENTS, INVESTMENTS, AND RESTRICTED CASH (Continued)

A summary of designated deposits and investments at December 31, 2022 follows:

<u>Property Tax Fund</u> : Designated for the payment of property taxes	\$ 215,047
<u>Appliance Fund</u> : Designated for replacement of appliances, fixtures and other property components	29,932
<u>Painting Fund</u> : Designated for painting of residences and other facilities	206,850
<u>Roofing Fund</u> : Designated for replacement of roofs	1,511,745
<u>Emergency Fund</u> : Designated for disasters and unanticipated liabilities	283,296
<u>Infrastructure Fund</u> : Designated for replacement of infrastructure	156,762
<u>Capital Fund</u> : Designated for future capital improvements	32,000
<u>Repair and Tax Deposits</u> : Designated for repairs of sold units and for pending tax liabilities of the sellers	29,789
Total designated deposits and investments	\$ 2,465,421

NOTE 3 - RECEIVABLE AND PAYABLE FROM AND TO GOLDEN RAIN FOUNDATION

A significant portion of the operating expenses consist of assessments and other billings paid to the Foundation. The board of the Foundation consist of members that are also members of the Mutuals.

Amounts payable to the Foundation of \$84,069 at December 31, 2022 represent the Mutual's current payables for bills paid by the Foundation on behalf of the Mutual and service maintenance charges for the month of December 2022.

SEAL BEACH MUTUAL NO. TWELVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 4 - DEFERRED REPLACEMENT FUNDS

The Mutual recognizes revenue from members as the related performance obligations are satisfied. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purposes. A contract liability (deferred reserve) is recorded when the Mutual has the right to receive payment in advance of the satisfaction of performance obligations related to replacement fund assessments. Deferred reserve for the year ended December 31, 2022 is as follows:

Deferred reserve - beginning of year	\$ 1,713,562
Collection of reserve	806,624
Repair and maintenance expenditures	<u>(305,723)</u>
Deferred reserve - end of year	<u>\$ 2,214,463</u>

NOTE 5 - STOCKHOLDERS' EQUITY

On original issue, each share of common stock was accompanied by an occupancy agreement entitling the purchaser to possession of a particular residential apartment. Par value of each share was determined by the size, type and location of each apartment.

NOTE 6 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Mutual's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate \$2,220,585 at December 31, 2022 are held in separate accounts and are generally not available for operating purposes.

The funding is based on a review performed by the Board of Directors (the "Board") to estimate the remaining useful lives and the replacement costs of the common property components. The estimates were obtained from licensed contractors and from the costs of recent projects performed in the community.

The Mutual is funding such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Mutual has the right, subject to shareholder approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

SEAL BEACH MUTUAL NO. TWELVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

NOTE 7 - INCOME TAXES

The Company's effective income tax rate differs from the statutory federal income tax rate due to IRC Subchapter T adjustments and state income taxes, net of federal tax benefit. Subchapter T prohibits the use of losses generated from tenant activities against income from non-tenant activities. The Company's non-tenant activities for 2022 generated no taxable income.

At December 31, 2022, there were no temporary differences that gave rise to significant portions of deferred tax assets and deferred tax liabilities.

NOTE 8 - PRIOR PERIOD ADJUSTMENT

Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, requires the recognition of revenue when promised goods and services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services, and the deferral of incremental costs of obtaining a contract with a customers.

The following are the line items from the balance sheet and the statement of owners' equity for the year ended December 31, 2021, that were affected, and restated:

	<u>As Originally Reported</u>	<u>Prior Period Adjustment</u>	<u>As Restated</u>
Balance Sheet			
Deferred Project Reserve Liability	\$ -	\$ 1,713,562	\$ 1,713,562
Statement of Stockholders' Equity			
Appliance Reserve	\$ 20,433	\$ (20,433)	\$ -
Project Reserve	\$ 1,393,835	\$ (1,393,835)	\$ -
Emergency Reserve	\$ 299,294	\$ (299,294)	\$ -

SEAL BEACH MUTUAL NO. TWELVE  
SUPPLEMENTARY INFORMATION  
STATEMENT OF DIRECT OPERATING EXPENSES  
(with comparative budget figures)  
For the Year Ended December 31, 2022

	Actual	(Unaudited) Budget
COMMUNITY FACILITIES AND ASSOCIATION EXPENSES		
Trust administration cost	\$ 918,144	\$ 933,091
TOTAL COMMUNITY FACILITIES AND ASSOCIATION EXPENSES	918,144	933,091
ADMINISTRATIVE EXPENSES		
Management fee	3,037	3,037
Legal fees	22,192	15,730
TOTAL ADMINISTRATIVE EXPENSES	25,229	18,767
OPERATING EXPENSES		
Electricity	32,640	31,785
Water	93,055	93,022
Rubbish removal	55,361	54,023
Janitorial services	100	-
TOTAL OPERATING EXPENSES	181,156	178,830
MAINTENANCE AND REPAIR EXPENSES		
Building and land maintenance from reserves	305,723	-
Building and land maintenance from excess operating	63,000	-
Outside replacements and maintenance	48,338	48,545
Outside grounds maintenance	164,479	164,185
Service maintenance - standard	60,792	83,909
Service maintenance - replacement	62,881	-
Transfers from replacement reserve	(62,881)	-
TOTAL MAINTENANCE AND REPAIR EXPENSES	642,332	296,639
TAXES AND INSURANCE EXPENSES		
Income taxes (Note 1)	4,606	1,139
Hazard insurance	144,272	154,855
TOTAL TAXES AND INSURANCE EXPENSES	148,878	155,994
FINANCIAL EXPENSES		
Bank service fee	25	-
TOTAL FINANCIAL EXPENSES	25	-
TOTAL DIRECT OPERATING EXPENSES	\$ 1,915,764	\$ 1,583,321

See accompanying independent auditors' report.

SEAL BEACH MUTUAL NO. TWELVE  
 SUPPLEMENTARY INFORMATION REGARDING FUNDS FOR FUTURE REPAIRS  
 (Unaudited)  
 December 31, 2022

While preparing the annual operating budget, the Board reviews the conditions and assumptions regarding the common interest of the Mutual. This review consists of updating the replacement cost and remaining useful life of the Mutual's common interest property. This data is used to develop reserve requirements using the formula set forth in Civil Code 5570 (b) (4). Except as noted below, the Board expects to finance all replacements through regular assessments to the shareholders. Accordingly, the Board does not plan any special assessments.

Fund	Estimated Remaining Life	Current Replacement Cost	Reserve Balance Required	Est Beg Bal	Annual Contribution	Per Unit Per Month		
Appliance		\$ 78,811	\$ 78,811	\$ 16,473	\$ 61,258		Note (1)	
	Monthly contribution to the Appliance Fund						\$ 11.29	
Painting	5	350,000	175,000	206,850	-		Note (2)	
Roofing	1 - 24	4,895,000	1,956,600	966,025	627,730		Note (3)	
Infrastructure	0 - 29	1,734,800	1,258,037	165,808	117,636		Note (4)	
	Contribution to Replacement Reserves		3,389,637	1,338,683	745,366	137.42		
Emergency				299,294	-	-		
Total for Budget				\$ 1,654,451	\$ 806,624	\$ 148.71		

**Notes:**

- Note 1. The appliance fund is used to fund the replacement of appliances and fixtures. The value of this fund is calculated annually and is equal to the five year average usage less an adjustment for next year's spending projections. The details can be found in Appendix C. Funding for appliance replacements, with the exception of water heaters, include those items not included in the most recent reserve study completed in July 2021. The board approved the 2022 funding of this reserve for \$61,258.*
- Note 2. The board determined no funding was necessary for 2022.*
- Note 3. The board determined funding of \$627,730 for 2022.*
- Note 4. The board determined funding of \$117,636 for 2022.*

See accompanying independent auditors' report.



**MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL TWELVE  
JUNE 08, 2023**

The Organizational Meeting of Seal Beach Mutual Twelve was held following the Annual Shareholders' Meeting at Clubhouse 4. Mutual Administration Director Jodi Hopkins, acting as Chairperson, called the meeting to order at 11:27 a.m. The purpose of the meeting was to elect the officers for the 2023-2024 term of office and to ascertain the Regular Monthly Board Meeting location, day, and time.

Those Directors present were Rich Carson, Susan Ferraro, Darlene Milek, Rose Marie Sprague, Kathleen "Kathie" Hogan, and John Hoover. Also present were Mutual Administration Director Jodi Hopkins, and Portfolio Specialist Antoine Jackson.

Mutual Administration Director Jodi Hopkins opened the nominations for the office of President. Rose Marie Sprague nominated Rich Carson for President. There being no further nominations, Rich Carson was elected to the office of President for the 2023-2024 term of office.

The chair was turned over to newly elected President Carson, who then called for nominations for the office of Vice President. President Carson nominated Rose Marie Sprague for Vice President. There being no further nominations, Rose Marie Sprague was elected to the office of Vice President for the 2023-2024 term of office.

President Carson called for nominations for the office of Secretary. President Carson nominated Darlene Milek for Secretary. There being no further nominations, Darlene Milek was elected to the office of Secretary for the 2023-2024 term of office.

President Carson called for nominations for the office of Chief Financial Officer. Rose Marie Sprague nominated Susan Ferraro for Chief Financial Officer. There being no further nominations, Susan Ferraro was elected to the office of Chief Financial Officer for the 2023-2024 term of office.

President Carson stated that the previous year's Organizational Meeting Minutes have already been approved.

President Carson stated that the committees would be formed at the next Board scheduled meeting.

The Board discussed the time of the Regular Monthly Board Meetings.

Upon a MOTION duly made by Director Darlene Milek and seconded by Vice President Sprague, it was

RESOLVED that starting July 1, 2023 the regular monthly board meeting will be on the second Thursday of each month, in Building 5, Conference Room B, with the meeting starting at 9:00 a.m.

The MOTION passed.

	A	B	C	D	E	F	G	H	I
1	<b>INSPECTOR MONTHLY MUTUAL REPORT</b>								
3	<b>MUTUAL: (12) TWELVE)</b>				<b>INSPECTOR: JERRY ANTISDEL</b>				
4	<b>MUTUAL BOARD MEETING DATE: JULY REPORT</b>				<b>Print Date: 7/6/2023</b>				
5	<b>PERMIT ACTIVITY</b>								
6	<b>UNIT #</b>	<b>DESCRIPTION OF WORK</b>	<b>GRF/CITY PERMIT</b>	<b>START DATE</b>	<b>COMP. DATE</b>	<b>CHANGE ORDER</b>	<b>FINAL INSPECTION</b>	<b>CONTRACTOR / COMMENTS</b>	
574	9-D	REMODEL	BOTH	09/13/22	09/13/23	NO	NONE	CAL CUSTOM INTERIORS	
638	10-D	FLOORING	GRF	06/30/23	08/30/23	NO	NONE	KARYS CARPET	
639	34-B	DOORS	GRF	06/19/23	08/04/23	NO	NONE	BERGKVIST	
641	39-H	HEAT PUMP	BOTH	06/15/23	08/15/23	NO	NONE	ALPINE	
647	44-E	DRYWALL/PAINT	GRF	06/12/23	07/31/23	NO	NONE	BERGKVIST	
681	47-J	HEAT PUMP	BOTH	06/12/23	09/12/23	NO	NONE	GREENWOOD	
685	55-B	ADDING A BATH AT DEN	BOTH	05/01/23	09/30/23	NO	NONE	MAMUSCIA	
753	76-I	ICE MAKER LINE	GRF	06/13/23	07/13/23	NO	07/06/23 FINAL	VICKERS CONSTRUCTION	
754									
802									
804	GREY AREAS HAVE BEEN SIGNED OFF								
870	<b>ESCROW ACTIVITY</b>								
871		<b>NMI</b>	<b>PLI</b>	<b>NBO</b>	<b>FI</b>	<b>COE DATE</b>	<b>ROF</b>		
997	7-G		03/08/23						
998	10-D		02/17/23	05/12/23	05/18/23	06/02/23	06/16/23		
999	11-G		06/23/22						
1010	39-E		06/22/23						
1011	40-A		02/24/23						
1025	55-K		02/17/23	03/06/23	03/09/23	03/23/23	04/13/23		
1042	62-A		04/04/23						
1046	64-E		09/29/22						
1052	68-B		04/05/23						
1053	73-H		04/11/23						
1054	76-L		06/12/23						
1055									
1097	GREY AREAS HAVE BEEN SIGNED OFF								
1098	NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation								
1099	FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds								

	A	B	C	D	E	F	G	H	I
1	<b>INSPECTOR MONTHLY MUTUAL REPORT</b>								
3	<b>MUTUAL: (12) TWELVE)</b>				<b>INSPECTOR: JERRY ANTISDEL</b>				
4	<b>MUTUAL BOARD MEETING DATE: JULY REPORT</b>				<b>Print Date: 7/6/2023</b>				
1122	<b>CONTRACTS AND PROJECTS</b>								
1386	8.A DISCUSS AND VOTE TO APPROVE FENN BAIT STATIONS FOR THREE YEARS								
1387	J.DISCUSS AND VOTE ON PAINTING OF STOPS AND PARKING DELINEATORS ON CARPORTS AND DRIVEWAYS								
1397	K.DISCUSS AND VOTE TO ADD LIGHTS TO GAZEBO (HAND OUT)								
1400	L.DISCUSS BUILDING SIGNS								
1401	LANDSCAPE CONTRACT WITH FOUR STARS GOOD UNTIL 2024								
1403	FENN TERMITE AND PEST CONTROL CONTRACT GOOD UNTIL JUNE 30TH 2026								
1579	CALLS AND VISITS TO UNITS								
1936	59								

# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE FENN TERMITE AND PEST CONTROL 2-YEAR CONTRACT FOR RODENT CONTROL SERVICE (BUILDING INSPECTOR, ITEM A)  
**DATE:** JULY 13, 2023  
**CC:** MUTUAL FILE

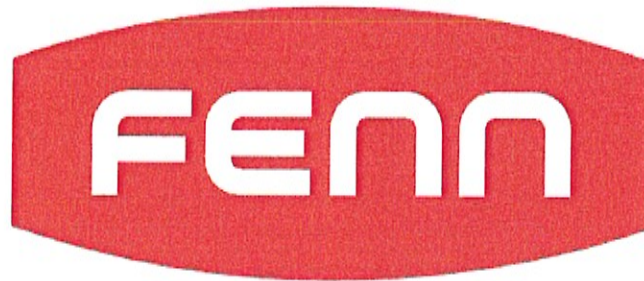
---

I move to approve amending the Fenn Termite and Pest Control 3-year contract from 2023-2026 for inspection & maintenance of 62 Rodent bait stations, at a cost of \$4,788.00 for year one, \$5,472.00 for year two, and \$5,472.00 for year three. Funds to come from \_\_\_\_\_ and authorize the President to sign any necessary documentation.

# LEISURE WORLD MUTUAL 12

## Rodent Control Service

*Presented by*



## TERMITE + PEST CONTROL

A Full Service Pest Control Company

1-800-443-PEST (7378)

[www.fennpest.com](http://www.fennpest.com)

**Established 1950**

*Dependable, family run service  
for over 40 years.*

7322 Walnut Avenue  
Buena Park, CA 90620

## SCOPE OF SERVICE

---

**SERVICE:** Monthly inspection and maintenance of 114 rodent bait stations.

**PESTS COVERED:** Rats and Mice.

**AREAS COVERED:** Exterior of buildings and carports.

**COST:**

**2023 - 2024**

\$3.50 X 114 stations = \$399.00

**year 1: \$4,788.00**

---

**2024 -2025**

\$4.00 X 114 stations = \$456.00

**year 2: \$5,472.00**

---

**2025 - 2026**

\$4.00 X 114 stations = \$456.00

**year 3: \$5,472.00**

**AGREED:**

**3 year total: \$15,732.00**

MUTUAL 12:

FENN TERMITE & PEST CONTROL INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE FOR REPAINTING OF STOP SIGNS AND PARKING DELINEATORS (BUILDING INSPECTOR'S REPORT, ITEM C)  
**DATE:** JULY 13, 2023  
**CC:** MUTUAL FILE

---

I move to approve the proposal from MJ Jurado for griding/scraping all areas to be painted and painting with glass beads of all T's & L's for parking and stops at a cost not to exceed \$7,300.00. Funds to come from \_\_\_\_\_ and authorize the president to sign any necessary documentation.





# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE ADD LIGHTS TO GAZEBO (BUILDING INSPECTOR REPORT, ITEM D)  
**DATE:** JULY 13, 2023  
**CC:** FILE

---

I move to approve adding light to the Gazebo at a cost not to exceed \$\_\_\_\_\_. Funds to come from \_\_\_\_\_ and authorize the president to sign any necessary documentation.



# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF MONTHLY FINANCES (NEW BUSINESS, ITEM A)  
**DATE:** JULY 13, 2023  
**CC:** MUTUAL FILE

---

I move to approve the April, May, and June 2023 financial statements as reviewed per California Civil Code Section 5500 (a)-(f) for audit as presented.

# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE NOTICE TO INTENT TO WITHDRAW  
(NEW BUSINESS, ITEM B)  
**DATE:** JULY 13, 2023  
**CC:** FILE

---

On July 14, 2022, Mutual Twelve Board of Directors “RESOLVED to approve that Mutual Twelve authorizes the board President and/or duly appointed officer to act on behalf of the board to execute the Notice of Intent to Withdraw for the 2022- 2023 term of office.”

I move to **approve** that Mutual Twelve authorizes the Board’s President and/or duly appointed officer to act on behalf of the Board to execute the Notice of Intent to Withdraw.

OR

I move to **deny** that Mutual Twelve authorizes the Board’s President and/or duly appointed officer to act on behalf of the Board to execute the Notice of Intent to Withdraw.

# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RECEIVE MONTHLY MEETING MINUTES FROM OTHER MUTUALS. (NEW BUSINESS, ITEM C)  
**DATE:** JULY 13, 2023  
**CC:** FILE

---

On July 14, 2023, it was “RESOLVED to approve that Mutual Twelve will receive one hard copy of the various mutuals’ monthly meeting minutes in their mailbox in the Stock Transfer Office, effective 2022-2023 term of office.”

I move to **approve** that Mutual Twelve continues to receive one hard copy of the various mutuals’ monthly minutes in their mailbox in the Mutual Workroom.

**OR**

I move to **deny** that Mutual Twelve continues to receive one hard copy of the various mutuals’ monthly minutes in their mailbox in the Mutual Workroom.

# *Mutual Corporation No. Seventeen*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO DISCLOSE “YES”, “NO” AND “ABSTENTIONS”  
VOTES IN THE MINUTES. (NEW BUSINESS, ITEM D)  
**DATE:** JULY 13, 2023  
**CC:** FILE

---

On July 14, 2022, Mutual Twelve Board of Directors “RESOLVED to approve that the Mutual Twelve meeting minutes disclose “yes” votes, “no” votes, and abstentions of the directors in the motion results.”

I move to **approve** that the Mutual Twelve meeting minutes disclose “yes” votes, “no” votes, and abstentions in the meeting minutes.

OR

I move to **deny** that the Mutual Twelve meeting minutes disclose “yes” votes, “no” votes, and abstentions in the meeting minutes.

# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE RELEASE MUTUAL BOARD CONTACT INFORMATION. (NEW BUSINESS, ITEM E)  
**DATE:** JULY 13, 2023  
**CC:** FILE

---

On July 14, 2022, Mutual Twelve Board of Directors “RESOLVED to deny that Mutual Twelve Board of Directors will authorize the Mutual Administration Department to release all contact information as requested.”

I move to **approve** that the Mutual Twelve Board of Directors authorizes the Mutual Administration Department to release director contact information as requested.

OR

I move to **deny** that the Mutual Twelve Board of Directors authorizes the Mutual Administration Department to release director contact information as requested.

# Mutual Corporation No. Twelve

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/ DENY PROPERTY TAX POSTPONEMENT APPLICATION (NEW BUSINESS ITEM, F)  
**DATE:** JULY 13, 2023  
**CC:** MUTUAL FILE

---

At the July 14, 2022, Board Meeting the Mutual Twelve Board of Directors passed the following resolution: *RESOLVED to approve that Mutual Twelve does not support or authorize the signing of the Property Tax Postponement Application from the State of California. The Mutual further authorizes the GRF Finance Department to notify the Board if a shareholder requests a Property Tax Statement.*

I move to **approve** that Mutual Twelve **does not support** or authorize the signing of the Property Tax Postponement Application from the State of California. The Mutual further authorizes the GRF Finance Department to notify the Board if a shareholder requests a Property Tax statement.

OR

I move to **approve** that Mutual Twelve **does support** or authorize the signing of the Property Tax Postponement Application from the State of California. The Mutual further authorizes the GRF Finance Department to notify the Board if a shareholder requests a Property Tax statement.

# Mutual Corporation No. Seventeen

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE APPROVE THE APPOINTMENT  
SETTING COMMITMENT (NEW BUSINESS, ITEM G)  
**DATE:** JULY 13, 2023  
**CC:** FILE

---

The GRF staff provides valuable services to all Mutuals. To maintain these valuable services, we are again soliciting all Mutual Board of Directors to help support our united mission to maintain our collective community for the betterment of all. To facilitate this mission and to help control time, focus and, most importantly, expense, I need to take this opportunity to kindly request action from all Mutual Board of Directors to help us support you, so that we may ensure all goals and tasks are accomplished in a timely and productive manner.

On July 14, 2022, Mutual Twelve of Directors, “RESOLVED to approve, a commitment, by the Board of Directors of Mutual Twelve, to help support the unified mission of the collective Mutual’s of Leisure World Seal Beach, to ensure appointments are made to meet with GRF staff. Board members should consult with President before making appointments with GRF staff.”

I move to **approve** a commitment by the Board of Directors of Mutual Twelve, to help support the unified mission of the collective mutuals of Leisure World Seal Beach, to ensure appointments are made to meet with GRF staff.

**OR**

I move to **deny** a commitment by the Board of Directors of Mutual Twelve, to help support the unified mission of the collective mutuals of Leisure World Seal Beach, to ensure appointments are made to meet with GRF staff.

# Mutual Corporation No. Twelve

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY MAINTAINING PROCEDURE 12-7510-3 – ELIGIBILITY REQUIREMENTS (NEW BUSINESS, ITEM H)  
**DATE:** JULY 13, 2023  
**CC:** MUTUAL FILE

---

On July 13, 2022 Board Meeting, the Mutual Twelve Board of Directors passed the following resolution: “RESOLVED to approve that, according to Procedure 12-7510-3 – Eligibility Requirements, if there is a question of financial eligibility, Mutual Twelve will not be contacted by the Stock Transfer Office in the event of a nonqualifying financial issue, and furthermore to have the Stock Transfer Office follow Procedure 12-7510-3 – Eligibility Requirements.

I move to **approve** that Mutual Twelve authorizes, that according to Procedure 12-7510-3 – Eligibility Requirements, if there is a question of financial eligibility; Mutual Twelve will **NOT** be contacted by the Stock Transfer Office in the event of a non-qualifying financial issue, and furthermore to send a letter to the Golden Rain Foundation to state that Procedure 12-7510-3 – Eligibility Requirements, and all Mutual Twelve Rules and Regulations and Procedures, are to be followed as written.

**OR**

I move to **approve** that Mutual Twelve authorizes, that according to Procedure 12-7510-3 – Eligibility Requirements, if there is a question of financial eligibility; Mutual Twelve **will be** contacted by the Stock Transfer Office in the event of a non-qualifying financial issue, and furthermore to send a letter to the Golden Rain Foundation to state that Procedure 12-7510-3 – Eligibility Requirements, and all Mutual Twelve Rules and Regulations and Procedures, are to be followed as written.



# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO HAVE ALL BOARD MEMBERS SIGN THE CODE OF CONDUCT AND CODE OF ETHICS (NEW BUSINESS, ITEM I)  
**DATE:** JULY 13, 2023  
**CC:** FILE

---

I move that all board members of Mutual Twelve Board of Directors sign the Code of Conduct and Code of Ethics 2023-2024.

# Mutual Corporation No. Twelve

## Board Member Code of Conduct – 2023-2024

---

The Board Member Code of Conduct has been adopted to guide individual board members in a direction that is best for the organization. Accordingly, individual board members should:

- Understand, power resides with the “Board” not individual board members
- Maintain the confidentiality of executive session information
- Put personal interests aside and advance the best interests of the association
- Respect, abide by, and carry out the decisions of the majority of the board
  - The expertise of individual board members will be used to enhance the board’s understanding of issues but will not be substituted for the judgment of the board
- Treat fellow directors, homeowners, management and vendors with respect
- Become familiar with the governing documents
- Be fully prepared for board meetings
  - Engage in board discussions prepared and with an objective, open mind
  - Allow actions that are required by the governing documents or law
- Monitor appropriately by internal and external reports as well as observation to ensure policies are being met
- Subscribe to the Business Judgment Rule
  - Duties are performed in good faith
  - Duties are performed in a manner believed to be in the best interests of the association
  - Duties are performed with such care, including reasonable inquiry as an ordinary prudent person in a like position would use under similar circumstances
- Maintain current assessment payments and comply with the rules and regulations so as to remain in good standing
- Avoid any conflict of interest
  - If licensed and bidding on a job said board member shall recuse him or herself from discussions and decision

# Mutual Corporation No. Twelve

## Board Member Code of Conduct – 2023-2024

---

Additionally, the Board as an entity shall:

- Be as open as possible in the process of conducting its business
- Not allow any individual member, managing agent or vendor to be harassed by any individual member of the board or membership
- Allow no officer, individual or board committee to prevent the board from fulfilling its commitments
- Not allow any provision of law or the governing documents to be unfulfilled
- Present a united front for all Board decisions

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

# Mutual Corporation No. Twelve

## Board Member Code of Ethics – 2023-2024

---

As a member of the Board of Directors for Seal Beach Mutual No. Twelve, I will:

- Be committed to fulfilling the mission and vision of the Association.
- Keep all confidential Board information confidential.
- Present a united front for all Board decisions.
- Focus my efforts on the goals of the Association and not my personal goals.
- At the Direction of the Mutual President serves on a committee and/or task force in a leadership capacity.
- Refrain from using my service on this Board for my own personal advantage or for the advantage of my friends or associates.
- Respect and support the majority decisions of the Board.
- Immediately disclose to the Board any perceived or real conflict of interest as soon as I have knowledge of the potential conflict.
- Approach all Board issues with an open mind, prepared to make the best decisions for everyone involved.
- Do nothing to violate the trust of those who elected or appointed me to the Board or of those we serve.
- Never exercise authority as a Board member except when acting in a board meeting or as I am delegated by the board or its President.
- Continue to maintain the Board member qualifications for the Association.
- Consider myself a trustee of this organization and do my best to ensure that it is well maintained, financially secure; growing and always operating within the best interest of those we serve.

### **BOARD MEMBER COMMITMENT PLEDGE**

I, \_\_\_\_\_, recognizing the vital responsibility I am undertaking in serving as a member of the Board of Directors of Mutual Twelve. I hereby pledge to carry out in a trustworthy and diligent manner the duties and obligations of my role as a Board member.

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name

# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE SEND DRAFT OF 2023 REQUEST FOR MEMBER CONTACT INFORMATION TO ATTORNEY FOR REVIEW. (NEW BUSINESS, ITEM J)  
**DATE:** JULY 13, 2023  
**CC:** FILE

---

I move to authorize CFO Ferraro to request Mutual 12's attorney to review the proposed Annual Request for Member Contact Information required by the Civil Code Section 4041 and the Restated Bylaws.

 *Seal Beach Mutual No. Twelve*

Date: August xx, 2023  
TO: ALL MUTUAL TWELVE MEMBERS (SHAREHOLDERS/OWNERS)  
FROM: MUTUAL TWELVE BOARD OF DIRECTORS  
SUBJECT: **REQUEST FOR MEMBER CONTACT INFORMATION** (Civil Code §4041)

Member's Name: \_\_\_\_\_

Property Address including unit number:  
\_\_\_\_\_, Unit \_\_\_\_\_

Civil Code §4041 requires the association to solicit this information of each member annually, and, at least 30 days before making its own required Annual Disclosure under Civil Code §5300, enter the date into its books and records. Providing an email address is OPTIONAL, the member does not have to provide an email address to the association.

Civil Code §4041 further requires that a member shall on an annual basis provide written notice to the association of all of the following:

1. The member's preferred delivery method for receiving notices from the association.

Please check one or check both:

\_\_\_\_\_ Mailing address to which notices from the association are to be delivered  
Member's Name \_\_\_\_\_  
Address \_\_\_\_\_

\_\_\_\_\_ A valid email address:  
Email: \_\_\_\_\_

2. An alternate or secondary delivery method for receiving notices from the association.

Please check one or check both:

\_\_\_\_\_ Mailing Address  
Member's Name: \_\_\_\_\_  
Address \_\_\_\_\_

\_\_\_\_\_ A valid email address \_\_\_\_\_

3. The name, mailing address and, if available, valid email address of your legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of the member's extended absence from the separate interest. You may use reverse side if needed.

Name \_\_\_\_\_

Address \_\_\_\_\_

Check applicable authority: Attorney \_\_\_\_\_ Trustee \_\_\_\_\_ Executor \_\_\_\_\_

Power of Attorney \_\_\_\_\_ Emergency \_\_\_\_\_

4. The separate interest that you own is: (check one):

Owner Occupied \_\_\_\_\_ Vacant \_\_\_\_\_

**If a member fails to provide the notices set forth in paragraphs (1) and (2) above, the last address provided in writing by the member shall be deemed to be the address to which notices are to be delivered.**

Information provided by:

Name (print): \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_ Date \_\_\_\_\_

**Please mail the completed form by Friday, September 29, 2023 to:**

**Seal Beach Mutual 12, P.O. Box 2069, Seal Beach, Ca. 90740.**

**A return address envelope is included for your convenience.**

Should a member, at any time, wish to change their preferred delivery method for receiving notices, you may send written notice to Seal Beach Mutual 12, P.O. Box 2069, Seal Beach, CA 90740.

**The Mutual Twelve Board thanks you for your cooperation.**

# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE WEBMASTER ACCESS DOCUMENT.  
(NEW BUSINESS, ITEM K)  
**DATE:** JULY 13, 2023  
**CC:** FILE

---

I move to approve GRF Mutual Administration Website Access Agreement for Mutual Twelve, if required to fix any issues that are not “general upkeep” of the website the Mutual will be billed \$180/ per hour. Funds to come from \_\_\_\_\_ and authorize the President to sign any necessary documentation.





## MUTUAL ADMINISTRATION WEBSITE ACCESS AGREEMENT

This agreement is with Golden Rain Foundation, (“GRF”), Mutual \_\_\_\_\_ (“Mutual”), and Mutual’s designated webmaster, \_\_\_\_\_ (“Webmaster”). Mutuals and their designated webmaster must agree to this Administrative Access Agreement (“Agreement”) and any other document referred to herein as a condition precedent to being issued credentials to access administrative areas of their Mutual website.

### Terms:

1. GRF owns and hosts the Mutual domain name and website. GRF retains all property rights in the Mutual domain name and Mutual website with this Agreement.
2. GRF is not responsible for any content created and uploaded by Mutual. The content created and uploaded by Mutual does not reflect the view and/or opinions of GRF and GRF expressly disclaims any affiliation with content created by Mutual. Any content created and uploaded by Mutual must include the following reference, or the equivalent without material modifications: *“The content created and uploaded by Mutual does not reflect the view and/or opinions of GRF and GRF expressly disclaims any affiliation with content created by Mutual.”*
3. GRF is only responsible for “general upkeep” of the Mutual website and uploading meeting minutes and agendas. “General upkeep” of the website shall include the following tasks: making regular backups of the websites, testing loading speeds, testing browser capability, and testing links. Should any issues arise that are not included in the “general upkeep” of the website, including, but not limited to, the website failing, any functionality issues, or content needing intervention and troubleshooting by GRF staff, the Mutual and Webmaster are responsible for any costs arising from said issues. The time required to fix any issues that are not “general upkeep” of the website will be billed to the Mutual at a billable rate of one hundred and eighty dollars (\$180.00) an hour.
4. Mutual and Webmaster are held responsible for any uploaded content deemed to be illegal, false, defamatory, misleading, out of compliance or not in accordance with GRF Governing Documents and Policies. GRF retains its complete authority to modify or delete any content or code uploaded to or displayed on the Mutual website.

5. Mutual hereby expressly acknowledges and agrees that the record and data of the Mutual website and Mutual domain for which access is provided under this Agreement are and shall remain records under the control and custody of GRF. Mutual is to use the highest standard of care to protect, preserve, and maintain the confidentiality of any records provided by GRF to access the Mutual website and Mutual domain.
6. Mutual hereby acknowledges and agrees to access and use Mutual website as follows:
  - a. Shall be for the sole purpose of uploading, creating, editing, and modifying content created by Mutual.
  - b. Is provided solely for the use by Mutual, Webmaster, and GRF. Mutual hereby expressly agrees that it will not allow anyone not authorized by this Agreement to access the Mutual website nor allow anyone not authorized by this Agreement to use the Mutual website domain. GRF has the right, at all times, to access and use the Mutual website and Mutual domain, and to edit, modify, and remove content from the Mutual website.
  - c. Will be accessed and used by Mutual only in the manner expressly authorized and permitted by GRF, in writing, and this Agreement. Mutual agrees that it will neither use nor permit use of the Mutual website and Mutual website domain in any manner or for any purpose which is not authorized by GRF or which is unlawful or which is likely to cause damage or disrepair to GRF equipment, GRF software, GRF records or the Mutual website and Mutual Website Domain.
7. Mutual shall and hereby agrees to indemnify GRF for, and to defend and hold GRF harmless from any claims, demands, suits, damages, judgments, settlements or costs, of any kind, arising out of or relating to use and access provided under this Agreement, caused or claimed to be caused by any act or failure of GRF, other than any act or failure of GRF arising from its gross negligence or willful misconduct.
8. Mutual and Webmaster shall obtain and supply, at its sole cost, all equipment, including computer, peripherals, modems, software and connections to operate Mutual website and shall be responsible for and pay any and all other fees or costs necessary to implement this Agreement.
9. This Agreement shall continue until such time as it is terminated pursuant to the provision in the following subsection.
10. This Agreement may be terminated by either GRF or by the Mutual upon thirty (30) days written notice. Upon termination of this Agreement, Mutual and Webmaster shall surrender all access rights to the Mutual domain name and Mutual website and shall delete all copies of content acquired through access to the Mutual domain name and Mutual website and shall deliver to GRF all files, documents, and information obtained through the use of the Mutual domain name and Mutual website. Upon termination, Mutual and Webmaster shall surrender and lose all credentials to Mutual domain name and Mutual website.

11. GRF hereby expressly disclaims any express or implied warranties of the Mutual domain name and Mutual website and any risk related to the use and access provided under this Agreement.
12. GRF shall not be liable in any manner under this Agreement for any error, inaccuracy or incomplete information contained in the records for which access is provided, and Mutual hereby expressly releases GRF from any claim, demand or suit arising from or as a result of any such error, inaccuracy or incomplete information.  
  
Further, GRF shall not be liable in any manner under this Agreement for any failure, malfunction or other delay, inconvenience, or inability of the computer system, software or equipment, and Mutual hereby expressly releases GRF from any claim, demand, or suit arising from or as a result of any such failure, malfunction or other delay.
13. This Agreement shall not be assigned, nor shall any use or access provided under this Agreement be subcontracted, co-opted or allowed to any other person, firm or other legal entity without the express written consent of GRF, and such consent may be conditioned upon such terms and conditions as GRF may reasonably require.
14. This Agreement shall be construed in accordance with the laws of the State of California.
15. Each individual executing Agreement represents and warrants that he is duly authorized to execute and deliver this Agreement on behalf of the party to Agreement.
16. This Agreement, together with any rules or procedures adopted by GRF shall constitute the entire Agreement between the parties, and Mutual hereby expressly acknowledges that it is not relying upon any other representations or agreements not expressed in writing as a part of this Agreement. Any other representations and agreements between the parties are superseded by this Agreement. This Agreement may not be amended or modified, except in writing, and signed by all parties.

*[Signatures to Follow]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

GOLDEN RAIN FOUNDATION,  
a California non-profit mutual benefit corporation

GRF President: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

GRF Secretary: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

“GRF”

MUTUAL \_\_\_\_\_

Mutual President: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

“Mutual”

Mutual Webmaster

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

“Mutual Webmaster”

# Mutual Corporation No. Twelve

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE CINC RESIDENT PORTAL & INVOICE APPROVAL (NEW BUSINESS, ITEM J)  
**DATE:** JULY 14, 2023  
**CC:** FILE

---

I move to approve the CINC Resident Portal & Invoice Approval from GRF and “turn on” the following modules for CINC Director Portals: \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_.

# CINC RESIDENT PORTAL & INVOICE APPROVAL



## PORTAL DESCRIPTION

CINC provides homeowners with a customized portal to pay dues, submit maintenance requests, access governing documents, and communicate with their HOA management team. CINC Systems' homeowner portals also enable Board members to view aging reports, accounts receivables and electronically approve invoices.

The new CINC systems also allows for electronic signing of checks.

## PORTAL OPTIONS

Please check whether the Board opts to "turn on" the following modules:

Yes	No		Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	Work Orders* (when launched)	<input type="checkbox"/>	<input type="checkbox"/>	Board Invoice Approval
<input type="checkbox"/>	<input type="checkbox"/>	ACC Requests* (when launched)	<input type="checkbox"/>	<input type="checkbox"/>	Electronic Check Signing
<input type="checkbox"/>	<input type="checkbox"/>	Calendar			Max Electronic* Check Signing Amount
<input type="checkbox"/>	<input type="checkbox"/>	Photos	\$ _____		

## BOARD APPROVAL

Mutual #: \_\_\_\_\_

Board Meeting Date: \_\_\_\_\_

Signature: \_\_\_\_\_



# NOTES

## ACC REQUESTS

The ability to add a ACC (Permit) has been disabled in the resident view. If the Board chooses to add the ACC module it will only be for residents to view their permits, but they will not be able to add.

## WORK ORDER REQUESTS

For Work Order Requests (Formerly known as SROs), the resident would have the ability to submit a work order through the system.

For those Mutual Associations that require Board Approval for any work orders, we can factor that into the workflow process and still allow for residents to submit online.

## BOARD INVOICE APPROVAL

Electronic (online) approval of invoices will be set to 2 Board members automatically. If the Board wishes they can increase to no more than 3 required approvers.

## MAX ELECTRONIC CHECK SIGNING AMOUNT

If the Board opts to approve electronic invoice approval and check signing, an amount will need to be set for the maximum amount a check can be before a wet signature is required.

# ELECTRONIC CHECK SIGNING

If the Board approves to sign checks electronic, two Board members will need to sign in the following spaces. Signature must be wholly contained within the box:



BOARD MEMBER ONE

BOARD MEMBER TWO



# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE NEW PURCHASE OF CERTIFICATE OF DEPOSIT (NEW BUSINESS, ITEM M)  
**DATE:** JULY 13, 2023  
**CC:** MUTUAL FILE

---

I move to approve the purchase of one new certificate of deposit at US Bancorp in the amount of \$225,000, funds to come from US Bank Money Market Reserve account, for a term not to exceed one year at the prevailing interest rate.

# *Mutual Corporation No. Twelve*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE ON ALL PERMITS GOING TO BOARD OR WHO WILL BE RESPONSIBLE FOR SIGNING. (NEW BUSINESS, ITEM N)  
**DATE:** JULY 13, 2023  
**CC:** FILE

---

I move to authorize having all M12 Officers be responsible for the approval and signing of all Mutual 12 permits.