

MUTUAL OPERATIONS

ORGANIZATION OF BOARD

Committees

1. PURPOSE:

To provide procedures and authorizations for committees formed to assist the Board in the conduct of the affairs of the corporation.

2. GENERAL REQUIREMENTS:

2.1. Shareholder Committees

The President appoints committees from among the membership of Mutual 12. (Bylaws Article VI, Section 4)

2.2. Board Committees

The Board may, in its discretion, appoint a committee of the Board. (Bylaws Article V, Section 14). The President recommends two or more committee members and leadership for Board committees. The President, as ex-officio member, may choose whether to participate in committee proceedings and, if the Board so appoints, in leadership.

2.3. The Physical Property Committee and the Landscape Committee are standing committees. Other committees may be formed and are considered as ad hoc relating to a particular purpose when necessary.

2.3.1 Unless by Board resolution in compliance with Corporations Code §7212, all standing, and ad hoc committees are advisory.

2.4. The Board may designate a single Board member for an ad hoc purpose.

2.5. All members of a standing committee should meet at least once per month and report update to the Board.

3. Committee Functions

3.1. The job of a committee or Board designees is to gather facts and advise the Board.

3.2. The Board's job is to make informed decisions.

3.3 The President's job is to formalize the Board's decisions. (Succession in the President's absence shall be in accordance with the Bylaws of Seal Beach Mutual No. Twelve, Article VI, Section 5 Vice President).

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4. Architectural Control is a Mutual 12 Board Responsibility; it is not Delegated

The Board has authority and responsibility for approval of Physical Property or Landscape work. Any building exterior or interior modification must be approved by Board resolution unless Board approval is on file or clear in policy.

4.1 The President or Physical Committee Chair may approve GRF Building Permit applications that comply with policy except for the following that must be presented to the Board for approval at the earliest regularly scheduled open Board meeting: (1) all exceptions to policy; (2) complete tear-down and rebuilds.

4.2 Committee members, as well as other Board members, monitor contractors, both Mutual and shareholder. Directors may not supervise contractors or their employees. Problems are reported to the Mutual's Physical Property Inspector for resolution. Security can be called when necessary. The Mutual 12 President shall be informed when problems occur.

4.3 The Landscape Committee and the Physical Property Inspector work directly with the Landscape contractor to implement Board approved procedures and projects. The Landscape Committee, as well as other Board members, report shareholder non-compliance with policy problems to the Board for review.

5. Committee Spending Authority

5.1 The President and Physical Property Committee Chair have authority up to \$1,000.00 on necessary Physical Property repairs and work through Service Maintenance (Policy 12-7622-03). This spending authority may be delegated on appliance and fixture repairs and replacements. Emergency service by an outside contractor such as a midnight flood clean-up can be authorized as well. (Management Agreement FOURTH (f))

5.2 The Landscape Committee Chair has authority up to \$750.00 on emergency or necessary repairs.

6. Other Authorizations and Limitations

6.1 The Physical Property Inspector has authority up to \$1,000.00 (Policy 12-7622-03) for necessary repairs and work. Service Maintenance or an outside contractor may perform such work.

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6.2 The President or the President's designee(s) and the Physical Property Inspector determine what work needs to be done on apartments in escrow, inside, exterior, and garden area – whether at seller's expense or Mutual expense. Unusual cases need to be reviewed by the Board.

6.3 No Mutual 12 Director or committee member is authorized to form or amend a contract with any vendor or contractor, change a Board approved contract, order non-emergency services from Service Maintenance, other than minor standard repairs and replacements, or place Purchasing Orders (Exception, small items such as red flags) without Board approval.

7. Reporting Mutual Business

Officer and Director reports that are attached to or distributed with the Regular Monthly Meeting minutes are only for the purpose of providing information on Board-approved activities and projects. New or alternative concepts or points of view will be considered for placement on the Monthly Regular Meeting Agendas.

Document History

Adopted:

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2024

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