

**MINUTES OF THE REGULAR MONTHLY MEETING OF THE
BOARD OF DIRECTORS, SEAL BEACH MUTUAL ONE,
A COMMON INTEREST DEVELOPMENT, CC1350, 1351(c) (4), et al
July 27, 2017**

Following the open forum for shareholders to address the Board, the Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual One was called to order by President Luther-Stark at 9:16 a.m. on Thursday, July 27, 2017, in Conference Room A of the Administration Building, followed by the *Pledge of Allegiance*.

ROLL CALL

Present: President Luther-Stark, Vice President Tous, CFO Schweitzer, and Directors Barreras, Holzer, Gambol, Singer, and Collazo

Absent: Secretary St. Aubin

GRF Representative(s): Mrs. Perrotti and Mr. Stone

Guests: Seventeen Mutual One shareholders

Staff: Ms. Hopkins, Mutual Administration Director
Mr. Bristow, Security Services Director (10:08 a.m.)
Mr. Hawke, Security Services Manager
Mr. Antisdel, Building Inspector (9:24 a.m.)
Ms. Day, Recording Secretary

President Luther-Stark introduced and welcomed the staff members and guests.

MINUTES

President Luther-Stark asked if there were any corrections to the June 22, 2017, Regular Meeting minutes. There being no corrections, they were approved as printed.

GUEST SPEAKER – Mr. Hawke

Security Services Manager Hawke introduced himself and discussed his experience and training. He reported that the new motto for the Security Department is to “*Connect, Respect, and Protect.*”

Mr. Hawke left the meeting at 9:25 a.m.

BUILDING INSPECTOR’S REPORT

Inspector Antisdel presented his report (attached).

A discussion followed on the cost of the wall for Carport 1. A petition was filed with 67 Mutual One member signatures against replacing the concrete safety walls of Carport 1 with unsafe fiberglass.

BUILDING INSPECTOR'S REPORT (continued)

Upon a MOTION duly made by Director Barreras and seconded by Director Singer, it was

RESOLVED, To go forward with the Wall Project to create more parking at Carport 1.

Following a roll call vote, the MOTION failed with five "no" votes (Tous, Schweitzer, Holzer, Gambol, Collazo) and two "yes" votes (Barreras, Singer).

Inspector Antisdell stated GFCI outlets in Mutual One laundry rooms are not needed.

The Board members discussed placing storage bins for the contractors by Carports 3 and 4. Inspector Antisdell stated he obtained a cost of \$6,000 for three containers.

Inspector Antisdell left the meeting at 9:55 a.m.

PRESIDENT'S REPORT

President Luther-Stark presented her report (attached).

President Luther-Stark asked for a motion to ratify the carport appointments. Upon a MOTION duly made by Director Gambol and seconded by Director Singer, it was

RESOLVED, To approve Unit 47-E the temporary use of Carport 13, Space 45, to member in Unit 46-I dated July 21, 2017; Unit 27-A the temporary use of Carport 9, Space 27, to member in Unit 34-I dated March 28, 2017, and Unit 63-G the temporary use of Carport 15, Space 37, to member in 62-F dated July 24, 2017.

The MOTION passed.

CHIEF FINANCIAL OFFICER'S REPORT

CFO Schweitzer reviewed the *Financial Statement Recap for June 30, 2017* (attached).

Vice President Tous submitted a report from the CFO Council Meeting on July 5, 2017 (attached).

DIRECTORS' REPORTS

Director Gambol discussed landscape issues.

Director Barreras presented his report (attached).

DIRECTORS' REPORTS (continued)

Director Singer reported that the Town Hall Meeting has been set for Sunday, October 22, 2017, in Clubhouse Four at 3:00 p.m. to 6:00 p.m. Buses will be available. Upon a MOTION duly made by Director Holzer and seconded by Director Gambol, it was

RESOLVED, That the Board authorize a Town Hall Meeting on October 22, 2017, in Clubhouse Four from 3:00 p.m. to 6:00 p.m., and to authorize CFO Schweitzer to use \$300 for refreshments.

The MOTION passed.

GUEST SPEAKER – Mr. Bristow

Security Services Director Bristow discussed new changes that will be happening in Security as well as improvements that will be coming in the future.

Following questions, Mr. Bristow left the meeting at 10:17 a.m.

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins updated the Board on Mutual Administration activities (attached).

GRF REPRESENTATIVE'S REPORTS

GRF Representative Perrotti was absent.

GRF Representative Stone discussed various GRF activities.

COMMITTEE REPORTS

President Luther-Stark appointed the following to an Ad Hoc Committee on Sewers: George Tous, John Barreras, Ruben Collazo, and Byron Schweitzer. In approximately three months, the committee will give a presentation on what new processes for prevention and recommendations for a budget to do this Sewer Project.

OLD BUSINESS

President Luther-Stark asked for a motion to adopt Policy 7583.01 – Limitations of Vehicles. Upon a MOTION duly made by Director Holzer and seconded by Director Gambol, it was

RESOLVED, To further amend Policy 7583.01 – Limitations of Vehicles on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

OLD BUSINESS (continued)

President Luther-Stark asked for a motion to amend Policy 7557.01 – Caregivers. Upon a MOTION duly made by Director Holzer and seconded by Director Gambol, it was

RESOLVED, To further amend Policy 7557.01 – Caregivers on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

President Luther-Stark asked for a motion to ratify Policy 7405.01 – Flooring and Floor Covering Permits. Upon a MOTION duly made by Director Holzer and seconded by Director Barreras, it was

RESOLVED, To ratify adopted/posted Policy 7405.01 – Flooring and Floor Covering Permits.

The MOTION passed.

President Luther-Stark called a break at 10:30 a.m. to 10:45 a.m.

NEW BUSINESS

President Luther-Stark reported she received back from five Directors their signed Code of Conduct's.

Following a discussion, it was the consensus of the Board to postpone action on the leasing of dryers from WASH until the next Board Meeting.

Following a discussion, and upon a MOTION duly made by Director Holzer and seconded by Director Collazo, it was

RESOLVED, To approve the Reserve Study, at a cost of \$1,610 per year, paying 50 percent now, and \$805 when it is delivered.

The MOTION passed.

The Board members discussed the letter from the attorney on a smoking policy. President Luther-Stark appointed the following to serve on a committee: Ruben Collazo (Chair), Phil Simon, and Donna Gambol.

The Board members discussed having an income fundraising event. Upon a MOTION duly made by Director Simon and seconded by Director Barreras, it was

NEW BUSINESS (continued)

RESOLVED, To draft a letter to the Mutual attorney to give the Mutual information on fundraising.

The MOTION failed with four “no” votes (Holzer, Tous, Schweitzer, Gambol) and three “yes” votes (Barreras, Collazo, Singer).

Following a discussion, and upon a MOTION duly made by President Luther-Stark and seconded by Vice President Tous, it was

RESOLVED, That Mutual One 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, effective 2017-2018.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Holzer and seconded by Director Barreras, it was

RESOLVED, That Mutual One 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, effective 2017-2018.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Gambol and seconded by Director Collazo, it was

RESOLVED, That Mutual One continue to receive one hard copy of the various Mutuals' monthly minutes in their MAIL BOX in the Stock Transfer Office, effective 2017-2018.

The MOTION passed.

President Luther-Stark asked for a motion to rescind Policies 7301 – Audit Expense, 7302 – Capital Accounts, 7320 – Patronage Refunds, 7331 – Interest on Impound Accounts, 7332 – Billings to Mutuals, 7333 – Income Items and Their Distribution, 7334 – Investment Records, 7337 – Financial Reports, 7340 – Accounts Receivable, and 7341 – Cashier Service. Upon a MOTION duly made by Director Holzer and seconded by Vice President Tous, it was

NEW BUSINESS (continued)

RESOLVED, To rescind Policies 7301 – Audit Expense, 7302 – Capital Accounts, 7320 – Patronage Refunds, 7331 – Interest on Impound Accounts, 7332 – Billings to Mutuals, 7333 – Income Items and Their Distribution, 7334 – Investment Records, 7337 – Financial Reports, 7340 – Accounts Receivable, and 7341 – Cashier Service on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

DIRECTORS' COMMENTS

Several comments were made.

ADJOURNMENT

There being no further business to conduct, President Luther-Stark adjourned the meeting at 11:07 a.m. and announced there would be an Executive Session following the meeting to discuss member issues.



Attest

Sandra Luther-Stark, President
SEAL BEACH MUTUAL ONE

cd:8/02/17

Attachments

**NEXT REGULAR BOARD MEETING: August 24, 2017, at 9:15 a.m.
Administration Building Conference Room A**

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING JULY 27, 2017**

07/27/17 RESOLVED, To approve Unit 47-E the temporary use of Carport 13, Space 45, to member in Unit 46-I dated July 21, 2017; Unit 27-A the temporary use of Carport 9, Space 27, to member in Unit 34-I dated March 28, 2017, and Unit 63-G the temporary use of Carport 15, Space 37, to member in 62-F dated July 24, 2017.

RESOLVED, That the Board authorize a Town Hall Meeting on October 22, 2017, in Clubhouse Four from 3:00 p.m. to 6:00 p.m., and to authorize CFO Schweitzer to use \$300 for refreshments.

RESOLVED, To further amend Policy 7583.01 – Limitations of Vehicles on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To further amend Policy 7557.01 – Caregivers on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To ratify adopted/posted Policy 7405.01 – Flooring and Floor Covering Permits.

RESOLVED, To approve the Reserve Study, at a cost of \$1,610 per year, paying 50 percent now, and \$805 when it is delivered.

RESOLVED, That Mutual One 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, effective 2017-2018.

RESOLVED, That Mutual One 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, effective 2017-2018.

RESOLVED, That Mutual One continue to receive one hard copy of the various Mutuals' monthly minutes in their MAIL BOX in the Stock Transfer Office, effective 2017-2018.

RESOLVED, To rescind Policies 7301 – Audit Expense, 7302 – Capital Accounts, 7320 – Patronage Refunds, 7331 – Interest on Impound Accounts, 7332 – Billings to Mutuals, 7333 – Income Items and Their Distribution, 7334 – Investment Records, 7337 – Financial Reports, 7340 – Accounts Receivable, and 7341 – Cashier Service on a preliminary basis until the 30-day posting period is completed.

INSPECTORS MUTUAL REPORT

MUTUAL : **(01) ONE**

INSPECTOR : **JERRYANTISDEL**

MUTUAL BOARD MEETING DATE: **07/27/17**

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANG E	RECENT INSPECTION	CONTRACTOR / COMMENTS
3-A	FLOORING	GRF	07/17/17	08/18/17	NO	NONE	KARYS CARPET
4-B	HEAT PUMP	BOTH	07/10/17	10/30/17	NO	NONE	GREENWOOD
4-I	ROOM ADDITION	BOTH	06/01/17	10/20/17	NO	NONE	LOS AL BLDRS
7-C	PATIO CARPET	GRF	07/20/17	08/18/17	NO	NONE	KARYS CARPET
11-E	FLOORING	GRF	03/20/17	04/20/17	NO	03/30/17 FINAL	KARYS CARPET
12-G	COUNTER TOP/TUB	BOTH	02/27/17	05/12/17	YES	NONE	LOS AL BLDRS
14-I	HEAT PUMP	BOTH	03/27/17	07/02/17	NO	04/14/17 FINAL	GREENWOOD
14-J	FLOORING	GRF	07/10/17	08/10/17	NO	NONE	BIXBY PLAZA CARPET
16-E	ENTRTRY SIDEWALK	GRF	06/18/17	08/30/17	NO	NONE	M J JURADO
18-D	TILE AT PATIO	GRF	05/05/17	07/20/17	NO	06/08/17 FINAL	LW DÉCOR
18-D	WINDOWS	BOTH	07/31/17	08/30/17	NO	NONE	REPUBLIC COMPANY
20-I	TILE AT PATIO	GRF	04/24/17	05/24/17	NO	05/11/17 FINAL	LOS AL BLDRS
21-B	WINDOW/SLIDING GLASS	BOTH	07/15/17	08/30/17	NO	NONE	CALIFORNIA ENERGY
22-G	HEAT PUMP	BOTH	05/03/17	08/03/17	NO	06/05/17 FINAL	GREENWOOD
23-F	REMODEL/ADDITION	BOTH	10/15/16	04/15/17	NO	NONE	NATIONWIDE PAINTING
23-F	REMODEL/ADDITION	BOTH	10/15/16	04/15/17	NO	01/26/17 UNDERGROUND	NATIONWIDE PAINTING
23-F	REMODEL/ADDITION	BOTH	10/15/16	04/15/17	NO	02/02/17 FOOTING	NATIONWIDE PAINTING
23-F	REMODEL/ADDITION	BOTH	10/15/16	04/15/17	NO	05/24/17 ROUGH ELEC	NATIONWIDE PAINTING
23-F	REMODEL/ADDITION	BOTH	10/15/16	04/15/17	NO	05/31/17 FRAMING	NATIONWIDE PAINTING
23-F	REMODEL/ADDITION	BOTH	10/15/16	04/15/17	YES	06/02/17 INSULAT/LATH	NATIONWIDE PAINTING
24-A	DECO BLOCK WALL	GRF	06/05/17	06/30/17	NO	NONE	BERGKVIST
24-A	RESURFACE PATIO SLAB	GRF	06/12/17	08/12/17	NO	08/16/17 FINAL	STONEWAYS
25-L	WINDOWS	BOTH	06/30/17	08/21/17	NO	NONE	LW DÉCOR
28-G	HEAT PUMP	BOTH	06/21/17	07/21/17	NO	07/07/17 FINAL	ALPINE
28-D	DECO BLOCKS	GRF	08/20/17	09/20/17	NO	NONE	PENA
28-H	FLOORING	GRF	05/30/17	08/30/17	NO	06/13/17 FINAL	KARYS CARPET
31-G	REMODEL/ADDITION	BOTH	10/12/16	03/30/17	YES	11/10/16 UNDERGROUND	KRESS
33-K	COUNTER TOS/ FLOORING	BOTH	07/12/17	08/31/17	NO	NONE	LAMBERT CUSTOM WOOD
38-D	SHOWER CUT DOWN	BOTH	05/23/17	06/23/17	NO	06/05/17 FINAL	NU KOTE
41-L	PATIO CARPET	GRF	07/24/17	10/20/17	NO	NONE	LW DÉCOR
42-K	FLOORING	GRF	07/24/17	08/24/17	NO	NONE	CORNERSTONE FLOORING
47-A	WINDOWS	BOTH	07/24/17	08/24/17	NO	NONE	SEAPORT WINDOWS
47-B	WINDOWS	BOTH	03/07/17	06/25/17	YES	07/07/17 FINAL	LW DÉCOR
53-B	KITCHEN REMODEL	BOTH	07/20/17	11/10/17	NO	NONE	LOS AL BLDRS
53-J	SHOWER CUT DOWN	BOTH	08/03/17	09/03/17	NO	NONE	NU KOTE
54-I	FLOORING	GRF	07/17/17	08/17/17	NO	07/13/17 FINAL	KARYS CARPET
56-C	BEDROOM SLIDER	BOTH	07/20/17	08/22/17	NO	NONE	SWENMAN
58-C	REMODEL KITCHEN	BOTH	05/01/17	10/01/17	NO	NONE	LW DÉCOR
58-C	REMODEL KITCHEN	BOTH	05/01/17	10/01/17	NO	06/29/17 UNDERGROUND	LW DÉCOR
58-C	REMODEL KITCHEN	BOTH	05/01/17	10/01/17	NO	07/14/17 FRAMING/PLUMB	LW DÉCOR
58-I	HEAT PUMP	BOTH	06/15/17	07/15/17	NO	6/14/2017 FINAL	ALPINE
58-H	FLOORING	GRF	07/10/17	08/10/17	NO	NONE	KARYS CARPET
60-L	WINDOWS	BOTH	12/21/16	02/10/17	YES	05/26/17 FINAL	LW DECR
61-F	CART PAD	GRF	07/05/17	07/26/17	NO	NONE	JOHNS LANDSCAPE
64-C	BEDROOM SLIDER	BOTH	06/05/17	07/05/17	NO	07/07/17 FINAL	LW DÉCOR
64-F	CART PAD	GRF	06/26/17	07/26/17	NO	NONE	JOHNS LANDSCAPE
65-G	REMODEL	BOTH	02/20/17	04/28/17	NO	UNDERGROUND 03/14/17	BERGKVIST
65-G	REMODEL	BOTH	02/20/17	04/28/17	YES	FRAM/INSLUT/SHEAR	BERGKVIST
65-G	REMODEL	BOTH	02/20/17	04/28/17	YES	06/02/17 FINAL	BERGKVIST
65-I	WASHER/DRYER	BOTH	05/05/17	06/02/17	NO	05/24/17 FINAL	BERGKVIST
69-A	PATIO CARPET	GRFF	07/10/17	08/10/17	NO	NONE	CORNERSTONE FLOORS
69-I	KITCHEN REMODEL	BOTH	06/12/17	07/25/17	NO	NONE	PEEK
69-I	KITCHEN REMODEL	BOTH	06/12/17	07/25/17	NO	06/26/17 UNDER GROUND	PEEK
69-I	KITCHEN REMODEL	BOTH	06/12/17	07/25/17	NO	FRAM/ELEC/PLUMB	PEEK
70-B	SHOWER CUT DOWN	BOTH	05/25/17	06/23/17	NO	05/05/17 FINAL	NU KOTE

ALL SHADED AREAS HAVE BEEN SIGNED OFF

INSPECTORS MUTUAL REPORT

MUTUAL : (01) ONE

INSPECTOR : JERRYANTISDEL

MUTUAL BOARD MEETING DATE: 07/27/17

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
1-F		07/02/16					
3-A		05/25/17					
6-D		09/27/16					
6-L		12/30/13					
7-C		06/15/17					
7-E		11/13/15					
9-A		04/12/17					
10-E		03/03/15					
10-F		12/18/13					
11-C		02/18/16					
11-D		05/01/17	05/24/17	05/25/17	06/09/17		
11-E		09/27/16	01/20/17				
12-H		06/05/17					
14-J		08/31/16					
18-H	7/7/2017						
18-J	12/9/2016						
20-F		05/02/16					
21-H		07/12/17					
22-E		04/10/17					
23-C		06/21/17					
23-D		06/06/17					
28-L		09/07/16					
29-C		01/11/16					
30-H		07/12/17					
31-B		05/22/17					
33-K	5/31/2017						
34-H		06/29/17					
34-J		06/29/17					
35-E		02/16/17					
41-A		11/14/16					
42-H		07/13/16					
44-F		06/21/17					
46-J		04/15/17	05/10/17	05/23/17	06/07/17		
48-I		07/06/17					
52-K		06/06/17					
53-B		09/06/16	01/13/17				
60-I		08/16/16					
64-C		06/30/16					
64-F		05/03/17	05/26/17	05/26/17	06/12/17		
67-D		02/02/17	05/17/17	05/23/17	06/07/17		
68-H		03/25/16					
69-G		06/22/16					

ALL SHADE 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

CONTRACTS 2017

MIRRORS AT CARPORTS ARE DONE HAD TO GET 2 MORE COST IS \$250.00

ALL SHADED AREAS HAVE BEEN COMPLETED

MUTUAL AND SHAREHOLDER REQUEST

CALLS AND VISITS TO UNITS 92

To: Members of Mutual One
From: Sandra Luther Stark, President

July 27, 2017
Presidents Report

Starting off with information discussed at President's Council. Mark Weaver and Ruben Gonzales requested: Once a Notice to Withdraw has been filed - there needs to be a 10 day period for repairs. Many escrows are closed and the seller has not vacated the unit- or allowed service maintenance to make repairs. This has happened a couple of times, in the past few weeks, in Mutual One alone. In addition throughout Leisure World many units are sold before a pre listing inspection has taken place. During the President's Round Table I suggested that we need to make a change. Possibly having the Notice to Withdraw be filed with Physical Properties first, then a pre-listing inspection can take place. With the inspector having the seller sign the form noting that once the unit is sold, he must be ready to vacate before the new buyer has an orientation. All this means is everything is moving on a fast pace- and that causes more delay and more confusion.

Mutual Administration collected, from delinquent accounts, some \$15,010 for Mu One. Bringing a total of \$27,104 year to date. Plus 42 letter were mailed to members for a variety of violations. Bringing the total of 558 year to date.

The results of our annual election showed that 37% of our members voted. That figure must be raised next year or our mutual will go into receivership status. That means the courts handle all of our services. (so if your refrigerator goes out... you will have to wait for the court to make a decision.) The most important thing you can do is VOTE! PLEASE bring these figures up at next year's election.

Did you know there are 1,160 total pet and 449 caregiver registrations in LW.

Last but not least: Thank you for picking up your new ID's. Some had it easy and some had to make a couple of trips. What you did not know was- Some ID's were not printed at all. Many past members ID's were printed. The printers equipment broke down that cause headaches for Barry (IT), Courtney (ST) and many of the GRF staff. HOWEVER there was not guide to do this project. Now we have plenty of training so if we decide to do this again- we know what it takes.

Sean Andersen, Associated Reserves walked the mutual with Byron and I on Tues. That report will be available soon. Respectfully submitted, Sandra Luther Stark

1001 Seal Beach Mutual No. One
 Financial Statement Recap
 06/30/2017

P.O. Box 2069
 Seal Beach CA 90740

Jun Actual	Jun Budget		2017 Y-T-D Actual	2017 Y-T-D Budget
198,694	198,694	Carrying Charges	1,192,168	1,192,164
89,641	89,642	Reserve Funding	537,848	537,852
288,336	288,336	Total Regular Assessments	1,730,016	1,730,016
4,076	3,334	Service Income	23,393	20,004
2,326	3,334	Financial Income	14,438	20,004
5,255	3,165	Other Income	21,166	18,990
11,657	9,833	Total Other Income	58,996	58,998
299,992	298,169	Total Mutual Income	1,789,013	1,789,014
122,118	122,118	GRF Trust Maintenance Fee	732,708	732,708
25,611	22,274	Utilities	116,390	133,644
2,720	1,806	Professional Fees	48,289	10,836
35	42	Office Supplies	128	252
26,261	44,723	Outside Services	161,624	268,338
19,891	17,564	Taxes & Insurance	121,269	105,384
89,641	89,642	Contributions to Reserves	537,848	537,852
286,278	298,169	Total Expenses Before Off-Budget	1,718,256	1,789,014
13,714	0	Excess Inc/(Exp) Before Off-Budget	70,756	0
20,087	0	Depreciation Expense	114,708	0
(6,372)	0	Excess Inc/(Exp) After Off-Budget	(43,952)	0
		Restricted Reserves		
3,770	0	Appliance Reserve Equity	36,754	0
6,667	0	Painting Reserve	422,498	0
0	0	Contingency Operating Equity	343,258	0
4,167	0	Roofing Reserve	220,377	0
0	0	Emergency Reserve Equity	472,718	0
66,308	0	Infrastructure Reserve	1,735,029	0
80,911	0	Total Restricted Reserves	3,230,635	0

Chief Financial Officers Meeting

July 5, 2017

Conference Room B – 10 am

Notes from the meeting following:

1. Chair – Suzi Smith – Mutual 4
2. Suzi Smith was nominated and elected as Chair of the CFO Meeting for 2017/2018
3. CFO's and guests were introduced. Received comments that Mutual 1 was present.
4. Committee will be reviewing financial qualifications for new shareholders
5. Committee is planning to have presentations by various investment brokers
6. Carolyn Miller made a presentation about the Annual Budget Process. Attached are a schedule, an outline of the presentation and the Mutual Budget Timeline.
(Note) Ms Miller did a very good job in explaining the process; it was certainly very helpful for the CFO's that have the title but not the background and experience. I can see that those of us who have the experience could be a real asset to assist those that need some guidance in preparing their respective budgets.
7. Questions regarding the budget process and timeline can be requested , via email, from Carolyn Miller at carolynm@LWSB.com
8. Documents distributed at the meeting (not included with this report)
 - a. Agenda
 - Treasurer's Group Presentation
 - b. Sample-Operating Budget
 - c. Sample-Reserve Funding
 - d. Sample-12 month Rolling Actuals

22 June 2017

Physical Property Report

There are many patios that are in violation of policy 7415.1 which states that they be maintain clean, clear of obstacles impeding emergency movement, and assure elements for health living to the entire building. All patio window spaces must be kept clear at all times to facilitate emergency exit, which at this time is not being done. We will be periodically inspecting the units by the Mutual inspector, and a mutual director.

Also this month we have done (23) twenty three PLI, and signed (21) construction permits.

We have found several share holder which are doing some construction on there Apartments without applying for a permit, and using a contractor which are not licensed to work in leisure world.

Also there is a need to start looking at all our walkways, as some of them are in poor condition.

By John Barreras

Mutual Administration Director's Report

July 2017 Election Results Term 2017-2018

Mutual	President	GRF Directors
ONE	Sandra Luther-Stark	Richard Stone Leah Perrotti
TWO	Myrna Baker	Paul Pratt Paula Snowden
THREE	Carol Ginthner	Linda Stone
FOUR	Bob Slater	Joy Reed
FIVE	Dr. Betty Coven	Wayne Gould
SIX	Tom Dowd	Susan Hopewell
SEVEN	Sue Rotter	Kathleen Rapp
EIGHT	Camille Thompson	Steven McGuigan
NINE	Debra Schnaufer	Antonio Dodero
TEN	Ruthann Arlart	Ronde Winkler
ELEVEN	Phil Mandeville	Mary Ruth Greer
TWELVE	Margaret Gillon	Carole Damoci
FOURTEEN	Lee Melody	Barry Lukoff
FIFTEEN	Jackie Dunagan	Patrick Anderson
SIXTEEN	Al Grenrock	Susanne Fekjar
SEVENTEEN	Pete Hayes	Perry Moore

Mutual	# of Units	# of Estates at time of Election	Total # of Ballots Received	Total % of Members Voting	Total Votes Cast for Write-in Candidates Who Accepted Nomination	Total Votes Cast for Abstention Only	Total Votes Cast for Quorum Only
ONE	844	10	316	37%	0	11	2
TWO	864	22	400	47%	0	10	3
THREE	432	14	212	50%	0	1	1
FOUR	396	5	221	56%	3	2	2
FIVE	492	13	210	43%	22	2	2
SIX	408	9	204	51%	0	1	2
SEVEN	384	8	236	63%	0	0	1
EIGHT	348	6	187	54%	0	2	1
NINE	384	5	187	49%	134	9	1
TEN	276	4	159	58%	0	1	0
ELEVEN	312	No election this year; annual meeting only					
TWELVE	452	8	210	47%	0	5	0
FOURTEEN	328	5	239	73%	0	4	6
FIFTEEN	502	8	300	60%	0	0	1
SIXTEEN	60	0	36	60%	0	1	0
SEVENTEEN	126	7	77	64%	0	4	0

Mutual	Bylaw Amendment	Yes	No	Abstain	Passed
FIVE	Remove FHA, Eliminate Parcels, Eliminate Cumulative Voting & Institute Staggered Terms <i>Kaiser</i>	174	21	13	YES
NINE	Measure No. 1 - Eliminate Parcels <i>Rabkin</i>	118	32	36	NO
	Measure No. 2 - Institute Staggered Terms	110	36	40	NO
TEN	Measure No. 1 - Notice of Meetings <i>Rabkin</i>	140	1	18	YES
	Measure No. 2 - Proxies	125	15	19	YES
	Measure No. 3 - Secret Ballot	130	11	18	YES
	Measure No. 4 - Removal of Director	133	7	19	YES
	Measure No. 5 - Board Action without Meeting	117	24	18	YES
	Measure No. 6 - Annual Budget Report	141	1	17	YES
FIFTEEN	Eliminate cumulative voting and FHA requirement <i>Roseman/Zweig</i>	238	33	28	YES

MUTUAL OPERATIONS

RESIDENT REGULATIONS

DRAFT

LIMITATION OF VEHICLES PER UNIT

Mutual One will only approve one car per person per unit. up two cars per unit unless there is a third occupant in the unit then it can approve one more to a maximum of three. Security can will only issue decals for the number of members per unit. for two cars, or no more than three if there is a third occupant.

MUTUAL
ONE

ADOPTION

(draft created on 4-21-17 ka)
(amended draft created on 7-20-17)

MUTUAL OPERATIONS**AMENDED DRAFT**

RESIDENT REGULATIONS

Caregivers - Mutual One Only1. Licensing Requirements

- a. ~~In order to work as a caregiver in Mutual One, caregiver must have a valid Seal Beach Business License or work for an agency with a valid Seal Beach Business License, per Seal Beach City Ordinance 1435. A copy of the license must be in the possession of caregiver at all times.~~

~~Exemption: A family member (of a shareholder) who is acting in the capacity of a caregiver is exempt from possessing a business license, but must apply and receive a caregiver's pass and badge.~~

- a. **In order to work as a caregiver in Mutual One, caregiver must apply and receive a caregiver ID through the Golden Rain Foundation Stock Transfer Office.**
- b. A caregiver working in Mutual One must have a valid **California Identification Card** **when** driver's license **and proof of auto insurance** **if** driving a vehicle into **working in** Leisure World.

2. Pass and Badge Requirements

- a. All caregivers, whether working as a family member, as an individual, or through an agency, must apply and receive a caregiver's **ID** ~~pass and clear badge holder~~ through the Golden Rain Foundation ~~Stock Transfer Office.~~
- 1) The **pass ID** must be renewed every six months.
 - 2) The **pass ID** must be worn in ~~clear sight~~ **around the neck** at all times.
 - 3) **ID, Badge, or Pass** ~~Passes or badge holders~~ may not be transferred or lent to anyone.

3. Use of Laundry Facilities

- a. Part-time caregivers may use laundry facilities for shareholder's laundry only. *Part-time caregivers who use Mutual laundry facilities for their personal or family use will be permanently barred from Leisure World.*
- b. Caregivers who are 24-hour live-ins may use washers and dryers for their personal use, but may not use the washers and dryers for other family members or friends.
- c. Washers and dryers are to be cleaned after every use.
- d. Only two washers and dryers may be used at a time.

(draft created on 4/21/17 ka)
(draft amended on 7/20/17 ka)

MUTUAL OPERATIONS**AMENDED DRAFT****RESIDENT REGULATIONS****Caregivers - Mutual One Only**

- e. Washed items are not allowed to be hung on patios.
- f. Part-time caregivers who use Mutual laundry facilities for their personal or family use will be permanently barred from Leisure World.

4. General Requirements

- a. Caregiver must cease any noise that could be considered disruptive after 10 p.m., i.e., no loud televisions, radios, or talking, so as not to disturb the quiet enjoyment of neighbors.
- b. **A Doctor's note stating that a full or part-time caregiver is needed. The note must be on the original Doctor's letterhead. If fulltime 24/7 care is needed, that must be included in the Doctor's note. It must be an original, not a photocopy.**
- c. Caregivers are not allowed to bring family members or friends to the apartment.
- d. Caregivers are not allowed to bring pets into Leisure World.
- e. Caregivers are not allowed to use community facilities, including laundry facilities, unless caregiver is a 24-hour live-in.
- f. **To be eligible as a Family 24 Hour Caregiver the family member cannot otherwise be employed.**

5. Parking Regulations

- ~~a. If shareholder does not have a vehicle, caregiver may use the carport space for their own vehicle after obtaining a temporary parking pass through the Stock Transfer Office.~~
- a. **Upon receiving Caregivers Badge a parking pass will be issued. This pass includes the Mutual # and the Unit # where caretaker will be working. This pass must be clearly displayed on drivers side of the caregiver's vehicle's dash board at all times. Proof of auto insurance is required.**
 - ~~1) The temporary parking pass must be clearly displayed on dashboard of caregiver's vehicle at all times.~~

MUTUAL OPERATIONS

AMENDED DRAFT

RESIDENT REGULATIONS

Caregivers - Mutual One Only

- b. if shareholder does not have a vehicle, caregiver may use the carport space for their own vehicle after obtaining a temporary parking pass through the Stock Transfer Office or any Director of Mutual One.
- c. Any vehicle without a Mutual One LW sticker on the windshield or caregiver parking pass on vehicles dash board will be towed if parked on Trust Streets from 11:00 p.m. to 6:00a.m.

MUTUAL ADOPTION

ONE: 09-28-08

(draft created on 4/21/7 ka)
(draft amended on 7/20/17 ka)

MUTUAL OPERATIONS**RESCIND MUTUAL ONE****ACCOUNTING AND FISCAL****Audit Expense – All Mutuals Except Five, Fifteen, Sixteen and Seventeen**

WHEREAS, in the past the audit expense has been charged to the year when the expense was billed and not for the year for which the audit was made

THEREFORE, BE IT RESOLVED that the audit expense be hereafter charged to the expenses for the year for which the audit was made. The audit expense for 1969 shall be charged to 1969 expenses.

MUTUAL ADOPTION:**RESCIND**

ONE	04-30-70	
TWO	04-16-70	
THREE	04-20-70	
FOUR	04-06-70	
FIVE	04-03-70	Rescinded 10-19-16
SIX	04-24-70	
SEVEN	05-15-70	
EIGHT	04-09-70	
NINE	05-20-70	
TEN	03-30-70	
ELEVEN	04-02-70	
TWELVE	03-30-70	
FOURTEEN	03-26-70	
FIFTEEN:	04-02-70	Rescinded 07-21-14
SIXTEEN	04-09-70	Rescinded 02-07-2017
SEVENTEEN	N/A	

MUTUAL OPERATIONS**RESCIND MUTUAL ONE****ACCOUNTING AND FISCAL**Capital Accounts

Legal opinion from Attorney W. A. Williams in letter dated 28 Oct 70 to the Controller:

"One of the unfortunate aspects of each Mutual at Leisure World is the fact that it was set up as a general corporation in its inception. This, of course, requires it to be controlled by the general corporation laws for the State of California.

With respect first to dividends, it would be unlawful for the declaration of any kind of dividend out of these funds as, in my opinion, they constitute a paid-in surplus. Paid-in surpluses cannot be used for the payment of dividends except to shares entitled to preferential dividends. None of the shares in the Mutual Corporations qualify as shares entitled to preferential dividends. I would disagree with the position that the funds are available for patronage dividends. The only funds that I would view as available for patronage dividends are those funds paid in by the members as payments in excess of the budget and remaining at the end of the year. A liability can attach to the director and the shareholder receiving those payments if they are not authorized by law. California Corporation Code holds a liability of shareholders for receipt of an unauthorized dividend in Corporation Code 1510. Illegal declaration of dividends can constitute a misdemeanor in the State as set forth in the Penal Code for the State of California.

The only source of dividends that can be made is from earned surplus or out of net profits earned during the preceding accounting period which is not to be less than six months or more than one year. In this latter instance, such dividends can be declared despite the fact that the next assets of the corporation may be less than the stated capital unless there are liquidation preferences on some share, a problem which we do not have.

The fact that these funds, however, cannot be used for dividends does not prevent their use for proper corporate purposes, particularly the establishment of reserve accounts, and I see no reason why the funds cannot be used for reserve account needs or as you have indicated, by transfer within the capital accounts. However, these funds must be clearly designated in that the original stated capital must be set forth and the paid-in surplus must be also clearly identified. It cannot be shown as an earned surplus at any time. Actually, an earned surplus could occur if the payments of the resident exceed the budget requirement set forth at the beginning of the year.

The Board of Directors will have the power to take the necessary steps for transfer of capital funds so long as those steps are within the framework of the restrictions I have indicated."

(Oct 70)

MUTUAL OPERATIONS**RESCIND MUTUAL ONE****ACCOUNTING AND FISCAL****Patronage Refunds****I. Legal Basis**

The Articles of Incorporation provide, under Article II for Mutuals 1 through 5, and Article III for Mutuals 6 through 16, that the Board of Directions may make refunds to stockholders as provided by the Bylaws and Occupancy Agreement. The Occupancy Agreement, under Article 3, provides that the corporation agrees that it will refund or credit to the member at the end of each fiscal year his proportionate share of such sums as have been collected in anticipation of expenses which are in excess of the amount needed for expense of all kinds, including reserves, in the discretion of the Board of Directors. The procedure recommended by FHA for such refund is stated in Section 2.

II. Refund Procedure

1. Mutual Boards should consider patronage refunds only at the close of a fiscal year.
2. A standard form of the resolution to be adopted by the Board is available for use.
3. The payment of any refund should be subject to two contingencies:
 - a. Completion of the audit, showing that the funds are available for payment.
 - b. The resolution, together with the statement of the auditors that the funds are available, should be submitted to FHA for approval prior to the payment of the refund.

III. Suggestions

Questions concerning the form to be used and the processing for FHA approval should be directed to the Executive Director.

Revised: 20 July 77

RESCIND

FIVE: 11-18-16

SIXTEEN: 02-07-17

(Jul 77)

MUTUAL OPERATIONS**RESCIND MUTUAL ONE****ACCOUNTING AND FISCAL****Impounds**

Budget for impounds is based on advice from mortgagee, and equal monthly payments made to the mortgagee are based on the budget. The mortgagee makes disbursements to payee and advises Mutuals the amounts disbursed. Types of impounds are as follows:

a. Hazard Insurance

Fire and lightning, windstorm, hail, explosions, smoke, riot, aircraft and motor vehicles, vandalism and malicious mischief.

b. Tax Reserve

Assessments by county assessor's office based on parcel or loan area within Mutual.

c. Mortgage Insurance

Based on one-half of 1% unpaid principal balance at the beginning of each year.

RESCIND

FIVE: 11-18-16

MUTUAL OPERATIONS**RESCIND MUTUAL ONE****ACCOUNTING AND FISCAL****Billings to Mutuals**

1. Billings to the Mutuals are generated by the Golden Rain Foundation. Any profit or loss is allocated back to the Mutuals at the year's end. There are basically three types of billings:
 - A. SROs or service repair orders issued by the Service Maintenance Department for the Mutuals' maintenance needs and all community facility-related service costs.

Maintenance persons bill their work time to a corresponding area. Rates per hour charged by these departments are computed on a basis intended to recover wages, employer's taxes, depreciation of equipment, supplies, and other expenses. These rates are subject to periodic studies. Changes in rates result when increased costs exceed budgeted income.
 - B. Administration, recreation, and maintenance of common areas and facilities not charged in item 1, warehouse facilities, property management, transportation, security, and shop repair, are billed to the Mutuals on a pro-rata basis according to the number of apartments. Each month, the Mutual receives a billing covering one-twelfth (1/12) of its budgeted expense.
 - C. Billings for expenses paid by Golden Rain Foundation on behalf of the Mutuals and shared expenses:
 - a. If it is a bill from an outside vendor specifying more than one Mutual, the Golden Rain Foundation pays it and bills the Mutuals.
 - b. Shared expense, such as water charges and street lighting.
2. Mutuals are billed directly by outside vendors for their individual expenses.

Amended: Jul 87

Amended: Aug 00

Aug 00)

MUTUAL OPERATIONS**RESCIND MUTUAL ONE****ACCOUNTING AND FISCAL****Income Items and Their Distribution – All Mutuals Except Five & Nine**

Income is derived from the monthly apartment payments, plus other miscellaneous income received from laundry facilities, interest on reserves, inspection fees on apartment resales, late charges, and carport rentals.

A substantial part of the income is used for retirement of principal and interest on the mortgage. The remainder is divided between impounds, reserves, Golden Rain Foundation operations and individual Mutual maintenance and operation expenses.

See Policy 7333.5 for Mutual Five (Feb 16)
See Policy 7333.9 for Mutual Nine (Oct 06)

Revised: Sep 88
Revised: Aug 00
Revised: Feb 09

(Feb 16)

MUTUAL OPERATIONS**RESCIND MUTUAL ONE****ACCOUNTING AND FISCAL****Investment Records**

Records of investments, time certificates of deposit and bank pass books and/or reconciliations are available for inspection at any time by the Mutual Directors. Mutual Directors desiring general information should call the Mutual Accountant for an appointment. No appointment is necessary, of course, if an unannounced audit is made.

Reissued Jul 87

RESCIND

FIVE: 11-18-16

(Nov 16)

MUTUAL OPERATIONS**RESCIND MUTUAL ONE****ACCOUNTING AND FISCAL****Financial Reports**1. **Monthly Reports**

The Accounting Department, under the direction of the Golden Rain Foundation Controller, prepares and distributes monthly financial reports to each Mutual Director. These reports consist of a balance sheet, an operating statement, which compares income and expenses to budget, detailed balances of the various reserve accounts, reconciliations of bank accounts, and the statements of cash receipts and disbursements of both the agency and the general accounts.

2. **Annual Financial Statement**

The Controller's Department prepares and distributes a preliminary year-end statement. Any necessary adjustments to this statement are made on completion of the audit. A copy of the annual statement is sent to each Mutual Director.

3. **Inquiries About Financial Statements**

The Controller is very willing to answer all questions pertaining to either the monthly financial statements or the published annual financial statements. However, it should be realized that the Controller's schedule is heavy, and that the established regulatory procedure is to request an appointment through the Chief Financial Officer or Treasurer of each individual Mutual corporation.

Reissued Jul 87

(Jul 87)

MUTUAL OPERATIONS**RESCIND MUTUAL ONE**

ACCOUNTING AND FISCAL

Accounts Receivable

This position is responsible for maintaining tenant Accounts Receivable records, including Golden Rain Foundation annual dues, on a current basis. All inquiries regarding tenant delinquencies should be referred to this office.

RESCIND

FIVE: 11-18-16

SIXTEEN: 02-07-17

MUTUAL OPERATIONS**RESCIND MUTUAL ONE****ACCOUNTING AND FISCAL****Cashier Service**

The position of Cashier has been established to facilitate all cash payments made by those members not maintaining a commercial (checking) account who wish to transact all their business on a cash basis.

RESCIND

SIXTEEN: 02-07-17