

Hello, Everyone and welcome.

We've got a few important items to take up today. For example, our Auto Out project – which the board unanimously supported in its effort to try to protect our shareholders lives and property, has run into some snags.

You know, we don't have the attic fire walls and sprinkler systems that new buildings would require today, so this is an effort to fight back against one of our top concerns – stove top fires. Physical Properties Co-Chair Carol Johnstone, as she's worked with shareholders on this project, reports wonderful support for it.

But as we began the work, we discovered a couple of issues: 1. The fire suppression canisters are ugly. There's no getting around it. And if we can find some way to mitigate that, great, if not, then we have to decide where our priorities lie. But that's really secondary to point. 2. The installation process we've begun might be OK and it might not.

Our CEO Randy Ankeny has reached out to the Auto-Out manufacturer and we'll be meeting with a representative from the company about the installation procedure. In the meantime, until we can hold those discussions or meetings we've halted the project temporarily. Ms. Johnstone, might have more to say about this later. She also has a significant year-end report to the board from our Physical Properties Committee.

And we've got our vote on whether to ratify our Patio Policy.

We also have a heavy agenda for our executive session today so I would like to finish up by 4 because we only have Mrs. Weller until 4:45 and she is required for our executive sessions. Also, Mrs. Destra's son, many of you know, underwent a successful surgical procedure today, but we all want to help get her out of here and to her son's bedside as quickly as possible.

So, we'll get started by asking if there are any corrections to the minutes.

President Pepper

April 21, 2015

**1. MUTUAL ESCROW ACTIVITY**

- **Prelisting Inspections**
  - 49H
  - 53B-NRI
  - 28H
- **New Buyer Orientation**
  - 49D
  - 27E
- **Close of Escrows**
  - 17G
  - 27E

**2. MUTUAL PERMITS and REMODELS**

- Please see attached spreadsheet for permit log

**3. MUTUAL PROJECTS**

- **Roofing**
  - Building 28, ridge cap needs to be replaced, all
  - Currently inspecting roofs for our update
- **Dry Rot / Termite Work**
  - As of 4/20/15 maintenance is complete, will do another walk for repairs if found, (Fenns termite report) also have final look at painting. Final costs should be available next month
- **Painting**
  - Hutton Painting is complete, other than a couple of touch up areas due to maintenance finishing up. Billing has one more installment plus the 10%. To date extra painting above and beyond the contract is \$615.00
- **Sidewalks/ Concrete**
  - Need clarification on an area north side of bldg. 12. This area consists of metal covering the V-ditch drainage system with M12. Metal is failing again
- **Water Lines**
  - Attic water lines, BOD has agreed for maintenance to do 4 Saturdays in a row to complete list
  - New resolution is in effect
- **Stove Top Fire Suppression**
  - Currently on Hold, BOD discussion on installation questions
- **Vacant/Seasonal Unit Check**
  - Please BOD contact me to set up for inspections. Due now



April 21, 2015

- **Miscellaneous**
  - Propane cage installation has been completed by maintenance

**4. MUTUAL CONTRACT WORK**

- Painting-Contracted with Hutton Painting, contract is in effect
- Landscaping/Gardening- Contracting with Pinnacle Landscape
- Pest Control/Termite- Contracting with Fenn Pest Control

**5. MUTUAL and SHAREHOLDER REQUESTS**

- 13C- Patio, see attached plan view –BOD action pending
- 49E- Patio, see attached plan view –BOD action pending
- 20H- Patio, see attached plan view –BOD action pending
- 03F- Patio, block wall, see attached plan –BOD action pending
- 52I- chk patio paint
- 28E- chk patio paint
- 21F-chk skylight leak, complete
- 32G-chk on ac issue
- Cp.149sp.23- chk on hole in stucco- repaired
- 51G- paint issues
- Cp.152sp17-chk on door warp- replaced
- 33G- inspection
- 50J- inspect wall
- 50C- no entry, posted
- 28I- shingles blown off, ridge cap
- Phys,Prop- committee meeting on 4/13/15
- 50L- wood floor wet, ruined due to old sprinkler line
- 29D- paint overspray on door
- 50C- meet ServPro for pricing on clean up



**1) PHYSICAL PROPERTY PROJECT TIMELINE**

- A) The Physical Property Committee has reviewed and updated the project timeline to assure projects for 2015 and beyond are scheduled for Mutual 14.

**RECOMMENDATION:** That the new Board of Directors continues updating and utilizing the Physical Property Project Timeline to assure all Mutual 14 properties are maintained.

**2) RESERVE STUDY**

- A) Results from the Reserve Study conducted by Association Reserves were analyzed by the Physical Property Committee.

**RECOMMENDATION:** That the Reserve Study results be reviewed and accepted by the current Board and shared with the new Board of Directors and that appropriate reserve funds are incorporated into Mutual 14's 2016 reserve budget based on the findings from this study.

**RECOMMENDATION:** That the new Board of Directors continues to share the updated Physical Property Project Timeline with Association Reserves to obtain accurate reserve study results each year.

**3) TERMITE/DRY ROT INSPECTIONS & REPAIRS**

- A) Termite/Dry Rot inspections and repairs have been completed.

**RECOMMENDATION:** That the new Board of Directors continue with annual inspections and repairs.

**4) PAINT PROJECT**

- A) The Paint Project has been completed in combination with the Termite, Dry Rot, and Building Infrastructure Repairs Project which produced a cost savings for M14 of at least \$25,000.

- B) Final payment to Hutton is pending upon final inspection.

**RECOMMENDATION:** That during the One Year warranty period, the new Board of Directors continues to monitor any issues and have repairs completed as necessary.

- C) As approved by the Board of Directors in February 2015, (18) powder coated anodized aluminum laundry room door signs were ordered and have been installed by the Maintenance Department.

**5) ATTIC PIPE REPAIRS**

- A) Attic pipe repairs continue throughout Mutual 14 with only 13 of 47 repairs completed to date by the Maintenance Department. In July 2014, the current Board of Directors approved funding of \$20,000 for those repairs. Progress on getting the repairs completed continues to be very slow.

**RECOMMENDATION:** That Maintenance performs the repairs on Saturdays for a minimum of 4 consecutive weeks to accelerate attic pipe repairs. (Increase of approximately \$1250 for overtime.) On 4/14/15 an email was sent to BOD to obtain approval and 1st Saturday work completed on 4/19/15.

**6) PATIO SURVEY, MEASUREMENTS & PICTURES**

- A) All requested information regarding current patios (patio survey, measurements, and pictures) was completed and turned over to Ann Pepper, M14 president.

**RECOMMENDATION:** As new patios are built, that the Board continue to update the list.

**7) ROOFING**

- A) Roof inspections for 2015 are underway. Kevin Black, Physical Property Inspector, will be generating an updated report on the current conditions of M14 roofs.

**RECOMMENDATION:** That the new Board of Directors compares this information with the inspection information completed in 2013 and that the Physical Property Project Timeline for roof replacement is updated. If the new inspection determines that M14 can postpone roof replacement to a later start date, then it is advised that the reserve study data reflect those changes.



**8) LAUNDRY ROOM PREVENTIVE MAINTENANCE PROJECTS & INSPECTIONS**

- A) All projects with regards to preventive maintenance on Laundry Rooms have been finished.

**RECOMMENDATION:** That the new Board of Directors continue with annual inspections and preventive maintenance.

**9) EARTHQUAKE INSURANCE & PROPANE CAGE INSTALLATIONS**

- A) The Physical Property Committee has been in active discussions regarding exploring the concept of insurance against earthquakes.

**RECOMMENDATION:** Because it requires extensive research and further work with GRF to assure that any "bulk rate" breaks can be accessed, the PPC is recommending that the new Board of Directors continue researching possible preferences under a separate Fire Prevention & Insurance Committee(s).

- B) (5) Propane cages are being installed by the Maintenance Department for an estimated cost of – one hour labor per cage plus material. (As of Monday, 4/20/15 all propane cages have been installed.)

**10) PLUMBING & COPPER REPIPING**

- A) The replacement of galvanized plumbing is a part of the Physical Property Project Timeline.

**RECOMMENDATION:** Now that the Board of Directors has included funding in the reserves, as repiping becomes necessary, further discussion and review should continue.

**11) VACANT/SEASONAL UNIT INSPECTIONS**

- A) As required, it is again time to begin quarterly Vacant/Seasonal Unit Inspections.

**RECOMMENDATION:** That current Directors contact Kevin Black to set up the unit inspection for their respective buildings by the end of April.

**RECOMMENDATION:** That the new Board of Directors considers appointing only 1 director, per quarter, to complete the empty unit checks with physical property inspector, Kevin Black. The current process is very time consuming.

**12) FIRE PREVENTION PROJECT**

- A) On the recommendation from GRF that insurance rates may decrease if all mutuals install some type of stove top fire prevention, M14 has approved the purchase and installation of fire suppression canisters above stovetops for all M14 units. The project is on target to be completed by the end of May.

**RECOMMENDATION:** That the new Board of Directors continue to explore ways to decrease liability hazards which may in turn help to lower insurance premiums. (I.e. Under the direction of a separate Fire Prevention & Insurance Committee.)

**13) PHYSICAL PROPERTY COMMITTEE**

- A) It has been an extremely busy and productive year and as the (term) year comes to a close, so does the work of this very dedicated team. We, Sandy Tessier and Carol Johnstone, would like to personally thank each member of this committee for their valuable expertise and service to Mutual 14. Thank you to the following people who have served at sometime throughout the year on this committee; Kevin Black, Mike Skinner, Rod LaPlante, Martha Destra, Mike Supple, Harold Bonnema, Ruth Harrison, Ken Harpham, Ann Pepper, and Carl Larsen.

Respectfully Submitted:

Carol Johnstone & Sandy Tessier

M14 Physical Property Committee Co-Chairs



President's Report  
Ann Pepper  
April 21, 2015

This has been an amazing year for Mutual 14 and for me too.

Working with a smart and involved crew of people – several board members plus a big group of seriously capable volunteers – our board achieved more than any of us could have imagined individually.

It hasn't all been easy.

Some of you will know why. To those who don't, I can only suggest that you consider taking a little time to pay attention to what your board is doing. It's your money. It's your community.

(The board's senior members -- in the coming year that's Val Jorgenson, Martha Destra, Carol Johnstone and Sue Worthington – all who've served on the board for at least four terms each -- can be an invaluable source of a variety of points of view.)

This year's board majority kept its eye on the ball. We were elected to work on our mutual's behalf and that's what we did.

Great support from so many of you helped make that possible.

So what did we accomplish?

Well, the board does a lot of routine stuff. It is still work that requires much volunteer time and effort. Some of those tasks: the annual fire inspections, developing the budget and ensuring the mutuals financial needs are met, taking maintenance calls from shareholders, attending board and board committee meetings, routine committee projects, listening to shareholders concerns and trying to find solutions to problems.

Much more than that goes on, but that gives you a sample.

This year we additionally accomplished these goals/projects, among many others:

**Physical Properties Timeline – Sandy Tessier's Physical Properties Committee:** Developed a physical properties timeline to track the mutual's needs over the next 50 years. This new timeline, if followed and maintained, will ensure jobs and projects both large and small get done and get done in a timely fashion. This accomplishment will affect every single shareholder in Mutual 14 over those years.

**Reserve Study** -- CFO **Martha Destra** & Physical Properties Committee -- Developed and guided a reserve study to ensure work on major mutual components -- from roofing to plumbing -- will be accomplished according to need and will be fully funded -- or as close to fully as possible -- when the need arises. This was our mutual's first independent study.

**Emergency Preparedness Drill and Supplies Inventory** -- **Val Jorgenson's** Emergency Preparedness Committee -- Val's team led our drill, conducted a complete inventory and reorganization of our emergency supplies and developed projected goals for the upcoming year. Also, this year, with the help of our insurance company, we were able to bring back and install the safety cages for the propane canisters that will power our generators in a major emergency.

**Above-Stove Fire Suppressant Project** -- **Carol Johnstone**, Physical Properties Committee Co-Chair -- Although this project is currently on hold while some installation details are worked out, Carol led the way in this major safety effort to protect our mutual from stove top fires, recently the top cause of fires in Leisure World. Vice President **Val Jorgenson** also contributed significantly to this effort.

**Paint Project** -- **Sandy Tessier's** Physical Properties Committee -- Sandy's team, with invaluable help from GRF Physical Properties Inspector **Kevin Black**, who oversaw the project -- lead the board's effort to choose a painter, choose colors, and get the work done in a timely and efficient manner. Our painter, Hutton Painting, was a standout company with a standout crew. Sandy's committee also saved the mutual approximately \$30,000 by coordinating this work with our annual termite repairs. Great job.

**Town Halls** -- Social Committee Chair **Ruth Harrison** -- Besides regular social chair duties such as the annual picnic and the annual yard sale, Ruth this year arranged for our two Town Halls. Both went smoothly and were well attended. We had great feedback from you and we are gratified that you found them informative and valuable.

**New Buyer Orientations** -- Normally I would include this in routine board work, but Vice President **Val Jorgenson** completely revamped this process in 2014-2015 and won high praise for the thoroughness of her presentations. Val met every new buyer who came into the mutual this year and worked to help them acclimate.

**Landscaping** -- **Muriel Luther** and the Landscaping Committee -- Here's another I would normally include in routine board work, but this year's committee worked particularly hard to keep our mutual looking green despite the ravages of the drought. It also made a very smooth transition, with minimal disruption to shareholders, into the use of our new Landscaping Policy.

**Caregiver's Committee** -- **Ruth Harrison**, Chair -- Again, routine work, except that this year, Ruth personally drove any caregiver who needed a badge to the Stock Transfer office to help each one with the paperwork and ensure the job got done. Again, nice work.



**Patio Policy** – The entire board worked, with the help of our mutual attorney to develop a new patio policy that would continue to improve the property values of our mutual while at the same time staying within the confines of the Davis-Stirling Law. Unfortunately, while the board agreed unanimously on 98 percent of the policy, it went down to defeat on a 4-4 vote over whether to maintain the 7-foot maximum on end-unit patios. (Board members Johnstone, Destra, Jorgenson and Pepper voted in favor of the policy and its effort to maintain the 7-foot limit.) Tremendous effort went into this project, however, and it is certainly one all shareholders – not just those who want a patio -- will want to watch in the upcoming year as this policy has implications for our overall financial well being. Although the policy failed to be ratified, I am proud of the work done on behalf of our shareholders. In particular I want to recognize the extra effort of Secretary **Carol Johnstone** who took the minutes for a number of special meetings on the patio policy, submitted them to the GRF secretaries and distributed them.

This will be my last report to you as this year's board President – except for the one I'll give at our annual meeting on May 21. (Try to come to that if you can.)

I want to thank you for this privilege and opportunity. I cannot tell you how much I have learned this year – so much about human nature in general and about the way politics and government really work. Whatever has been difficult, you more than compensated for with your kindness and good words.

I owe you a debt of gratitude.

We all owe thanks to our hard-working board officers and committee chairs: Vice President Val Jorgenson, Secretary Carol Johnstone, Chief Financial Officer Martha Destra, Landscape Chair Muriel Luther, Social Committee Chair and Caregivers Chair Ruth Harrison – as well as Physical Properties Chair Sandy Tessier, who served so ably on the board the first half of the year and led her committee throughout the term.

These hard-working board members – all volunteers – put in countless hours on behalf of all of us.

We also want to thank former Board Member Mike Supple, who helped out when he stepped into Sandy's board seat for a couple of months mid-year.

In the second half of the year, Director Lee Melody volunteered to be Lead Director for our Pets Policy, which was much appreciated

I also want to thank the shareholders who volunteered to serve on our hard-working mutual committees. Three of these committees deserve particular notice:



**1. Val Jorgenson's Emergency Preparedness Committee.**

Ruth Harrison, director  
Carol Johnstone, director  
Carol Kern  
Linda Corp  
Pat Whisnant  
Steve Moody  
Stevin Cohen  
Harold Bonnema  
Carl Larsen  
Ellen Larsen

**2. Muriel Luther's Landscaping Committee.**

Martha Destra, director  
Val Jorgenson, director  
Grace Audette  
Warren Hartley  
Maryann Shaddow  
Larry Lohman  
Sue Worthington  
Gayle Chapin  
Jack Faucett  
Marian Soderholm  
Erik Soderholm  
Bunny Harpem  
Connie Moore  
Kathy Palmateer

**3. Sandy Tessier's Physical Properties Committee**

Mike Supple, director and co-chair  
Carol Johnstone, director and subsequent co-chair  
Martha Destra, director  
Ken Harpem  
Mike Skinner  
Harold Bonnema – advisor  
Carol Larsen – advisor.

Thank you so much for your efforts this year. Each of these committees handled its job with grace, goodwill and a lot of hard work. All of you are appreciated.

Some individuals I want to single out:

Larry Lowman put in a lot of time and effort on our Landscaping Committee.

Jack Faucett cleaned all of our walkway lights.

Harold Bonnema and Rod LaPlante maintained our emergency generators.

Connie Moore organized a team to hold a mutual-wide farewell party for our long-time and much beloved mailman, George Esparza.

If I have forgotten anyone please forgive me and give me a call. I'll correct the omission at the annual meeting.

Respectfully submitted,

Ann Pepper, Mutual 14 President 2014-2015



**Mutual 14's Vice President's Report**  
**April 21, 2015**

It was recently my pleasure to welcome David and Lois Henson to Building 17. I was assisted by Director Harrison during their new owner orientation. They are downsizing and looking forward to a more relaxed lifestyle.

Arthur Cohen and Sharon Kee will soon enjoy splitting their time between their residence in Solano Beach and their new residence in Building 49. They expressed their interest in the variety of Leisure World activities to Director Melody and me.

Director Destra joined me in welcoming April Schempf to Building 27. She decided to sell the unit she was going to remodel in Mutual 2 and make this lovely unit her home.



Valerie Jorgenson  
Mutual 14 Vice President and Lead New Buyer Orientation Director  
vjorgenson@roadrunner.com

**Financial Review for March , 2015**

As of March 31<sup>st</sup> the Mutual Expenses exceed the budget amount by \$29, 070. This is mainly due to the Service Maintenance billing for dry rot repair which was \$29,683. Although this is a large amount for dry rot repairs, it is actually a carryover from 2014 when the original inspections were performed. And the repairs for 2015 will be much less due to painting.

Looking at the March current expense report, utilities are under budget by \$3657., legal fees are over budget by \$434 without invoices for the months of February and March. Landscape extras are over budget by \$1562 due to necessary lawn and sprinkler repairs. Due to some skylight and roof repairs, structural repairs are over budget by \$978.

The painting reserve balance is still \$127,573 because the final invoices from Hutton had not been presented until April after the final inspections. One deduction from our emergency reserve was made to cover \$1025 in expenses to dry out a unit after a water leak.

In addition to the \$398,586 still invested in bonds at BNY Mellon we have cash on hand there of \$59,252. In order to open another FDIC insured account and move this cash into a new bank, new signature cards will be required. Since the officers will change in May and another bond of \$20,000 will mature on May 1<sup>st</sup>, I recommend that the opening of a new account take place after the election on May 21<sup>st</sup>.

Mutual 14 has the following FDIC insured accounts.

Banc of California	250,000 earning 1.14% translated to	\$712.50 year to date
Pacific Western	244,801.80 earning 1.04% translated to	\$636.48 year to date
American West	249,000 earning .9% translated to	\$560.25 year to date
Pacific Premier	250,000 earning 1.00% translated to	\$625.00 year to date
Synchrony Online	200,000 earning 1.14% translated to	\$570.00 year to date
Synchrony Online	50,000 earning 1.14% opened this month	will earn \$47.50/month

As noted in the auditor's report our investment accounts are all insured with the exception of the \$398,598. still held to maturity in municipal bonds. I have found another bank offering .85% interest with FDIC insurance for a 1 year period. If anyone knows of another bank that will carry CDs or savings accounts for Home Owner Associations at a rate close to or exceeding 1% please let me know. Martha Destra, CFO



## MUTUAL 14

### EMERGENCY PREPAREDNESS REPORT

APRIL 21, 2015

The next Disaster First Aid class will be on Saturday, May 16, 2015, from 9 a.m. to 2 p.m. in Clubhouse 3, room 3. Bring your lunch. The cost is \$22. The cost will be refunded for Mutual 14 residents who complete the class and agree to use the knowledge they gained in case of a disaster. There is no cost if a resident is repeating the class.

Bring the first aid manual.

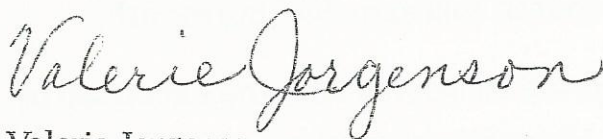
Registration is required for all participants:

Geneva Potepan ([mom4rascal@aol.com](mailto:mom4rascal@aol.com) phone 951-675-4271

or Madge Armstrong 562-598-3087

The recent fire is a reminder that we should all keep our *go bags* ready and up to date. Along with personal and clothing items, include medications and money in the bag.

It is a good idea to have pictures, receipts, and lists of items in each room and closet of your unit in case you have to file an insurance claim. Keep this information outside of your unit. Be sure to include your homeowner's insurance information including the phone number for filing a claim.



Valerie Jorgenson  
Mutual 14 Emergency Preparedness Chair  
[vjorgenson@roadrunner.com](mailto:vjorgenson@roadrunner.com)

**Mutual 14 Landscape Report**  
**April 21, 2015**

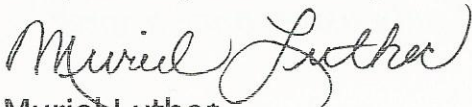
Your Landscape team is into a routine at present, continuing on with our current projects, watching the weeks go by and feeling the pressure to complete our plans for the year. Re-seeding has been going very well, and we are now on the "second round" of our lawn checks, seeding any areas that were missed or need further attention. Hopefully, by May 21<sup>st</sup>, we will have this near completion. This method of turf repair has proven to be the best, low cost method. The plan is for our gardeners to continue re-seeding in the future as they see a need for small areas to be treated. We are hoping to maintain a landscape that looks lovely and green.

The rules for watering have not changed yet, even with the recent reports of a need to further conserve our water. You may still hand water your plants when it is convenient for you, using only a nozzle with a shut-off valve to prevent waste. Please be conscious of how much watering you need to do and try to cut back a little on this. If we all decrease our hand watering a small amount, we can make a difference. Also, no hand watering of lawns is permitted. Our irrigation system is set up for that purpose and does not require additional water.

We have recently received the first of the design options for the ends of our carport planting. Pinnacle's designer has promised to send additional options for this project. We will be sharing further information on this with you as it becomes available.

Please contact us with any questions or concerns. Your input makes us more productive and beneficial to Mutual 14.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Muriel Luther".

Muriel Luther  
Landscape Chair



# SIGN-IN SHEET

## BOARD OF DIRECTORS MEETING MUTUAL NO. FOURTEEN DATE: APRIL 21, 2015

	GUEST NAME
1.	Sara Spannenberg
2.	Sandy Tessier
3.	Larry Lowman
4.	Phil Arnold
5.	Harold Bonnema
6.	Doris Anderson
7.	Erik Soderholm
8.	Millie Sorensen
9.	Peggy Henry
10.	Donna Melody
11.	Les Jorgenson
12.	Millie Bonnema
13.	Manan Soderholm
14.	Sue Worthington
15.	Paul Kim
16.	Frank Destra
17.	James Clement
18.	Maryann Shadow
19.	Anthony Shadow
20.	Terry Durham
21.	Ted Palango
22.	Kathy Palmateer
23.	Carol Kern
24.	Joan Palango
25.	Judy Schroeder
26.	Joan Smith
27.	Julie Faucett
28.	Jack Faucett
29.	Donna McIntyre

30.	Natalie Nicholson
31.	
32.	
33.	
34.	