

BUILDING/UNIT _____
BUILDING CAPTAIN _____

**MINUTES OF THE REGULAR MONTHLY MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOURTEEN
July 21, 2015**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Fourteen was called to order by President Melody at 1:00 p.m. on Tuesday, July 21, 2015, followed by the *Pledge of Allegiance*, in the Administration Building Conference Room A.

ROLL CALL

Present: President Melody, Vice President Soderholm, Secretary Worthington, Chief Financial Officer Faucett, Directors Durham, Jorgenson, Johnstone, Destra, and Henry, and Advisory Director Bourhenne

GRF

Representative: Mr. Lukoff

Guests: Thirty-three shareholders of Mutual Fourteen

Staff: Mrs. Weller, Mutual Administration Director
Mr. Weaver, Facilities Director (1:17 p.m.)
Ms. Miller, Controller (1:15 p.m.)
Mr. Black, Building Inspector (1:07 p.m.)
Ms. Day, Recording Secretary

MINUTES

President Melody asked for corrections to the June 16 and 19, 2015, Regular Meeting minutes. Following a discussion, the minutes were approved as written.

GUEST SPEAKER – Ms. Miller

Ms. Miller discussed the NSBN Mutual audit and their suggestions to the Mutual.

Following questions, Ms. Miller left the meeting at 1:35 p.m.

WELCOME & PRESIDENT'S REPORT

President Melody presented his report (as attached).

BUILDING INSPECTOR'S REPORT

Inspector Black presented a summary of his report (as attached).

Mr. Weaver asked if Mutual Fourteen is planning any major projects in 2015/2016 so he can make sure his departments have ample staff to cover projects for all Mutuels.

Mr. Weaver discussed the DirecTV proposal that was presented at the Presidents' Council that requires only one satellite dish per building for all units. He asked that the Board consider signing the Right of Entry Program Agreement.

Mr. Weaver stated that the Edison Multifamily Energy Efficiency Rebate (MFEER) Program will be starting in a couple of weeks with the installation of Energy/Star fixtures (interior/exterior – see exterior fixture attached). Notices will be posted when Edison plans to do the installations in those units that want the new fixtures. The Energy Savings Assistance (ESA) Program will also be starting to assist income-eligible households that qualify. These Edison programs are designed to reduce electricity costs.

BUILDING INSPECTOR'S REPORT (continued)

Mr. Weaver reported that on August 5, a test will occur in the community and residents will be asked that no water be used from 10:00 p.m. to 6:00 a.m. in the morning. More information on this will be in *The NEWS*.

Mr. Weaver left the meeting at 1:56 p.m.

Inspector Black said he has a request from a shareholder in Unit 26-D to install a window awning. Following a discussion, and upon a MOTION duly made by Director Destra and seconded by CFO Faucett, it was

RESOLVED, To approve the request from the shareholder in Unit 26-D to install a window awning.

The MOTION passed.

He said he has a request from the shareholder in Unit 54-C to install a cart pad. Upon a MOTION duly made by Director Destra and seconded by Director Jorgenson, it was

RESOLVED, To approve the request from the shareholder in Unit 54-C to install a cart pad.

The MOTION passed.

Inspector Black said he has a request from the shareholder in Unit 23-B to install a gate, per plans submitted. Upon a MOTION duly made by Director Johnstone and seconded by Secretary Worthington, it was

BUILDING INSPECTOR'S REPORT (continued)

RESOLVED, To approve the request from the shareholder in Unit 23-B to install a gate, per plans submitted.

The MOTION passed.

Inspector Black left the meeting at 2:02 p.m.

President Melody submitted his Physical Properties Report (attached).

OLD BUSINESS

Secretary Worthington read a comment from a shareholder on the posting of Policy 7415.14 – Patio Regulations.

President Melody asked for a motion to ratify Policy 7415.14 – Patio Regulations. Following a discussion, and upon a MOTION duly made by Secretary Worthington and seconded by Director Henry, it was

RESOLVED, To ratify amended/posted Policy 7415.14 – Patio Regulations.

The MOTION passed.

President Melody asked for a motion to ratify Policy 7557.14 – Caregivers. Following a discussion, and upon a MOTION duly made by CFO Faucett and seconded by Director Johnstone, it was

RESOLVED, To ratify amended/posted Policy 7557.14 – Caregivers.

OLD BUSINESS (continued)

After further discussion, and upon a MOTION duly made by Director Henry and seconded by Director Johnstone, it was

RESOLVED, To ratify amended/posted Policy
7557.14 – Caregivers, as amended.

The MOTION passed.

President Melody asked for a motion to ratify the phone poll on Unit 15-E. Following a discussion, Director Destra made a motion to rescind the phone poll first before ratification. The MOTION failed due to no second.

Upon a MOTION duly made by Director Johnstone and seconded by CFO Faucett, it was

RESOLVED, To ratify the phone poll on Unit 15-E, and add an amendment to allow the expansion of their walkway from 5 feet to 8 feet 2 inches, with the stipulation signed by the shareholder that the walkway will not be used for a patio; also for a 24-inch stone façade (wall) across the front of the unit.

The MOTION passed.

President Melody asked for a motion to ratify the phone poll on Unit 49-F. Following a discussion, and upon a MOTION duly made by Director Destra and seconded by Director Johnstone, it was

OLD BUSINESS (continued)

RESOLVED, To ratify the phone poll on Unit 49-F for the installation of a patio.

The MOTION passed.

GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT

GRF Representative Lukoff presented his report (as attached).

The GRF Committee Chair Reports and the GRF Board Meeting minutes are published in *The NEWS*.

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Mrs. Weller submitted her report (as attached). In addition, the Board asked Mrs. Weller what the cost would be for a mid-term balloting on the questions that were addressed at the Town Hall Meeting to amend the Bylaws. Mrs. Weller contacted Accurate Voting Services, Inc., and the cost would be approximately \$1,630.88 to hold a mid-term balloting for Mutual Fourteen. President Melody appointed Vice President Soderholm as chair of a committee to research changing the Bylaws.

NEW BUSINESS

President Melody asked for a motion to amend Policy 7425.14 – Landscape, Garden, and Common Area (attached). Upon a MOTION duly made by CFO Faucett and seconded by Secretary Worthington, it was

NEW BUSINESS (continued)

RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7425.14 – Landscape, Garden, and Common Area.

The MOTION passed.

President Melody asked for a motion to amend Policy 7507.14 – Electric Cart Pad (attached). Upon a MOTION duly made by Secretary Worthington and seconded by Director Destra, it was

RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7507.14 – Electric Cart Pad.

The MOTION passed.

President Melody asked for a motion to amend Policy 7496.14 – Common Entry Walkways (attached). Upon a MOTION duly made by CFO Faucett and seconded by Director Johnstone, it was

RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7496.14 – Common Entry Walkways.

The MOTION passed.

Director Destra discussed having a yard sale that was discussed at the Town Hall Meeting. After a show of hands, President Melody appointed Secretary Worthington as the committee chair for the yard sale.

CHIEF FINANCIAL OFFICER'S REPORT

Following a discussion, and upon a MOTION duly made by CFO Faucett and seconded by Vice President Soderholm, it was

RESOLVED, To relocate \$244,801.80 from Pacific Western Bank to Openbank for one year at a rate of 1.20%.

The MOTION passed.

Upon a MOTION duly made by CFO Faucett and seconded by Vice President Soderholm, it was

RESOLVED, To relocate \$62,000 from US Bank and \$26,000 from BNY Mellon to a higher interest bearing CD account in another bank, as determined by the Finance Committee, such as Pacific Western.

The MOTION passed.

Upon a MOTION duly made by CFO Faucett and seconded by Vice President Soderholm, it was

RESOLVED, To ratify the movement of \$44,539.31 from the Infrastructure Reserves to Service Maintenance to pay for termite and plumbing repairs.

The MOTION passed.

CHIEF FINANCIAL OFFICER'S REPORT (continued)

Upon a MOTION duly made by CFO Faucett and seconded by Secretary Worthington, it was

RESOLVED, To ratify the movement of \$5,000 from the Emergency Reserves to Appliance Reserves to keep Appliance Reserves liquid.

The MOTION passed.

Upon a MOTION duly made by CFO Faucett and seconded by Secretary Worthington, it was

RESOLVED, To ratify the payment of \$32 to Lee Melody for stationary supplies incurred for the new-buyer orientations.

The MOTION passed.

COMMITTEE REPORTS

Grounds / Landscaping

Vice President Soderholm presented his report (as attached).

Following a discussion, and upon a MOTION duly made by Vice President Soderholm and seconded by Director Johnstone, it was

RESOLVED, To approve \$280 for trimming the coco palms.

COMMITTEE REPORTS (continued)

American Armed Forces Flag Committee

CFO Faucett presented his report (as attached).

(Recording Secretary Day was excused for a break at 3:02 p.m. to 3:17 p.m.)

Pets

Director Henry submitted her report (as attached).

Caregivers

Director Henry submitted her report (as attached).

Emergency Preparedness

Director Johnstone stated that she would be presenting a report at the August Board Meeting.

The Board members discussed possibly moving the Monthly Board Meetings to one of the clubhouses. This issue will be discussed further at a later date.

EXECUTIVE SESSION

The Board discussed a member issue in Executive Session.

**BOARD OF DIRECTORS
MUTUAL FOURTEEN**

July 21, 2015

ADJOURNMENT

President Melody adjourned the meeting at 3:20 p.m. to go into an Executive Session to discuss a member issue.



Attest

Sue Worthington, Secretary

SEAL BEACH MUTUAL FOURTEEN

cd:7/27/15

Attachments

(These are tentative minutes, subject to approval by the Board of Directors at the next Regular Board of Directors Meeting.)

NEXT MEETING: AUGUST 18, 2015

**BOARD OF DIRECTORS
MUTUAL FOURTEEN**

July 21, 2015

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF JULY 21, 2015**

7/21/15 RESOLVED, To approve the request from the shareholder in Unit 26-D to install a window awning.

RESOLVED, To approve the request from the shareholder in Unit 54-C to install a cart pad.

RESOLVED, To approve the request from the shareholder in Unit 23-B to install a gate, per plans submitted.

RESOLVED, To ratify amended/posted Policy 7415.14 – Patio Regulations.

RESOLVED, To ratify amended/posted Policy 7557.14 – Caregivers, as amended.

RESOLVED, To ratify the phone poll on Unit 15-E, and add an amendment to allow the expansion of their walkway from 5 feet to 8 feet 2 inches, with the stipulation signed by the shareholder that the walkway will not be used for a patio; also for a 24-inch stone façade (wall) across the front of the unit.

RESOLVED, To ratify the phone poll on Unit 49-F for the installation of a patio.

RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7425.14 – Landscape, Garden, and Common Area.

RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7507.14 – Electric Cart Pad.

RESOLVED, To amend, on a preliminary basis until the 30-day posting period is completed, Policy 7496.14 – Common Entry Walkways.

RESOLVED, To relocate \$244,801.80 from Pacific Western Bank to Openbank for one year at a rate of 1.20%.

RESOLVED, To relocate \$62,000 from US Bank and \$26,000 from BNY Mellon to a higher interest bearing CD account in another bank, as determined by the Finance Committee, such as Pacific Western.

**BOARD OF DIRECTORS
MUTUAL FOURTEEN**

July 21, 2015

- 7/21/15 RESOLVED, To ratify the movement of \$44,539.31 from the Infrastructure Reserves to Service Maintenance to pay for termite and plumbing repairs.
- RESOLVED, To ratify the movement of \$5,000 from the Emergency Reserves to Appliance Reserves to keep Appliance Reserves liquid.
- RESOLVED, To ratify the payment of \$32 to Lee Melody for stationary supplies incurred for the new-buyer orientations.
- RESOLVED, To approve \$280 for trimming the coco palms.

PRESIDENT'S REPORT

GOOD AFTERNOON. I KNOW EVERYONE IS THANKFUL FOR THE RECORD SETTING RAIN THAT WE HAD LAST WEEKEND. ALTHOUGH IT DIDN'T SOLVE THE DROUGHT PROBLEM IT CERTAINLY DID A GOOD JOB WATERING OUR LANDSCAPE. AND ON A VERY POSITIVE NOTE, WE HAVE NO REPORTS OF ROOF LEAKS IN MUTUAL 14 WHICH IS OUTSTANDING AS WE GO INTO THE BUDGETING PROCESS FOR NEXT YEAR AND BEYOND.

A BIG THANKYOU TO THOSE SHAREHOLDERS THAT ATTENDED OUR FIRST OPEN FORUM TOWN HALL MEETING. WE HAD OVER 45 PEOPLE AND THE QUESTIONS AND COMMENTS THAT WE RECEIVED WERE INTERESTING AS WELL AS INFORMATIVE. DURING THE TOWN HALL I ASKED FOR A SHOW OF HANDS ON THE FOLLOWING TOPICS:

1. SHOULD WE REDUCE THE BOARD SIZE FROM 9 TO 7?
2. SHOULD WE ELIMINATE CUMULATIVE VOTING AS RECOMMENDED BY OUR ATTORNEYS?
3. SHOULD WE CHANGE DIRECTOR QUALIFICATION FROM THE CURRENT "ANY SHAREHOLDER MAY RUN FOR THE BOARD" TO "ANY RESIDENT SHAREHOLDER IN GOOD STANDING MAY RUN FOR THE BOARD".

THE OVERWHELMING MAJORITY SAID THAT WE SHOULD MOVE FORWARD WITH THESE. THE LAST QUESTION ASKED WAS SHOULD WE DO IT AS A SPECIAL ELECTION AND THE MAJORITY AGREED THAT IT WOULD DEPEND ON COST. THIS WILL BE EVALUATED BY YOUR BOARD.

OTHER TOPICS COVERED WERE CAREGIVERS, PETS, AUTO-OUTS, AMONG OTHERS.

AS YOU NOTE UNDER "NEW BUSINESS" WE WILL AMENDING 3 POLICIES AND AS WE MOVE THROUGH THE YEAR WE WILL BE DOING THE SAME AT EACH BOARD MEETING UNTIL WE HAVE OUR RESOLUTIONS AND POLICIES IN COMPLIANCE WITH OUR BY LAWS AND DAVIS STIRLING.

THANKS GO TO THOSE NEW BOARD MEMBERS THAT HAVE TAKEN ON THE CHALLENGE OF WORKING FOR THE BETTERMENT OF MUTUAL 14 AND I AM HAPPY AND PROUD TO BE WORKING WITH THEM.

RESPECTFULLY SUBMITTED,

LEE MELODY

M14 PRESIDENT

MUTUAL 14 JULY PHYSICAL PROPERTY REPORT

July 21, 2015

1. MUTUAL ESCROW ACTIVITY

- **Prelisting Inspections**
 - 20L
 - 24B
 - 52D
- **New Buyer Orientation**
 - 17B
- **Close of Escrows**
 - 53L

2. MUTUAL PERMITS and REMODELS

- Please see attached spreadsheet

3. MUTUAL PROJECTS

- **Roofing**
 - Currently inspecting roofs for our update(in process of updating spreadsheet)
- **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
 - 15I- Entry walk tripper, cost to repl. \$1,400 to the mutual and 200.00 to shareholder, brick inlay- due to mutual tree, emergency sidewalk replacement was repaired at 27E, doing this in conjunction with 31H and 15I saved us 400.00
 - Mr. Melody and I inspected the mutual and have sent maintenance a list for grinding (sent to maintenance) and a list is being compiled for replacement. I have met with M12 President and their inspector to see if they are willing to include funds for the area on the north side of building 12
- **Water Lines**
 - Attic water lines- see attached spread sheet
 - Unit water lines at 15E(full re-pipe) 15H(risers) complete
 - Unit water lines at 26H(full re-pipe) 26A(risers) 26G(risers) complete
- **Mutual Project Forecast**
 - Please see attached spreadsheet

4. MUTUAL CONTRACT WORK

- **Painting-Contracted with Hutton Painting, contract is complete, minor touch up list.**
- **Landscaping/Gardening- Contracting with Pinnacle Landscape**

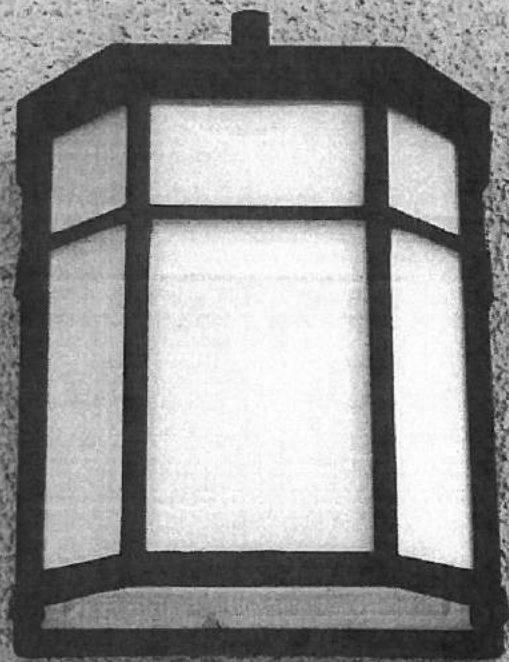
MUTUAL 14 JULY PHYSICAL PROPERTY REPORT

July 21, 2015

- Pest Control/Termite- Contracting with Fenn Pest Control
- Hadi construction- re-piping water lines
- MJ Jurado- concrete sidewalks

5. MUTUAL and SHAREHOLDER REQUESTS

- 26D- window awning is being requested(BOD approval)
- 54C- cart pad is being requested(BOD approval)
- 23B- gate approval(BOD approval)
- 15E- entry walk way increase to 8'(BOD approval)
- 31A- check attic
- 28I- questions about remodel
- Opened last doors for painter to finish up
- 16C- questions about remodel
- Cp.156- set up bird poop clean up and installed wire



EDISON EXTERIOR LIGHT
FIXTURE

PHYSICAL PROPERTIES

REPORT

IN THE PAST MONTH KEVIN BLACK AND I HAVE COMPLETED A SURVEY OF ALL SIDEWALKS NOTING THOSE THAT CAN BE GROUND AND THOSE THAT NEED REPLACING. KEVIN HAS DEVELOPED A SCALE OF SITUATIONS FROM 1 TO 5, 5 BEING THE WORST AND NEEDING DECISIONS AS TO HOW TO PROCEED. HE WILL BE COVERING THOSE IN HIS REPORT.

WE HAVE 3 UNITS CURRENTLY IN ESCROW THAT WILL BE CLOSING IN THE NEXT FEW WEEKS. SALES PRICES RANGE FROM \$170K TO \$332K. WE HAVE 2 UNITS THAT HAVE SUBMITTED THEIR "INTENT TO WITHDRAW" FORM.

AT THE LAST MEETING THE BOARD APPROVED REPLACEMENT OF THE SIDEWALK AT 15i. PRIOR TO THAT WORK BEING DONE WE BECAME AWARE OF AN EMERGENCY SITUATION REQUIRING IMMEDIATE ACTION ON THE SIDEWALK IN FRONT OF 27E & 27F AND WE WERE ABLE TO COMBINE WITH THE PROJECT ON 15i AND IT IS COMPLETE, SAVING THE MUTUAL OVER \$400 IN A NEGOTIATED PRICE FOR BOTH JOBS.

THE WATERPIPE REPAIRS WILL BE COMPLETED BY THE FIRST WEEKEND IN AUGUST AND UNDER BUDGET.

AUTO-OUT PROJECT IS PROCEEDING AND I WOULD LIKE MR. BOURHENNE TO BRING US UP TO DATE ON THIS PROJECT.

RESPECTFULLY SUBMITTED,

LEE W. MELODY

CHAIRMAN, PHYSICAL PROPERTIES

GRF Representative Report

Mutual 14

July 21, 2015

June is traditionally the slowest month for the GRF. Elections took place in both May and June so appointing committees and getting new directors up to speed is a time consuming chore. There were several training sessions for both GRF board members and Mutual directors. I'm pleased to tell you that our mutual directors attendance at these training sessions was nearly unanimous.

My committee assignments are similar to last year with a single important change. I no longer sit on the Security Bus & Traffic committee, but I do sit on what I believe will become an extremely important committee — the Mutual Administration Committee. This committee was formed as both a liaison and research group to help the individual mutuals begin to tackle some their most important problems.

My other committee assignments are:

- Architectural Design and Review
- Recreation
- Executive Committee &
- The Physical Properties Committee of which I am again Chair.

I volunteered (I prefer that word to "drafted" or "nagged") for other assignments as well:

- The Facilities & Amenities Review Committee
- The Policy Re-Write Committee
- The Westminster Project
- The Swimming Pool Committee
- The Website Sub-Committee
- and the Emergency Preparedness Committee

I think I shall be kept very busy this coming year.

The Architectural Design and Review Committee had it's first meeting yesterday. The committee reviewed material and color samples for the Security Building bathroom and approved the re-paint color of the women's pool room in clubhouse 1.

GRF Representative Report

Mutual 14

July 21, 2015

The Facilities & Amenity Review Ad Hoc Committee is tasked with finding better use of our facilities to better serve more shareholders. The problem we are trying to solve is one of success. Where there used to be one dance group there are now 3. Where there used to be just one ethnic club there are now 6. Where there used to be just one or two card groups there are multiple. Additionally, we find we need more places for meetings. Under consideration is the permanent use of CH-3 meeting room 1 for mutual meetings. If so, the room would be refurbished with microphones and video equipment just as this room is.

And for all mutual officers, there is in the works a plan to create an office with a table as well as your mailbox in the finance department. You will soon have a comfortable place to sign your checks.

Finally, home sales in our community as of July 1st total 219 Units at a value of \$34,171,799. Both sales and values are up over 10% in both categories from last year.

And don't forget, Bill Medley performs Thursday night at the amphitheater.

Respectfully Submitted

Barry Lukoff

GRF Representative Report

Mutual 14

July 21, 2015

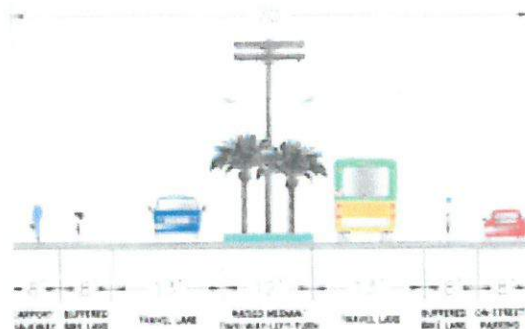
An automatic ADA compliant door will be installed into the sales office.

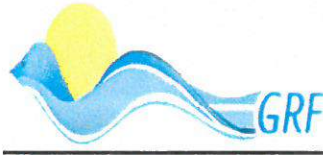
The Mutual Administration Committee set itself the task of investigation possible restrictions on animals. Not service animals per-se, but dogs that are untrained to do any specific task. By the way, service or support animals can include pigs and miniature horses.

The Recreation Committee reviewed bids for the proposed dog park. A club, the Hot Diggity Dog Club” has taken on the responsibility of membership and rules for use of the dog park. As of now, the concept is under legal review regarding potential liability. The committee also approved a contract with **Denny’s Restaurant** to begin serving breakfast every Saturday inside of clubhouse 1. They will not have a complete menu available but will be serving many of their most popular menu items. This is a welcome added food service to our community.

The Physical Property Committee met with the company, **Urban Crossroads** to do a traffic study focusing on the entire community. This includes placement of stop signs, crosswalks, and the redesigning of some of our driveways. The company also presented proposals for the reconstruction of St. Andrews Rd. south of Golden Rain Road all the way to the exit gate. The consensus of the committee was to go with a wider median, pedestrian carport and bicycle lanes and the narrowing of the road from two lanes down to 1 lane of traffic in each direction. studies have shown that there is no need for 4 lane roads anywhere in our community.

See below for cross view of proposed road.





Office of Mutual Administration

July 14, 2015

Mutual Administration Committee

Report to Mutual Boards One through Seventeen

From: Carol Weller – Mutual Administration Director

Mutual Election Results & Recap - 2015						
Mut	Apts.	Quorum	Ballots Received	Voting % 2014	Voting % 2015 comparison to 2014	
1	844	281	-----	50%	No Election	
2	864	288	471	50%	56% ↑ 11.32	By-Law Vote-Passed
3	432	144	265	55%	62% ↑ 11.9 %	
4	396	132	202	55%	52% ↓ 5.6%	
5	492	164	243	48%	50% ↑ 4%	
6	408	136	221	54%	55% ↑ 1.8%	
7	384	128	235	61%	63% ↑ 3.2%	By-Law Vote-Passed
8	348	116	186	48%	55% ↑ 13.98%	
9	384	128	225	63%	60% ↓ 4.87%	By-Law Vote-No Passage
10	276	92	183	61%	67% ↑ 9.3%	
11	312	104	205	58%	66% ↑ 12.9%	
12	452	151	254	57%	57% ---- same	By-Law Vote-No Passage
14	328	109	209	74%	66% ↓ 11.4%	
15	502	167	288	62%	58% ↓ 6.6%	
16	60	20	45	91%	75% ↓ 19.2%	
17	126	64	66	65%	57% ↓ 13.1%	
		Total Ballots Voted	3298			

MUT	2015 BYLAW AMENDMENT	YES	NO	Abstain	PASSED
7	PATIOS & ENCROACHMENT	184	44	7	YES
10	PATIOS & ENCROACHMENT	106	68	9	NO
11	PATIOS & ENCROACHMENT	136	66	1	NO
12	PATIOS & ENCROACHMENT	153	91	9	NO
02	STAGGERED ELECTIONS	354	93	21	YES

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Landscape, Garden, and Common Area – Mutual Fourteen****1. PURPOSE**

- A. This policy is adopted so that the Mutual's Garden & Common Area will present an environment that enhances the ambiance of its surroundings and thus add to the enjoyment of the cooperative living style. It will outline the responsibilities of the shareholder and of the Mutual in accomplishing this goal.
- B. If a shareholder does not adhere to the requirements of Policy 7425.14, the Mutual will advise the shareholder, in writing, of the problem(s) to correct. If not corrected, within 10 business days, the Mutual will make the correction(s) at the expense of the shareholder. *(Refer to Appendix A – Shareholder Garden – Notice to Comply Letter.)*

2. GRANDFATHERING POLICY EXEMPTION:

- A. All plants and trees that are currently in shareholders' garden areas as of January 1, 2014, may remain, with the exception of trees and plants that have invasive root growth which will cause damage to Mutual structures, plumbing, and walkways. *(Refer to the landscape photos archived on 1/14/14.)*
- B. **Property Resale/Transfer Garden Extensions**
 - 1. When notice of intent to **withdraw**, sell or transfer has been completed, the garden area must be brought into **back to** compliance with the Mutual's garden policy **prior to listing the unit for sale** at the seller's ~~cost~~ **expense**.
- C. Plants and trees that have grown into Mutual walkways and common area must be trimmed to comply with this garden policy.

3. SHAREHOLDER RESPONSIBILITY:

- A. Shareholders are responsible for the care of their garden area, including watering, plant pest control, and fertilizing. Sprinklers may be added within the garden area. Sprinkler installation and maintenance expenses are the responsibility of the shareholder. *(Installation must be attached to the shareholder's water system and faced away from all building structures.)* Garden areas are to be kept tidy and free of blight.

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Landscape, Garden, and Common Area – Mutual Fourteen**

Note: Any tree or plant in the garden area will be removed, at the expense of the shareholder, if deemed by the Physical Property Inspectors and/or Landscape/Grounds Committee to have roots that will cause damage to the building infrastructure, plumbing, walkways, lawn area, or retaining walls after the shareholder receives a 10-day written notice to comply. The shareholder has the right to appeal to the full Board, in writing, by contacting the President of the Mutual within that same 10-day period. *(Refer to Appendix A – Shareholder Garden – Notice to Comply Letter.)*

4. MUTUAL 14 RESPONSIBILITY:

- A. Routine trimming of shrubbery, along with cultivating and weeding are included in the landscape contract. Rose bushes are pruned annually, usually in January. All other requests to the Landscape/Grounds Committee constitute a cost to the shareholder. *(Refer to Section 5,R,1 Service Requests)*

5. GARDEN AREA REGULATIONS:**A. Private Upkeep:**

- 1. Shareholders may take care of their own garden area if they so desire. Shareholders may obtain a red flag from their Director, which will alert contracted gardeners not to work in that area. If area growth does not comply with this policy, the shareholder will be notified and given an opportunity to comply within 10 business days; otherwise gardeners will be instructed to trim to compliance.

B. Plants in the Ground:

- 1. Shareholders may plant greenery of their choice, with the exception of plants that are prohibited. Plants which have invasive root growth and the potential to damage the mutual structures, plumbing, and walkways are prohibited. *(Refer to Plant, Vine, and Tree Restrictions Section - 5.I)*

C. Plants in Pots:

- 1. Permitted plants in decorative pots are allowed *(above ground)* in the garden areas. Plants must be kept trimmed and in a healthy state. *(Use of cement pavers, blocks, or other root barriers underneath is required.)* *(Refer to Plant, Vine, and Tree Restrictions Section – 5.I)*

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Landscape, Garden, and Common Area – Mutual Fourteen****D. Hanging Plants:**

1. Due to Physical Property regulations, nothing can hang from fascia or eaves or be attached to the outside walls, however hanging plants are allowed over the garden area if on plant stands/shepherd hooks and are to be kept trimmed and in a healthy state.

E. Vines in the Ground:

1. Vines that climb or cling to structures are prohibited.

F. Vines in Pots:

1. Climbing or espalier plants in pots are allowed (*above ground*) but must be confined to a free-standing trellis that is clear of the building. Vines are not permitted to climb or cling to any fixed mutual structure. (*Use of cement pavers, blocks, or other root barriers underneath is required.*) (Refer to *Plant, Vine, and Tree Restrictions Section – 5.1*)

G. Trees in the Ground:

1. The limited planting area around shareholders' units does not allow for the planting of trees in the ground.

H. Trees in Pots:

1. Trees in pots are allowed (*above ground*) but cannot have roots extend through the pot into the soil of the garden area, and cannot come into contact with the unit walls or exterior décor. (*Use of cement pavers, blocks, or other root barriers underneath is required.*)

Note: Shareholders with potted fruit trees are required to keep the fruit that has fallen to the ground picked up and ripe fruit picked so as not to attract rodents. For any non-compliance, resident will be notified and given an opportunity to comply within 10 business days; otherwise the potted fruit tree will be removed by the Mutual at owner's expense. (Refer to *Plant, Vine, and Tree Restrictions Section – 5.1*)

I. Plant, Vine, and Tree Restrictions:

1. All plants, vines, and trees must be trimmed back so as not to touch or deface the structure and remain at least 12 inches below the eaves to allow access for inspection for maintenance (*i.e. painting*). These requirements aim to deter termites and rodents.

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Landscape, Garden, and Common Area – Mutual Fourteen**

2. Plants, vines, and trees on end units may not be in excess of 8 feet in height and must be at least 12 inches below the eaves.
3. Removal of any offending growth will be completed by the Mutual at the resident's expense if the resident does not maintain the standards. **In addition**, any plant in garden areas, if deemed by the Physical Property Inspector and/or Landscape/Grounds Committee, whose roots are damaging the building infrastructure, plumbing, walkways, lawn area, or retaining wall, must be removed at the expense of the resident and the damages repaired at the expense of the shareholder after notification period.

Note: Plants grow with time, and it's important to keep them trimmed. Plants must never rub against the building structure, stucco, or deco blocks. All non-conforming plantings will be cut back by the Mutual at shareholder's expense after the shareholder receives a 10-day written notice to comply. *(Refer to Appendix A – Shareholder Garden – Notice to Comply Letter.)*

J. Inanimate Objects:

1. Free-standing, inanimate objects are permitted within the garden area.

K. Fencing:

1. Garden fencing must be within the garden area. The complete responsibility for maintaining a fenced garden lies with the shareholder. ***(All fencing must be approved by the Board.)***

L. Walkways:

1. As required by law, potted plants may not inhibit the 36" entry requirement.
2. Because there is a need for mowing machines to have continuous access between units, potted plants may not be lined up along the walkways beyond the garden area leading down to the sidewalks.

M. Transformer/Vault/Meter Panel Areas:

1. Edison pad mount transformers, cable vaults, and telephone vaults must be kept accessible and any objects on them must be easily removable. Meter panels may not be obstructed.

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Landscape, Garden, and Common Area – Mutual Fourteen****N. Growth Encroachment:**

1. All growth must be kept trimmed away from buildings and must not interfere with mowing machines. Any plant that hangs over the mow strip into the common area, and interferes with mowing machines, must be trimmed to be enclosed entirely in the shareholder's garden area.

O. Removal:

1. Removal of large shrubs, bushes, trees, or landscaping items in shareholders' garden areas will be at shareholders' expense. *(Shareholders have the option of doing their own trimming, hiring their own gardener, or contracting with the Mutual's landscape/garden company.)*

P. Cost of Garden Area Items:

1. All cost of plants, pots, trellises or any other items in the garden area is the responsibility of the shareholder, including replacements due to damage incurred during required maintenance to the structure. Efforts will be made to eliminate damage to the shareholder's personal property if possible.

Q. Trees, Plants, Flowers, and Bushes That May NOT Be Planted In the Ground:

1. The following may not be planted in the ground in garden areas. **All trees** plus the following plants: Asparagus Fern; Baby Tears; Bamboo; Bird of Paradise; Boston Fern; Bougainvillea; Cactus (large); Cedar-type Bushes; Hibiscus; Ivy; Palm Tree (large); Poinsettia; Spiderwort; and Wild Mint. *(They may however be planted in pots.)* Other plants may be added to this list in the future by the Board of Directors if necessary. If the shareholder has any doubt as to what may be planted, contact your Director to confirm if a plant is acceptable. *(Refer to General Garden Area Regulations -- Section 5)*

R. Service Requests:

1. Contact your Mutual Director for gardening requests or sprinkler service. Please refrain from requesting work directly from the gardeners. Gardeners are not employees of the Mutual or of GRF. They receive their work orders from the supervisor of the landscape service which the Mutual hires.

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Landscape, Garden, and Common Area – Mutual Fourteen****S. Shareholder Notification Process for Non-Compliance:**

1. If shareholder does not adhere to the requirements of this landscape policy, the Mutual will advise the shareholder, in writing, of the problem(s) to correct. If not corrected, within 10 business days, the Mutual will make the correction(s) at the expense of the shareholder. The shareholder has the right to appeal, in writing, all such decisions to the full board, within that same 10-day period. *(Refer to Appendix A – Shareholder Garden – Notice to Comply Letter.)*

6. GARDEN AREA SIZES**A. Garden Size:**

1. Requests for Garden alignments changes will be considered by the Board of Directors on a site-specific basis. All same side unit shareholders must agree to the changes. ~~must conform to the majority of adjoining units for each building.~~
2. The Board of Directors will give special space consideration to end units with utility structures, attached laundry facilities, or odd garden configurations.
3. If a garden area is to be converted into a patio by any means (concrete, tiles, stones, etc), before work begins, it must be approved by the Board and a permit obtained.

B. Property Resale/Transfer - Garden Extensions:

1. When notice of intent to sell or transfer has been completed, the garden area must be brought back into compliance with the Mutual's garden policy at the seller's cost.

7. MOWING AND EDGING**A. In general:**

1. Block, brick, or concrete must border each garden area.

8. MUTUAL COMMON AREA**A. Common Area Maintenance & Use:**

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Landscape, Garden, and Common Area – Mutual Fourteen**

1. The maintenance of all Mutual common areas (including carport garden areas) is the responsibility of the Mutual Board of Directors and/or Landscape/Grounds Committee. Shareholders are not permitted to place, install, hang, remove, or relocate plants or any other landscaping materials in the common area and around common area trees without Board approval. *(This includes lawn furniture.)*
 2. Common area trees will be removed due to age or disease and replaced with approval from the Board of Directors. When making a recommendation for tree removal, pertinent facts shall be supplied to the Board, by the Landscape/Grounds Committee Chair. Some of the facts include whether the tree is diseased, whether the tree can be treated without excessive expense, whether the tree's roots are threatening to invade the sewers or concrete, and whether the tree is growing in such a way that it is unsightly and, therefore, displeasing to the surrounding neighbors.
 3. Each year, some of the Mutual's trees will require trimming. The Landscape/Grounds Committee, working with an arborist, shall prepare a list of those trees to be trimmed, to be presented to the Board for approval.
- B. Shareholder Notification Process – Courtesy Notification:
1. Removal and replacement of trees, plants, and flowers in the common area are the responsibility of the Mutual. When possible, and as a courtesy, residents in the immediate area will be notified when changes will occur. *(Immediate area is defined as those units that face the location of the item or have view of the item from their unit.) (Refer to appendix B - Shareholder Courtesy Notification Letter.)*
 2. Shareholders may appeal to the full Board any decision to remove plants, flowers, and decorative items from common areas.

MUTUAL OPERATIONS

DRAFT

PHYSICAL PROPERTY

Landscape, Garden, and Common Area – Mutual Fourteen

APPENDIX A – Shareholder Garden – Notice to Comply Letter

**Seal Beach Leisure World
Shareholder Garden – Notice To Comply**

Date: _____

Dear Shareholder, Unit #: _____

It has come to the attention of your Board of Directors, by way of your Grounds/Landscaping Committee, that the plantings or other items within your garden area or adjacent to your garden area are not in compliance with Mutual Policy 7425.14 – Landscape, Garden & Common Area (*attached*)

Specifically:

If you do not have this situation corrected within the next 10 business days from the date of this notice, or file an appeal with the Board, the Mutual will, either by trimming or removal, correct the situation and you will be billed for this work.

Thank you for your cooperation in this matter.

Mutual Board of Directors

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Landscape, Garden, and Common Area – Mutual Fourteen****APPENDIX B – Shareholder Courtesy Notification Letter****Seal Beach Leisure World
Shareholder Courtesy Notification**

Per Policy 7425.14, the removal & replacement of trees, plants, and flowers in the common area are the responsibility of the Mutual; however, as a courtesy, shareholders in the immediate area are being notified when the common area near their unit will be affected. *(Immediate area is defined as those units that face the location of the item or have view of the item from their unit.)*

Description of Project:

Project Start Date:

Reason for Project: (Check all that apply)

☐ Does not conform to policy regulations

☐ Diseased plant or tree

☐ Root invasion

☐ Plant or tree has outgrown allowable height or space

☐ Unauthorized planting

☐ Area beautification

☐ Other (specify _____)

Contact your Mutual Director with any questions. Thank you.
Mutual Fourteen, Board of Directors

MUTUAL FOURTEEN

FOURTEEN: 04-10-02

AMENDMENT(S)

09-28-04, 01-11-11, 05-20-14

MUTUAL OPERATIONS**DRAFT****RESIDENT REGULATIONS****Electric Cart Pad - Mutual Fourteen**

A temporary parking or charging pad may be installed adjacent to an apartment using the following guidelines:

- a. Residents who wish to park their GOLF CART near their apartment must obtain all established approvals and install a concrete, brick or Turfstone-like pad, no more than five feet wide, next to the sidewalk at their apartment. Resident is responsible for all costs related to the installation of the pad and electrical outlet, including the cost of all permits, inspections, construction, rerouting of water lines and removal when the resident no longer accepts the responsibility of the pad.
- b. Golf carts may not interfere with the sidewalk or unit walkway when parked on a pad. Three feet of unit egress must be maintained at all times. Each pad must be approved by ~~a 2/3 majority vote of the Board of Directors on a case-by-case~~ **site-specific** basis.
- c. All electrical outlets used for charging electric carts must be installed and approved in accordance with the Electrical Codes of Seal Beach and Golden Rain Foundation standards. When extension cords are used, they may not pass through a window, door or across the path of unit egress.
- d. Golf cart owner/operator shall maintain sufficient insurance to cover the operation of the cart if driven on the sidewalks, including personal injury and property damage coverage. The operation of the cart and pad installation shall be contingent upon proof of insurance related to the cart operation. Carrier and policy number must be submitted.

MUTUAL ADOPTION**AMENDED**

Fourteen: 11-27-12

(Draft created 07-13-15cd)

MUTUAL OPERATIONS**DRAFT****PHYSICAL PROPERTY****Common Entry Walkways – Mutual Fourteen**

a. All requests for entry walkway changes shall be considered by the Board of Directors on a site-specific basis.

b. On remodels pertaining to inside units, all common **shared** entry sidewalks shall be relocated, as needed at the remodeling owner's expense.

~~The Board shall review, on a case by case basis, any request from a resident for the extension of the sidewalk for the purpose of parking a handicap designated vehicle. The extension shall be at the expense of the resident and shall be removed at the time of transfer at the expense of the resident.~~

~~Walkways shall not exceed 5' in width. Any materials other than regular concrete must be approved, in writing, by the Board of Directors prior to the work being conducted.~~

~~To preserve the Mutual's common areas as open lawns, the Board will not approve sidewalks across lawn areas. For handicap access to approved patios, plans must use the shortest distance from the existing sidewalks.~~

~~Residents making these requests shall furnish a doctor's note evidencing a resident's handicap status.~~

c. All expenses relating to this work shall be paid by the resident, including the realignment, as needed, of the sprinklers and any other garden area adjustments. Any work on the sprinklers and garden areas shall be performed by the Mutual's landscape contractor at the resident's expense.

MUTUAL ADOPTION**AMENDED**

Fourteen: 01-25-11

(Draft created 07-13-15cd))

Mutual 14

CFO Report

July 21, 2015

The Financial Review and Budget Committee met on July 13th to discuss our investments and the 2016 budget. First we must budget for our operating expenses for next year. Second, we must decide how we are going to fund our reserve accounts for future projects such as replacing worn out appliances, roofing and infrastructure items like sidewalks and termite repair. As stated before, except for plumbing, which is not funded, these reserves are currently being funded at a 63% rate.

In my last report I stated that our service maintenance expenses were over budget by \$44,849. \$44,539 of this was due to termite and plumbing repairs. To that end we transferred \$44,539.31 from our infrastructure reserves to our service maintenance cost line item in the financial report. I will make a motion to ratify this move with several other motions at the end of this report. As noted we do not have a reserve fund for replacing our plumbing which is near the end of its useful life. The committee will bring recommendations to the board in the future for a plumbing reserve. We will also bring recommendations to invest some of our investments into government securities which may increase our income.

During the first half of this year we have spent on average \$5,060 per month on appliances and only \$2,465 was budgeted per month. At the end of June we had \$2,420 remaining in the reserve account so yesterday we transferred \$5,000 from emergency reserves to appliance reserves.

This month we approbated the payment to our previous attorneys, Hickey & Petchul, LLP for invoices dated Dec. 31 2014 for \$433.50 and Jan. 31, 2015 for \$1,224. These invoices were mailed to Mrs Destra, President at her residence. They were not received by accounting because the attorneys did not mail them to the PO Box address of the Golden Rain Foundation. When this was noted the address was corrected and Hickey and Petchul re-submitted the invoices to be paid next week. Several shareholders have inquired about the total for consultations on patios and these two final invoices bring that total for the last 12 months to \$7,605.48 the majority of which was for consultations on our patio policy.

Today our certificate of deposit at Pacific Western Bank has matured. We have the option of rolling it over to a 13 month CD at 0.75% or moving to another bank. Though it involves all of the officers going to a new bank, we will make about \$1,100 more per year more in interest if the board

approves the move to Openbank at 1.20% interest instead of the $\frac{3}{4}\%$ we would make if we leave it at Pacific Western. Therefore I make the first of several motions. I move to relocate \$244,801.80 from Pacific Western Bank to Openbank for one year at a rate of 1.20%.

Currently we have \$262,342 in our US Bank money market account for use in our monthly expenses earning four hundredths of one percent. The GRF accounting department recommended that we only need \$200,000 on hand. Our BNY Mellon account has accumulated \$26,743 due to the maturity of our bonds. I move to relocate \$62,000 from US Bank and \$26,000 from BNY Mellon to a higher interest bearing CD account in another bank such as Pacific Western.

I move to ratify the movement of \$44,539.31 from infrastructure reserves to service maintenance to pay for termite and plumbing repair.

I move to ratify the movement of \$5,000 from emergency reserves to appliance reserves to keep appliance reserves liquid.

I move to ratify the payment of \$32.00 to Mr. Melody for stationary supplies incurred for new buyer orientations.

A handwritten signature in cursive script, reading "Jack Faucett".

Respectfully Submitted
Jack Faucett CFO

Mutual 14 Landscape Report

July 21,2015

Landscape projects are continuing and new concerns are apparent each day. We are monitoring grass and scrub maintenance. Pinnacle is working alongside us and we much appreciate their hard work. We are observant of over watering and the use of water, but it is difficult to control the spray and exact application of water. Some over spray and water in the sidewalk is bound to occure.

Sprinklers were shut off because of rain-

Sprinkler controlers and heads and piping have been replaced as needed-

Normal maintenance of scrubs and gardens-

Reseedings of lawns-

Carports landscaping renewal is moving ahead slowly-

Have set up meeting with Head of Pinnacle to discuss problem areas-

Trimming of Coco palms will be done this week-

I would like to make the following motion: that the Board approve spending \$280 for the trimming of the palms.

We are open to shareholder input, and welcome comments and suggestions.

Respectfully submitted,

Erik Soderholm - Jack Faucett, Landscaping Co/Chairmen

Mutual 14

Armed Forces Flag Committee Report

July 22, 2015

Today the GRF Finance Committee voted unanimously to forward our request to lease the flag pole at the western end of Sunningdale Dr. to the GRF Board of Directors. The terms of the lease include a \$1 rental fee per year, that we fly the 5 military flags and that we may alter and use the garden area with board approval.

Jack Faucett
Committee Chair

Pet Committee Report

7/21/15

Mutual 14 has added 1 dog and 1 cat to our total pet population:

40 dogs, 15 cats, and 2 birds are currently registered.

Any known violations are being addressed by your **Board**. We are also reviewing the Building Captain forms to see if there are additional pets that need to be registered or unregistered so we have an accurate count.

As shareholders in the Mutual, it is each of our responsibility to report violations of the pet policy which can impact our neighbors. This can be done by contacting your Building Director, Security and/or me directly at 562-296-8361.

Respectfully submitted,

Peggy Henry

Caregiver Committee Report

7/21/15

We are reviewing the Building Captains survey forms and comparing them to the list of caregivers registered with GRF. We will be visiting those who are listed as having caregivers but no caregivers are registered and also those who have one caregiver registered but are listed as having additional caregivers that are not registered. We will be dropping off the necessary forms required to register the caregivers and will be reporting our progress at the next Board Meeting.

Respectfully submitted,

Peggy Henry