

BUILDING/UNIT _____

BUILDING CAPTAIN _____

**MINUTES OF THE REGULAR MONTHLY MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOURTEEN
June 16, 2015**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Fourteen was called to order by President Melody at 1:30 p.m. on Tuesday, June 16, 2015, in the Conference Room in the Administration Building, following an open forum at 1:00 p.m. for shareholder comments, and the *Pledge of Allegiance* followed.

ROLL CALL

Present: President Melody, Vice President Soderholm,
Secretary Worthington, CFO Faucett, and
Directors Destra, Durham, Henry, Johnstone, and
Jorgenson

GRF

Representative: Mr. Lukoff

Guests: GRF President Winkler
Thirty-five shareholders of Mutual Fourteen

Staff: Mrs. Weller, Mutual Administration Director
Mr. Black, Building Inspector
Mrs. Westphal, Recording Secretary

President Melody welcomed staff members and guests.

GUEST SPEAKER – Ms. Winkler

Ms. Winkler congratulated the Directors on starting a new term of office. She was invited to the meeting to explain an incident regarding the former Mutual Fourteen president and herself. She said the meeting between the two was grossly misunderstood regarding an article that GRF Representative Lukoff wrote. Ms. Winkler apologized and said that at no time did she give any advice about Mr. Lukoff's report.

Ms. Winkler said that she is pleased to announce that Mr. Lukoff is chair of the GRF Physical Property Committee and he does a great job. She said it is going to be an exciting year again and is glad to meet with anyone who would like to speak to her.

Ms. Winkler left the meeting at 1:32 p.m.

APPROVAL OF MINUTES

President Melody asked if there were any corrections to the April 21, 2015, Regular Monthly Meeting. Director Destra said that the second motion on page 6 (also on page 12) should stipulate that two Directors must sign to approve towing of a vehicle.

President Melody said that page 5 is wrong under the GRF Representative's report where it states that Mr. Lukoff did not submit a report; he did submit a report and it was disallowed by the former Mutual Fourteen president.

Upon a MOTION duly made by Director Destra and seconded by Director Henry, it was

APPROVAL OF MINUTES

RESOLVED, To attach GRF Representative Lukoff's April 2015 report to the June 2015 Regular Monthly Meeting minutes.

The MOTION passed.

There were no corrections to the March 16, 2015, and the March 30, 2015, Special Meeting minutes. President Melody declared all three of the minutes approved with corrections so noted.

PRESIDENT'S REPORT

President Melody presented his report (attached).

OLD BUSINESS

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

RESOLVED, To approve, on a preliminary basis until the 30-day posting period is completed, Policy 7415.14 – Patio Regulations – Mutual Fourteen.

The MOTION passed with two "no" votes (Jorgenson, Destra).

Following a discussion, and upon a MOTION duly made by CFO Faucett and seconded by Director Henry, it was

OLD BUSINESS (continued)

RESOLVED, That the previously approved and to-be-posted Policy 7415.14 – Patio Regulations – Mutual Fourteen, supersede all past patio policies and resolutions.

The MOTION passed with one abstention (Destra).

Following a discussion, and upon a MOTION duly made by Director Jorgenson and seconded by Director Destra, it was

RESOLVED, To approve the “License and Indemnity Agreement” as an addendum to the Mutual Fourteen Occupancy Agreement.

The MOTION passed.

Shareholder Kurt Bourhenne gave a presentation and update on the Auto-Out fire suppressant devices. Following a discussion, it was the consensus of the Board to send the Auto-Out devices back to the manufacturer and Mr. Bourhenne will do more investigating to see how best this may be accomplished. The subject will be discussed again in a Special Meeting or at the July Regular Monthly Meeting.

President Melody said he would like to appoint Mr. Bourhenne as an Advisory Director on the Board. Following a brief discussion, and upon a MOTION duly made by President Melody and seconded by Director Henry, it was

OLD BUSINESS (continued)

RESOLVED, To appoint shareholder Kurt Bourhenne as an Advisory Director on the Mutual Fourteen Board of Directors for the 2015-2016 term of office.

The MOTION passed with two "no" votes (Jorgenson, Destra) and one abstention (Johnstone).

BUILDING INSPECTOR'S REPORT

Building Inspector Black reviewed his report summary (attached).

Following a discussion, it was the consensus of the Board members that Physical Property has Board approval to go ahead with the normal permitting process for water line fixtures at \$500 or less per fixture.

PHYSICAL PROPERTY COMMITTEE REPORT

President Melody presented his report (attached).

Following a discussion, and upon a MOTION duly made by Director Johnstone and seconded by Secretary Worthington, it was

RESOLVED, To allow overtime work on the attic pipe repairs for a maximum of \$1,600 over and above the normal hourly rate for five weekends, with a completion date of the first week in August.

The MOTION passed.

PHYSICAL PROPERTY COMMITTEE REPORT (continued)

Following a discussion, and upon a MOTION duly made by Director Destra and seconded by CFO Faucett, it was

RESOLVED, To install fencing at Unit 31-H to cover the SCE transformer, removable for SCE access, for a total cost of \$1,350 and to approve the sidewalk repair at Unit 15-I for \$1,404.

The MOTION passed.

GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT

GRF Representative Lukoff presented his report (attached), and his report from the April 21, 2015, Regular Monthly Board Meeting is also attached.

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Mrs. Weller presented her report (attached).

(Recording Secretary Westphal took a break at 3:00 p.m. – 3:15 p.m.)

NEW BUSINESS

Following a discussion, and upon a MOTION duly made by Director Johnstone and seconded by Secretary Worthington, it was

RESOLVED, To change the Regular Monthly Meeting time to begin at 1:00 p.m. instead of 1:30 p.m.

The MOTION passed.

NEW BUSINESS (continued)

Following a discussion about recommendations from the Caregiver Committee , and upon a MOTION duly made by Director Henry and seconded by Director Johnstone, it was

RESOLVED, To amend Policy 7557.14 – Caregivers – Mutual Fourteen Only, on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by CFO Faucett and seconded by Director Henry, it was

RESOLVED, To approve the Code of Conduct recommended by Davis-Stirling.com (Adams Kessler).

The MOTION failed due to a tie vote.

It was the consensus of the Board to postpone rescinding Policy 7110 – Code of Conduct – Mutual Fourteen, because the new Code of Conduct was not adopted at this time (motion failed).

President Melody recessed the meeting at 4:10 p.m. until 1:00 p.m. on Friday, June 19, 2015:

NEW BUSINESS (continued June 19, 2015 – 12 shareholders present)

Following a discussion, and upon a MOTION duly made by Director Henry and seconded by CFO Faucett, it was

RESOLVED, To rescind the resolution regarding Board Meeting tapes dated April 26, 2011: RESOLVED, As amended, there will be no access to Board Meeting tapes without a request, review, and Board approval, which will be considered on a case-by-case basis.

The MOTION passed with a roll call vote with one “no” vote (Destra)

Following further discussion, and upon a MOTION duly made by CFO Faucett and seconded by Secretary Worthington, it was

RESOLVED, That Board meeting tapes may be listened to prior to the meeting minutes being approved by any Board members (signatures are required) with two Board officers present.

The MOTION passed.

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

RESOLVED, To tentatively set a Town Hall Meeting (open forum) on July 14, 2015, at 1:00 p.m. – 4:00 p.m.

The MOTION passed with one abstention (Destra).

NEW BUSINESS (continued June 19, 2015 – 12 shareholders present)

Mrs. Soderholm reported about the Mutual Picnic on August 7, 2015, from 11:00 a.m. – 2:00 p.m. at Clubhouse One. A committee has been formed to plan the picnic and she is asking for a \$200 budget.

Upon a MOTION duly made by Director Johnstone and seconded by Vice President Soderholm, it was

RESOLVED, To give the Mutual Picnic Committee a \$200 budget.

The MOTION passed.

President Melody asked Advisory Director Bourhenne for further update about the Auto-Out devices. Mr. Bourhenne suggests talking to every shareholder and find out what they would be comfortable and safe with.

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

RESOLVED, To rescind the motion made at the Special Meeting of March 30, 2015, regarding Auto-Out fire suppressant devices to be mandatory and change the wording to be that the installation of the devices is voluntary.

The MOTION passed.

VICE PRESIDENT'S REPORT

Vice President Soderholm reported that he signed an *Intent to Withdraw* form when the president was gone this week.

CFO REPORT

CFO Faucett presented his report (attached).

SECRETARY'S REPORT

Secretary Worthington presented her report (attached).

COMMITTEE REPORTS

Grounds/Landscaping

Vice President Soderholm presented his report (attached).

Upon a MOTION duly made by Vice President Soderholm and seconded by Director Johnstone, it was

RESOLVED, That the Board approves continuing the beautification of carport gardens to proceed as shareholder donations are available; design and selection of plants including drought-tolerant plants will be decided by each sub-committee.

The MOTION passed with one "no" vote (Durham).

COMMITTEE REPORTS (continued)

Director Destra voiced her objection to how the Picnic Committee was formed. Upon a MOTION duly made by Director Destra and seconded by Secretary Worthington, it was

RESOLVED, To rescind the vote for allowing a \$200 budget for the Picnic Committee.

The MOTION failed with one “yes” vote (Destra).

Financial Review/Budget

CFO Faucett reported earlier in the meeting. The members of this committee are Jack Faucett, Lee Melody, Larry Lohman, Jim Gilbert, and Sandy Tessier.

Caregivers/Pets

Director Henry presented her report (attached).

Emergency Preparedness

Director Johnstone presented her report (attached).

American Armed Forces Committee

CFO Faucett presented his report (attached). The members on this committee are Jack Faucett, Kurt Bourhenne, Lee Melody, Terry Durham, Larry Lohman, and Erik Solderholm.

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

COMMITTEE REPORTS (continued)

RESOLVED, That the Mutual Fourteen Board of Directors lease from the Golden Rain Foundation the flag pole and surrounding landscaping at the traffic circle at the southwest end of Sunningdale Road, for no more than \$100 per year, in order to fly under the American flag one of the five Armed Services flags on a rotating basis; flags to be donated by the Armed Forces Flag Committee.

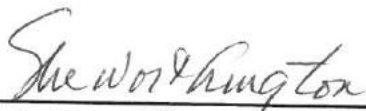
The MOTION passed.

EXECUTIVE SESSION

The Executive Session following the meeting was to discuss member and legal issues.

ADJOURNMENT

President Melody adjourned the meeting at 2:10 p.m. and announced that there would be an Executive Session to follow.



Attest, Sue Worthington, Secretary
SEAL BEACH MUTUAL FOURTEEN

pw:7/7/15
Attachments

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

NEXT MEETING: JULY 21, 2015

RESOLUTIONS IN THE REGULAR MONTHLY MEETING OF JUNE 16, 2015

6/16/15

RESOLVED, To attach GRF Representative Lukoff's April 2015 report to the June 2015 Regular Monthly Meeting minutes.

RESOLVED, To approve, on a preliminary basis until the 30-day posting period is completed, Policy 7415.14 – Patio Regulations – Mutual Fourteen.

RESOLVED, That the previously approved and to-be-posted Policy 7415.14 – Patio Regulations – Mutual Fourteen, supersede all past patio policies and resolutions.

RESOLVED, To approve the "License and Indemnity Agreement" as an addendum to the Mutual Fourteen Occupancy Agreement.

RESOLVED, To appoint shareholder Kurt Bourhenne as an Advisory Director on the Mutual Fourteen Board of Directors for the 2015-2016 term of office.

RESOLVED, To allow overtime work on the attic pipe repairs for a maximum of \$1,600 over and above the normal hourly rate for five weekends, with a completion date of the first week in August.

RESOLVED, To install fencing at Unit 31-H to cover the SCE transformer, removable for SCE access, for a total cost of \$1,350 and to approve the sidewalk repair at Unit 15-I for \$1,404.

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RESOLVED, To rescind the resolution regarding Board Meeting tapes dated April 26, 2011: RESOLVED, As amended, there will be no access to Board Meeting tapes without a request, review, and Board approval, which will be considered on a case-by-case basis.

RESOLVED, That Board meeting tapes may be listened to prior to the meeting minutes being approved by any Board members (signatures are required) with two Board officers present.

RESOLVED, To tentatively set a Town Hall Meeting (open forum) on July 14, 2015, at 1:00 p.m. – 4:00 p.m.

RESOLVED, To give the Mutual Picnic Committee a \$200 budget.

RESOLVED, That the Board approves continuing the beautification of carport gardens to proceed as shareholder donations are available; design and selection of plants including drought-tolerant plants will be decided by each sub-committee.

RESOLVED, That the Mutual Fourteen Board of Directors lease from the Golden Rain Foundation the flag pole and surrounding landscaping at the traffic circle at the southwest end of Sunningdale Road, for no more than \$100 per year, in order to fly under the American flag one of the five Armed Services flags on a rotating basis; flags to be donated by the Armed Forces Flag Committee.

PRESIDENT'S REPORT

1. WELCOME TO THE FIRST BOARD MEETING OF THE NEW TERM.

2. INTRODUCE NEW BOARD:

ERIK SODERHOLM, VICE PRESIDENT & CO-CHAIR OF LANDSCAPE

SUE WORTHINGTON, SECRETARY

JACK FAUCETT, C.F.O., CO-CHAIR OF LANDSCAPE AND CHAIRMAN OF
AMERICAN ARMED FORCES FLAG COMMITTEE.

TERRY DURHAM, CO-CHAIR PHYSICAL PROPERTIES W/LEE MELODY

PEGGY HENRY, CHAIRMAN CAREGIVERS AND PETS

CAROL JOHNSTONE, EMERGENCY PREPAREDNESS COMMITTEE

VAL JORGENSEN

MARTHA DESTRA

3. ON A PERSONAL NOTE I WOULD LIKE TO THANK THE SHAREHOLDERS THAT VOTED FOR ME AND TO THOSE BOARD MEMBERS THAT ELECTED ME PRESIDENT. I AM HONORED TO BE THE PRESIDENT LOOK FORWARD TO A PRODUCTIVE YEAR FOR MUTUAL 14, WHERE WE CAN TRULY CLAIM TITLE "THE BEVERLY HILLS OF LEISURE WORLD".

4. LOOKING AHEAD TO OUR 15/16 BOARD YEAR, WE ARE EXCITED ABOUT THE FUTURE OF MUTUAL 14. AS YOU CAN SEE BY OUR FIRST AGENDA WE HAVE HIGH EXPECTATIONS FOR WHAT CAN AND WILL BE ACCOMPLISHED. TO THAT END, WE LOOK TO EACH DIRECTOR, NO MATTER WHAT THEIR RESPONSIBILITY, TO WORK IN THE BEST INTERESTS OF ALL THE SHAREHOLDERS IN A PROFESSIONAL, COOPERATIVE, TIMELY MANNER.

5. AS YOU CAN SEE UNDER "NEW BUSINESS" WE ARE LOOKING TO CHANGE THE START TIME OF THE MEETING FROM 1:30 TO 1:00 P.M. IN ANTICIPATION OF COMPLETING THE BOARD'S WORK MORE QUICKLY AND EFFICIENTLY THAN IN THE PAST. WE ARE NOT SUGGESTING MINIMIZING THE SHAREHOLDER COMMENT PORTION BUT INCORPORATING IT AFTER THE START OF THE MEETING. THE PLAN

WILL BE TO CALL THE MEETING TO ORDER, HAVE THE PLEDGE OF ALLEGIANCE, AND OPEN THE 30 MINUTE SHAREHOLDER COMMENT AND QUESTION PERIOD TO ALL THAT WOULD LIKE TO SPEAK. WE WILL DISPENSE WITH EVERYONE INTRODUCING THEMSELVES, ALLOWING MORE TIME FOR COMMENTS AND/OR QUESTIONS FOR ANY BOARD MEMBER. WHEN THAT IS COMPLETED OR THE 30 MINUTE TIME PERIOD IS UP WE WILL MOVE ON WITH THE REMAINDER OF THE AGENDA, NOT HAVING TO WAIT A SPECIFIED START TIME.

6. ADDITIONALLY, WE PLAN TO GO THROUGH THE AGENDA ITEMS, CALLING FOR A MOTION AND A SECOND ON EACH BEFORE DISCUSSION BEGINS. IT IS EXPECTED THAT ALL BOARD MEMBERS WILL FOLLOW THE PROTOCOL OF WAITING TO BE RECOGNIZED BEFORE SPEAKING. WHEN THE CHAIR ASKS FOR DISCUSSION, THE SECRETARY WILL NOTE WHO RAISED THEIR HAND FIRST, SECOND, ETC. THE CHAIR WILL ASK THE MOTION MAKER TO SPEAK ON BEHALF OF THE MOTION AND A SECOND MEMBER (IF ANY) TO SPEAK AGAINST THE MOTION. WE WILL ACCEPT CONTINUATION OF BOTH PROS AND CONS, ALTERNATING BACK AND FORTH BETWEEN BOARD MEMBERS UNTIL ALL MEMBERS HAVE A CHANCE TO SPEAK.

7. MUTUAL 14 BOARD MEETINGS HAVE THE UNFORTUNATE REPUTATION OF SOMETIMES BEING ROWDY AND OUT OF CONTROL AND SECURITY HAS BEEN CALLED. THIS BEHAVIOR WILL NOT BE TOLERATED NOW OR IN THE FUTURE. SHAREHOLDERS IN ATTENDANCE ARE REQUESTED, ONCE THE COMMENT PERIOD IS OVER, THAT THEY REFRAIN FROM MAKING COMMENTS, SHOUTING OUT OR ANY OTHER BEHAVIOR THAT IS DISTURBING. IF SUCH BEHAVIOR IS NOTED, THE OFFENDING PARTY WILL BE ASKED TO LEAVE THE MEETING. THERE WILL BE NO SECOND CHANCES.

HAVING SAID THIS IN THE HOPE THAT EVERYONE UNDERSTANDS, LET US MOVE ON TO OLD BUSINESS.

Addendum to Occupancy Agreement

Seal Beach Mutual Fourteen

Encroachment onto Common Areas for Exclusive Private Use

The shareholder(s) of that certain apartment unit,

_____, (**Member's address**), Seal
Beach, California, 90740, entered into an Occupancy Agreement on
_____ (date), by and between:

Seal Beach Mutual No. Fourteen

hereinafter referred to as the ("**Corporation**") and:

_____, (name/s)
hereinafter referred to as ("**Members**")

In accordance with Attached Mutual 14 Patio Policy, this document represents the required "License and Indemnity Agreement" addendum to the Member's Occupancy Agreement setting forth the permission extended to the requesting Mutual Fourteen members as set forth in the terms and conditions established below.

Terms of Agreement:

_____, (**Member/s**) are allowed to complete the remodel of apartment _____ using _____ square feet of common area on the _____ side of the unit for a patio.

_____ (Member/s) agree/s that they will execute this Addendum to their Occupancy Agreement acknowledging that the Mutual may reasonably condition its consent on terms that both protect the Mutual's rights over/to the Landscape Area and prevent the Mutual from being burdened with additional or increased maintenance, repair or other costs/expenses or increased potential liabilities and/or risks and in accordance with all terms and conditions as set forth in the Mutual 14 Patio Policy.

Members further agree that they will accept the full liability for upkeep and maintenance, as well as insurance covering the area of the permitted encroachment and further, that the encroachment must be removed at selling shareholder's expense unless buying shareholder agrees to execute a new Addendum to the Occupancy Agreement assuming all the terms as set forth in the Mutual 14 Patio Policy.

Addendum to Occupancy Agreement
Encroachment onto Common Areas for Exclusive Private Use

I, (we) _____ (Members) hereby agree to the terms and conditions of the attached Mutual 14 Patio Policy and the Addendum to Occupancy Agreement, in its entirety as evidences by our signatures below.

We, _____ (Members) agree and acknowledge that nothing contained herein or omitted here from shall be deemed to be an admission, limitation, or waiver of any of the Mutual's rights, remedies and defenses, either at law or in equity, all of which rights, remedies and defenses are hereby expressly reserved.

This Addendum to Occupancy Agreement is entered into on the ____ of _____, 2015, by and between Seal Beach Mutual No. Fourteen and Members:

Member
Signature _____ Date: _____

Member
Signature _____ Date: _____

Approval:
Mutual
President: _____ Date: _____

Original to Stock Transfer Corporate File
cc: Finance Dept
Physical Property Office
Mutual President

June 16, 2015

1. MUTUAL ESCROW ACTIVITY

- **Prelisting Inspections**
 - 3F
 - 53L
 - 32C (NRI)
- **New buyer Orientation**
 - 53L
 - 49H
 - 27A
- **Close of Escrow**
 - 27A
 - 49D
 - 49H
 - 28H

2. MUTUAL PERMITS and REMODELS

- **SEE ATTACHED SPREADSHEET**

3. MUTUAL PROJECTS3

- **Seasonal/Empty Unit Checks**
 - Completed – 5/5/15
- **Roofing**
 - Currently inspecting roofs for our update
- **Painting**
 - Hutton Painting is complete, other than a couple of touch up areas due to maintenance finishing up. Still holding 10% retention, expect to release by the end of the week
- **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
- **Water Lines**
 - Attic water lines, previous Saturday work to care of 9 buildings, we have about 14 more areas, does the BOD want to do more Saturday days
 - Unit 15E- mutual to pay for 3 fixtures in 15E and 3 fixtures in 15H, cost = \$3000.00 for all 6 fixtures, contract to be made
 - Unit 25H – mutual to pay for 3 fixtures in 25H, 3 fixtures in 25A and 2 fixtures in 25G. cost = \$4,000.00, contract to be made

June 16, 2015

- **Stove Top Fire Suppression**
 - Email received from Auto Out, microwave model needs install per manufacture instruction, stove top model will require 1 per burner

4. MUTUAL CONTRACT WORK

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

5. MUTUAL and SHAREHOLDER REQUESTS

- **30A- paint check**
- **50C- lock install**
- **27A- check on faucet**
- **53E- check on water damage**
- **19F- check counter and stove**
- **15I- check on walk way**
- **15E- meet contractor, re-pipe**
- **23B- check thermostats**
- **25H- hood check**
- **31H- install of SCE vault – BOD thoughts about area if deco wall removed**
- **27A-questions on remodeling**
- **50C,b,D,J- post for testing**
- **33G- shower ok**
- **14C- check on shower drain**

PHYSICAL PROPERTIES REPORT

Co-chairman Terry Durham and I have been working with Kevin Black, coming up to speed on current projects including sidewalks, roofing and completing our water pipe repairs.

Regarding the pipe repairs, we have 6 buildings with 15 units left to complete the recommended attic pipe repair. Reuben, Maintenance Supervisor, recommends that we authorize more weekend overtime to complete this project which has been ongoing for over 6 months. If we do not, he cannot estimate the date of completion because of on-going maintenance requests. Maintenance is geared to start on 6/20 if we approve the overtime for a maximum of \$1600.00 over and above the normal hourly rate with a completion date of the first week in August.

At a meeting with Sandy Tessier she has turned over all of her reports and her Physical Property Project future timeline. I would like to thank her for her outstanding work on this committee.

As we prepare for the budgeting process over the next 3 months, we will be addressing the shortfall in this year's Service Maintenance Standard category which has already spent the entire 2015 Budget. At the current rate, we will be more than double the budgeted total of \$75,000.

At the same time, the Budget Committee and Board must address the financial review recommendations.

Future projects for Physical Properties will incorporate items listed in the Physical Properties Inspectors Report, as well as the investigation of cost and viability of total water pipe replacement, which other Mutual's have already started.

Respectfully submitted,

Lee Melody

Mutual 14 GRF Representative's Report

April 21, 2015

Today, instead of a laundry list of GRF board activities I would like to focus on the subject that has recently had the most impact on us all. That subject is fire. Your board made the decision to go ahead with a fire suppressant system that was an inexpensive 1 size fits all. As we are seeing, this was a mistake. But I do not wish to criticize a well meaning attempt to keep us all safer. Instead, I wish to bring to you alternate ideas that could accomplish the same thing.

Almost all of the fires we have experienced have been caused by shareholder neglect. Starting to cook something and then being distracted by either a doorbell or a telephone call. Sometimes even falling asleep with the burners on, as what happened in Mutual 11.

This syndrome is part and parcel to all of us in our inexorably aging and deteriorating mental capacities.

I do not desire to be harsh on anyone. I too want to age in place, but I do believe this board has the obligation to start looking into other avenues for those shareholders who have become a danger to themselves and others.

If a person is no longer able to cook safely the board has the power to disconnect a residents cooktop leaving them only with an oven and a microwave. This will not however,

Mutual 14 GRF Representative's Report

April 21, 2015

stop someone, like my own father, who had a fire in his microwave from cooking popcorn for 30, not 3 minutes.

Other sources of fires come from portable electric heaters. Article 12 of the Occupancy Agreement forbids the installation of electric heaters without prior written consent of the Mutual Corporation. Upon discovery of such an appliance, the "corporation may require the prompt removal of any such equipment at any time, and that failure to remove such equipment shall constitute a default of (the) agreement."

We are all aware that we are facing a substantial increase in our insurance premiums. If the GRF master insurance policy goes up by \$500,000, the mutuals share would be almost \$25,000, or approximately \$75.00 per apartment. Article 5 of the Occupancy Permit states that an individual shareholder, who causes damage from a fire or other means, can be held personally liable for any insurance cost increases. This means that an individual shareholder can be held liable for this \$25,000 increase next year and years after.

But the strongest weapon you have in regard to someone who is a danger to others is the E word, Eviction. This option must be explored. With the help of our GRF Mutual Administration Department and Social Services we must take steps to remove those who are no longer able to

Mutual 14 GRF Representative's Report

April 21, 2015

safely live independently. Whether this forces a family to provide a caregiver or invoking Section 5150 of the California Welfare and Institutions Code, which authorizes a qualified officer or clinician to involuntarily confine a person suspected to have a mental disorder that makes him or her a danger to themselves, a danger to others, and/or gravely disabled. A qualified officer, which includes any California peace officer, as well as any specifically designated county clinician, can request the confinement and mental evaluation after signing a written declaration. This involuntary detention can last anywhere from 3 to 5 days.

We are not an assisted living community. We are a community of "active seniors," and while I too would like to age in place, among my friends, we must look for remedies to remove persons who are a danger to themselves and their neighbors.

In other words, we must all be aware that "when it's time, it's time."

Barry Lukoff
Mutual 14 GRF Representative
1820 Sunningdale Rd. #19L
562-434-7926
barrylukoff@yahoo.com

GRF Representative Report

Mutual 14

June 16,2015

While I try not to give you a dry meandering list of board goings on, I feel that with the end of this board year and the beginning of a new one, it would be appropriate to give you just such a list. After all, you are the owners of this community. You all have a vested interest in the financial and social well being of our mutual home.

First of all, for 2014, there were a total of 419 escrows closed totaling sales of over \$81 Million dollars. We seem to have no trouble selling units no matter what our name is.

It is my pleasure to report to you that the Golden Rain Foundation has completed one of its most successful and ambitious years in recent memory. In January the foundation announced the rescinding of a scheduled \$3.15 monthly assessment due to savings in workers compensation claims. This amounted to a savings of almost \$250,000. Then in February it was announced that the foundation would be refunding to the mutuals over \$700,000 dollars. Broken down by apartment this amounts to almost \$106.00 per apartment. All this with no diminishment of services.

The Recreation Committee has begun, on a trial basis, a weekly bus route to downtown Seal Beach, Trader Joe's and Denny's restaurant. This past year brought us Taco Tuesday, Pizza Thursday and our very first Sunday Farmers Market. There are more food services that the committee is working to bring into the community for the convenience of our residents. Also, keep an eye on the newspaper regarding a 4th of July country western barbeque.

GRF Representative Report

Mutual 14

June 16,2015

There will be many performers on stage for this summer's concert series including: The Mills Brothers; Bill Medley of the Righteous Brothers; Charo and a fascinating "concert That Never Was" with songs by Barbra Streisand and Frank Sinatra.

The Security, Bus and Traffic Committee finally tackled and approved a traffic policy that eliminates the idea of fines yet provides for the foundation the power and ability to use the state Department of Motor Vehicles in getting our least capable drivers off the road.

The committee also implemented body worn cameras for patrol staff and began the transfer of approved contractors for quick entry at the North gate to ease traffic back-ups.

The Executive Committee took a great leap forward from past practices in both transparency of operation and the return of powers to their proper committee. As part of this, the committee sent to the full board over 50 policies to be either rescinded, amended or adopted. The committee worked on Succession Planning, Management Development, Retirement Plan changes to improve funds and reduce costs and an audit of Workers Compensation which resulted in another \$60,000 of savings. There is also the creation of new Caregiver badges and an update of the Welcome To Leisure World Book. The committee also created 2 new standing committees: The Architectural Design and Review Committee and the Mutual Administration Committee.

The Communication Committee oversaw major improvements to our newspaper. This past year saw in-depth reporting of the Coyote invasion and coverage of the lives of Leisure World War Veterans. Page count has increased from about 28 pages to a

GRF Representative Report

Mutual 14

June 16,2015

current page count of about 40. Some issues have proven so popular that it has been difficult to keep our newspaper racks full. Our paper is now being monitored by the Long Beach Press Telegram and the Los Angeles Times. Our News Editor Jim Breen's "Watch Your Step" column brought calls from Northern California Criminal Investigators pursuing a statewide scam operation. Additionally, the newspaper has nearly erased previous years operating deficits. During the past months the GRF Newspaper actually had more advertising than the Seal Beach Sun. Finally, we saw the introduction of new features such as the games and puzzle page and cartoons. These have proven so popular that the news staff is discussing outside sponsorship with both Denny's and Starbucks.

The ITS or Technology Committee was Chaired by the late John DeMarco of Mutual 2. Under John's leadership there was a successful transition to the "Jenark" system to replace our old management software which was over 10 years old. The committee also completed the digital scanning of over 1 Million Documents dating back 50 years. This allows for instant accessibility to historic records and insured the security of permanent records. The committee also directed the installation of a License plate recognition system at our entry gates.

The Library saw over 50,000 patrons last year and checked out over 140,000 items. There were 8 new computers purchased for residents use. And our library was voted Best in Seal Beach for the second time.

This year, the Library Committee will become a Sub-Committee of the Recreation Committee.

GRF Representative Report
Mutual 14
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The Physical Properties Committee, which I chaired this past year and will again this coming year, was responsible for many major projects as well as day to day service to the mutuals. Service Maintenance alone made more than 28,000 service calls. Just a few of the major projects completed or started during the past year were:

- Replacement of perimeter walls sections R & A;
- The completion of paving on Golden Rain Road and the resurfacing of Del Monte Drive;
- The realignment of St. Andrews and Tam O' Shanter Rd.
- Installation of 3 way stops at St. Andrews and Interlachen & Oakmont Roads;
- The lighted pedestrian crosswalk between the swimming pool and clubhouse 6 parking lot;
- Clubhouse 1 roof replacement;
- Exterior painting of the security office and upgrades to the resales office;
- The installation of an automatic pedestrian gate at the main entrance;
- Repainting and refinishing of the walls and floors of the amphitheater as well as mechanical improvements.

GRF Representative Report
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- The beginning of safety and accessibility improvements to the Administration and Health Care Center Parking lots and driveways, and the installation of a wheelchair ramp to the administration building.
- And of course, the beginning of the restoration of our iconic globe.

Lastly, we have a strong board of directors, a strong management team, a strong financial condition and a very strong sense of community, of which you are the ones responsible for its continued success.

Respectfully Submitted

Barry Lukoff
1820 Sunningdale Rd. #19L

562-544-5966
barrylukoff@yahoo.com



The Mutual Administration Director's Report



Conserve Water and save our environment



It's up to you!!

It's SPRINGTIME in Our Hometown

Community Unity

Mutuals 1-17

Are You Overwhelmed? Too Many Things and No where to Put Them!

There is help available – **Policy 7551**



Collecting and keeping too many things in your Leisure World Apartment might present a clear and present danger of rodent and insect infestation and even the possibility of creating a fire hazard within your residence. It can be difficult to let go personal items thought to be very important. Here are a few suggestions to assist you in that decision:

1. Rent an off-site storage.
2. Pass on loving memorabilia to family members or loved ones.
3. Donate extra furnishings and clothing to a charitable organization of your choice.
4. Ask for the assistance of a professional organizer.

If your inability to release an over abundance of personal belongings gets in the way of living your life comfortably, speak to your healthcare professional; there is help!

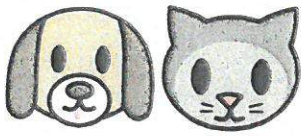


Here are a few indicators of excessive collecting:

1. Can you sit on your chairs and couches comfortably without items piled on top?
2. Is your bed totally cleared off allowing you to sleep comfortably?
3. Have you stored food or other items in your oven making cooking impossible?
4. Are all floor surfaces clear of debris and furniture assuring safe passage?
5. Is the food in your fridge edible or do you store rotting and old food?
6. **IMPORTANT:** In an emergency can a gurney be navigated through your front door?

If you have any questions or concerns, please contact Safety/Emergency Coordinator, Eloy Gomez @ (562) 431-6586, ex. 356 or the Social Services Liaison, Cindy Tostado @ (562) 431-6586, ex. 317.

HELP US ALL PRACTICE FIRE SAFETY-IT MAY SAVE A LIFE



Seal Beach Mutuals

Please Register Your Pet



Pet Registration is Required Under Policy 7501

Pets are an Important Part of Our Community

- Pets are part of our community and our family.
- Please register your pet at the Stock Transfer Office.
- You are required to provide proof of HO6 Insurance with liability coverage at the time of registration.
- Policy 7501 sets forth reasonable rules and regulations.
- Quadruped pets are limited to 25 pounds at maturity.

•IMPORTANT: Once registered, you will receive a special decal to affix to the front of your apartment letting emergency personnel know you have a pet in your apartment. You will also receive a tag identifying your mutual.



- Walk your pet on a 6-foot leash **only**.
- Retractable leashes are not allowed.
- Remove all pet waste deposited on lawns & sidewalks.



- If your pet cat or dog bites the mail person, it may result in a cease of mail delivery and if your cat or dog bites anyone else it may result in litigation and the possible removal of your pet from the community.



- Only one pet per apartment – No Guest's pets allowed.

Caw:Mutual Admin. Director

Mutual 14

CFO Report

June 16, 2015


The Financial Review Committee met on June 8th. As of May 31st our total budgeted expenses were \$574,658. These mutual expenses exceed the amount budgeted by \$50,455, about 11%. For the 31 day period in May we exceeded the amount budgeted by \$9,044. There is some good news. For the year we are 19% under budget on utilities by \$8,677 due to savings on water and electricity.

However, we are about 24% over budget on legal fees due to consultations on patios. In May we paid invoices for February, March and April to our attorneys in the amount of \$2,601 bringing our attorney fees for 2015 to \$5,534.

We are also over budget on miscellaneous services by \$4,582, some of which is due to our reserve study and bills incurred by the board such as purchasing Auto Out and refreshments. We are \$9,546 over budget on taxes and insurance. This figure may go up in the future due to the fire in Mutual 11. Service maintenance is over budget by \$44,849.

In April we received a full reserve study from Association Reserves. Currently we have reserves to fund appliances, painting, landscaping, roofing, infrastructure and emergencies for present and future use. We also have discussed creating a reserve for plumbing. As stated by our previous CFO the reserve study states that our reserves are currently funded at 63%. According to Association Reserves, this means our association's risk of a special assessment to meet current and future needs is at a medium level.

The Financial Review Committee will conduct an in depth reviewing of the study as we move forward with the budgeting process for the 2016 budget.



Respectfully Submitted
Jack Faucett CFO

6/16/2015 Mutual 14 Secretary Report

New Rosters were placed in all Laundry Rooms and given to every director. Agendas were passed out to all directors and placed in every Laundry room.

Please do not remove them from the Laundry rooms.

All this information is also available on our website.

<http://www.lwsb.com/mut14/home.asp>

Sue Worthington

Mutual 14 Landscape Report

June 16, 2015

The landscape committee is working well to continue to maintain the good looks of Mutual 14. We were well taken care of by last years competent team, and we are striving to keep abreast of the groundwork already in place. Reseeding dry areas in lawns on an as needed basis is a good solution and Pinnacle is our partner in all that we do.

Sprinkler maintenance and repair is helping us make the best use of water. We are watering Monday, Thursday and Saturday, and keeping the newly reseeded areas moist untill the seedlings appear. All shareholders need to keep an eye on water usage, thus far are working together in keeping Mutual 14's high standards for water conservation.

We are looking forward to implementing our ideas for carport garden renewal; carport 155 being the first model for this upcoming project.

I would like to make the following motion: Board approval for continuing the beautification of carport gardens to proceed as shareholder donations are available. Design and selection of plants including drought tolerant will be decided by each sub-committee.

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

Respectfully submitted,



Erik Soderholm
Landscape Chairman

Caregiver Committee Report

6/16/15

Since the Golden Rain Foundation Caregiver's Policy has changed, we need to amend our Caregiver Policy 7557.14.

The new Caregiver Policy that you have is missing one item that is required on the Caregiver Application. To alleviate any confusion I recommend that we add it to the Caregiver Policy. It is:

"A doctor's note stating a full or part time caregiver is needed."

I recommend that we add it under 4. General Requirements as "a."

The other changes are as follows:

1. Licensing Agreement
 - a. The last sentence changes "a copy of the badge must be in possession of the caregiver at all times (instead of should be)
2. a. 1. The pass must be renewed every six months (instead of every year)
3. a. Part time caregivers who use Mutual laundry facilities for their personal or family use will be permanently banned from Leisure world (this is an addition)

I have also passed out a survey form for each building and Building Captain. I ask that the Directors work with their Building Captains to ensure that the information is as accurate as possible. This will help with caregivers, pets, emergency preparedness and our upcoming Fire Inspection. Please return them to me by July 13th.

I would like to make a motion to amend the current Caregiver Policy 7757.14 to include the above mentioned changes.

Respectfully submitted,

Peggy Henry

Pet Committee Report

6/16/15

Mutual 14 has added 2 birds, 1 dog and 1 cat to our total dog, cat and bird population. 1 dog has died and 1 cat is gone, making our pet population:

39 dogs, 14 cats, and 2 birds that are currently registered.

Any known violations are being addressed by your **Board**.

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

EMERGENCY PREPARATION COMMITTEE

GREAT CALIFORNIA SHAKE OUT:

OCTOBER 15, 2015

TIME:

10:15 A.M.

This year, the Great California Shake Out will be on October 15, 2015, at 10:15 a.m. Schools, businesses and the Mutuals in Leisure World will all participate in the Drill. Mutual 14 has been a leader in preparing for disasters, and we will continue that role this year.

Many of the Emergency Committee Members are continuing their roles this year. However, there are opportunities for new Shareholders who wish to participate.

If you have not been contacted, and would like to play a part in this State-wide drill to promote preparedness for earthquakes and other disasters, natural and man-made, please contact me. Mutual 14 will continue its policy of including all who wish to participate in the process.

Respectfully Submitted,

Carol Johnstone

BUILDING/UNIT _____
BUILDING CAPTAIN _____

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOURTEEN
March 30, 2015**

The Special Meeting of the Board of Directors of Seal Beach Mutual Fourteen was called to order by President Pepper at 1:13 p.m. on Monday, March 30, 2015, following an open forum at 1:00 a.m. for shareholder comments, followed by the *Pledge of Allegiance*, in the Administration Building Conference Room.

ROLL CALL

Present: President Pepper, Vice President Jorgenson, Secretary Johnstone, Chief Financial Officer Destra, and Directors Bourhenne, Harrison, Luther, Melody and Supple

Guests: 12 Shareholders of Mutual Fourteen

President Pepper welcomed staff members and guests.

AGENDA ITEM 5: PROPANE CANISTERS AND CAGES

President Pepper explained that Mutual 14 spent \$15,000 on emergency preparedness supplies, including emergency generators which require propane to function. A part of the supplies included propane canisters and cages to

contain them. In a straw poll at the last Mutual 14 Board meeting, the Board agreed to store the canisters in the cages in various locations upon approval by our Insurance Company. President Pepper obtained approval from Philadelphia Insurance Companies and provided a copy of the letter to the Board and Shareholder Guests, copy attached.

Following a discussion, and upon a MOTION duly made by President Pepper and seconded by CFO Destra, it was

RESOLVED that we bolt down five propane storage cages in the 5 strategic locations approved by our insurance company, and that when possible, we will use the location inside the wall surrounding the trash bins.

The Motion Passed. The vote was a Roll Call Vote with Yes votes from President Pepper, Vice President Jorgenson, CFO Destra, Secretary Johnstone, Director Luther and Director Melody; a No vote from Director Bourhenne; Director Harrison abstained.

Following a discussion, and upon a MOTION duly made by Director Melody and seconded by Director Harrison, it was

RESOLVED that the five propane storage cages remain their current color, which is "safety yellow".

The Motion Passed.

Following a discussion, and upon a MOTION duly made by Director Melody and seconded by Director Harrison, it was

RESOLVED that the five propane storage cages be installed, locked and bolted to the concrete slab in the 5 strategic locations approved by the insurance company EITHER by Service Maintenance or Jurado, at a cost of no more than \$200.00.

The Motion Passed.

AGENDA ITEM 7: EXPAND GARDEN AREA IN BUILDING 13

Director Luther's Agenda item was moved to the second position to accommodate her need to leave the meeting early. Director Luther provided a schematic drawing of the area to show the current garden area in question and the change requested, including the trees in this area.

The Board discussed the merits of the expansion, together with a request that the expansion be 13" along Building 13 B through 13 F, excluding unit A from the expansion.

It was determined that additional efforts to reconcile the current Garden Policy with the request that one unit not have the same garden line, especially in consideration of the impact of the trees on Units 13 A and 13 F. The matter will be placed on the April Agenda for resolution.

AGENDA ITEM 6: ABOVE STOVE TOP FIRE SUPPRESSANTS

In the last meeting, the Board approved funds for the purchase and installation of the above-the-stove-top fire suppressant "Auto-Out". President Pepper received a letter from a concerned Shareholder who asked what other products existed, what proof we had that the product worked, and if the Board faced liability if the fire suppressant was inadequate to suppress a stove-top fire.

At two prior meetings, Vice President Jorgenson had presented information on the product "Fire Stop" and "Auto Out" along with web sites where these products could be viewed putting out a stove top fire.

President Pepper presented referrals from a number of Fire Departments for Auto-Out, together with an article from the Kansas City Star regarding a 548 unit apartment complex that put Auto-Out in each unit. The article states that unit fires which formerly caused around \$100,000 in damages cost only around \$2,500. (Copies attached)

A discussion as to the liability of the Board for requiring installation of the Auto-Out concluded with Director Melody stating that in his opinion, the Board would be liable for not following good business judgment if it did not take this simple step to prevent fires.

Following a discussion, and upon a MOTION duly made by Secretary Johnstone and seconded by CFO Destra, it was

RESOLVED that Mutual 14 require the installation, and replacement as needed, of Auto Out fire suppressant in all 328 units.

The Motion Passed.

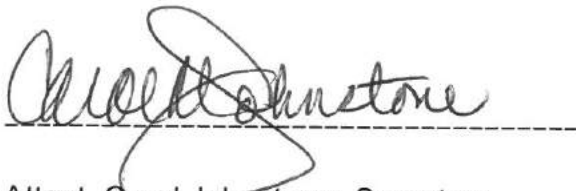
Director Bourhenne pointed out that the Fire Inspection each year must verify the existence of the Auto-Out and that it has not already been deployed.

AGENDA ITEM 8: LAUNDRY ROOM CORK BOARD REPLACEMENT

Due to the painting of carports, the sample to be considered had not arrived at the time of the meeting. This matter will be placed on the Agenda in April.

ADJOURNMENT

There being no need for an Executive Session, President Pepper adjourned the meeting at 3:10 p.m.

A handwritten signature in cursive script, appearing to read "Carol Johnstone", written over a horizontal dashed line.

Attest, Carol Johnstone, Secretary
SEAL BEACH MUTUAL FOURTEEN

BUILDING/UNIT _____
BUILDING CAPTAIN _____

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOURTEEN
March 16, 2015**

The Special Meeting of the Board of Directors of Seal Beach Mutual Fourteen was called to order by President Pepper at 1:15 p.m. on Monday, March 16, 2015, following an open forum at 1:00 p.m. for shareholder comments, followed by the *Pledge of Allegiance*, in the Physical Property Conference Room.

ROLL CALL

Present: President Pepper, Vice President Jorgenson, Secretary Johnstone, Chief Financial Officer Destra, and Directors Bourhenne, Harrison, Luther, and Melody.

Guests: 7 Shareholders of Mutual Fourteen

Staff: Kevin Black, Physical Property Inspector

President Pepper welcomed staff members and guests.

Following a discussion of a letter from Pinnacle Certified Tree Arborist George Meadows, and based upon a Motion duly made by President Pepper and seconded by Director Harrison, it was

RESOLVED that to eliminate potential damage to the shallow root system of an existing tree, excavating for a patio may come no closer than 4 feet to an existing tree.

The Motion passed.

Items 6 and 7 on the Agenda of the Special Meeting of the Board of Directors of Seal Beach Mutual Fourteen were discussed, but no Motions or Resolutions were made.

ADJOURNMENT

President Pepper Adjourned the meeting at 1:28 p.m.



Attest, Carol Johnstone, Secretary
SEAL BEACH MUTUAL FOURTEEN

**NEXT MEETING: MARCH 17, 2015
1:00 P.M. OPEN FORUM, 1:30 P.M. MEETING BEGINS**

SHAREHOLDERS PRESENT

March 16, 2015

1. Sara Spannenberg	17D
2. Barry Lukoff	19L
3. Jack Faucett	33F
4. Erik Solderholm	13F
5. Gayle Chapin	52I
6. Larry Lowman	28E
7. Les Jorgenson	26D

Mutual 14

Armed Forces Flag Committee

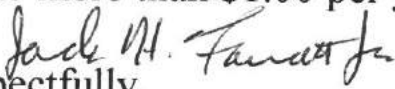
June 16, 2015

The Armed Forces Flag Committee met on June 5th, 2015. The committee determined the following:

1. To lease the flag pole and traffic circle garden at the south west end of Sunningdale Drive for no more than \$1.00 per year.
2. To fly from the flag pole an American Flag and beneath it flags representing each of the 5 branches of the military services on a weekly rotating basis.
3. To fund the purchase of flags from donations at no cost to the mutual.

To date the committee has collected \$100.50 in donations.

I move that the board of directors lease, from the Golden Rain Foundation, the flag pole and surrounding landscaping in order to fly the American Flag plus on a rotating basis, one of the 5 armed services flags, to be donated by the Armed Forces Flag Committee for no more than \$1.00 per year.


Respectfully,
Jack Faucett
AFFC Chairman