

BUILDING/UNIT \_\_\_\_\_

BUILDING CAPTAIN \_\_\_\_\_

**MINUTES OF THE REGULAR MONTHLY MEETING OF THE BOARD OF  
DIRECTORS  
SEAL BEACH MUTUAL FOURTEEN  
April 18, 2017**

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, April 18, 2017, followed by the *Pledge of Allegiance*, in Building Five, Conference Room.

**SHAREHOLDER COMMENTS**

Four shareholders made comments or introduced themselves.

**ROLL CALL**

Present: President Melody, Vice President Jorgenson, CFO Faucett, Secretary Simon, and Directors Stefun, Moore and Shaddow, and Advisory Director Bourhenne

Guests: Twenty-four shareholders of Mutual Fourteen

Staff: Mr. Lukoff, GRF Representative  
Ms. Hopkins, Mutual Administration Director  
Mr. Black, Building Inspector  
Mrs. Bennett, Recording Secretary

President Melody welcomed staff members and guests and reminded the audience to exhibit decorum during the meeting.

**MINUTES**

President Melody called for corrections to the March 21, 2017, Regular Monthly Meeting minutes. There being no corrections, the minutes were approved, as printed. Further, the President called for corrections to the March 28, 2017, Special Meeting minutes. There being no corrections, the minutes were approved, as printed.

**PRESIDENT'S REPORT**

Mr. Melody presented his report (attached).

**BUILDING INSPECTOR'S REPORT**

Inspector Black presented his report (attached).

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

RESOLVED, To approve a revised patio design for Unit 29A, as drawn.

Three Directors and the Building Inspector spoke on the motion.

The MOTION passed unanimously.

Inspector Black left the meeting at 1:34 p.m.

**PHYSICAL PROPERTY COMMITTEE REPORT**

Mr. Stefun submitted his report, as presented.

**GRF REPRESENTATIVE'S REPORT**

Mr. Lukoff submitted his report (attached).

**MUTUAL ADMINISTRATION DIRECTOR'S REPORT**

Ms. Hopkins presented her report (attached).

**UNFINISHED BUSINESS**

Approve Budget for Policy 7502.14.1 – Fines for Parked Vehicles

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

RESOLVED, To approve budget for Policy 7502.14.1-Fines for Parked Vehicles, not to exceed \$3,000, for signage, installation and painting.

Six Directors spoke on the motion.

The MOTION passed with four “yes” votes (Faucett, Jorgenson, Moore, Stefun) and two “no” votes (Simon, Shaddow).

**NEW BUSINESS**

Outsourcing Washers and Dryers

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

RESOLVED, to approve a rolling five year contract with Wash MultiFamily Laundry Systems, Inc., to lease 72 machines (36 washers and 36 dryers), at a cost of \$16.75 per unit.

The MOTION passed unanimously.

Rescind Policies 7301, 7302, 7304, 7305, 7310, 7320, 7331, 7332, 7333, 7334, 7335, 7336, 7337, 7340 and 7341

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

RESOLVED, To rescind Policies 7301, 7302, 7304, 7305, 7310, 7320, 7331, 7332, 7333, 7334, 7335, 7336, 7337, 7340 and 7341 due to obsolescence,

**NEW BUSINESS**

recommended by the GRF Director of Finance.

The MOTION passed unanimously.

Move Policy 7311.14 from Accounting & Fiscal to Landscaping

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

RESOLVED, To move Policy 7311.14 from Accounting & Fiscal to Landscaping and renumber it as 7425.14, insert in paragraph 8.b, and change 8.b. to 8 c.

The MOTION passed unanimously.

Cancellation of Regular Board Meeting scheduled for May 16

Following a discussion, and upon a MOTION duly by Secretary Simon and seconded by Director Jorgenson, it was

RESOLVED, To cancel the Regular Board Meeting scheduled for May 16.

The MOTION passed unanimously.

Review of Independent Living Disclosure

Following a discussion, and upon a MOTION duly made by Secretary Simon and seconded by Director Shaddow, it was

RESOLVED, To rescind previously approved letters pertaining to the Independent Living Disclosure.

The MOTION failed with six "no" votes (Faucett, Jorgenson, Moore, Shaddow, Simon, Stefun).



President Melody called a break from 2:38 p.m. to 2:52 p.m.

**CFO / FINANCIAL REPORT**

CFO Faucett presented his financial report (attached).

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

RESOLVED, To accept a recommendation by the Finance Committee to move money \$250,000 from the Mellon Money Market account to short term CDs.

The Chief Financial Officer, the Advisory Director and the GRF Representative spoke on the motion.

The MOTION failed with six “no” votes (Faucett, Jorgenson, Moore, Shaddow, Simon, Stefun).

**VICE PRESIDENT’S REPORT**

Vice President Jorgenson presented her report (attached).

**COMMITTEE REPORTS**

**Landscape**

CFO Faucett presented his report (attached).

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

RESOLVED, To amend Policy 7425.14, paragraph 5.G.1. Dwarf citrus trees are an exception and may be planted in the ground but must and will be trimmed at least one foot from the buildings and below the roofline and may not overhang onto the lawns or sidewalks.

**COMMITTEE REPORTS**

Three Directors and the Mutual Administration Director spoke on the motion.

The motion was carried with four “yes” votes (Faucett, Moore, Shaddow, Simon) and two “no votes”: (Jorgenson, Stefun).

Secretary Simon, seconded by Director Shaddow, it was

RESOLVED, To allow Unit 13A to maintain a current garden width of 13”.

Secretary Simon rescinded her motion and Director Shaddow rescinded her second of the motion.

**Emergency Information Committee**

Vice President Jorgenson presented her report (attached).

**SmartBurners/FireAvert**

Advisory Director Bourhenne updated the Board on the ongoing SmartBurners/FireAvert installations project.

**Architectural Committee Report**

The Architectural Committee will bring a recommendation, to amend policy ,at the next meeting, regarding the exteriors of the units.

**Pets and Caregivers**

Director Simon submitted her report (attached).

**SHAREHOLDER COMMENTS**

One Shareholder/member spoke on items pertaining to the agenda.

**BOARD OF DIRECTORS  
MUTUAL FOURTEEN**

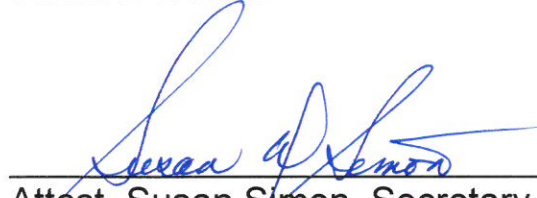
**April 18, 2017**

**DIRECTORS COMMENTS**

Two Directors made comments.

**ADJOURNMENT**

President Melody adjourned the meeting at 3:37 p.m. and announced that there would be an Executive Session following the meeting to discuss member issues.



\_\_\_\_\_  
Attest, Susan Simon, Secretary  
SEAL BEACH MUTUAL FOURTEEN  
dfb:04/18/17  
Attachments

**NEXT MEETING: May 5, at 1:00 p.m., Conference Room B**

**RESOLUTIONS IN THE REGULAR  
MONTHLY MEETING OF APRIL 18, 2017**

04/18/17      RESOLVED, To approve a revised patio design for Unit 29A, as drawn.

RESOLVED, To approve budget for Policy 7502.14.1-Fines for Parked Vehicles, not to exceed \$3,000, for signage, installation and painting.

RESOLVED, To approve a rolling five year contract with Wash MultiFamily Laundry Systems, Inc., to lease 72 machines (36 washers and 36 dryers), at a cost of \$16.75 per unit.

RESOLVED, To rescind Policies 7301, 7302, 7304, 7305, 7310, 7320, 7331, 7332, 7333, 7334, 7335, 7336, 7337, 7340 and 7341 due to obsolescence, recommended by the GRF Director of Finance.

RESOLVED, To move Policy 7311.14 from Accounting & Fiscal to Landscaping and renumber it as 7425.14, insert in paragraph 8.b, and change 8.b. to 8 c.

RESOLVED, To cancel the Regular Board Meeting scheduled for May 16.

RESOLVED, To amend Policy 7425.14, paragraph 5.G.1. Dwarf citrus trees are an exception and may be planted in the ground but must and will be trimmed at least one foot from the buildings and below the roofline and may not overhang onto the lawns or sidewalks.

MUTUAL OPERATIONS**RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Audit Expense – All Mutuals Except Five, Fifteen, Sixteen and Seventeen**

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

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

**MUTUAL ADOPTION:****RESCIND**

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

(Mar 17)

**MUTUAL OPERATIONS****ACCOUNTING AND FISCAL****RESCIND MUTUAL 14****Capital Accounts**

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

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

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

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

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

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

(Oct 70)

MUTUAL OPERATIONS**RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Financing Capital Projects**

WHEREAS, Seal Beach Mutual No. \_\_\_\_\_ (all except Mutual No. Nine) recognizes the need for continuing development and improvement of the trust property of Seal Beach Leisure World for the benefit of all stockowners, and

WHEREAS, it is the desire of the Mutual Corporation to assist in the financing of capital improvements to the trust,

NOW, THEREFORE, BE IT RESOLVED that for any refund owing to the Mutual Corporation from the Golden Rain Foundation for the fiscal year 1972, this Corporation does hereby instruct the Golden Rain Foundation as their agent to:

1. Deposit to the credit of the trust fund of Seal Beach Leisure World which is held by the Golden Rain Foundation as trustee for the benefit of the Seal Beach Mutual Corporations any portion of the refund due this Corporation from the Golden Rain Foundation that is the proceeds in excess of the first \$50,000 of refund derived from the operation of the Golden Rain Foundation.
2. It is the intent of this resolution that the Golden Rain Foundation shall refund in the normal manner the first \$50,000 for the fiscal year 1972 and apply any refund in excess of \$50,000 to the capital funds of the trust in the same proportion that the original contributions were made to the trust.

BE IT FURTHER RESOLVED, that this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

**Mutual No.5 (11-18-16) & Mutual No. 7 Only (Effective 11-21-00):**

WHEREAS, Seal Beach Mutual No. \_\_\_\_\_ recognizes the need for continuing development and improvement of the trust property of Seal Beach Leisure World for the benefit of all stockowners, and

WHEREAS, it is the desire of the Mutual Corporation to assist in the financing of capital improvements to the trust,

NOW, THEREFORE, IT BE RESOLVED, that for any refund owing to the Mutual

**Mutual No.5 (Effective 11-18-16) & Mutual No. 7 Only (Effective 11-21-00) (Cont'd.):**

**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Financing Capital Projects**

Corporation from the Golden Rain Foundation for the fiscal year 1972 and following fiscal years, this Corporation does hereby instruct the Golden Rain Foundation as their agent to:

1. Deposit to the credit of the trust fund of Seal Beach Leisure World which is held by the Golden Rain Foundation as trustee for the benefit of the Seal Beach Mutual Corporations any portion of the refund due this Corporation from the Golden Rain Foundation that is the proceeds in excess of the first \$50,000 of refund derived from the operation of the Golden Rain Foundation.
2. It is the intent of this resolution that the Golden Rain Foundation shall refund in the normal manner the first \$50,000 for the fiscal year 1972 and the following fiscal years and apply any refund in excess of \$50,000 to the capital funds of the trust in the same proportion that the original contributions were made to the trust.

BE IT FURTHER RESOLVED, that this resolution will become effective only in the event that all other Seal Beach Mutuels adopt a similar resolution.

<b><u>MUTUAL ADOPTION</u></b>		<b><u>AMENDED</u></b>	<b><u>RESCINDED</u></b>
ONE			
TWO	11-16-72		
THREE	11-20-72		
FOUR	01-08-73		
FIVE	12-20-72	11-18-16	
SIX	12-08-72		
SEVEN	01-19-73	11-21-00	
EIGHT			
NINE	11-13-72		07-11-11
TEN	11-30-72		
ELEVEN	12-21-72		
TWELVE	11-09-72		
FOURTEEN	11-09-72		
FIFTEEN	11-10-72		
SIXTEEN	12-14-72		



**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Depreciation - Straight Line Method****RESOLUTION:**

WHEREAS, the official books of this Corporation are being kept using the Sinking Fund method of depreciation, and income tax returns are submitted using the Straight Line method of depreciation, and

WHEREAS, it is desirable to use the same method on the books as is used on the tax returns, and

WHEREAS, the Internal Revenue Service will not recognize the Sinking Fund method as a generally accepted method of depreciation and give their approval for its use on the income tax returns;

THEREFORE, BE IT RESOLVED, to adopt the Straight Line method of depreciation for the official books of this Corporation.

BE IT FURTHER RESOLVED, THAT this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

**MUTUAL ADOPTION:**

ONE	03-27-75	NINE	03-10-75
TWO	03-20-75	TEN	04-24-75
THREE	03-17-75	ELEVEN	04-17-75
FOUR	04-07-75	TWELVE	03-13-75
FIVE	06-18-75	FOURTEEN	06-27-75
SIX	06-27-75	FIFTEEN	03-03-75
SEVEN	03-21-75	SIXTEEN	06-18-75
EIGHT	03-24-75		

(Jun 75)

MUTUAL OPERATIONS**RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Five, Nine and Sixteen****I. LEGAL BASIS**

The Regulatory Agreement between the Mortgager (Mutual) and the Department of Housing and Urban Development (HUD) requires, under Section 4, that an Operating Budget shall be prepared and submitted to HUD sixty (60) days prior to the beginning of each fiscal year.

Civil Code 1365 requires distribution of the Operating Budget to the all members/stockholders annually 45 to 60 days before the beginning of the fiscal year. In addition, a summary of the association's reserves, whether special assessments will be needed for repairs or to replenish reserves, and a statement of the procedures used for the calculation of the reserves must be included.

The Management Agreement between the Mutuals and the Golden Rain Foundation requires, under paragraph Fourth, subparagraph (k), that the Foundation shall prepare a budget for adoption by the Mutuals for those items covered by the Agreement.

**II. METHOD OF PREPARATION**

Since the Management Agreement between the Mutual and the Foundation requires the Foundation to prepare a budget with respect to the items contained in the Agreement, and since these items become a portion of the budget of the Mutual Corporations, the following procedure is used in preparing and presenting budgets for adoption:

- A. The Golden Rain portion of the budget is prepared and adopted by the Board of Directors during July and August for the fiscal year following.

The portions of the budget covered by this adoption are:

Administration	Property Management
Recreation	Grounds Maintenance (Community Facilities)
Transportation	Community Facilities Maintenance
Security	Service Maintenance (all phases except Mutual Other
Janitorial Services	Improvements)

- B. After the adoption of the Golden Rain Foundation budget, the costs of this budget are allocated to the Mutual for use in their budget preparation.

- C. The Golden Rain Foundation is responsible for furnishing information to the Mutual Corporations regarding those budget items which are not covered by the Foundation

(Mar 17)

MUTUAL OPERATIONS**RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Five, Nine and Sixteen**

budget. These costs fall into two groups:

1. The items that are either required by contract or set up by governmental agencies are:

Real Estate Taxes	Hazard Insurance
State Franchise Tax	Mortgage Insurance
FHA Mortgage Insurance Premium	Mortgage Principal
Replacement Reserve	General Operating Reserve
Water and Sewer	

2. The items which must be determined by the Mutual Board individually are:

Audit Fee	Vacancy and Collection Losses
Electricity	Rubbish Removal*
Grounds Maintenance – other improvements	Service Maintenance – other improvements
Misc. Maintenance and Repairs	Painting Reserve
Supplemental Replacement Reserve	Special Contingency Funds

\*Arranged cooperatively through the Golden Rain Foundation

- D. Recommendations by the Golden Rain Foundation concerning the Mutual budget, together with estimates of income, expenses, and monthly carrying charges, should be available to the Mutual Corporations four (4) working days period to their September Board Meeting. This will enable the Mutual Corporations to have a period of time for study, evaluation, adjustment, and adoption of their budget prior to October 1.

Approximately three (3) weeks are needed after Mutual adoption to complete the clerical work in the Controller's Office for preparing the documentation and required reports for submission to HUD by November 1, and the required distribution to the members/stockholders between November 1 and November 15.

### III. OTHER INFORMATION

- A. The administrative staff is always ready and available to discuss proposed budget actions, and to make budget presentations when requested by the Mutual Board.
- B. The action by the Mutual Board is the final action on the budget subject to HUD (Mar 17)

**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Five, Nine and Sixteen**

- approval, and is the determining factor in the monthly carrying charge for all residents.
- C. In order to keep all Directors informed of the procedures on the budget, the following other information is furnished:
1. The Presidents and Chief Financial Officers of the Mutual Boards are furnished pertinent budget information at the same time as the Golden Rain Board.
    - a) All Mutual Directors are furnished complete information on the Golden Rain budget when it is adopted, together with complete information on the Mutual budget recommendations.
- D. Normally, the first or second week in September is used for study meetings between the Mutual President and CFO/Treasurer and the staff so that complete information is available for determining budget factors.

**Procedure**

Amended: Jul 88, Aug 00

**Executive Director**

**Golden Rain Foundation**

**RESCIND**

FIVE: 11-18-16

NINE: Rescinded Feb 09

SIXTEEN: 03-07-17 Rescinded

(Mar 17)

**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Patronage Refunds****I. Legal Basis**

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

**II. Refund Procedure**

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

**III. Suggestions**

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

Revised: 20 July 77

**RESCIND**

FIVE: 11-18-16

SIXTEEN: 02-07-17

(Jul 77)

**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Impounds**

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

a. Hazard Insurance

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

b. Tax Reserve

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

c. Mortgage Insurance

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

**RESCIND**

FIVE: 11-18-16

**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Billings to Mutuals**

1. Billings to the Mutuals are generated by the Golden Rain Foundation. Any profit or loss is allocated back to the Mutuals at the year's end. There are basically three types of billings:

- A. SROs or service repair orders issued by the Service Maintenance Department for the Mutuals' maintenance needs and all community facility-related service costs.

Maintenance persons bill their work time to a corresponding area. Rates per hour charged by these departments are computed on a basis intended to recover wages, employer's taxes, depreciation of equipment, supplies, and other expenses. These rates are subject to periodic studies. Changes in rates result when increased costs exceed budgeted income.

- B. Administration, recreation, and maintenance of common areas and facilities not charged in item 1, warehouse facilities, property management, transportation, security, and shop repair, are billed to the Mutuals on a pro-rata basis according to the number of apartments. Each month, the Mutual receives a billing covering one-twelfth (1/12) of its budgeted expense.
- C. Billings for expenses paid by Golden Rain Foundation on behalf of the Mutuals and shared expenses:
  - a. If it is a bill from an outside vendor specifying more than one Mutual, the Golden Rain Foundation pays it and bills the Mutuals.
  - b. Shared expense, such as water charges and street lighting.

2. Mutuals are billed directly by outside vendors for their individual expenses.

Amended: Jul 87

Amended: Aug 00

Aug 00)

**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Income Items and Their Distribution – All Mutuals Except Five & Nine**

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

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

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

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

(Feb 16)



**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Investment Records**

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

Reissued Jul 87

**RESCIND**

FIVE: 11-18-16

(Nov 16)

**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Cash Disbursements – All Mutuals Except Nos. Five, Nine, and Twelve**

Cash disbursements are made from one of two checking accounts referred to as the Agency Account and General Account (except Mutuals Nos. 16 & 17 who have only an Agency Account.)

**A. Agency Account**

1. Mortgage Payments
2. Power and Lights
3. Trash Hauling
4. GRF (paid by GRF and invoiced to Mutuals)
  - a. Admin., Recreation, Physical Property
  - b. Service Maintenance (SROs)
  - c. Water Charges
  - d. Rubbish Hauling
  - e. Street Lighting
  - d. Third Party Charges

**5. Funding**

- a. Operating Reserve
- b. Replacement Reserve
- c. Supplemental Replacement Reserve
- d. Painting Reserve
- e. Special Contingency Fund (if applicable)
- f. Emergency Reserve (if applicable)

**6. Federal and State Income Taxes.****7. Property Taxes****8. Refund to Residents Related to Monthly Fees****B. General Account**

1. Extraordinary Expenses
2. Outside Contractors and Services

**Amendments****RESCIND**

Mutual Five-Jan 17

Mutual Nine-Aug 00

Mutual Twelve-Oct 13 (See 7335.12)

MUTUAL OPERATIONS**RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Shareholders' Interest – All Mutuals Except Five and Nine**

The Internal Revenue Service regulations provide for inclusion of mortgage interest and property tax as an itemized deduction on an individual tax return. This provision extends to shareholders of a cooperative housing corporation.

At the end of each calendar year, a letter will be sent to each shareholder informing them of the amount of their pro-rated mortgage interest and property tax amount paid during the year just ended.

<u>MUTUAL ADOPTION</u>		<u>AMENDED</u>	<u>AMENDED</u>	<u>AMENDED</u>
ONE	08-01-88	08-01-00	02-28-02	
TWO	08-01-88	08-01-00	03-21-02	
THREE	08-01-88	08-01-00	04-12-02	
FOUR	08-01-88	08-01-00	03-04-02	
FIVE	08-01-88	08-01-00	02-20-02	See Policy 7336.5 – Feb 16
SIX	08-01-88	08-01-00	03-26-02	
SEVEN	08-01-88	08-01-00	05-15-02	
EIGHT	08-01-88	08-01-00	02-25-02	
NINE	See Policy 7336.9 for Mutual Nine Information			
TEN	08-01-88	08-01-00	02-27-02	
ELEVEN	08-01-88	08-01-00	02-21-02	
TWELVE	08-01-88	08-01-00	01-10-02	
FOURTEEN	08-01-88	08-01-00	03-13-02	
FIFTEEN	08-01-88	08-01-00	02-19-02	
SIXTEEN	08-01-88	08-01-00	02-19-02	
SEVENTEEN	08-01-88	08-01-00	02-05-02	

(Feb 16)

**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Financial Reports****I. Monthly Reports**

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

**2. Annual Financial Statement**

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

**3. Inquiries About Financial Statements**

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

Reissued Jul 87

(Jul 87)

**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Accounts Receivable**

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

**RESCIND**

FIVE: 11-18-16

SIXTEEN: 02-07-17

**MUTUAL OPERATIONS****RESCIND MUTUAL 14****ACCOUNTING AND FISCAL****Cashier Service**

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

**RESCIND**

SIXTEEN: 02-07-17

**MUTUAL OPERATIONS****AMEND POLICY****ACCOUNTING AND FISCAL LANDSCAPING****Authorization for Landscape/Grounds Expenses – Mutual Fourteen**

Sprinkler valves can fail and require replacement at any time. When needed, the gardening company is replacing failed valves with brass valves which should outlast the plastic ones in place. Since valve failure is unpredictable (a valve can last one year or 10 years), and because the Landscape/Grounds Committee Chair needs to have the valves replaced as soon as possible to continue proper irrigation, the Landscape/Grounds Committee is authorized to spend up to \$1,000 per project without obtaining advance approval of the Board of Directors. The Landscape/Grounds Committee shall report all expenditures up to \$1,000 to the Board of Directors, in writing, at the next Board meeting. All expenditures exceeding \$1,000 shall come to the Board of Directors for approval.

This policy confirms the resolution made on June 9, 1993.

Informal bids for gardening work shall be sought by the Landscape/Grounds Committee to ensure that the Mutual is getting the lowest pricing possible for expenses outside the regular contracted service.

**MUTUAL ADOPTION**

FOURTEEN: 22 Feb 11

(Feb 11)

**MUTUAL OPERATIONS****AMENDED 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.
- 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 back to compliance with the Mutual's garden policy prior to listing the unit for sale at the seller's 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****AMENDED 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**AMENDED 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.I)

**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.I)

**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**AMENDED 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****AMENDED 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****AMENDED 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.
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:**

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



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

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. Authorization for Landscape/Grounds Expenses**

Sprinkler valves can fail and require replacement at any time. When needed, the gardening company is replacing failed valves with brass valves which should outlast the plastic ones in place. Since valve failure is unpredictable (a valve can last one year or 10 years), and because the Landscape/Grounds Committee Chair needs to have the valves replaced as soon as possible to continue proper irrigation, the Landscape/Grounds Committee is authorized to spend up to \$1,000 per project without obtaining advance approval of the Board of Directors. The Landscape/Grounds Committee shall report all expenditures up to \$1,000 to the Board of Directors, in writing, at the next Board meeting. All expenditures exceeding \$1,000 shall come to the Board of Directors for approval.

This policy confirms the resolution made on June 9, 1993.

Informal bids for gardening work shall be sought by the Landscape/Grounds Committee to ensure that the Mutual is getting the lowest pricing possible for expenses outside the regular contracted service.

**C. 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****AMENDED 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**AMENDED 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, 08-24-15



## PRESIDENT'S REPORT

April 18, 2017

Good afternoon everyone, thank you for attending today's Board Meeting.

I would like to thank all the shareholders that attended our Town Hall on April 13<sup>th</sup>, where we had a Meet the Candidates and a regular open session. We had 50 shareholders plus the current board for a total of 57 people.

The ballots for the upcoming election are being sent out today and the Annual Meeting with the opening of the ballots and luncheon will be on Thursday, May 18<sup>th</sup> beginning at 10 a.m. Ballots may be mailed in or brought in at 10 a.m.

Purchasing has a new LED bulb program. All shareholders are responsible for all bulb replacements.

Golden Rain will be holding the Life Options Expo on Saturday, July 8<sup>th</sup>, Club House 2 from 9 a.m. to noon.

Question: Would you be willing to clean the outside of your walkway lamp posts and globes to save your Mutual money? Remember that it costs you \$3.05 for every \$1000 the Mutual spends.

The dumpsters at the end of the carports have new placards for White Recycle Bins, Green Waste Bins and a placard identifying the items that are unlawful to put in either bin. Please follow the directions on these signs. The laminated placards are a donation and your CFO Jack Faucett helped with the posting. Golden Rain provides both large item disposal by the mini-farm and electronic waste disposal at the end of Golden Rain Rd. behind Service Maintenance.

Attached is a protocol on how Security and you should handle lost shareholders/members. Please familiarize yourself with the protocol which will help your neighbors.

I would like to thank those shareholders that have followed the request from your Board to "say something if you see something".

As we close out this board year, we have scheduled a Special Meeting on Tuesday, May 4<sup>th</sup> at 1 p.m., Clubhouse 5, Conference Room B, in the hope of completing all current board business. I hope to see everyone there, and if not, please attend your Annual Meeting.

Respectfully submitted,

Lee W. Melody, President M14

## Introducing our new LED bulbs

14-0750- LED, TUBE, 4', T8, DIRECT WIRE  
COMPATIBLE - \$7.58  
Average Life 50,000 hours



14-0760 – LED Bulb, 60W EQ - \$2.47  
14-0761 – LED Bulb, 100W EQ - \$6.54  
14-0770 – LED Flood, BR30 - \$6.86

Bulbs are dimmable  
Average Life 25,000 hours  
(22 years if used 3 hours per day)  
Warm White Light

# Live Your Life On Your Terms



Come find opportunities to enhance your quality of life at  
**The Life Options Expo**

Presented by  
The Golden Rain Foundation, Leisure World, Seal Beach

Saturday, July 8, 2017  
9:00 a.m. - 12:00 p.m.  
Clubhouse 2

The community-based expo will provide residents of Leisure World, Seal Beach, with an opportunity to learn about options that are available to enhance your quality of life. Come meet and speak with participating businesses and agencies who operate Assisted Living Facilities, Board and Care Operators, Home Care Agencies, Placement Specialists, Elder Care Agencies, Long Term Planning and County Organizations.

For information about The Life Options Expo, please contact Cynthia Tostado, LCSW at 562-431-6586 x317.



*"As we grow older, we must discipline ourselves to continue expanding, broadening, learning, keeping our minds active and open."* — Clint Eastwood



Golden Rain Foundation

Leisure World, Seal Beach

---

## MEMO

---

**TO:** MUTUAL BOARDS  
**FROM:** RANDY ANKENY – EXECUTIVE DIRECTOR  
**SUBJECT:** LOST RESIDENT – PROTOCOL  
**DATE:** MARCH 20, 2017  
**CC:** FILE

---

For the Mutual Boards' general information, the following is the protocol used by Security Staff in responding to Lost and/or Disorientated Shareholder/Members.

**1. Does the Shareholder/Member know their name and address?**

Yes - Courtesy ride to their unit (Emergency contact notified?)  
No - Contact 911 for evaluation

**2. In the considered opinion of the responding security staff member, does the Shareholder/Member appear to need medical attention/disoriented?**

Yes - Contact 911 for evaluation  
No - Courtesy ride to their unit

**3. If the Shareholder/Member is in immediate crisis - call 911**

Note: Emergency response is critical in any health matter; 911 will be contacted, if there is any reasonable doubt by staff on items 1 or 2.

## INSPECTOR MONTHLY MUTUAL REPORT

**MUTUAL: (14) FOURTEEN**

INSPECTOR: Kevin Black

DATE: \_\_\_\_\_

**April 18th, 2017**

[illegible]



[illegible]

FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

## CONTRACTS

CONTRACTOR		PROJECT
Fenn Pest Control		termite and pest control - on going calls for termites,
Bright View Landscape.	Landscape:	on going landscape
Kress const.	Stove Hoods:	completed bldgs. 33, 48,49,52, starting building 53 on the 13th
kellie Vaughn roofing	Roofing:	I need to inspect buildings for this years roofing for material list for hoods
Roofing Standards	Roofing:	as of 2/13 and 2/14 on bldg. 32 for pick up items, D Rudge is handling issues with K.V. pick up list sent to Roofing Standards to finish up pick up list per the Mutual
		complete with 49 and 52. building 53 set for 4/12/17
		bldgs. 18,24, 20, 21, 25, 26 22 and 54 for 2017- contract is ready for these buildings
	Gutters:	contract ready for the 6 bldgs in first batch of roofing- 1,13,19,27,31,32 on hold till K.V.
Advance Painting		doing fascia painting and iterior paint touch ups for the roofing project
John Nelson Plumbing	Re-piping :	John Nelson has completed all the bldgs. 1,14,22 and 54. bldgs. 2,3,4,5,12,13,17,16,1
		25 and 26, 3 of these bldgs. Have laundry rooms to do in 2017.
ERC abatment		will have to inspect these buildings for a complete contract fixture count
Kress const.	interior painting:	completed bldgs. 1,14, 22 and 54
		has work orrders to touch up interior paint do to re-piping

### Shareholder and Mutual Requests

[illegible]

# Seal Beach Mutual 14

## GRF Representative's Report

### April 18, 2017

In an average month I attend 18 to 20 meetings. Many are simply routine but in other meetings issues of real importance to the community come up.

As you heard in Mr. Melody's report, the GRF will be issuing new ID's to everyone in the community beginning May 8th. This is being done for reasons both large and small. There have been many cases of misuse of ID's by former residents or their relatives using the ID's to enter and use our recreational facilities. There have been case where inheritors continued to use an apartment as a vacation home for both themselves and their friends. Others have used these ID's to gain entrance to our RV lot and store their RV's in spaces reserved only for members. There is also the issue of the old Leisure World logo that for legal reasons we are no longer permitted to use. Mutual 14's day for new ID cards is Thursday, May 11th. A makeup day is planned for Saturday the 13th. there are also provisions for shut-ins and people away on vacation or our snowbirds.

At the Recreation Committee meeting plans are moving forward on the Pickle Ball and multi-purpose courts. This area can be set up for badminton or basket ball. Funds were also requested for new re-conditioned furniture for the swimming pool.

The Physical Property Committee voted to update all signs and pavement markings in the community to bring them up to state standards. This is being done in order to facilitate the Seal Beach Police Department to come into our community and begin to issue both parking and moving violations as they are observed. This project is expected to cost approximately \$275,000.

At the request of the Security Bus and Traffic Committee, the Executive Committee is considering hiring 2 full-time parking enforcement officers. As I have said in public, I am opposed to hiring full time people with their added full- time benefit costs to do a job that could be done by multiple part-time hires. I believe added part-time employees would increase the hours in which a patrol person could actually do parking patrol, and provide additional flexibility to the Security Department as needs arise.

Seal Beach Mutual 14  
GRF Representative's Report  
April 18, 2017

The Strategic Planning Committee is working on an overall 10 year spending plan to upgrade our community facilities. This is the first time such a forward look has been done. This working is focusing on both short and long term needs of the community. As an example, our swimming is over 50 years old and no longer serves the needs of current residents. The committee is looking at ways of funding a new pool within a 5 year window.

As we're all aware this is election time. We are lucky to have a full slate of volunteers to be elected. But other mutuals are not so lucky. there are a couple of mutuals who are having difficulty finding enough volunteers to fill their boards. This is a problem with major consequences. If there are not enough volunteers the mutual corporation risks going into receivership with a court appointed administrator. This can amount to tens or even hundreds of thousands of dollars in cost to the shareholders of that mutual. And even if enough directors are found to serve, it is still up to the court and the administrator to determine if the board is viable and responsible. This community runs on volunteers. Everything from the library to the GRF board is run by volunteers. We save hundreds of thousands of dollars for the work we do and we do it for both ours and your benefit and we do it willingly.

Sales continue to be strong even with a shortage of units for sale. Currently there are about 80 units on the market. Year to date sales are over \$26,000,000 and our current reserve fund is over \$9,000,000.

And finally, I ask all of you to remember our on-site real estate agent Charles Briskey. The GRF has a lease with the agency that splits the profit from the sale of a unit with the GRF. This contributes hundreds of thousands of dollars to our operating fund which helps keep assessments lower for all of us.

Respectfully Submitted

Barry Lukoff



# Important Information

**Below is important information for all Leisure World members!**

- WHAT:** Mandatory new ID cards for Seal Beach Leisure World residents.
- WHY:** Current ID has a Leisure World logo that we are no longer authorized to use.
- WHO:** All Seal Beach Leisure World residents (members, co-occupants and renters).
- WHEN:** Mandatory new IDs will be issued according to the schedule below.  
**IMPORTANT: Bring your old ID with you – you will be required to turn it in.**

Date	Mutual	Time
Monday, May 8	2, 10, 16 and 17	8 a.m. to 1 p.m. each day
Tuesday, May 9	3, 4 and 5	
Wednesday, May 10	1 and 15	
Thursday, May 11	8, 9, 11 and 14	
Friday, May 12	6, 7 and 12	
Saturday, May 13	Make up for all Mutuals	

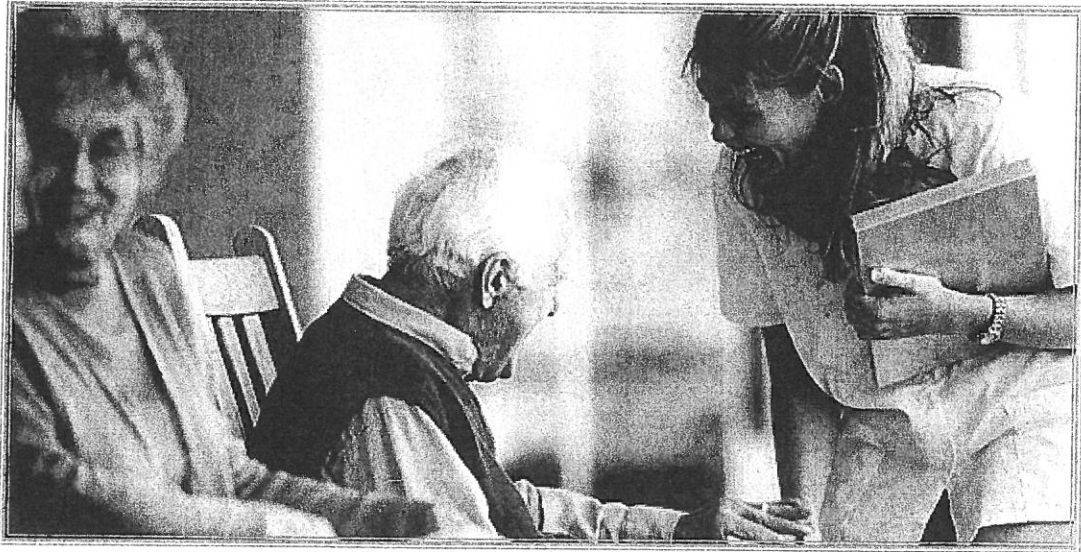
**Please Note:** If you are out of town this week, please go to the Stock Transfer Office upon your return to have your new ID badge issued. If you are physically unable to come to CH6 during this time do not worry. GRF staff will contact you later in May or June to schedule a visit to your home to take your picture and issue your new ID badge.

- WHERE:** Clubhouse 6 - Additional bus service will be available this week to assist residents in getting to CH6 and home again.

**The LW Weekly Newspaper will have more information and reminders about this event over the next few weeks.**

**Effective May 14, 2017 your current ID will be deactivated and will no longer be accepted at the Administration Building, clubhouses, gym, golf course, library, swimming pool and entrance gates.**

# Live Your Life On Your Terms



Come find opportunities to enhance your quality of life at  
**The Life Options Expo**

Presented by  
The Golden Rain Foundation, Leisure World, Seal Beach

Saturday, July 8, 2017  
9:00 a.m. - 12:00 p.m.  
Clubhouse 2

The community-based expo will provide residents of Leisure World, Seal Beach, with an opportunity to learn about options that are available to enhance your quality of life. Come meet and speak with participating businesses and agencies who operate Assisted Living Facilities, Board and Care Operators, Home Care Agencies, Placement Specialists, Elder Care Agencies, Long Term Planning and County Organizations.

For information about The Life Options Expo, please contact Cynthia Tostado, LCSW at 562-431-6586 x317.



*"As we grow older, we must discipline ourselves to continue expanding, broadening, learning, keeping our minds active and open." — Clint Eastwood*

# Mutual Administration Director's Report

## April 2017

### Leisure World Library

The Leisure World Library is located next to the North Gate.

Open Monday through Saturday from 9:30 a.m. to 3:30 p.m.

Telephone number is 562-598-2431.

In 1995, Orange County declared bankruptcy and decided to close public branches of libraries. At that time, Seal Beach had three branches, including the Leisure World branch. When hearing that the Leisure World branch would be closed, the residents came together and decided to purchase the branch and convert it into a private library for resident use.

The Leisure World Library has an average of 300 residents who visit every day, which is roughly 6,000 people a month. The Library has over 36,000 titles and 8 patron computers. It has a staff of nine and over a dozen volunteers to run the daily operation.

The Leisure World Library's collection consists of fiction, non-fiction, audio books, magazines, newspapers, DMV study guides, braille, large print, music, DVDs and Blu-rays.

On-line access can be achieved at [www.lwsb.com](http://www.lwsb.com), click on Library under Directory, and then click on Online-Catalog.

The due date for new books is 1 week/no renewal, regular books is 3 weeks/1 renewal, new media is 3 days/no renewal, and regular media is 1 week/1 renewal.

Services include the use of patron computers Monday through Saturday from 9:30 a.m. to 3:00 p.m., copy machine with a charge of \$.10 per copy, and fax machine (sending and receiving) with various fees. The copy machine and fax machine hours are Monday through Saturday from 9:30 a.m. to 3:15 p.m.

The Friends of the Library is located directly across from the Library. Hours are Monday through Saturday from 9:30 a.m. to 3:30 p.m. Their telephone number is 562-596-7735.

The Friends of the Library is a non-profit organization. All donations are tax deductible and the proceeds benefit the Leisure World Library. They invite all shareholders to come down and check out their used book selection.

The Budget and Finance committee met to discuss our investments. We currently have about \$600,000 in our Mellon money market account that resulted from transfers or matured bonds and has yet to be reinvested in bonds. The committee recommends investing some of this money back into CD's. Keeping in mind that we are using money for roofing, plumbing, fire suppression and other projects, we do have enough cash to invest some of this money for about 9 months to one year. I move to transfer \$250,000 into a CD account.

Our attached financial statement shows us over budget for the first quarter by \$19,873. Most of this was due to service maintenance requests which were over by almost \$18,000. \$3,100 of this amount will be transferred to reserve expenses as they were expenses incurred during roofing and plumbing. \$6,500 may be transferred to reserves for smart burner purchases even though it was a budgeted item and over the next 9 months would fall in line with budget. We did not collect any inspection fees in March but increased sales lately could also repair a \$3,000 deficit in income.

Jack Faucett  
CFO

P.O. Box 2069  
Seal Beach CA 90740

Mar Actual	Mar Budget		2017 Y-T-D Actual	2017 Y-T-D Budget
76,040	76,040	Carrying Charges	228,121	228,120
34,391	34,391	Reserve Funding	103,172	103,173
<b>110,431</b>	<b>110,431</b>	<b>Total Regular Assessments</b>	<b>331,293</b>	<b>331,293</b>
750	1,296	Service Income	3,178	3,888
872	1,000	Financial Income	1,440	3,000
149	3,050	Other Income	10,607	9,150
<b>1,772</b>	<b>5,346</b>	<b>Total Other Income</b>	<b>15,225</b>	<b>16,038</b>
<b>112,203</b>	<b>115,777</b>	<b>Total Mutual Income</b>	<b>346,518</b>	<b>347,331</b>
47,458	47,458	GRF Trust Maintenance Fee	142,374	142,374
5,869	8,551	Utilities	16,978	25,653
2,430	1,309	Professional Fees	5,469	3,927
95	66	Office Supplies	95	198
33,377	17,240	Outside Services	63,544	51,720
7,884	6,763	Taxes & Insurance	23,653	20,289
34,391	34,391	Contributions to Reserves	103,172	103,173
<b>131,505</b>	<b>115,778</b>	<b>Total Expenses Before Off-Budget</b>	<b>355,286</b>	<b>347,334</b>
<b>(19,302)</b>	<b>(1)</b>	<b>Excess Inc/(Exp) Before Off-Budget</b>	<b>(8,768)</b>	<b>(3)</b>
11,104	0	Depreciation Expense	11,104	0
<b>(30,407)</b>	<b>(1)</b>	<b>Excess Inc/(Exp) After Off-Budget</b>	<b>(19,873)</b>	<b>(3)</b>
		<b>Restricted Reserves</b>		
(296)	0	Appliance Reserve Equity	14,452	0
2,928	0	Painting Reserve	41,920	0
5,436	0	Contingency Operating Equity	112,164	0
13,875	0	Roofing Reserve	1,222,251	0
5,297	0	Infrastructure Reserve	127,684	0
<b>27,240</b>	<b>0</b>	<b>Total Restricted Reserves</b>	<b>1,518,471</b>	<b>0</b>

**MUTUAL 14  
VICE PRESIDENT'S REPORT  
APRIL 18, 2017**

**JUMPING UP AND DOWN!!!**

**SHOUTING!!!!**

Do I have your attention?

We have tried in every way to request that shareholders NOT PUT PLASTIC BAGS in the white recycle bins. In my area, the recycle bins continue to contain many plastic trash bags. If recycled items are stored in plastic trash bags, the recycled items should be emptied into the white recycle bin. The empty plastic bag should be placed in the green bin.

If you see someone putting a plastic bag in the white recycle trash bin, would you please remind them that plastic bags should not be placed in the recycle bins.



Valerie Jorgenson 562-296-5428 [vjorgenson@outlook.com](mailto:vjorgenson@outlook.com)  
Mutual 14 Vice President.



Our landscape committee has asked our arborist at BrightView to walk with us and re-evaluate the need for trimming our trees. Due to the rains they have grown faster than normal. They have also dropped more leaves due to the heavy winds this year. That has kept our gardener busy clearing lawns of the leaves.

Our gardeners are also looking into options for planting new trees to replace the myoporum which were removed east of bld. 16 and between blds. 33 and 50.

Mutual 14 considers itself to be an innovative mutual. We have a rule against trees in garden areas for good reason, they can damage the buildings. However we have many citrus trees in the gardens that are grandfathered in. They also do not seem to cause significant problems. Since our mutual has been extirpating rules which are unpopular and do not work for us, I move to allow Dwarf Citrus Trees be allowed to be planted in the Garden Areas by adding the following sentence to Policy 7425.14, paragraph 5. G. 1: Dwarf Citrus Trees are an exception and may be planted in the ground but must and will be trimmed at least 1 foot from the buildings and below the roofline and may not overhang onto the lawns or sidewalks.

Landscape Chairman

Jack Faucett

**MUTUAL 14**  
**EMERGENCY INFORMATION REPORT**  
**April 18, 2017**

An excellent list of basic home and car items that are good to have on hand and/or place in your "grab and go bag" in case of an earthquake or other disaster can be found on Mutual 14's website. Go to [lwsb.com](http://lwsb.com). At the top of the page under mutuals, scroll down to Mutual 14. Above Uncle Sam click on "here" to view the list. You should provide supplies for you caregiver and pet.

The website [www.redcross.com](http://www.redcross.com) also has a large variety of supplies and equipment available for purchase for use during an emergency.

*Valerie Jorgenson*

Valerie Jorgenson 562-296-5428 [vjorgenson@outlook.com](mailto:vjorgenson@outlook.com)  
Mutual 14 Emergency Information Chair

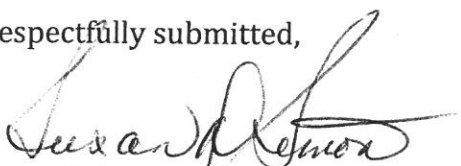


April 18th  
Pet and Caregiver Report

Caregivers have to renew their registrations every 6 months for the safety of the shareholders in Leisure World. There is no charge to the Caregiver or to the Shareholder. As is my custom, if there is a Caregiver who only works evenings after 5 PM or weekends/holidays when the Stock Transfer Office is closed, I will be happy to take a picture of that caregiver and his/her application and arrange for registration. The Caregiver Report from Stock Transfer has recently been updated. It appears as if several Caregivers have not re-registered. As a result, I distributed surveys to the Directors to give to their Building Captains in order to obtain an accurate accounting. Sadly, some of our shareholders have passed away, and those Caregivers are no longer employed. Thus some of our numbers will be decreased. I have some forms with me that I will be happy to give you to provide to anyone you know who has a caregiver.

At the present time we have 4 birds, 19 cats, 46 dogs, 2 Emotional Support dog, and 2 Service dogs. Some of these pets are here part time. It is important to register these animals on a yearly basis. Liability insurance is a requirement when one owns a pet. The window sticker identifies the presence of a pet in the unit in the event of an emergency, and is a safety measure for your pet. If you haven't already registered your pet, I have some forms with me and will gladly provide you with one. If your pet has already been registered, it is only necessary to provide a copy of current liability insurance and for dogs only current Seal Beach license. If you are unable to get to Stock Transfer, I will do that for you if you give me the documents. I have already done that for one shareholder.

Respectfully submitted,



Susan D Simon, Chair  
(561) 702-9249

**MINUTES OF THE SPECIAL MEETING OF  
THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL FOURTEEN  
March 28, 2017**

An Special Meeting of the Board of Directors of Seal Beach Mutual Fourteen was called to order by President Melody at 10:00 a.m. on Tuesday, March 28, 2017, in Conference Room A of the Administration Building.

Those members present were: President Melody, Vice President Jorgenson, Secretary Simon, CFO Faucett, Directors Stefunk and Moore, and Advisory Director Bourhenne. Director Shaddow was absent. Also present were two Mutual Fourteen shareholders.

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

RESOLVED, To rescind the proposal on Article IV, Section 8 of the Bylaws regarding proxies on the May 2017 ballot.

The MOTION passed unanimously.

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

RESOLVED, To ratify adopted/posted Policy 7502.14.1 – Adoption of GRF Policy 1927-37 Fines for Parked Vehicles.

The MOTION passed unanimously.

The amendments to Policy 7502.14.1 are as follows:

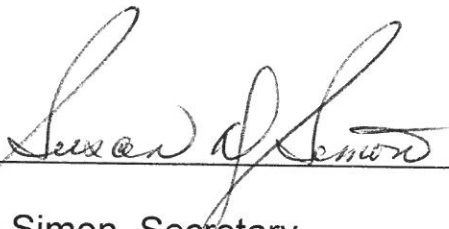
- 3.3.4 Sidewalk – No automobile or truck may be parked with any portion of it on a sidewalk.
- 3.3.5 Off Pavement – At no time may an automobile or truck be parked with any portion of it off pavement.
- 3.5.1 A RESIDENT'S vehicle (not RV or VUFR) may be parked for no more than three (3) months in one location without first obtaining Mutual Fourteen approval.
- 3.6.1 NON-RESIDENT vehicles are not eligible for extended parking privileges with a permit issued by Mutual Fourteen.

**SPECIAL MEETING  
MUTUAL FOURTEEN**

**March 28, 2017**

- 5.2 Golf Carts, Bicycles or Tricycles may be parked off pavement, but only in such a manner as not to damage landscaping.

President Melody adjourned the meeting at 11:22 a.m.

A handwritten signature in cursive script, appearing to read "Susan Simon", is written over a horizontal line.

Attest

Susan Simon, Secretary

SEAL BEACH MUTUAL FOURTEEN

cd:4/06/17

# SIGN-IN SHEET

## BOARD OF DIRECTORS MEETING

MUTUAL NO. FOURTEEN

DATE: April 18, 2017

	GUEST NAME
1.	Sara Spannenberg
2.	Nita Lambert
3.	Davey Sheppard
4.	Kathy Palmateer
5.	Midge Bash
6.	David Haynes
7.	Judy Haynes
8.	Larry Lowman
9.	Bob Kraus
10.	Sandy Tessier
11.	Flo Dart
12.	Joann B Smith
13.	Laura Arnold
14.	Phil Arnold
15.	Donna Melody
16.	Julie Faucett
17.	Muriel Luther
18.	David Chute
19.	Sue Worthington
20.	Betty Davidovich
21.	Betty Burrows
22.	Ken Harpham
23.	Demetra Monios
24.	Erik Soderholm
25.	Marian Soderholm