

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE PRESIDENTS' COUNCIL
SEAL BEACH LEISURE WORLD
February 5, 2015**

The Regular Monthly Meeting of the Presidents' Council of Seal Beach Leisure World was convened at 9:00 a.m. by President Crandall on Thursday, February 5, 2015, in Clubhouse Four, followed by the *Pledge of Allegiance*.

MEMBERS PRESENT

MUTUAL ONE	Ms. Luther-Stark
MUTUAL TWO	Ms. Baker, Vice President/CFO
MUTUAL THREE	Mrs. Rutledge
MUTUAL FOUR	Mr. Slater
MUTUAL FIVE	Mr. Jarecki
MUTUAL SIX	Mr. Garrett
MUTUAL SEVEN	Mr. Bennett
MUTUAL EIGHT	Mr. Fuqua
MUTUAL NINE	Mr. Walz
MUTUAL TEN	Ms. Arlart
MUTUAL ELEVEN	No representation
MUTUAL TWELVE	Ms. Findlay
MUTUAL FOURTEEN	Mrs. Jorgenson, Vice President
MUTUAL FIFTEEN	Mr. Crandall
MUTUAL SIXTEEN	Mr. Grenrock
MUTUAL SEVENTEEN	Mr. Hayes

ABSENT

MUTUAL TWO	Mr. Williams
MUTUAL ELEVEN	Mr. Mandeville
MUTUAL FOURTEEN	Ms. Pepper

GUESTS

SCE representatives and Monterey Energy representatives
Ms. Winkler, GRF Representative, Mutual Ten/GRF President
Mrs. Damoci, GRF Representative, Mutual Twelve/GRF Vice President
Ms. Almeida, Vice President, Mutual One
Ms. Westrup, Advisory Director, Mutual Five
Mrs. Rotter, Vice President, Mutual Seven
Ms. Berg, Vice President/CFO, Mutual Eight
Mr. Hogarth, Vice President, Mutual Nine
Ms. Cummings, Vice President, Mutual Ten
Ms. Ferraro, Vice President/CFO, Mutual Twelve
Mrs. Harrison, Director, Mutual Fourteen
Mrs. Obenauer, Vice President, Mutual Fifteen
Ms. Merrifield, Vice President, Mutual Sixteen
Mrs. Poe, Vice President/Treasurer, Mutual Seventeen

STAFF

Mr. Ankeny, Executive Director
Mrs. Weller, Mutual Administration Director
Mr. Weaver, Facilities Director
Mr. Guerrero, Security Chief
Mr. Cabrera, Security Deputy Chief
Mrs. Rodgers, Purchasing Supervisor
Mrs. Westphal, Mutual Recording Secretary

INTRODUCTIONS/ANNOUNCEMENTS

Mr. Crandall welcomed guests and staff to the meeting, and each president introduced the invited guest from their Mutual. He gave special recognition to Seal Beach City Councilman Sloan and Seal Beach City Councilwoman Massa-Lavitt as well as Mrs. Furlow, administrator of the Health Care Center who hosted today's meeting snacks.

MINUTES

Mr. Crandall asked for corrections to the January 2, 2015, Presidents' Council minutes. There being none, he declared the minutes approved as published.

GRF PRESIDENT'S REPORT

GRF President Winkler introduced the attending GRF Representatives Damoci, Rapp, Hood, Lukoff, Craig, Reed, and Snowden.

Ms. Winkler reported that the Mutual Administration Sub-Committee met and was chaired by GRF Representative Rapp who did a very good job. She said the sub-committee meetings are to discover what we hope to accomplish with the Mutual Administration Committee which will begin in June.

She reported that she attended a City Council Meeting regarding coyotes and what control is necessary, etc. She also said that there have been a few situations with the new towing policy that have posed problems that will have to be addressed. She said IDRs will be held with the Mutual Boards if a shareholder/resident protests being towed.

Ms. Winkler mentioned a possible concern that will have to be addressed about AB 2231, taking effect in 2016, that will grant a shareholder the ability to postpone paying their property tax.

GAF MINUTE

Representative Damoci said the new tax program has started this week that will do tax returns for shareholders free of charge if they do not make over \$60,000 per year.

GUEST SPEAKERS – So. California Edison and Monterey Energy representatives

The representatives explained about the infrastructure replacement of transformers to upgrade and modernize across the region to be able to power future electric needs and minimize power outages. The amount of transformers needing to be replaced in Leisure World is 176, starting in early February through 2016, from 8:00 a.m. to 4:00 p.m. during the week; some dates and times may change. There will be some noise and the power will have to be turned off when the work is being done. They will be giving shareholders 72 hours' notice. To report outages the following Website may be used: sce.com/outage. More information may be obtained on page 13 of *The NEWS* this week. Also, see the attached documents submitted by SCE.

Another representative spoke about the SCE Medical Baseline Program. When there are outages, shareholders/residents should have supply kits that include such items as flashlights, water, nonperishable food, cell phone, solar cell phone charger, etc. The Hotline number for outages is 800-446-7158.

The representatives from Monterey Energy showed some of the fixtures and LED lightbulbs offered in the SCE Efficiency Program. For the CARE Program (refrigerators) for low income shareholders, applications may be obtained from Facilities Director Mark Weaver.

PURCHASING SUPERVISOR'S REPORT

Mrs. Rodgers presented two new products available through the Purchasing Department: a reflective safety vest and a reflective windbreaker jacket (see attached pictures and information). These are added items in the effort for better safety in the community.

MUTUAL ADMINISTRATION MANAGER'S REPORT

Mrs. Weller presented to the presidents the Mutual Activity Recap, her Directors' Report and information about Internal Dispute Resolution (IDR) (see attached documents). She said she will assist the Mutuals in making policies about the IDR, and she is in the process of updating the Pet Policy.

Mrs. Weller talked about amending Policy 7510 – Eligibility Requirements regarding moving within Leisure World, or if there are any additions/changes to the title, the proposed shareholder(s) must meet these eligibility requirements.

FACILITIES DIRECTOR'S REPORT

Mr. Weaver said he would like to move forward with installing LED lightbulbs in the apartments, walk lights, and carports by having the Mutuals approve the Multifamily Energy Efficient Rebate Program at their next meeting. He also talked about the So Cal

FACILITIES DIRECTOR'S REPORT (continued)

Water Smart Rebate Program stating that a separate mailing address is needed to apply for rebates on water timers and nozzles. This will allow all Mutuals to submit applications on their own, not needing to wait for a joint application once a year.

EXECUTIVE DIRECTOR'S REPORT

Mr. Ankeny introduced new employee Al Cabrera who is the Security Deputy Chief. He is an ex-Seal Beach Police officer and has already been an asset to the Security Department.

Mr. Ankeny said some towing issues have arisen and the policy may need amending regarding expired stickers and non-operational stickers on vehicles.

Mr. Ankeny talked about how safety is a big issue in Leisure World. There are now the lighted crosswalks and bright orange flags for use when walking across the streets in crosswalks for better visibility; never assume a car will stop, be aware. He asked for feedback on this project.

He referred to the memo he sent out to all Directors about the January financial statements being late due to the new Jenark program learning process.

He spoke about the Office of Fair Housing and Equal Opportunity which he explains in the document attached.

Mr. Ankeny said, in the future, we may have the ability to do credit checks and the right to do criminal background checks; we have the right to a safe environment.

He said that the audit is going very well and will be finished shortly. He mentioned that all of the GRF meetings are open to all shareholders, and he encourages shareholders/residents to attend and be heard and become involved. Also, a "B" section may be added to *The News* strictly for "Government."

OLD COUNCIL BUSINESS

Mr. Jarecki said he has been trying to keep everyone informed about the SmartMeter situation. He finally received a response from SCE. All of the pertinent information is attached to Mutual Five's recent minutes, and his Board will make a decision on what they will do. All presidents may share the SCE letter with their shareholders.

Mr. Fuqua read his report from the Water Damage Committee (attached).

Mrs. Weller reported that she has received three out of four responses regarding self-insurance from the Mutual attorneys and will be putting together a report to let the Mutual Boards know what the responses entailed.

NEW COUNCIL BUSINESS

Mr. Hogarth, vice president of Mutual Nine, suggested that caregivers' vehicles should have special stickers on them so the Mutual may be aware of whom these vehicles belong to. Mr. Ankeny said he would look into the suggestion.

Mr. Bennett mentioned that Heidi Cortese is making a Leisure World Website. Mr. Ankeny explained that it has nothing to do with the GRF Leisure World Website and GRF gives her no information to use on her site which is about all the other Leisure Worlds in the country. This may be confusing to our shareholders/residents.

Mrs. Rutledge expressed her concerns about coyote sightings and the rumors going around about them. Mr. Ankeny said the GRF will continue to run coyote articles in *The News* on hazing, which is the best way to scare coyotes away and make them know that they should be afraid of humans.

Ms. Merrifield talked about the Boards' need to be aware of what products are being used by the landscapers in the community and need material data sheets which should be posted when chemicals are applied. The landscapers must also have current licenses to apply chemicals

PRESIDENTS' COMMENTS

Ms. Luther-Stark said her Mutual has had many issues about parking in restricted areas.

Mr. Slater indicated that roofing projects take a lot of work and time.

Mr. Jarecki said the coyotes are increasing at this time.

Mr. Walz commented about using the Building Inspectors to help with roofing projects instead of working for their assigned Mutuals.

Mrs. Jorgenson told a story about her tiny little dog barking at a coyote nearby.

Ms. Merrifield said that snail bait is toxic to dogs and other animals, so it is the responsibility of their owners to keep them safe.

Mr. Hayes said Happy Valentine's Day and he voiced his issues with the content of some of the GRF reports he receives.

ADJOURNMENT

There being no further business, and upon a MOTION duly made by Mr. Garrett and seconded by Mr. Fuqua, it was

RESOLVED, To adjourn the meeting at 11:20 a.m.

The MOTION carried.


Attest,
Joyce Rutledge, Secretary
PRESIDENTS' COUNCIL

pw:2/6/15
Attachments

(These are tentative minutes, subject to approval by the Council members at the next Presidents' Council Meeting.)

NEXT MEETING: MARCH 5, 2015

Important Information about Construction in Your Area



As part of our long-term plan to upgrade our power grid, Southern California Edison (SCE) will be making electrical upgrades in your area. Beginning February 2015, customers will see an increased level of SCE crews working in the Leisure World community. Upgrading the system with new equipment will reduce unanticipated and extended outages, improve system reliability, and build a smarter grid that can handle the needs of customers now and to the future. SCE recognizes Leisure World is an all-electric retirement community and we have partnered with the Golden Rain Foundation as well as the Leisure World H.O.A. to ensure this planned work is completed as smoothly as possible for you.

LOCATION

Leisure World in Seal Beach

SYSTEM UPGRADES YOU'LL SEE IN YOUR AREA

- Replacement of 176 transformers

A transformer is a piece of equipment that steps down the voltage of electricity so SCE can connect to a customer's panel.

ESTIMATED CONSTRUCTION PERIOD*

- Dates: Early February 2015 through 2016
- Hours: Monday – Friday, 7:00 a.m. – 4 p.m.

**Please be advised these dates and times are subject to change due to unforeseen operational factors or inclement weather.*

WHAT TO EXPECT

- There may be noise from construction and maintenance activities.
- For crews to work safely, it will be necessary to de-energize our underground cables for short periods of time. In these cases, SCE will send notices to affected customers at least 72 hours prior to the outages.

Thank you for your patience as we complete these upgrades and continue to provide safe and reliable electrical service for you.

Please read the back of the notice for more information.



If you have questions, please call 800 – 446 – 7156.

Here are some tips for customers preparing for a maintenance outage:

- Customers with a medical condition that require electric-powered life support equipment should be sure to have a backup power system in place or make other plans for health and welfare during an outage.
- Make sure food stays as cold as possible by keeping refrigerator and freezer doors closed and placing blocks of ice inside.
- Learn how to manually open security gates and garage doors.
- Notify any security companies that monitor the customer's home or business.
- Protect computers, televisions and other sensitive equipment by unplugging them.

If you have any questions about maintenance outages, please call SCE at 1-800-655-4555.

SCE will provide the latest information about outages at www.sce.com/wps/portal/home/outage-center.

Medical Baseline Allocation is available if you require the regular use of electrically operated life support equipment in your home. You may be eligible for the Medical Baseline Allocation if you or a full-time resident in your home requires electrically operated life-support equipment or has an illness that requires heating and/or cooling and is:

- Paraplegic
- Hemiplegic
- Quadriplegic
- A multiple sclerosis patient
- A scleroderma patient
- Being treated for a life-threatening illness
- A person with a compromised immune system

If you are interested in applying for medical baseline application, please visit www.sce.com/medicalbaseline or call 800-655-4555 to have one mailed to you.

Power outages, regardless of their cause, can occur at any time. It is important that you have an emergency plan that includes having sufficient standby battery power or a back-up portable unit available to power your in-home medical equipment. If you have back-up power generation, we recommend you test it each month to ensure it is ready in case of a power interruption.

Reflective Safety Vest - \$3.90 each, One size fits most, currently in stock, limited quantities.



Windbreaker Reflective Jacket - Will be available in S,M,L & XL – ETA 2-20-15 – Initial cost \$29.69 each.



Presidents' Council Mutual Activity Recap 2015

February 5, 2015

Mutual Administration

Aging Receivables Collected 2015 → \$39,087.00

Collected in 2014 → \$179,422.12

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Totals
Mutual 1	-0-												
Mutual 2	\$11,024												
Mutual 3	-0-												
Mutual 4	\$10,827												
Mutual 5	-0-												
Mutual 6	-0-												
Mutual 7	\$5,990												
Mutual 8	-0-												
Mutual 9	-0-												
Mutual 10	-0-												
Mutual 11	\$5,517												
Mutual 12	-0-												
Mutual 14	-0-												
Mutual 15	\$5,727												
Mutual 16	-0-												
Mutual 17	-0-												
Total	\$39,087												\$39,087

Rules Compliance Letters to Date in 2015 → 154

Rules Compliance Letters 2014 → 1244

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Totals
Mutual 1	0												0
Mutual 2	3												3
Mutual 3	1												1
Mutual 4	1												1
Mutual 5	4												4
Mutual 6	38												38
Mutual 7	1												1
Mutual 8	33												33
Mutual 9	16												16
Mutual 10	2												2
Mutual 11	2												2
Mutual 12	2												2
Mutual 14	2												2
Mutual 15	10												10
Mutual 16	0												0
Mutual 17	39												39
Total	154												154

Current Legal & Insurance Cases

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Legal	6											
Insurance	2											

Stock Transfer

Escrows Closed 2015

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Totals
Mutual 1	3												
Mutual 2	3												
Mutual 3	2												
Mutual 4	1												
Mutual 5	2												
Mutual 6	0												
Mutual 7	2												
Mutual 8	2												
Mutual 9	0												
Mutual 10	0												
Mutual 11	0												
Mutual 12	0												
Mutual 14	0												
Mutual 15	5												
Mutual 16	0												
Mutual 17	0												
Total	20												

Monthly Escrow Recap over 2014			SALES	PRICES	
2015	Total Monthly Sales Year-to-Date	2015 20 2014 17	↑16% over 2014	Totals Year-to-Date → Total Money Sales 2015 Total Money Sales 2014	↑117% over 2014
2014	Total Sales	419		Total Money Sales 2014	\$81,437,957.00
2013	Total Sales	629		Total Money Sales 2013	\$95,240,826.00
2012	Total Sales	458		Total Money Sales 2012	\$54,062,056.00
Membership Fees Collected to date: \$41,649.00					

	Pets			Social Services		Caregivers Registered
	Pets Dogs	Pets Cats	Other Pets	Cases Open	Cases Closed	
Mut 1	73	31	3	10	0	13
Mut 2	65	33	1	12	1	21
Mut 3	44	22	1	10	0	18
Mut 4	31	22	0	6	1	16
Mut 5	38	13	1	5	0	16
Mut 6	41	19	0	5	0	12
Mut 7	30	22	1	6	3	9
Mut 8	30	9	2	2	0	9
Mut 9	52	18	0	5	1	18
Mut 10	20	20	1	3	1	13
Mut 11	26	14	1	5	1	9
Mut 12	27	17	1	7	0	19
Mut 14	37	14	0	3	1	16
Mut 15	37	28	0	12	2	20
Mut 16	3	2	0	1	0	1
Mut 17	7	11	0	1	1	8
Total	561	295	12	82	12	218

The Mutual Administration
Director's Report
Carol Weller



It's Winter in Our Hometown

Community Unity

Mutuals 1-17



We live in a wonderful community, fully supported and successful because of the elected volunteers who have given up their time to be seated on one of the sixteen Mutual Boards or the Golden Rain Foundation Board, which comprises the governance of Seal Beach Leisure World. It is almost election time again...so the call goes out to any and all who wish to run for a position on one of the Boards....Your voice in your community is important....your experience invaluable....please consider being a Board Director. Follow the schedule below to register for candidacy. There is a start date and a deadline to apply.

90- Day Start of
Candidate's
Registration ↓

60-Day Candidate's
Deadline to
Register ↓

90- Day Start of
Candidate's
Registration ↓

60-Day Candidate's
Deadline to
Register ↓

Mutuals	Day	Date	Day	Date	Mutuals	Day	Date	Day	Date
07	Saturday	2-14-15	Monday	3-16-15	01	Tuesday	3-10-15	Thursday	4-09-15
10	Thursday	2-19-15	Saturday	3-21-15	05	Wednesday	3-11-15	Friday	4-10-15
14	Friday	2-20-15	Sunday	3-22-15	03	Thursday	3-12-15	Saturday	4-11-15
09	Saturday	2-21-15	Monday	3-23-15	12	Friday	3-13-15	Sunday	4-12-15
08	Wednesday	2-25-15	Friday	3-27-15	02	Saturday	3-14-15	Monday	4-13-15
04	Thursday	2-26-15	Saturday	3-28-15	15	Saturday	3-21-15	Monday	4-20-15
16	Thursday	2-26-15	Saturday	3-28-15	17	Wednesday	3-25-15	Friday	4-24-15
11	Friday	2-27-15	Sunday	3-29-15	06	Saturday	3-28-15	Monday	4-27-15



Don't be caught short in an Emergency

If you have medical needs such as oxygen or refrigerated medications and/or injected medications, please be prepared if an emergency occurs...such as an earthquake! Electricity may be non-existent for up to a week or possibly more. Have extra medication available and consider purchasing a small generator for any electric medical device you require on a daily basis. Be your best advocate and be sure you can sustain your medical needs for any such event.



News Break!!!

Help put the Scram on Scams Against Seniors

There are many ways in which a scam can and will be perpetrated against senior citizens. Be aware of any person or persons you don't know calling you and asking for money, especially those calling and fraudulently stating they are assisting a family member and need to get cash from you "right away." Never allow anyone into your apartment if you do not know them. **REPORT YOUR SUSPICIONS OR CONCERNS** to the Leisure World Security Department (ASAP) @ (562) 594-4754.

INTERNAL DISPUTE RESOLUTION

As Set Forth in
The Davis/Stirling Common Interest Development Act - 2015

Associations must provide a "fair, **reasonable** and expeditious" procedure for resolving disputes between the association and its members without charging a fee to the member participating in the process. (**Civ. Code §5910.**) The process is referred to as "Internal Dispute Resolution" (**IDR**) or **"Meet and Confer."**

If an association does not establish its own procedures, then the following procedures automatically apply (**Civ. Code §5915(b)**):

1. The party (shareholder or Mutual) may request the other party (Shareholder or Mutual) to meet and confer in an effort to resolve the dispute. **The request shall be in writing.**
2. A member of an association (shareholder) may refuse a request to meet and confer. **The association (Mutual) may not refuse a request to meet and confer.**
3. The board shall designate **a director** to meet and confer.
4. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. **The parties may be assisted by an attorney or another person at their own cost when conferring.**
5. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

Written Resolution. *Any agreement resolving the dispute must be in writing and signed by both parties. The agreement cannot conflict with the law or governing documents and within the authority of the board.*
(**Civ. Code §5915(c).**)

Golden Rain Foundation
Office of Mutual Administration



February 5, 2015

Fair Housing - Two small words which carry a large and meaningful message;

The Office of Fair Housing and Equal Opportunity administers federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice.

Particular activities carried out by the Office of Fair Housing and Equal Opportunity include implementing and enforcing the Fair Housing Act and other civil rights laws, including Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972, and the Architectural Barriers Act of 1968.

Source:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/aboutfheo/aboutfheo

The 16 Mutual Corporations with a combined 6,608 units constituting the dwelling units of Leisure World of Seal Beach, provide housing to over 9000 Shareholders. Further, the combined Mutuals and the housing provided are designated as a 55 plus community coming under the Federal Department of Housing and Urban Development (HUD) regulations. Combining Fair Housing, HUD and potential requirements under the American with Disabilities ACT (ADA) we enter into a quagmire of codes and ordinances. All of which if not followed could cause large fines and legal expense.

The level of skill needed to negotiate the various language of the laws requires highly specialized and knowledgeable professionals to navigate often confusing and possible contradicting language in Fair Housing, HUD and ADA. For example, a simple misunderstanding of the codes could cost a Mutual \$55,000 in fines for not adhering to an obscure code.

A greater understanding of the interrelationship between the multitude of codes, ordinances and laws with our governing documents may be required. The need

for professional guidance becomes greater as you cannot turn on the radio or television without hearing an advertisement for 1-800 I Work for You.

For consideration the following:

Creation of a coalition fund, funded by all sixteen Mutual corporations and GRF to seek a qualified legal professional specifically to support the singular action of compliance of Fair Housing, HUD and ADA. This collective joint venture would provide the benefit to all, as a key theme within Fair Housing, HUD and ADA is fair and equal treatment to all. Simply put what is good for one is good for all.

Possible steps and guidelines to accomplish this:

1. Each Mutual Board and the GRF Board, by majority vote, agrees to work jointly together to draft global policies relative to Fair Housing HUD and ADA.
2. Each Mutual Board and the GRF Board, by majority vote, agrees to contribute annually one dollar per unit into a legal fund to be governed as followed:
 - a. Mutuels and the GRF Board though a majority vote appoint the Board President to act in behalf of the respective Boards through the Presidents' Council to administer the fund and act in the best faith of the community in matters of Fair Housing, HUD and ADA.
 - b. Selection of Legal counsel will be by majority vote of the Presidents' Council.
 - c. All requests for legal advice through this duly approved legal counsel will be done only with the majority vote of the Presidents' Counsel.
 - d. All legal opinions provided will be shared with all Mutual and GRF Board members to establish global policies relative to Fair Housing, HUD and ADA.
 - e. The Presidents' Council shall duly elect two members to oversee this coalition account, which will be held in a separate bank account. The two appointed designees will:
 - i. Review and approve all invoices.
 - ii. Sign the coalition checks.
 - iii. Provide a full report at each meeting of the Presidents' Council on expense and fund balance.
3. As part of the annual budgeting process each Mutual and the GRF Board agrees to contribute one dollar per unit to the, Coalition Fund.

If approved by all required to accomplish this vital need, some possible initial topics for review:

1. Based upon the governing documents of the community what specific sections of Fair Housing, HUD and ADA are our community subject to?
2. As a condition of sale:
 - a. Perform a credit check, as the financial stability of the community is based upon all Shareholders to contribute to the mutual financial needs of the respective Mutuals and common areas.
 - b. Perform a criminal background check as allotted by the law, to mutually protect the safety and welfare of all. (Fulltime caregivers too?)
3. Reasonable accommodation? Clear definition and who bears the burden of the expense.

February 5, 2015

Our Water Damage Committee met with Sandra Sikora our DLD Insurance Broker, Lisa Andolina, Claims Supervisor Philadelphia Insurance Companies, and Leslie Dugan, Assistant VP Risk Management Philadelphia Insurance Companies on January 15 to discuss our concerns about the mounting claims for water damage, to get clarification of whether or not we had any coverage's that would help us, and to ask if we were not covered did they have any suggestions about how we should address this risk.

At the end of the day it was determined that we have no coverage in the \$50,000 deductible gap. Sandra is asking around to see if anything is available for Mutual 8 with a reasonable deductible, but she told me not to hold my breath, leaving us with few options.

Some thoughts:

- 1. The simplest is self insurance, but we have no Policy establishing who is liable for what.**
- 2. Or find a way to get coverage for all water damage (except damage caused by the main line) through the Shareholder. Many CID's, in their documents, state that water and sewer plumbing from the main line is owned by the homeowner (Shareholder) and they are liable for all damage caused by those pipes including sewage overflow. I am not recommending this, but it needs to be explored, since our Occupancy Agreement says in Article 10 Utilities (b), "Member shall be responsible for _____ or other services provided to the dwelling unit", and Article 15, Member To Comply With Corporation Regulations, says "Member will abide by the Articles, Bylaws, rules, and regulations (Policies) of the Corporation and any amendments thereto".**

It might be time for a Policy defining specific ownership accountabilities, in addition to responsibility for non standard items.

Clarence Fuqua, Chair