

**MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING
SEAL BEACH MUTUAL TWELVE
June 8, 2017**

The Annual Meeting of the Shareholders of Seal Beach Mutual Twelve, a California corporation, was called to order by President Gillon at 10:04 a.m. on Thursday, June 8, 2017, in Clubhouse 4.

PLEDGE OF ALLEGIANCE

President Gillon led the shareholders in the *Pledge of Allegiance*.

QUORUM

President Gillon said that Accurate Voting Services informed her that a quorum was present, either in person or by ballot, and she declared the meeting officially in session.

SHAREHOLDER DECLARATION

At the May 11, 2017, Regular Board Meeting, Peter Segó of Unit 74-E, declared his intent to vote cumulatively at this Annual Shareholders' Meeting.

CERTIFICATION OF NOTICE OF MEETING

Secretary Sprague read the Certification Notice:

I, Rose Marie Sprague, Secretary for Seal Beach Mutual No. Twelve, hereby certify that the Notice of Stockholders' Meeting and Ballots were mailed in accordance with Article IV, Section 4, of the Bylaws of said Corporation to all subscribers of common stock as of May 9, 2017.

FURTHER, IN ACCORDANCE WITH THE BYLAWS, THE CUMULATIVE VOTING PROCEDURE WILL BE USED.

EXPLANATION OF WRITE-IN CANDIDATE

Ms. Cheryl Wilson, Accurate Voting Services, Inc., explained the process of a write-in candidate and nomination of that write-in candidate. President Gillon announced that Lucille Findlay had turned in her resignation, effective May 31, 2017, from the Board of Directors and has withdrawn her name for reelection.

INTRODUCTION OF CANDIDATES

The following candidates for the Board of Directors were nominated for the 2017-2018 term of office:

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INTRODUCTION OF CANDIDATES (continued)

Margaret Gillon	(Incumbent)	Susan Ferraro	(Incumbent)
Tony Anderson	(Incumbent)	Rose Sprague	(Incumbent)
Richard Carson	(Incumbent) (absent)		

Mrs. Gillon called for nominations from the floor. Lynn Kelley, Unit 71-I nominated Mark Pogrebinsky, Unit 70-E. Mr. Pogrebinsky declined the nomination. There being no further nominations, Mrs. Gillon requested a motion to close the nominations.

Upon a MOTION duly made by Jacquelyn Thomas, Unit 10-G, and seconded by Carol Burgener, Unit 35-I, it was

RESOLVED, That the nominations be closed.

The MOTION passed with two "no" votes.

BALLOTING

Ms. Cheryl Wilson, Accurate Voting Services, Inc., thanked the Mutual for the opportunity to provide this election procedure for the Mutual. They are the outside independent election service company that was selected to create the ballot, mail the ballot to the shareholders, and receive the return ballots to be opened today to determine Mutual Twelve's new Directors.

Mrs. Gillon announced that the balloting was now closed and any interested shareholders to accompany Accurate Voting Services to the counting area to observe the counting of the ballots. The results of the election will be posted on the main doors of all the clubhouses. The newly-elected Board will hold its Organizational Meeting to elect officers following the meeting.

MINUTES

Mrs. Gillon asked for a motion to dispense with reading the minutes of the last Annual Shareholders' Meeting held on June 9, 2016, and be approved as printed and distributed. Upon a MOTION duly made by Joe Welch, Unit 38-J, and seconded by Joann Goostree, Unit 44-A, it was

RESOLVED, That the reading of the minutes of the Annual Shareholders' Meeting of June 9, 2016, be dispensed with, and that they be approved as printed and distributed.

The MOTION passed with one "no" vote.

INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS

President Gillon introduced the 2016-2017 Board of Directors:

Margaret Gillon, President	Susan Ferraro, Chief Financial Officer
Richard Carson, Vice President (absent)	Tony Anderson, Director
Rose Sprague, Secretary	

President Gillon then introduced Golden Rain Representative, Carole Damoci; and Mutual Administration Director, Jodi Hopkins.

PRESIDENT'S REPORT

President Gillon presented her report to the shareholders (attached).

VICE PRESIDENT'S REPORT

Vice President Carson was absent.

SECRETARY'S REPORT

Secretary Sprague presented her report to the shareholders (attached).

CHIEF FINANCIAL OFFICER'S REPORT

Chief Financial Officer Ferraro presented her report to the shareholders (attached).

GRF REPRESENTATIVES'S REPORT

Mrs. Damoci presented her report to the shareholders (attached).

EXECUTIVE DIRECTOR'S REPORT

In Mr. Ankeny's absence, Ms. Hopkins presented his report to the shareholders (attached).

MUTUAL ADMINISTRATION MANAGER'S REPORT

Ms. Hopkins presented her report to the shareholders (attached).

SHAREHOLDER(S)' COMMENTS

Several shareholders made comments.

Mrs. Gillon called a recess at 10:49 a.m. to 10:55 a.m. for Accurate Voting to complete the counting of the ballots.

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June 8, 2017

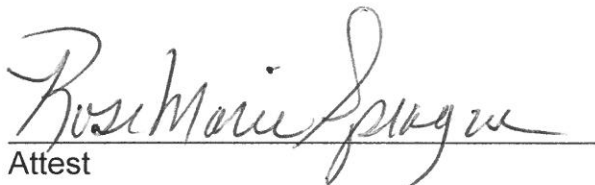
ELECTION RESULTS REPORTED BY ACCURATE VOTING SERVICES

The election results were announced at 10:55 a.m. by Ms. Cheryl Wilson of Accurate Voting Services, Inc.

Margaret Gillon (Parcel 1) was elected with 215 votes, Richard Carson (Parcel 2) was elected with 231 votes, Tony Anderson (Parcel 3) was elected with 235 votes, Susan Ferraro (Parcel 9) was elected with 229 votes, and Rose Sprague (Parcel 10) was elected with 241 votes.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 10:53 a.m.



Attest

Rose Marie Sprague, Secretary
SEAL BEACH MUTUAL TWELVE

cd:6/14/17
Attachments

INSPECTORS OF ELECTION REPORT SEAL BEACH MUTUAL NO. TWELVE

The undersigned Inspectors of Election hereby state they were duly appointed to serve at this Annual Election/Membership Meeting held on **June 8, 2017**.

1. We confirmed and announced that quorum had been achieved. There were present by ballot at said meeting 210 members, representing 47 percent of all homes in Mutual No. Twelve.
2. We tabulated the members' votes.
3. Listed below is the total number of votes for each candidate.

<u>CANDIDATES NAME:</u>	<u>NUMBER OF VOTES:</u>	
<input checked="" type="checkbox"/> Parcel No. 1 MARGARET GILLON, 68-J	<u>215</u>	
<input checked="" type="checkbox"/> Parcel No. 2 RICHARD CARSON, 72-E	<u>231</u>	
<input checked="" type="checkbox"/> Parcel No. 3 TONY ANDERSON, 76-B	<u>235</u>	
Parcel No. 4 _____	_____	
Parcel No. 8 LUCILLE E. FINDLAY, 58-F	<u>176</u>	WITHDRAWN May 31, 2017
<input type="checkbox"/> Parcel No. 9 SUSAN FERRARO, 42-E	<u>229</u>	
<input checked="" type="checkbox"/> Parcel No. 10 ROSE SPRAGUE, 35-H	<u>241</u>	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	

* = Elected Candidate

Quorum Only: 0 Abstain: 5

I/we declare under the penalty of perjury that the above information is true and correct.
Dated this 8th day June, 2017.

Inspector(s) of Elections:

Overly Wilson
Print Name of Inspector/Signature

C. Tinnery
Print Name of Assistant Inspector/Signature



Mutual 12 Annual Meeting
GRF Directors report
June 8, 2017

President Gillon, Mutual 12 Board members, fellow Mutual 12 Shareholders and Staff.

This has been a very busy year for the Golden Rain Foundation. We've finished the Globe, the Westminster Wall and have started our road project. Installed a new satellite security office in building 5, remodeled clubhouse 4, built a new conference room, put in new steps at the post office, and refurbished the amphitheater bathrooms in time for the new season of shows. We put in a new floor upstairs in clubhouse 6 and will start a small remodel of the rest of clubhouse 6 in a couple of months. The clubhouse 2 remodel will follow the building of a new multipurpose court behind that building the beginning of next year. The new patio between the library clubhouse 3 sees many Shareholders sitting and reading in that area. The remodel of clubhouse 3 will begin sometime later in 2018.

We have started to upgrade the landscape in many areas of the community. Around on-site sales, the astrolabe/sundial area between the Ad-Min building and the Healthcare center and around the Ad-Min building. The conceptual plans for the landscape at the main gate were approved last month.

Recreation has added many new outside adventures for our members. Trips to Angel games, Pageant of the Masters, plays and the LA Opera. They have also purchased new Table tennis tables, new pool area furniture and recovered the tables in our 3 pool rooms. They now have a monthly used car, golf cart and scooter sale in the clubhouse 6 parking lot. We will be having a 4th of July barbeque and car show. Our Amphitheater season shows should be great this year. They have been steadily improving over the past few years and I have been happy to be part of the team who picked this years shows.

We passed a new parking policy with fines that is already showing a marked improvement in parking in some areas of the community. A push to get unregistered cars off our street in the near future will make this a safer community. With the hiring of a new Director of Security Services Interim Chief Tommy Fileto will return to the Recreation Department as the manager. We thank him for his willingness to help wherever needed. He is a great asset to our community. The Security staff screens over 2,000,000 cars a year for entrance into the community, issues over 4,000 decals, answers 250,000 Shareholder calls, responded to 1700 paramedic calls and 1,200 lockouts.

I'd like to thank the staff. I would need 30 pages to tell how great they all are. And know if I started naming them I would forget a few and that wouldn't be a good thing.

I'd like to thank the Mutual 12 Board for all the time and hard work they give to our Mutual. This is not an easy job to do and shows a love of community and a genuine caring for their fellow Shareholders. I served one year on this board and it made me realize how little I knew about all it takes to make our lives as easy as they are.

But mostly I want to thank the Shareholders who take time out of their busy schedules to attend not only the Mutual but the GRF board meetings. It's important to keep abreast of what your Boards are up to and I hope to see more of you in the future.

I've served this past year as the Golden Rain Foundation President. It's been a busy year and I've enjoyed myself immensely.

As always, I will close with saying that I look forward to hearing from each of you with any concerns or suggestions you may have. As I wonder around the Mutual please stop me and lets talk.

Carole Damoci

President's Report by Margaret Gillon

June 8, 2017, Annual Meeting

Thank you for joining us today for the Mutual Twelve Annual meeting.

The first Annual Meeting of Seal Beach Mutual Twelve was held on December 18, 1963, eight months after Mutual Twelve was incorporated on April 2, 1963. According to the by-laws of Mutual Twelve “the annual meetings of the Corporation shall be held on the 2nd Thursday of June of each succeeding year. At such meeting, there shall be elected by ballot of the members a Board of Directors in accordance with the requirement of Section 3 of Article V of these By-laws.” Today the directors for the 2017-2018 term will be elected by ballot. A reorganization meeting to seat the Officers of the Board will immediately follow the Annual Meeting.

Mutual Twelve is united by many volunteers from the community. Thank you to the Building Captains who support their shareholders and circulate information to their building residents. The Captains let the Board know if there are specific issues that must be addressed and they help the Mutual with CERT drills such as the Great Shake Out. The Building Captains are the backbone of our community. My personal thanks for their dedicated support to my Captains in Parcel 1: Noreen Mandel, Thomas Worden, Wilma McQuade, Tom Nelson, Yoshiko Kishi, and Roberta Straley.

I would like to thank Gary Sprague, our CERT manager, for his time and help in updating our CERT program and our CERT shed.

The Mutual is supported by the employees of the Golden Rain Foundation. The employees are a great resource and we appreciate their continuous hard work and their helpful and courteous attitudes when dealing with our unique community. Thank you to our Inspector, Jay Salazar, for taking care of the Mutual. Thank you to Accounting, Mutual Administration, Physical Property, Service Maintenance, & Stock Transfer. Your support is invaluable to us.

The Mutual Twelve board is an active working board. As well as attending the Monthly Meetings the board has attended Physical Property meetings, volunteered for committees such as landscape

President's Report by Margaret Gillon
June 8, 2017, Annual Meeting (cont'd)

maintenance, organized special events like the Annual Luncheon, formed policy re-write committees to update our policies, and interfaced with the building captains and the shareholders to maintain the community. I would like to thank Susan Ferraro, RoseMarie Sprague, Lucille Findlay, Tony Anderson, and Richard Carson for their enthusiastic and unstinting work as directors of the board.

Our capital improvement project this year has been the re-piping of all the buildings in Mutual Twelve. Per our current schedule the re-piping will be completed by the end of 2017. We will have a brief rest and then we will begin installing new roofs in 2018. The roofs will take three to four years to complete and have a 25 year life span once they are finished. Maintenance on the mutual continues. We have fire inspections later this year and there will be followup repairs once all units have been inspected.

It has been a pleasure to welcome new shareholders this year through the orientation process. There is always change in the community as neighbors move away to a more suitable setting for their needs. We miss our old neighbors as they leave us. Condolences are expressed to the families and friends of our neighbors who have passed away.

It is important for shareholders to take an interest in the community and the activities of the board of directors. Become part of the leadership for Mutual Twelve – come to board meetings, ask us questions, volunteer for committees, talk to us about the future, give us new perspectives, join the board.

Thank you to the shareholders for electing me to serve on the board. Thank you to my fellow directors for your support the past year as President of Mutual Twelve.

ROSE MARIE SPRAGUE, SECRETARY REPORT, ANNUAL ELECTION
MEETING

Thank you all for coming today. I am amazed at how fast this year went by. I have learned a lot this past year being the director of Parcel 10 and the mutual Secretary. I wish to thank the board for all of the mentoring I received this past year.

Thank you to all my building captains, Ann Frambach, Carol Price, Carol Andre, Paulette Trabue, Florence Conley, and last but not least my husband, Gary, who is a building captain, the CERT coordinator, as well as my endless helper with delivering the minutes and many postings.

A special thank you to Rosemary Peterson, Phyllis Kale, Elinore Petoletti, Yo Kishi, and JoAnn Goostree who helped Lucille Findlay, CFO Ferraro, and myself with the decorations and the luncheon this year. I hope all the shareholders enjoyed the luncheon. Please take a moment to see the photo boards I put together of the luncheon.

I also wish to thank all the GRF support staff as they are the wheels that keep Mutual 12 functioning. A special thanks to the Service Maintenance Department which has answered the tremendous amount of calls which I made on behalf of the shareholders this past year.

I hope to have opportunity this coming year meet more of the shareholders and to continue to make mutual twelve a safe and enjoyable place to live. Thank you.

Respectfully Submitted,

ROSE MARIE SPRAGUE

Chief Financial Officer (CFO) Report Annual Meeting, June 8, 2017

This report comes at the completion of my third year as a member of the Board of Directors. For those shareholders in attendance today who do not know me, I have served as Secretary as well as Secretary and CFO in my first year, as Vice President and CFO in my second year, and concluded this third term with one title CFO. I want to thank my fellow Board Members for their continued trust placed in me as an Officer of the Corporation. A big thank you also goes to all the Building Captains in my Parcel, namely, Margaret Rees, Erika Furlong-Swenson, Connie Pickering, Jo Anne Goostree, David Nell, Judy Beler, and Pat Bennett. The Building Captains are so important in communicating important Mutual 12 information and participating in emergency preparedness. Thank you so much.

As CFO, and as a concerned shareholder, Mutual Twelve's financial stability is of primary importance to me. Specifically because Leisure World itself has existed for a half a century with all the wear and tear associated with aging, which I am sure we all can relate to, and the accompanying need to look forward to the next 50 years.

The major project for this term has been the approval of re-piping all buildings with copper pipes. This will be done by late fall, if all goes according to schedule. For Mutual 12, this has been the largest single project in its history requiring a commitment of more than \$1.6 million dollars. Some of you may have attended the Town Hall held last September using a power point slide show explaining the need and what it would take to accomplish the task. This required a completely new approach from the prior year's expected reserve spending.


Each component included in the Reserve Study was carefully analyzed as to its Useful Life and Remaining life. Many "what if" scenarios were calculated to see the impact the reserve strength or adequacy. The goal was to avoid high risk of special assessments that would be payable by the shareholder's typically in one lump sum. The Board is fully aware that the monthly assessment increased substantially for 2017, but going forward this allows the corporation to complete re-

roofing starting in 2018 with completion in 2023, replacement of the asphalt carport driveways and guest parking areas with concrete over the next 10 years, and refurbishing to the sprinkler system that has been fixed and patched for many years. With prudent reserves management, by the year 2028 the reserve savings is projected to be in the LOW risk of assessment. Based upon what we know today, at no time does the reserve dip into the RED ZONE of high risk of special assessment to the shareholders. The complete Reserve Study is available to review on line www.reservestudy.com click on "Client Center" in the top right corner, enter mutual12, then enter 22257-5.

A 10 year cash flow analysis was also prepared to verify that monthly assessment money along with maturing laddered investments would meet the repair and maintenance needs of Mutual 12. I can report that the cash flow is sufficient for Mutual 12 to pay for expenditures on the identified necessary repairs. The plumbing health of our buildings is better, but keeping in mind that we still need to look forward and plan for sewer relining or replacements, on a case by case basis. To do that, the Reserve Study includes a \$100,000 a year Plumbing Allowance to address future needs and will be adjusted as necessary when needs arise.

Since our Annual Meeting is held early in the month of June, the May 31 Financial Statements for Mutual Twelve are not yet available. This information will be provided in my report at the July 13 Regular Meeting. Please be aware the Budget process will begin in July and that the Mutual Twelve Budget Planning meeting is an open meeting for all shareholders. I encourage all to attend the open Board Meetings to observe and participate in the governance of your community.

Respectfully submitted

Susan Ferraro 

CFO Mutual Twelve



Executive Director's Annual Meeting Report

Mutual 12

To the President, Directors, and Shareholders of Mutual 12:

It's been four years since I joined the Golden Rain Foundation of Seal Beach (GRF) and I'm happy to report that the community is running well, and our over 220 staff members are working diligently to insure smooth and fully transparent operations of GRF. This is due to our collective commitment to protect the value of Trust property and the enhancement of lifestyle for all Shareholder/Members. Our continuing commitment to the community includes, but is not limited to, efficiency, respect, teamwork, accountability, innovation, and integrity. We are committed as an organization to the highest ethical standards and compliance with all applicable laws, rules and regulations.

GRF is financially healthy. This is evident in the audited statements and tracking from the monthly financial statements. The auditing firm of NSBN issued an "unmodified" opinion for the 2016 audit. This is the standard of our accounting operations for which we strive.

In addition, recognition of achievement has been rewarded by Philadelphia Insurance Companies for "Outstanding Risk Management"; this recognition is evident in the reduction or insurance premiums for this policy period.

The effectiveness of our community depends heavily on the GRF and Mutual Board members, our leaders. On behalf of the GRF Staff, we sincerely thank the GRF and Mutual Boards. The past year could not have been a success without your dedication, hard work, and public service for your fellow Shareholder/Members. You have made this past year an unprecedented success.

This speaks highly of everyone who unselfishly volunteers their time to serve on a Board. The job can be taxing and time-consuming, and I know how stressful it can be. Your work does not go unnoticed. A simple thank you is not enough for your community service!

We look forward to working with the Boards to ensure that our community continues to prosper and thrive for the betterment of all Shareholders and Members.

This simple quote by an unknown author clearly states our thanks to all Board members,

"For all you do, for who you are, I will be forever grateful you are in my life."

Thank you for allowing my staff and I to be part of your community and your lives.

Respectfully submitted,

Randy Ankeny,
Executive Director
for the Golden Rain Foundation

Annual Mutual Shareholders' Meeting

2017

Here we are at the start of a new election year. It's been a good year, thanks to the talent and effort from all of us.

I will start by thanking this Mutual Board of Directors of Leisure World Seal Beach Mutual *Twelve*, and each member of Seal Beach Mutual *Twelve*. Together we have accomplished a lot this year: meetings, special meetings, policies, the Bylaws and amendments; this list could go on and on.

Join our team of staff members, along with the new or returning Mutual *Twelve* Directors to continue the legacy that has been set by others many years ago; and continue the growth of your community. Let us continue to incorporate everyone and work for the good of all.

There will be changes. There will be new ideas that were not thought of in prior years, making this a very exciting time. This is our opportunity to work together with a common goal of bettering your community.

Thank you to the Golden Rain Foundation (GRF) Board of Directors, more specifically *Carole Damoci* your GRF Representative. What is GRF one may ask, well, the answer is, GRF is a non-profit corporation that holds in trust, operates, and maintains the Trust property facilities, the streets, and other improvements and amenities within the geographic area identified as Leisure World Seal Beach, for the benefit of everyone.

We really look forward to the next year. I am confident with the direction of our Executive Director, Randy Ankeny, along with the best team effort possible, we will continue to strive, grow, and thrive to provide an outstanding Active Adult Community.

Confucius said: 'What I hear, I forget; what I see, I remember; what I do, I understand.' Let's do this together. We've heard what we have done. We can see what we need to do. Now is the time to do it, and, together, we can do it."

Respectfully the Mutual Administration Team:

- Mutual Administration Director: Jodi Hopkins
- Mutual Administration Manager: Blessilda Fernandez
- Member Resources Liaison: Cynthia Tostado
- Office Secretary: Catherine Dailey
- Recording Secretary: Carol Day
- Recording Secretary: Kheara Aquino
- Receptionist: Stephanie Louison

**MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
June 8, 2017**

The Organizational Meeting of the newly-elected Board of Directors of Seal Beach Mutual Twelve was held following the Annual Shareholders' Meeting in Clubhouse 4, Section C. Mutual Administration Director Hopkins, acting as Chairperson, called the meeting to order at 11:20 a.m. She stated the purpose of the meeting was to elect the officers for the 2017-2018 term of office and to ascertain the Regular Monthly Meeting location, day, and time.

Those Directors present were: Susan Ferraro, Margaret Gillon, Rose Marie Sprague, and Tony Anderson. Richard Carson was present via telephone. Mutual Administration Director Hopkins and Recording Secretary Day were also present.

Ms. Hopkins opened the nominations for the office of President. Rose Marie Sprague nominated Mrs. Gillon for President. There being no further nominations, Mrs. Gillon was elected by acclamation to the office of President for the 2017-2018 term of office.

The Chair was turned over to newly-elected President Gillon, who then called for nominations for Vice President. Mr. Anderson nominated Mr. Carson for Vice President. There being no further nominations, Mr. Carson was elected by acclamation to the office of Vice President for the 2017-2018 term of office.

President Gillon then called for nominations for the office of Secretary. Ms. Ferraro nominated Ms. Sprague for Secretary. There being no further nominations, Ms. Sprague was elected by acclamation to the office of Secretary for the 2017-2018 term of office.

President Gillon then called for nominations for Chief Financial Officer. Mrs. Gillon nominated Ms. Ferraro for Chief Financial Officer. There being no further nominations, Ms. Ferraro was elected by acclamation to the office of Chief Financial Officer for the 2017-2018 term of office.

President Gillon stated the 2016 Organizational Meeting minutes have already been approved.

No Committees were appointed at this time.

The Board discussed the monthly meeting location, day, and time. Upon a MOTION duly made by President Gillon and seconded by CFO Ferraro, it was

RESOLVED, That Mutual Twelve will meet on the 2nd Thursday of the month in Mutual Administration Conference Room A, at 9:00 a.m.

The MOTION passed.

There being no further business to conduct, the meeting was adjourned at 11:23 a.m.

Attest, Rose Marie Sprague, Secretary
SEAL BEACH MUTUAL TWELVE