

**MINUTES OF THE ANNUAL SHAREHOLDERS MEETING
SEAL BEACH MUTUAL TWELVE
June 13, 2019**

The annual meeting of the shareholders of Seal Beach Mutual Twelve, a California corporation, was called to order by President Carson at 10:00 a.m. on Thursday, June 13, 2019, in Clubhouse 4.

PLEDGE OF ALLEGIANCE

President Richard Carson led the *Pledge of Allegiance*.

QUORUM

President Carson advised that a quorum was present, either in person or by ballot, and he declared the meeting officially in session.

SHAREHOLDER DECLARATION

At the April 11, 2019, regular board meeting, John Kaplan of unit 71-G, declared his intent to vote cumulatively at this annual shareholders meeting.

CERTIFICATION OF NOTICE OF MEETING

Secretary Rose 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 14, 2019.

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.

INTRODUCTION OF CANDIDATES

The following nominated candidates were introduced as follows:

Rick Taylor	(new candidate)
Richard Carson	(incumbent)
Tony Anderson	(incumbent) – absent
Cindy Mortesen	(incumbent)
Susan Ferraro	(incumbent)
Rose Sprague	(incumbent)
Darlene Milek	(incumbent)

President Carson called for nominations from the floor. Culley Eaby, unit 6-C, nominated Eric Dodd, unit 6-L. However, Mr. Dodd was not present to accept the nomination. There being no further nominations, President Carson requested a motion to close the nominations. Upon a MOTION duly made by Gary Sprague, unit 35-H, and seconded by Tom Worden, unit 65-D, it was

RESOLVED that the nominations be closed.

The MOTION passed.

BALLOTING

Ms. Cheryl Wilson from Accurate Voting Services thanked the mutual for the opportunity to provide this election procedure for the mutual. Accurate Voting Services is 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.

President Carson announced that the ballot boxes were now closed and instructed any interested shareholders to accompany Accurate Voting Services to the counting area to observe the counting of the ballots. When the counting was completed, the newly elected board would hold its organizational meeting to elect officers. The results of the election would be posted on the main doors of all the clubhouses.

MINUTES

President Carson asked for a motion to dispense with reading the minutes of the last annual shareholders meeting held on June 14, 2018, and be approved as printed, and distributed. Upon a MOTION duly made by Joann Goostree, unit 44-A, and seconded by Richard Taylor, unit 64-E, it was

RESOLVED that the annual shareholders meeting minutes of June 4, 2018, be approved as printed and distributed.

The MOTION passed.

INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS

President Carson introduced the current 2018-2019 board members:

Rich Carson, President
Tony Anderson, Vice President
Susan Ferraro, Chief Financial Officer
Rose Sprague, Secretary
Darlene Milek, Director
Cindy Mortesen, Director

President Carson then introduced Mutual Administration Director, Jodi Hopkins.

PRESIDENT'S REPORT

Mr. Carson presented his report (attached).

SECRETARY'S REPORT

Mrs. Sprague presented her report (attached).

CHIEF FINANCIAL OFFICER'S REPORT

Mrs. Ferraro presented her report (attached).

GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT

In Ms. Findlay's absence, Mrs. Sprague presented the GRF Representative's report.

EXECUTIVE DIRECTOR'S REPORT

In Mr. Ankeny's absence, Ms. Hopkins presented the Executive Director's report (attached).

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins presented her report (attached).

ELECTION RESULTS

Ms. Cheryl Wilson of Accurate Voting Service, Inc., reported the following results of the election: Richard Taylor, elected with 128 votes for a one-year term; Rich Carson, elected with 283 votes for a one-year term; Tony Anderson, elected with 230 votes for a one-year term; Cindy Mortesen, elected with 173 votes for a one-year term; Susan Ferraro, elected with 249 votes for a one-year term; Rose Sprague, elected with 229 votes for a one-year term; and Darlene Milek, elected with 187 votes for a one-year term.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 11:08 a.m.

Attest, Rose Marie Sprague, Secretary
SEAL BEACH MUTUAL TWELVE
ck: 07/03/2019
Attachments

President's Report
Mutual 12 Annual Meeting
June 13, 2019

It has been an honor and privilege working with your present Board this past year and meeting so many of our Shareholders that I otherwise wouldn't have known had it not been for working as your President on this Board.

Your Board has worked tirelessly to best manage your Mutual. To use an old cliché, we have bonded together to become a "smooth working machine"! There are no egos in this group, and everyone respects each other's opinions and concerns.

This past year has been a very interesting learning curve for not only me but for many of the other Board members as well. Thankfully we have had the advantage of our "Veteran Board" members who kept us newbies "in check".

I would like to especially thank Susan Ferraro - CFO, Rose Sprague - Secretary and Tony Anderson - Vice President for their expert tutelage which kept me on track. Thank you to two new members this year, Cindy Mortesen and Darlene Milek, whose insight and knowledge of their respective parcel Shareholders was invaluable.

I thank all our "Building Captains" in each parcel who have made the Directors job so much easier. Without your assistance and volunteer service, the Directors would be wearing out more shoes than they do now. We thank you! Thank you to our Shareholders who from time to time call us with suggestions. Without that, many valuable and important ideas would not be conveyed to the Board.

A special thank you to our GRF Representative Lucille Findlay for her support and much valued insight into issues I would not have known about.

We thank the many GRF staff members who continually work day in and day out to keep our Mutual running smoothly. Stock Transfer, Physical Property, Accounting and Administration, together these departments assist in answering the many legal concerns that come up almost daily. Everyone mentioned in this report are all part of our important "TEAM"! Without teamwork things would not have been as easy as they have been.

We have worked hard this year to keep your Mutual looking good. Some of our accomplishments this past year have been:

- We hosted our first successful Town Hall Meeting on the re-roofing project which began this spring with buildings 6 & 7 and now 35 & 39.
- The total renovation of your lawns was completed including a new sprinkler system.
- The termite repair has been completed on our building end units with the removal of the rafter tails.
- The repairing of several walk light outages by installing new wiring.
- Tree trimming which will continue later this year.
- Concrete driveway replacement at Del Monte and Tam O'Shanter carports were completed. The final painting was completed last week on the Del Monte side.
- Soon the re-asphalting edge repairs of certain carport driveways will begin and be completed by end of year.
- The installation of a new sewer line in building 71 with only 1-Shareholder being displaced for a short time.
- Building address signs will be replaced where needed by mid-Summer.
- We installed all new dumpster area signs.

I would like to say a special thank you to our Inspector Jerry Antidel for his endless expertise and advise throughout the year and ensuring our contractors stay on course.

Respectfully submitted,

Rich Carson

President, Mutual 12

Good morning everyone. Thank you for coming today. I am amazed how fast this year went by. I have enjoyed assisting the Shareholders in Parcel 10 and acting as the Mutual Secretary for the last three years. I want to thank my fellow Board members for working along side me for the benefit of Mutual 12. We have had a busy year and worked together to handle the challenges which came up. It has been a pleasure. A special thanks to our GRF representative, Lucille Findlay for her service on the GRF Board.

Thank you to my building captains, Paulette Trabue, Carol Price, Florence Conley, Peter Pham and last but not least my husband, Gary, who is the building 35 captain, the Emergency Information Council Representative, and my endless helper with delivering the minutes and many postings with me throughout this past year.

Thank you to those Shareholders who took the time to attend the Board meetings this past year. I hope to see more Shareholders taking an interest in the Board meetings. Your input is welcomed and appreciated by the Board.

Lastly, I wish to thank the GRF support staff who were a pleasure to work with and the Service Maintenance department for taking care of all those service calls I requested on behalf of the Shareholders. A special thanks to Inspector Jerry Antisdell for helping us this past year.

In closing I hope to have an opportunity to meet more of our Shareholders and to continue to make Mutual 12 a safe and enjoyable place to live. Thank you.

Respectfully submitted,

Rose Marie Sprague

**CHIEF FINANCIAL OFFICER (CFO) REPORT
ANNUAL MEETING JUNE 13, 2019**

Good morning

As most of you are aware, at each monthly Board of Directors meeting as CFO, I submit a written report summarizing the Balance Sheet and Operating Income/Expense Statement. This is included with the Minutes of the Meeting so that it is communicated to all shareholders regularly. With this report, I would like to inform you of the details involved in this oversight and review process so that you have assurance that there has been full disclosure of all pertinent financial information and take confidence in the monthly and annual audited reports.

Every month each Director receives the following for their own review:

- Balance Sheet – Assets and Liabilities
- Budget Comparison to Actual – Expenses
- Budget Comparison to Actual – Income
- General Checking Account Activity Detail
- Monthly Check Register
- Reserve Fund Tracking – General Ledger Detail of Funding and Expenditures by Month
- Investment Designated Uses Report – Detail of deposits at various financial institutions.

In addition to those reports, the CFO is provided with other supporting information related to the Financial Statements as follows:

- General Ledger Trial Balance
- Cash requirements report for Mutual 12 payables due to the Golden Rain Foundation which are:
 - a. GRF Monthly assessment collected by Mutual 12, water bill, property and liability insurance premiums, cable charges, copy services, and other miscellaneous charges from time to time.
 - b. Service Maintenance Charges: Standard Mutual Expense
Resident Charges – Mutual Bills Resident for reimbursement
Escrow Seller Charges – Mutual reimbursed upon sale
Appliance Replacements
Escrow Charges – Mutual responsible for maintenance

The sum of the cash requirements is withdrawn from the Mutual 12 General Checking account near the beginning of each month. This transfer from Mutual 12 to the GRF is in keeping with written agreements and board resolutions.

- Deposit Report – Receipts for cash payments made over the counter.
- Delinquency Report
- Copies of the following Depository Bank and Financial Institutions Monthly Account Statements:
 - US Bank General Checking Account with Reconciliation
 - US Bank Money Market Savings Account – Unrestricted
 - US Bank Property Tax Impound Account

US Bank Restricted Money Market Account
Repair and Tax Deposit Fund Account with Reconciliation
All Investment and Brokerage Accounts

The Mutual 12 Finance Committee, that was established this year, reviews all of the above on a monthly basis as required by law. Attached is the Financial Statement Recap showing a positive excess income amount of \$25,623 for the period ended 4/30/19 for your personal review. The committee having completed its review of the statements dated 4/30/19, will be recommending that they be accepted for audit at the next regular meeting in July. The financial statements for the period ended 5/31/19 were just received and will be reviewed by the committee prior to the July Regular Meeting.

When your new Board meets for its first meeting in July, the annual Budget process for 2020 will have begun. A committee will be appointed that includes the CFO to prepare a budget and present it at an open meeting for shareholders participation that will be scheduled sometime in early to mid-August. I encourage all to attend open Board Meetings to observe and participate in the governance of your community. A significant part of the budget is the Reserve Study and contributions needed to maintain the buildings and infrastructure of the Mutual.

An updated Reserve Study will be prepared to reflect the expenditure for improvements done in the past 12 months, and provide estimates for future maintenance responsibilities. Fortunately, Mutual 12 Boards recognized the need to plan for sewer reline/repair as an on-going need so that a \$100,000 allowance (adjusted for inflation annually) was added a few years ago for that purpose. That allowance was spent this year out of the infrastructure reserve account along with expenditures for concrete replacement on the Del Monte carport and asphalt repairs on the remaining non-concrete carports. Even with these expenditures, the overall Restricted Reserve Fund balance remains adequate. An adequate reserve fund typically is defined as "a stable and equitable multi-yr Funding Plan that together provide for the timely execution of the association's major repair and replacement expenses without reliance on additional supplemental funding."

Finally, I would be remiss if I did not acknowledge the support, encouragement and diligence of my fellow Board Members this term, President Carson, Vice President Anderson, Secretary Sprague and Directors Milek and Mortesen. I also want to thank our Golden Rain Representative Lucille Findlay and the Golden Rain Staff for their invaluable help throughout the year. My last thanks go to the Buildings Captains of my Parcel 9, Buildings 40-47 who help keep communications flowing.

Thank you for your attention and attendance once again.

Respectfully submitted,


Susan Ferraro
CFO Mutual Twelve

1012 Seal Beach Mutual No. Twelve
Financial Statement Recap
04/30/2019

P.O. Box 2069
Seal Beach CA 90740

Apr Actual	Apr Budget		2019 Y-T-D Actual	2019 Y-T-D Budget
115,662	115,662	Carrying Charges	462,649	462,648
60,808	60,808	Reserve Funding	243,230	243,232
176,470	176,470	Total Regular Assessments	705,879	705,880
2,406	1,614	Financial Income	11,603	6,456
1,087	2,342	Other Income	7,208	9,368
3,493	3,956	Total Other Income	18,811	15,824
179,963	180,426	Total Mutual Income	724,690	721,704
71,506	71,506	GRF Trust Maintenance Fee	283,218	286,024
9,395	14,292	Utilities	37,136	57,168
1,141	1,582	Professional Fees	5,440	6,328
24,569	22,609	Outside Services	85,607	90,436
11,109	9,628	Taxes & Insurance	44,436	38,512
60,808	60,808	Contributions to Reserves	243,230	243,232
178,528	180,425	Total Expenses Before Off-Budget	699,067	721,700
1,434	1	Excess Inc/(Exp) Before Off-Budget	25,623	4
7,113	0	Depreciation Expense	31,525	0
(5,679)	1	Excess Inc/(Exp) After Off-Budget	(5,902)	4
		Restricted Reserves		
460	0	Appliance Reserve Equity	31,782	0
6,654	0	Painting Reserve	143,166	0
33,370	0	Roofing Reserve	875,480	0
2,806	0	Emergency Reserve Equity	295,934	0
20,595	0	Infrastructure Reserve	35,601	0
63,886	0	Total Restricted Reserves	1,381,965	0



GRF Executive Directors Annual Meeting Report

Dear Mutual Twelve,

As we look back at the 2018/19 term, remembering our accomplishments while always reflecting on our half a century as a premier community, but we are also inspired and excited by our future. We look to continue to engage the community for your input and support of GRF's mission:

*The Golden Rain Foundation provides an enhanced quality of life
for our active adult community of Seal Beach Leisure World*

Over the years, I have come to see our community as a family. Family is a group of people who share a passion and a vision or simply care deeply for another person. At Leisure World Seal Beach, we are a large and diverse family of Shareholders/Members neighbors, community leaders, staff and friends.

A very sincere thank you to Mutual Twelve, GRF representative, Lucille Findlay, and the Board members of Mutual Twelve; you unselfishly volunteer your time to serve on a Board. The care and concern you show to your fellow Shareholders, is an inspiration for us all.

You treat everyone with respect and kindness, no matter what the situation is. Your collective accomplishments in helping and serving our community does not go unnoticed. The key to success rests in you, who embody the spirit of community by unselfishly asking "what may I do for you"?

I and the staff of GRF, thank you for the lasting friendships gained working with you; we are stronger, better, committed and passionate about our mission. Our standards of success are high and today is a great opportunity be able to celebrate our community and be grateful for our achievements.

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

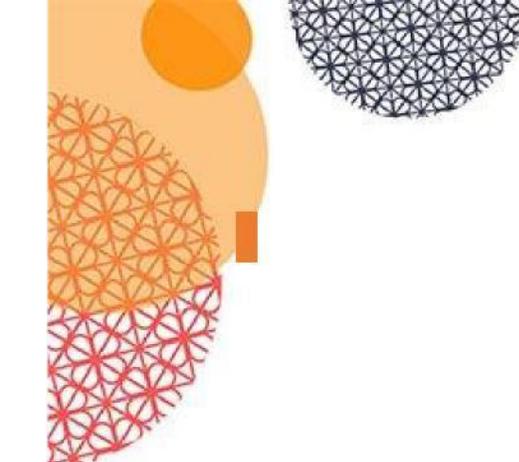
Thank you again for your support and partnership and, most importantly, for allowing my staff and I to be a part of your community and, especially, part of your lives.

With gratitude,

Randy Ankeny, Executive Director

"Without a sense of caring, there can be no sense of community"

Anthony J. D'Angelo



Annual Mutual Shareholders' Meeting 2019

We've come through another great year that was filled with both challenges and victories. How reassuring it has been to know that we can count on all our efforts.

Let's take this opportunity and thank everyone for all the efforts throughout the year. The greatest gift you can give is your time. Volunteers give their time and are the lifeblood of any Community. The work you have accomplished emphasizes the values and priorities of your Community. I truly enjoy each meeting, the conversations that are had and the valuable information that is shared.

Thank you to the Mutual Board of Directors. For you this is an add-on to the many things you do including your career, your family, your social life and other volunteer opportunities. Thank you for always answering our calls, responding to our emails and bringing your dedication, loyalty, commitment, experience and resources to the job of making life better for all of us.

Our team of staff members, along with the new or returning Mutual Directors, are willing to take on another year to continue the growth of our Community by incorporating everyone and working for the good of all.

Thank you to the GRF Board of Directors, more specifically your GRF Representative.

Our Executive Director, Mr. Randy Ankeny – Thank you for your vision, your extraordinary ability and leadership to guide us always. We appreciate the efforts made by you. With your leadership, we look forward to the next year working with the Board to continue to have many successful years. My sincere appreciation and gratitude.

Thank you to everyone for your part in our journey.

In the words of John E. Southard, let me say, *"The only people with whom you should try to get even with are those who have helped you."*

Sincerely,

Jodi Hopkins

Mutual Administration Director

