

**MINUTES OF THE ANNUAL SHAREHOLDERS MEETING
SEAL BEACH MUTUAL TWELVE
JUNE 10, 2021**

The Annual Meeting of the Shareholders of Seal Beach Mutual Twelve, a California corporation, was called to order by President Carson at 10:02 a.m. on Thursday, June 10, 2021, 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 May 13, 2021, regular board meeting, Nancy Jordan of Unit 47-L, declared her 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 11, 2021.

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

INTRODUCTION OF CANDIDATES

The following nominated candidates were introduced as follows:

Tony Anderson (Incumbent)
Richard Carson (Incumbent)
Susan Ferraro (Incumbent)
John Hoover (Incumbent)

Darlene Milek (Incumbent)
Cindy Mortesen (Incumbent)
Rose Marie Sprague (Incumbent)

**ANNUAL SHAREHOLDERS MEETING
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President Carson entertained a motion to close the nominations.

Upon a MOTION duly made by Gary Sprague, Unit 35-H, and seconded by Noreen Mandel, Unit 64-J, 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 balloting was now closed and informed Shareholders that all members are welcome to observe the counting process on the monitors and the counting of the ballots would be shown live on Zoom.

POSTING RESULTS

President Carson stated that within 15-days of the elections, the Board shall give members general notice pursuant to Civil Code Section 4045 of the tabulated results of the elections. Results of this election will be posted on the main doors of all clubhouses upon completion of the final tally of ballots.

MINUTES

President Carson asked for a motion to dispense with reading the minutes of the last Annual Shareholders Meeting held on August 13, 2020, and be approved as printed, and distributed.

Upon a MOTION duly made by Gary Sprague, Unit 35-H, and seconded by Richard Taylor, Unit 64-E, it was

RESOLVED that the annual shareholders meeting minutes of August 13, 2020, be approved as printed and distributed.

The MOTION passed.

INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS

President Carson introduced the current 2020-2021 board members:

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

President Carson then introduced the elected GRF Representative Carole Damoci, Executive Director Randy Ankeny, Portfolio Specialist Anna Gamboa, and Recording Secretary Josh Monroy.

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

Mrs. Damoci presented her report (attached).

EXECUTIVE DIRECTOR'S REPORT

Mr. Ankeny presented his report (attached).

PORTFOLIO SPECIALIST REPORT

Ms. Gamboa presented her (attached).

President Carson called for a recess from 10:30 a.m. – 11:28 a.m.

SHAREHOLDER COMMENTS

Several shareholders made comments.

ELECTION RESULTS

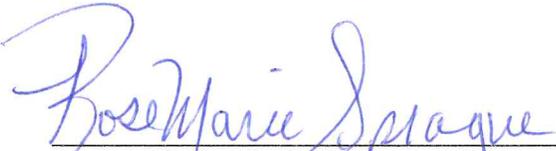
Ms. Cheryl Wilson of Accurate Voting Service, Inc., reported the following results of the election: With 236 members representing 52% of the total voting power in Seal Beach Mutual No. Twelve the following candidates were elected for the 2021-2022 term of office. Parcel 1 Vacant 0 votes; Parcel 2, Rich Carson elected with 289 votes; Parcel 3, Tony Anderson elected with 228 votes; Parcel 4 Vacant 0 votes; Parcel 8 Cindy Mortesen elected with 131 votes; Parcel 9 Susan Ferraro elected with 245 votes; Parcel 10 Rose Marie Sprague elected with 230 votes; At-Large John Hoover elected with 157; At-Large Darlene Milek elected with 224. Additionally, four ballots were cast that abstained from voting, four quorum only and two that over voted.

BYLAWS AMENDMENT VOTE

With a majority needed of 158 “yes” votes, the measure of *Amendment and restatement of Bylaws* failed with 142 “yes” votes and 58 “no” votes and 35 quorum only and 1 abstention.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 11:34 a.m.



Attest, Rose Marie Sprague, Secretary
SEAL BEACH MUTUAL TWELVE

JM: 06/16/2021
Attachments

Mutual 12 Annual Meeting Report June 10, 2021

Board of Directors

Richard Carson, President, Ex-officio member of all Committees

Tony Anderson, Vice President, Physical Property Committee Chair, Landscape Committee Chair

Rose Sprague, Secretary, Landscape, Budget, and Policies & Procedures Committees'

Susan Ferraro, Chief Financial Officer, Financial Review and Budget & Government Documents Committee Chairs.

Cindy Mortesen, Director, Parking Committee Chair

Darlene Milek, Director, Pets Committee Chair, Government, Parking & Policies& Procedures Committees

John Hoover, Director, Physical Property, Landscape & Electric Charging Stations Committee Chair.

President's Message:

Thanks to Covid-19 each of us in Leisure World has had to work under a completely different set of circumstances than we were used to. We all stayed at home as much as we could, wore uncomfortable mask that did not make sense to many. Washed groceries we shopped for in crowded stores that were short on many items. Toilet paper almost became a bargaining tool. We had to learn how to "ZOOM" in on each other to communicate and keep that 6-foot separation from everyone else in the world. Our favorite Clubhouses were locked out for our use, as well as our favorite eating establishments all over the county.

Despite all that, roofing contracts were still agreed upon, our landscape issues were dealt with as best as could be. Our dry rot repairs were completed, our new building signs are almost complete. We have had new outside attic doors and frames replaced. The tree trimming was finally completed, grass seeding and grubworm spraying was done. Many of our walk lights were repaired, washer & dryers repaired or replaced. But we have more to do. As things open, we hope to get back to using our Building Captains again to pass out our monthly meeting minutes. In other words, we are looking forward to getting back to normal even if it's a "new normal".

I thank all of you in Mutual 12 for keeping us advised of issues, being patient, and staying safe.

I would also like to welcome a new member to our Board, Mr. John Hoover. He brings a wide knowledge base to our table. Welcome John!

And we welcome and thank Mrs. Carole Damoci, our GRF Representative, for her invaluable insight and keeping us connected to the "GRF Wheel".

Thank you all,

Rich Carson, President, 2020-2021

Good Morning Everyone

As we now conclude the 2020-2021 term, I would like to first thank my fellow Board Members. It has been a pleasure to work with you all during this very unusual year. Thank goodness we all learned how to use Zoom! I also wish to thank the support staff at Mutual Administration, Physical Property, Service Maintenance, the Security Department, and Inspector Antisdell for all your hard work. Thank you, Carole Damoci, for all the time and effort you spent on the GRF Board of Directors.

When I reflect on this past year, I remember how people waved as they walked by, or smiled with their eyes because we all wore masks. How my neighbors spent time outside sharing stories, DVD's, puzzles, books, an occasional bottle of wine, and most of all showing concern when some of us were experiencing a health crisis. I am so glad that we all survived and wish to thank you all for your companionship. Lastly, thank you Tony & Linda Anderson, for my survival kit which made me smile and helped me to hang on during some very stressful times.

As life returns to normal and we all once again go our own way, I hope that we all remain safe and healthy. I am looking forward to the challenges of the 2021-2022 term. As always you can reach me at rose.sprague@mutual12.org.

Respectfully submitted,

*Rose Marie Sprague
Secretary*

CHIEF FINANCIAL OFFICER (CFO) REPORT
ANNUAL MEETING JUNE 10, 2021

Good morning and welcome to those who are attending in person and to those who are watching on video.

My role as CFO is to report the financial condition of Mutual No. 12. The currently available Financial Statement recap for the period ending April 30, 2021 is attached. Before I get to the numbers, I want to thank the Financial Review Committee Members, Darlene Milek and Tony Anderson for their diligence and support in attending our monthly meetings.

As of 4/30/21:

Cash General Operations	\$373,284
Reserves:	
Appliance	\$ 23,672
Painting	\$ 206,850
Roofing	\$1,823,878
Infrastructure	\$ 233,072
Emergency/Contingency	<u>\$ 299,294</u>
Total	\$2,586,766
Less Contract Commitments	<u>\$1,384,992</u> (Roofing Contract and Metal Utility Doors)
NET RESERVES	<u>\$1,201,774</u>
M12 2021 Operating Excess Income	\$ 38,721
GRF Refund 2020 Excess Income	\$ <u>35,852</u>
TOTAL EXCESS INCOME	\$ <u>74,573</u>
Shareholder Receivables	\$ 16,468

We all know this past year has presented each of us, including Mutual 12 with daily challenges. Among those challenges were that there were no more meetings together in person, there was a need to learn video conferencing via zoom, and how to smile behind a mask to name just a few. It also became necessary to postpone maintenance and improvement projects.

In particular, the re-roofing project was abruptly halted upon the shut down in March, 2020 due to the Covid-19 pandemic. At that time, Mutual 12 had received bid proposals for the next group of buildings and was ready to accept a contract for 8 buildings with work to commence in early 2021 with an understanding that an additional 8 buildings could be added as a change order for a total of 16 buildings

completed by 2022. Needless to say, that plan was no longer viable. The supply chain for workers and materials was likewise severely disrupted.

Recently, in March 2021, the Mutual obtained a revised proposal with current 2021 pricing. The new pricing increase turned out to be substantial and now includes a materials cost escalator clause anticipated to be an additional 9% added to the contract upon written proof. The mutual's reserve spending plan had to be re-evaluated and adjusted as a result.

The board reviewed the following cost information:

In 2019-2020 the roofing cost including stove vents and dry rot repair per apartment was \$7,864.

Today the 2021-2022 the roofing cost including stove vents and dry rot repair per apartment is \$12,234, a 56% increase.

The Mutual has 28 roofs remaining to be re-roofed excluding the carports. The board considered a number of options and ultimately determined that it was necessary to reduce the number of buildings to be re-roofed from 16 to 14, for this cycle.

As stated earlier in this report, the available roofing reserve account balance as of April 30, 2021 is \$1,823,878 and we have contracts for a potential expenditure of \$1,517,000, leaving about \$300,000 after completing this phase of the work. At this time the board does not intend to use funds allocated to Infrastructure or Painting Reserve accounts for roofing. The roofing reserve will continue to be funded monthly through assessments and the remaining 14 roofs will be scheduled to be re-roofed as soon as practicable, albeit at a slower pace, in order to avoid any potential special assessments.

Further, during the 2022 Budget Process beginning in July, the board will work closely with our Reserve Study consultants on a funding plan that will meet today's challenges.

In closing, I would be remiss if I did not acknowledge the support, encouragement and collaborative efforts of my fellow Board Members for the work done this term. My heart felt appreciation to President Carson, Vice President Anderson, Secretary Sprague, and Directors Milek, Mortesen and Hoover. I also want to thank our Golden Rain Representative Carole Damoci and the Golden Rain Staff for their assistance throughout the year.

Respectfully submitted, 
Susan Ferraro
CFO Mutual No. Twelve

1012 Seal Beach Mutual No. Twelve
Financial Statement Recap
04/30/2021

P.O. Box 2069
Seal Beach CA 90740

Apr Actual	Apr Budget		2021 Y-T-D Actual	2021 Y-T-D Budget
123,169	123,170	Carrying Charges	492,678	492,680
64,935	64,935	Reserve Funding	259,739	259,740
188,104	188,105	Total Regular Assessments	752,417	752,420
110	619	Financial Income	238	2,476
6,562	1,718	Other Income	18,622	6,872
6,672	2,337	Total Other Income	18,860	9,348
194,777	190,442	Total Mutual Income	771,277	761,768
74,603	74,603	GRF Trust Maintenance Fee	262,560	298,412
13,912	13,682	Utilities	50,212	54,728
253	1,564	Professional Fees	(532)	6,256
17,247	24,328	Outside Services	71,682	97,312
13,848	11,332	Taxes & Insurance	53,043	45,328
64,935	64,935	Contributions to Reserves	259,739	259,740
184,798	190,444	Total Expenses Before Off-Budget	696,704	761,776
9,979	(2)	Excess Inc/(Exp) Before Off-Budget	74,573	(8)
12,070	0	Depreciation Expense	48,279	0
(2,091)	(2)	Excess Inc/(Exp) After Off-Budget	26,294	(8)
Restricted Reserves				
(1,642)	0	Appliance Reserve Equity	23,672	0
0	0	Painting Reserve	206,850	0
(1,195,881)	0	Roofing Reserve	511,686	0
0	0	Emergency Reserve Equity	299,294	0
(64,939)	0	Infrastructure Reserve	160,271	0
(1,262,462)	0	Total Restricted Reserves	1,201,774	0

Another year has come to an end. The last year has been something most, if not all, of us have ever seen before. The complete shutting down of LW was not something GRF wanted to do but I believe it saved lives in our community. We fared much better than the surrounding areas in sickness and deaths.

I'd like to thank Randy Ankeny, our Ex. Director. His work to bring the Covid-19 shots inside our walls was very much appreciated by all. The GRF employees' had to really step up to the plate to make this happen in the short amount of time they were given. Sometimes only a few day. In all over 4,900 shots were given in the community. Hopefully the worse is behind us.

As clubhouses and recreational venues inside our walls start to open we can get our lives back on tract. There will still be a few challenges ahead. The pool and the 1.8 acre mini farms to name a few. Work on the pool has picked up and we should a firm timeline if the next few weeks.

The amphitheater will be reopening for 4 shows and 6 movies later this summer.

GRF and Mutual meetings are returning to live meetings. I would like to see the video part keep

happening going forward. Many more Shareholders have been able to watch the meetings on line then have ever attended in person. This is a good thing.

I would like to thank the Mutual 12 Board. While Covid-19 may have grounded most of us but these people still had to carry on with their tasks. The business of the Mutual still needed to go on and they made that happen.

I would like to end by thanking the Shareholders of Mutual 12 for the honor of serving as their GRF Representative for the past year. Please feel free to contact me with any questions you have. If I don't have the answer I will find it.

Carole S. Damoci

GRF Director

Mutual 12



2020/2021 Annual Report

Together Again

On March 11, 2020, the world came to a standstill with the declaration of COVID-19 as a global pandemic. 430 plus days have now gone by since then, with over 325 days of operation under the 2020/21 Board terms. We stood together during this confusing and difficult time. Together we have seen our priorities massively shift due to COVID-19, and it was eye opening, how much can change in a short period of time, how much we took for granted.

We held our community together during this time of challenge, we adapted, we stayed strong, and ultimately, We Are Prevailing.

The odds are pretty high that each of us may have suffered a loss, knew someone who had to endure this horrible disease, and experienced social isolation though stay at home orders. We lost the opportunity to shake hands, the gift of a smile, or even a hug to someone in need.

How will this term be remembered? The masks we wore, loss of control in our everyday lives being snatched away from living behind closed doors and as a community being brought face to face with our new reality. But from this term, I believe something wonderful has emerged. Can the past year, in fact, become the best year of our lives? 2020/21 Board terms has reminded us, every day, that our collective lives are intertwined in more ways than we can appreciate.

We are each other's safekeepers. Each other's hope.

We learned to value the interconnectedness that binds us.

We were all part of helping and supporting each other. This is evident in the many acts of goodness, kindness, and random acts of compassion we've seen over the past few months. This is the founding premise of our community, "neighbors helping neighbors."

Yes, we accomplished many projects (see attached), with the key project being **togetherness** and community unity.

Please take some time today to think about what we have accomplished together. Our commitment to our very special community and how much we value our safe and healthy home.

I want to thank the GRF Board, Mutual Boards and all Shareholders of Leisure World Seal Beach for raising to the many challenges. I could not imagine enduring what we have all endured together without you.

The following quote sums up perfectly who we are:

“Isn’t everyone a part of everyone else”

Budd Schulberg

Thank you for allowing us to be part of your community and your lives.

Respectfully submitted.

Randy Ankeny



2020/2021 Project Report

During the GRF 2020/2021 GRF Board Term the following projects were approved

- Trust property enhancement and renovation, Fitness Center, Reserve Funding in the amount of \$170,950 and Capital Funding in the amount of \$61,505 – Completed.
- Installation of an Orange County Registrar of Voters, On Site Ballot Drop Box.
- Annual Flu Shot Clinic, provided through Optum Care.
- 2020 Paving Project, Reserve Funding in the amount of \$630,511 - Completed.
 - Northwood – Del Monte to St. Andrews
 - Oakmont
 - Church Place
 - CH2 Parking Lot (Between CH2 and RV Lot)
 - CH3 and CH4 Parking lots
 - Foxburg
- Installation of Synology NAS Backup Solution for enhance data storage, Capital Funding in the amount of 3,556 – Completed.
- Replaced the Forklift, Reserve funding in the amount of \$26,336.10 – Completed.
- Landscape replacements (CH2 and Service Maintenance), Reserve Funding in the amount of \$5,690 – Completed.
- Installation of Paramount Workplace Solution Software (Purchasing Requisition), Capital funding in the amount of \$41,220 and Non-Budget Operational funding in the amount of \$3,780 – Completed.
- Trust property enhancement and renovation, Amphitheater Loft (Center for Performing Arts), Capital Funding in the amount of \$30,000 – Completed.
- 2020 Paving Project (Additional street replacement), Foxburg Road, Reserve funding in the amount of \$106, 225 – Completed.
- Trust property enhancement, Pedestrian Safety Fences (St Andrews and CH3), Reserve funding in the amount of \$21,465 – Completed.
- Renaming of Trust Property, the Golf Course was renamed to Turtle Lake Golf Course.
- Trust property enhancement and renovation, RV lot main entrance, \$ 23,600
- Sewer Lift Station, Core Components replacements, Reserve funding in the amount of \$25,547 – Completed.
- COVID-19 Vaccine Program, First Special Dispensing Point of Vaccine in Orange, 4,915 community members were vaccinated.

- Trust property enhancement and renovation, Purchasing Department Office improvements and ergonomics solutions, Capital Funding in the Amount of \$3,000 – Completed.
- Street Project, Spandrel Replacement on El Dorado, Reserve Funding in the amount of \$9,512 – Completed.
- Trust property enhancement and renovation, CH2, Pools and Game Room, Reserve Funding in the amount of \$189,688 and Capital Funding in the amount of \$74,883 – In process, with a June 2021, completion.
- Trust property enhancement and renovation, Phase Two, Administration Workstation and ergonomics, Reserve Funding in the amount of \$4,000 and Capital Funding in the amount of \$2,150 - Project start, June 2021 with an estimated 6-week project period.
- HVAC Replacement, CH6, Unit 4, Reserve Funding in the amount of \$9,500 – Completed.
- Trust property enhancement and renovation, CH3 Fireplace renovation (removal of surround and new stone veneer), Capital funding in the amount of \$10,000 - Project to start, July 2020 with a 6-week project period.
- Trust property enhancement and renovation, Building 5, Elevator upgrades, Reserve Funding in the amount of \$50,097 - Project to start, July 2020 with a 6-week project period.



ANNUAL SHAREHOLDERS' MEETING 2021

Dear Leisure World Seal Beach Shareholders and Homeowners,

Thank you for your presence here today either via Zoom, telephone or in person. We would like to first acknowledge each and every one of you for your patience and strength during this challenging year. We saw our beautiful community come together and provide services with friendly covered smiles and we are so incredibly proud of that.

Thank you to all the volunteers at every level that made the year possible. To all who contributed to the COVID clinic, thank you. We saw the lines of residents who got their first and second vaccine. People helped their friends and neighbors register and drive them out for their appointment. We saw the friendly faces staying late to make sure that all those with appointments got their vaccination. When a community comes together, to look after one another, we achieve great things like this.

As a community we heard the voices of the shareholders to open the amenities, although limited, we look forward to seeing all of the wonderful resources we have to offer available once again to everyone. It was all of you who stepped up and with patience taking steps towards our new normal. We applaud you all who went with the many changes, and yes, some last-minute changes, as they happened with optimism.

Thank you as we could never do anything here in Leisure World without the vision, ideas, labor, and support of all of you who volunteer on the boards and committees. Thank you to the Mutual Board of Directors for your dedication, loyalty, commitment, experience, and resources to the job of making life better for all of us. Thank you to the Mutual Directors whom year after year commit to represent their shareholders, effectively run their Mutuals, and provide insightful knowledge to staff.

Our team of staff members, thank you for aiding in the growth of our Community by incorporating everyone and working for the good of all. We will continue to have many successful years.

Thank you to our Executive Director, Mr. Ankeny for continuing to spearhead our way out of this historical period. The work continues and we look forward to working with a team dedicated to providing the best to our community.

In closing, my sincere appreciation and gratitude. Thank you all, we wish everyone a happy and healthy rest of the year. And if you need us, you know where to find us! 😊

Sincerely,
Jodi Hopkins, Mutual Administration Director
Anna Gamboa, Portfolio Specialist
Ripa Barua, Portfolio Specialist

