

**MINUTES OF THE ANNUAL SHAREHOLDERS MEETING
SEAL BEACH MUTUAL TWELVE
JUNE 08, 2023**

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 8, 2023, in Clubhouse 4.

PLEDGE OF ALLEGIANCE

Daniel Addis 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 13, 2023 Regular Board Meeting, John Hlavac of unit 18-C, declared his intent to vote cumulatively at this Annual Shareholders' Meeting.

CERTIFICATION OF NOTICE OF MEETING

Secretary Rose Sprague read the Certification Notice:

I, Darlene Milek, Secretary for Seal Beach Mutual No. Twelve, hereby certify that the Notice of Annual Shareholders' 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, 2023.

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

INTRODUCTION OF CANDIDATES

The following nominated candidates were introduced as follows:

Richard "Rich" Carson (Incumbent)	Rose Marie Sprague (Incumbent)
Darlene Milek (Incumbent)	Kathleen "Kathie" Hogan
Daniel L. Addis (Incumbent)	John S. Hoover (Incumbent)
Susan D. Ferraro (Incumbent)	John M. Kaplan (Incumbent)

President Carson entertained a motion to close the nominations.

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Upon a MOTION duly made by Gary Sprague, Unit 35-H, and seconded by Elinore Petoletti, Unit 39-K, it was

RESOLVED that the nominations be closed.

The MOTION passed.

BALLOTING

Ms. Lynn Colclough 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 June 9, 2022, and be approved as printed, and distributed.

INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS

President Carson introduced the current 2022-2023 board members:

Rich Carson, President
Rose Marie Sprague, Vice President
Susan Ferraro, Chief Financial Officer
Darlene Milek, Secretary
John Kaplan, Director
John Hoover, Director
Daniel Addis, Director

President Carson then introduced the elected GRF Representative Carole Damoci, Mutual Administration Director, and Portfolio Specialist Antoine Jackson.

PRESIDENT'S REPORT

Mr. Carson presented his report (attached).

VICE PRESIDENT'S REPORT

Ms. Sprague gave a verbal report.

SECRETARY'S REPORT

Ms. Milek presented her report.

CHIEF FINANCIAL OFFICER'S REPORT

Ms. Ferraro presented her report (attached).

GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT

Mrs. Damoci gave a verbal report.

PORTFOLIO SPECIALIST REPORT

Mr. Jackson presented his report (attached).

President Carson called for a recess from 10:42 a.m. – 10:54 a.m.

SHAREHOLDER COMMENTS

Several shareholders made comments.

ELECTION RESULTS

Ms. Lynn Colclough of Accurate Voting Service, Inc., reported the following results of the election: With 221 members representing 48% of the total voting power in Seal Beach Mutual No. Twelve the following candidates were elected for the 2023-2024 term of office. Parcel 1 Vacant 0 votes; Parcel 2, Rich Carson elected with 273 votes; Parcel 3, Darlene Milek elected with 198 votes; Parcel 4 Vacant 0 votes; Parcel 8, Daniel L Addis elected with 99 votes; Parcel 9 Susan D. Ferraro elected with 192 votes; Parcel 10 Rose Marie Sprague elected with 204 votes; At-Large Kathleen Hogan elected with 150 votes; At-large John Hoover elected with 126; At-Large John Kaplan with 116. Additionally, two ballots were cast that abstained from voting, eight quorum only.

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AMENDED OCCUPANCY AGREEMENT

Measure # 2: 184 votes to approve, 23 votes to disapprove, 3 abstain votes. The measure passes.

AMENDED AND RESTATED BYLAWS

Measure # 3: 184 votes to approve, 25 votes to disapprove, 1 abstain vote. The measure passes.

PROPOSED AMENDMENT TO BYLAWS REGARDING PATIOS

Measure # 4: 163 votes to approve, 42 votes to disapprove, 5 abstain votes. The measure passes.

APPROVAL OF MINUTES OF 2022 ANNUAL MEETING

Measure # 5: 193 votes to approve, 12 votes to disapprove, 5 abstain votes. The measure passes.

ADJOURNMENT

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

Attest, Darlene Milek, Secretary
SEAL BEACH MUTUAL TWELVE
DE: 06/20/23
Attachments

PRESIDENT'S REPORT
ANNUAL SHAREHOLDERS MEETING
JUNE 9, 2022

I would like to echo the other M-12 Board members by saying thank you to all the Building Captains and Shareholders for doing an outstanding job. Without Building Captains and the sharp eyes of our shareholders reporting issues within the mutual this job would be much harder to conduct.

I would like to remind all Shareholders of issues we still are having within our mutual community.

1. **Trash bins.** The white recycle bins are filling up faster than normal because Shareholders still refuse to cut up their cardboard boxes. These boxes should be cut to lay flat and allow for more room in the bin.
2. **Heavy trash items,** such as chairs, tables, bed frames, TVs, are being dumped on the ground by the bins. These heavy items should be taken to the "mini farm" area where there are large bins meant to hold these items. When these heavy items are left by our bins, we must call maintenance to haul them away and the mutual is charged a fee. This fee is shared by all of you. If you are not sure where the mini farm area is, ask your director to guide you there.
3. **"Give away trash."** These are items folks tend to think someone else may want. They are left on the trash bin walls or the ground with the idea that someone may be able to use them. *"Your trash is everyone's trash."* If you no longer want an item, either give it to someone, donate it or put it in the trash bin. Otherwise, your directors eventually end up throwing these items away. We need to keep our mutual looking good. Trash left on the walls or ground does not do justice to your mutual.
4. **"NO WIPES IN THE PIPES"** This has been discussed by GRF and your mutual for at least two years. Even though a package of wipes may say "ok to flush," does not make it so. Please do not put these in your toilets. These wipes are meant for new plastic type sewer pipes. They are not meant for 60+ year old metal pipes that are deteriorating. These have caused drain stoppages in the system which have required your mutual to pay thousands of dollars to repair.
5. **Kitchen sink disposals.** We still have Shareholders who think these are meant for chicken bones and other heavy cooking trash. *They are not!* Trash goes into your trash bins, not the kitchen sink disposals. This type of trash drains into our

sewer systems which are getting old and help cause stoppages. And when these disposals break, are expensive to replace.

I thank all of you for your due diligence in keeping our mutual looking good and functioning well. Remember, the money your mutual saves is your money.

Respectfully Submitted,

Richard Carson

President Mutual-12

Good Morning Everyone.

To say this was a challenging year would be an understatement! Despite the ongoing pandemic, we learned to use zoom to carry on with the business of Mutual 12. I must admit attending a board meeting in pajamas and slippers was certainly different. Thankfully we now can meet in person and we encourage the shareholders to join us at the monthly meetings to understand what the Board is addressing for the benefit of all shareholders. Thank you to our newest board member, John Kaplan, for volunteering to join us on the Board.

Thank you to all of the Building Captains. Your caring about our community is appreciated.

Thank you to Mutual 12 GRF representative Carol Damoci for the many years of service for the betterment of all of Leisure World.

Of course, without the help from the Mutual Administration Support Staff, Inspector Antidel, the Physical Property, Service Maintenance, Accounting and Security Departments we would not be able to continue to do the business of Mutual 12. Thank you all.

I look forward to the challenges of the 2022-2023 term and hope all of our shareholders remain safe and healthy.

Respectfully submitted,

Rose Marie Sprague
Secretary Mutual 12

CHIEF FINANCIAL OFFICER (CFO) REPORT
ANNUAL MEETING JUNE 9, 2022

Good morning and welcome to all shareholders and GRF staff who are attending either in person via video.

As CFO it is my function to report the financial condition of Mutual No. 12. During the past 12 months things have moved in positive ways. We held a shareholder luncheon, the first since 2019. So much fun with our indoor western style picnic atmosphere. Reroofing of 14 buildings began in February and at this time 11 are completed with 3 remaining. We expect this phase of roofing to be successfully finished by the beginning of July. The last phase of 14 roofs is scheduled for 2023 and is anticipated to be fully funded at that time. Once all building roofs are done, the next major projects will be replacement of the asphalt carport driveways at Twin Hills Drive, and Glenview Drive in 2024 and 2025. Stated in another way, Mutual 12 will be adding to property values at least another two and a quarter million dollars in improvements and upgrades over the next couple of years. This translates in higher property values as reflected in unit sales for the first 4 months of 2022. The average sales price for a 2 bedroom unit was \$410,000. The lowest sales price was \$300,000 and the highest was \$579,000 for a newly heavily remodeled unit.

At this time, before I get to the financial statement recap as of April 30, 2022, I want to thank the Budget and Financial Review Committee Members for the 2021-22 term of office, Darlene Milek and Tony Anderson for their diligence, input, insights and support in attending our monthly meetings.

The numbers as of 4/30/22:

Cash General Operations \$305,548

Reserves:

Appliance	\$ 24,323
Painting	\$ 206,850
Roofing	\$2,112,064
Infrastructure	\$ 243,589
Emergency/Contingency	\$ 299,294
Capital Fund	<u>\$ 32,000</u>
Total	\$2,918,120

Less Contract Commitments \$ 975,827 (Roofing Contract & Sewer Reline #68)
NET RESERVES \$1,942,293

M12 2022 Operating Excess Income	\$ 20,423
GRF Refund Excess Income	\$ <u>14,947</u> (2021 received in 2022)
TOTAL EXCESS INCOME	\$ <u>35,370</u>

Shareholder Receivables \$ 32,686

In closing, my heart felt appreciation to each my fellow board members seated here for their support and spirit of collaboration in meeting our responsibilities and obligations to Mutual12. I also want to thank our Golden Rain Representative Carole Damoci, the Golden Rain Mutual Administration Staff and Finance Department Staff for their assistance throughout the year.

Respectfully submitted,
Susan Ferraro
CFO Mutual No. Twelve





ANNUAL HOMEOWNERS' MEETING 2023

Good Morning,

It is a pleasure to join everyone at this year's Annual Shareholder Meeting to acknowledge all that you have voluntarily given to your community.

Thank you for keeping up your spirits and continuing to volunteer by being flexible, open minded, and doing the work to keep your community moving forward.

All that is completed here in Leisure World is done with the vision, ideas, labor, and support of all of who volunteer on each board and each committee.

Thank you to the GRF Board of Directors and the Mutual Board of Directors whom year after year commit to represent their shareholders, effectively run the Community, and provide insightful knowledge to all of us.

The work continues and we look forward to working with a team dedicated to providing a high quality of life to your active adult community.

Sincerely,

Mutual Administration Department