

**MINUTES OF THE ANNUAL SHAREHOLDERS MEETING  
SEAL BEACH MUTUAL TWELVE  
JUNE 09, 2022**

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 9, 2022, in Clubhouse 4.

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**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 12, 2022 Regular Board Meeting, Lucille Findlay of unit 58-F, 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 10, 2022.

**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)  
Darlene Milek (Incumbent)  
Susan Ferraro (Incumbent)

Rose Marie Sprague (Incumbent)  
John Hoover (Incumbent)  
John Kaplan

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President Carson entertained a motion to close the nominations.

Upon a MOTION duly made by John Hlavac, Unit 008-C, and seconded by Mary Tromp, Unit 077-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 10, 2021, and be approved as printed, and distributed.

Upon a MOTION duly made by Gary Sprague, Unit 35-H, and seconded by Mary Tromp, Unit 077-K, it was

RESOLVED that the annual shareholders meeting minutes of June 10, 2021, be approved as printed and distributed.

The MOTION passed.

**INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS**

President Carson introduced the current 2021-2022 board members:

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Rich Carson, President  
Tony Anderson, Vice President (via Zoom)  
Susan Ferraro, Chief Financial Officer  
Rose Sprague, Secretary  
Darlene Milek, Director  
John Hoover, Director  
John Kaplan, Director

President Carson then introduced the elected GRF Representative Carole Damoci, Portfolio Specialist Monroy, and Recording Secretary Duarte.

**PRESIDENT'S REPORT**

Mr. Carson presented his report (attached).

**VICE PRESIDENT'S REPORT**

Mr. Anderson gave a verbal report.

**SECRETARY'S REPORT**

Mrs. Sprague presented her report (attached).

**CHIEF FINANCIAL OFFICER'S REPORT**

Mrs. Ferraro presented her report (attached).

**DIRECTOR'S REPORT**

Mrs. Milek gave a verbal report.

Mr. Kaplan gave a verbal report.

**GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT**

Mrs. Damoci gave a verbal report.

**PORTFOLIO SPECIALIST REPORT**

Mr. Monroy presented his report (attached).

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

**SHAREHOLDER COMMENTS**

Several shareholders made comments.

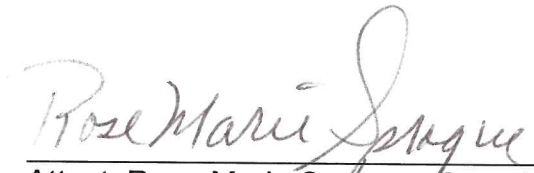
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**ELECTION RESULTS**

Ms. Lynn Colclough of Accurate Voting Service, Inc., reported the following results of the election: With 196 members representing 43% of the total voting power in Seal Beach Mutual No. Twelve the following candidates were elected for the 2022-2023 term of office. Parcel 1 Vacant 0 votes; Parcel 2, Rich Carson elected with 302 votes; Parcel 3, Darlene Milek elected with 181 votes; Parcel 4 Vacant 0 votes; Parcel 8 Vacant 0 votes Parcel 9 Susan Ferraro elected with 246 votes; Parcel 10 Rose Marie Sprague elected with 166 votes; At-Large John Hoover elected with 115; At-Large John Kaplan elected with 189. Additionally, two ballots were cast that abstained from voting, four quorums only.

**ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 10:58 a.m.

  
Attest, Rose Marie Sprague, Secretary  
SEAL BEACH MUTUAL TWELVE  
ND: 06/09/22  
Attachments

**PRESIDENT'S REPORT**  
**ANNUAL SHAREHOLDERS MEETING**  
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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

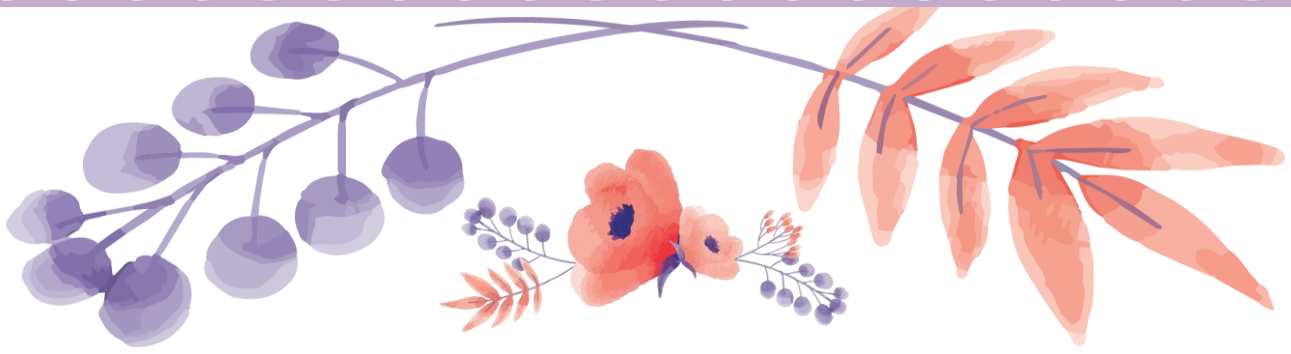
M12 2022 Operating Excess Income	\$ 20,423
GRF Refund Excess Income	\$ <u>14,947</u> (2021 received in 2022)
TOTAL EXCESS INCOME	\$ <u>35,370</u>

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 2022**

Good Morning,

Wow, what a year! We are so happy to be here with you all again to acknowledge all that you have voluntarily given to our community. Your ongoing commitment and support continued as we had another challenging year.

We experienced another year filled with uncertainties So, thank you for keeping up your spirits and continuing to volunteer through the unknowns and lifting the spirits by being flexible, being open minded, and doing the work to keep our community moving forward.

A heart filled thank you to the GRF Board for being calm and patient as they took on the many challenges and for continuing to spearhead our way out of this historical period.

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.

The work continues and we look forward to working with a team dedicated to providing the best to our community.

Sincerely,  
Mutual Administration Department