

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWELVE
July 13, 2023**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Carson at 9:00 a.m. on Thursday, July 13, 2023, Administration Building, Conference Room A and via Zoom Video/Conference Call Meeting.

SHAREHOLDERS' COMMENTS

No shareholders made comments.

ROLL CALL

Present: President Carson, Vice President Sprague (via zoom), Secretary Milek, Chief Financial Officer Ferraro, Director Hogan, and Director Addis

Absent: Director Hoover,

GRF Representative: Ms. Damoci (via zoom)

Guest: Four Mutual 12 Shareholder (in-Person)
Five Mutual 12 Shareholders (via zoom)

Staff: Ms. Schultze, Mutual Accountant (via zoom)
Mr. Antisdell, Building Inspector
Mr. Jackson, Portfolio Specialist
Ms. Rivas, Assistant Portfolio Specialist

GRF REPRESENTATIVE

GRF Representative Damoci provided an update.

GRF Representative Damoci left the meeting at 11:04 a.m.

GUEST SPEAKER

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Addis it was

RESOLVED to accept that the Board of Directors of Seal Beach Mutual Twelve, upon a presentation of the Financial Statements as of December 31, 2022, for the year then ended, and the proposed Accountant's Report as submitted by CliftonLarsonAllen (CLA), hereby accepts the above-mentioned Financial Statements and reports therein, and authorize the President to sign the Management Representation Letter.

The MOTION passed unanimously.

MINUTES

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Vice President Sprague it was

RESOLVED to approve the Regular Meeting Minutes of May 11, 2023, as the changes are corrected.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Vice President Sprague it was

RESOLVED to approve the Organizational Meeting Minutes of June 8, 2023, as printed.

The MOTION passed unanimously

Building Inspector Report

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Addis it was,

RESOLVED to approve amending the Fenn Termite and Pest Control 3-year contract from 2023-2026 for inspection & maintenance of 114 Rodent bait stations, at a cost of \$4,788.00 for year one, \$5,472.00 for year two, and \$5,472.00 for year three. Funds to come from Pest Control and authorize the President to sign any necessary documentation.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Hogan it was,

RESOLVED rescind the resolution dated January 2, 2023 "RESOLVED to approve the proposal from MJ Jurado for painting stop signs, and parking delineators on carport driveways, at a cost not to exceed \$3,500.00. Funds to come from Painting Reserve and authorize the President to sign any necessary documentation."

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Hogan it was,

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RESOLVED to approve the proposal from MJ Jurado for grinding/scraping all areas to be painted and painting with glass beads of all T's & L's for parking and stops at a cost not to exceed \$7,300.00. Funds to come from Painting Reserve and authorize the president to sign any necessary documentation.

The MOTION passed unanimously.

Following Questions Mr. Antisdell left the meeting at 10:20 a.m.

NEW BUSINESS

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Chief Financial Officer Ferraro, it was,

RESOLVED to approve the April and May 2023 financial statements as reviewed per California Civil Code Section 5500 (a)-(f) for audit as presented.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded Vice President Sprague it was,

RESOLVED to **approve** that Mutual Twelve authorizes the Board's President and/or duly appointed officer to act on behalf of the Board to execute the Notice of Intent to Withdraw.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Vice President Sprague, it was,

RESOLVED to **approve** that the Mutual Twelve meeting minutes disclose "yes" votes, "no" votes, and abstentions in the meeting minutes.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Hogan it was,

RESOLVED to **deny** that the Mutual Twelve Board of Directors authorizes the Mutual Administration Department to release director contact information as requested.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Chief Financial Officer Ferraro, it was,

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RESOLVED **approve** that Mutual Twelve **does not support** or authorize the signing of the Property Tax Postponement Application from the State of California. The Mutual further authorizes the GRF Finance Department to notify the Board if a shareholder requests a Property Tax statement.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Vice President Sprague, it was,

RESOLVED to **approve** a commitment by the Board of Directors of Mutual Twelve, to help support the unified mission of the collective mutuals of Leisure World Seal Beach, to ensure appointments are made to meet with GRF staff.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Addis, it was,

RESOLVED to approve that Mutual Twelve authorizes, that according to Procedure 12-7510-3 – Eligibility Requirements, if there is a question of financial eligibility; Mutual Twelve will NOT be contacted by the Stock Transfer Office in the event of a non-qualifying financial issue, and furthermore to send a letter to the Golden Rain Foundation to state that Procedure 12-7510-3 – Eligibility Requirements, and all Mutual Twelve Rules and Regulations and Procedures, are to be followed as written.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Addis it was,

RESOLVED that all board members of Mutual Twelve Board of Directors sign the Code of Conduct and Code of Ethics 2023-2024, as amended to be the corrected copy given by Mutual Attorney.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Hogan it was,

RESOLVED to authorize CFO Ferraro to request Mutual 12's attorney to review the proposed Annual Request for Member Contact Information required by the Civil Code Section 4041 and the Restated Bylaws.

The MOTION passed unanimously.

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Following a discussion, and upon a MOTION duly made by President Carson and seconded by Secretary Milek, it was,

RESOLVED to approve the CINC Resident Portal & Invoice Approval from GRF, Functions to be turned on at a later time.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Addis, it was,

RESOLVED to approve the purchase of one new certificate of deposit at US Bancorp in the amount of \$225,000, funds to come from US Bank Money Market Reserve account, for a term not to exceed one year at the prevailing interest rate.

The MOTION passed unanimously.

SECRETARY / CORRESPONDENCE

Secretary Milek received no correspondence.

CHIEF FINANCIAL OFFICER'S REPORT

Chief Financial Officer Ferraro presented her report. (handout)

PORTFOLIO SPECIALIST REPORT

Portfolio Specialist Jackson presented his report. (attached)

ANNOUNCEMENTS

- a. **NEXT BOARD MEETING: Thursday, August 10, 2023, at 9:00 a.m. Location: Administration Building, Conference Room B and via Zoom Video/Conference Call Meeting.**

COMMITTEE REPORTS

Governing Documents Committee
CFO Ferraro did not provide an update.

Luncheon Committee
CFO Ferraro did not provide an update on Luncheon meeting.

Landscape Committee
Secretary Milek provided an update on the Landscape committee.

Physical Properties Committee
President Carson provided an update.

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Pets & Caregivers

No update was provided.

Financial Review Committee

CFO Ferraro provided an update on the Financial Review Committee.

DIRECTORS' COMMENTS

Several Director made a comment.

SHAREHOLDERS' COMMENTS

Two shareholders made a comment.

GRF Representative Ms. Damoci left the meeting at 10:25 a.m.

ADJOURNMENT

There being no further business to conduct, President Carson adjourned the meeting at 11:39 a.m. and announced there would be an Executive Session following the meeting.

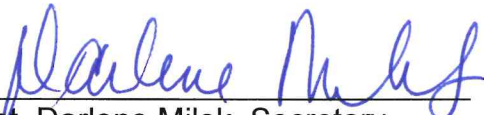
EXECUTIVE SESSION SUMMARY

The Board met in Executive Session on July 13, 2023, and took the following actions:

The Board approved the Regular Executive Meeting Minutes of May 11, 2023.

1. Legal Matters
 - a. Legal matters were discussed.
2. Contracts
 - a. No contracts were discussed.
3. Assessments / Delinquencies
 - a. Several Assessment/Delinquencies discussed.
4. Disciplinary Hearings
 - a. No disciplinary hearing was discussed.

The Executive Session was adjourned at 12:01 a.m.



Attest, Darlene Milek, Secretary
SEAL BEACH MUTUAL TWELVE
CC/AJ: 07/13/23
Attachments

SPECIAL MEETING ANNOUNCEMENTS AND AGENDAS ARE POSTED IN LAUNDRY ROOM 57 (D SIDE). FOR INFORMAL INDIVIDUAL NOTICE OF SPECIAL

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MEETINGS, CONTACT SECRETARY MILEK AT darlene.milek@mutual12.org OR
EMAIL PRESIDENT CARSON AT RICH.CARSON@MUTUALTWELVE.ORG

	A	B	C	D	E	F	G	H	I
1	INSPECTOR MONTHLY MUTUAL REPORT								
3	MUTUAL: (12) TWELVE)				INSPECTOR: JERRY ANTISDEL				
4	MUTUAL BOARD MEETING DATE: JULY REPORT				Print Date: 7/6/2023				
5	PERMIT ACTIVITY								
6	UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	FINAL INSPECTION	CONTRACTOR / COMMENTS	
574	9-D	REMODEL	BOTH	09/13/22	09/13/23	NO	NONE	CAL CUSTOM INTERIORS	
638	10-D	FLOORING	GRF	06/30/23	08/30/23	NO	NONE	KARYS CARPET	
639	34-B	DOORS	GRF	06/19/23	08/04/23	NO	NONE	BERGKVIST	
641	39-H	HEAT PUMP	BOTH	06/15/23	08/15/23	NO	NONE	ALPINE	
647	44-E	DRYWALL/PAINT	GRF	06/12/23	07/31/23	NO	NONE	BERGKVIST	
681	47-J	HEAT PUMP	BOTH	06/12/23	09/12/23	NO	NONE	GREENWOOD	
685	55-B	ADDING A BATH AT DEN	BOTH	05/01/23	09/30/23	NO	NONE	MAMUSCIA	
753	76-I	ICE MAKER LINE	GRF	06/13/23	07/13/23	NO	07/06/23 FINAL	VICKERS CONSTRUCTION	
754									
802									
804	GREY AREAS HAVE BEEN SIGNED OFF								
870	ESCROW ACTIVITY								
871		NMI	PLI	NBO	FI	COE DATE	ROF		
997	7-G		03/08/23						
998	10-D		02/17/23	05/12/23	05/18/23	06/02/23	06/16/23		
999	11-G		06/23/22						
1010	39-E		06/22/23						
1011	40-A		02/24/23						
1025	55-K		02/17/23	03/06/23	03/09/23	03/23/23	04/13/23		
1042	62-A		04/04/23						
1046	64-E		09/29/22						
1052	68-B		04/05/23						
1053	73-H		04/11/23						
1054	76-L		06/12/23						
1055									
1097	GREY AREAS HAVE BEEN SIGNED OFF								
1098	NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation								
1099	FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds								

	A	B	C	D	E	F	G	H	I
1	INSPECTOR MONTHLY MUTUAL REPORT								
3	MUTUAL: (12) TWELVE)				INSPECTOR: JERRY ANTISDEL				
4	MUTUAL BOARD MEETING DATE: JULY REPORT				Print Date: 7/6/2023				
1122	CONTRACTS AND PROJECTS								
1386	8.A DISCUSS AND VOTE TO APPROVE FENN BAIT STATIONS FOR THREE YEARS								
1387	J.DISCUSS AND VOTE ON PAINTING OF STOPS AND PARKING DELINEATORS ON CARPORTS AND DRIVEWAYS								
1397	K.DISCUSS AND VOTE TO ADD LIGHTS TO GAZEBO (HAND OUT)								
1400	L.DISCUSS BUILDING SIGNS								
1401	LANDSCAPE CONTRACT WITH FOUR STARS GOOD UNTIL 2024								
1403	FENN TERMITE AND PEST CONTROL CONTRACT GOOD UNTIL JUNE 30TH 2026								
1579	CALLS AND VISITE TO UNITS								
1936	59								

CFO REPORT REGULAR MEETING – JULY 13, 2023

The most current Financial Statements received are for the period ended May 31, 2023. The GRF Finance department has now transitioned to the new CINC software. In addition to the monthly review completed by at minimum of 2 board members in compliance with Civil Code §5500, each member of the Board of Directors has received the full report with for their individual review and comment.

The numbers: Operations:

Checking Acct	\$ 72,637
Money Mkt	<u>283,681</u>
Total Operations	\$356,318

Reserves:

Appliance	\$ 41,538
Painting	\$ 227,102
Roofing	\$1,627,647
Infrastructure	\$ 312,449
Emer/Contingency	\$ 261,758
Capital Fund	<u>\$ 15,164</u>
Total Reserves	\$2,485,658

Reserve Commitments: \$ 24,000 (Contracts Payable-Sewer relining)

Available Reserves \$2,461,658

Shareholder Receivables \$ 17,927 (2 Estate accounts over \$1800. 1 account to paid upon sale, 1 account is in collection with attorney)

Operating Income and Expense Comparison: Actual to Budget:

Mutual Income	\$ 15,640	Positive variance
Mutual Expenses:	\$ <u>2,286</u>	Positive variance

Mutual Excess Income: \$ 17,926 Before off budget Depreciation Expense

Mutual Income overall has a positive variance due to the rapid rise of interest rates over this last year going from .05% to just under 5.0%. We are pleased to report that we received \$1800.00 from Laundry Rooms for April and May combined. Plus the \$3500 for the purchase of all old washers and dryers was received and applied to the Appliance Reserve, boosting that account for the future needs.

Susan Ferraro

Respectfully submitted,
Susan Ferraro
Mutual 12 CFO

Portfolio Specialist's Report

July 2023 Election Results Term 2023-2024

Mutual	# of Units	Total # of Ballots Received	Total % of Members Voting	Total Votes Cast for Write-in Candidates Who Accepted Nomination	Total Votes Cast for Abstention Only	Total Votes Cast for Quorum Only
ONE	844	327	38%	0	11	3
TWO	864	467	54%	0	7	3
THREE	432	245	56%	0	15	1
FOUR	396	238	60%	0	5	0
FIVE	492	280	56%	0	0	2
SIX	408	242	59%	0	6	0
SEVEN	384	247	64%	0	5	8
EIGHT	348	205	58%	0	3	2
NINE	384	258	67%	0	12	5
TEN	276	176	63%	0	4	0
ELEVEN	312	158	50%	0	1	0
TWELVE	452	221	48%	0	2	8
FOURTEEN	328	225	68%	0	6	2
FIFTEEN	502	309	61%	0	2	3
SIXTEEN	60	39	65%	0	0	0
SEVENTEEN	126	77	61%	0	0	0