

**MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING
SEAL BEACH MUTUAL SIXTEEN**

May 23, 2018

The Annual Meeting of the Shareholders of Seal Beach Mutual Sixteen, a California corporation, was called to order by President Grenrock at 2:00 p.m. on Wednesday, May 23, 2018, in the Administration Building Conference Room A.

PLEDGE OF ALLEGIANCE

Marcia Clawson led the members in the *Pledge of Allegiance*.

QUORUM

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

SHAREHOLDER DECLARATION

At the March 6, 2018 Regular Board Meeting, Evalene Gardette of Unit 52-A declared her intent to vote cumulatively at this Annual Shareholders' Meeting.

CERTIFICATION OF NOTICE OF MEETING

Secretary M. Clawson read the Secretary's Certification Notice as follows:

I, Marcia Clawson, Secretary for Seal Beach Mutual No. Sixteen, hereby certify that the Notice of Stockholders' Meeting and Ballot was mailed in accordance with Article IV, Section 4, of the Bylaws of said Corporation to all subscribers of common stock as of April 23, 2018.

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

EXPLANATION OF WRITE-IN CANDIDATE

Ms. Cheryl Wilson from Accurate Voting Services explained the process of a write-in candidate and nomination of that write-in candidate.

INTRODUCTION OF CANDIDATES

The following candidates nominated for the 2018-2019 term of office were introduced as follows:

Jay Clawson (Incumbent)
Marcia Clawson (Incumbent)
Alfred (Al) Grenrock (Incumbent)

Signe Merrifield (Incumbent)
Loni (Evalane) Gardette (New)

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President Grenrock called for nominations from the floor. There being no further nominations, President Grenrock requested a motion to close the nominations. Upon a MOTION duly made by Cynthia MacFarland, Unit 50-E, and seconded by Betty Ku, Unit 51-G, it was

RESOLVED, That the nominations be closed.

The MOTION passed unanimously.

BALLOTING

Ms. Cheryl Wilson, Accurate Voting Services, Inc., thanked the Mutual for the opportunity to provide this election procedure for the Mutual. They are 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 Sixteen's new Directors.

President Grenrock announced that the ballot boxes were closed and said that any interested shareholders may accompany Accurate Voting Services to the counting area to observe the counting of the ballots. The results of the election will be posted on the main doors of all the clubhouses. When the counting is completed, the newly-elected Board will hold its Organizational Meeting to elect officers.

MINUTES

President Grenrock asked for a motion to dispense with the reading of the minutes of the last Annual Shareholders' Meeting held on May 24, 2017, and that they be approved as printed and distributed. Upon a MOTION duly made by Alice Buckle, Unit 54-E, and seconded by Cynthia MacFarland, Unit 50-E, it was

RESOLVED, That the Annual Shareholders' Meeting Minutes of May 24, 2017 be approved as printed and distributed.

The MOTION passed unanimously.

INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS

President Grenrock introduced the current 2017-2087 Board members:

Al Grenrock, President/CFO
Signe Merrifield, Vice President
Marcia Clawson, Secretary
Jay Clawson, Director
Jeannette Jones, Director

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President Grenrock then introduced Golden Rain Foundation Representative, Suzanne Fekjar (who was absent), Executive Director Randy Ankeny; and Mutual Administration Director, Jodi Hopkins.

PRESIDENT'S/CHIEF FINANCIAL OFFICER'S REPORT

Mr. Grenrock presented his report (attached).

VICE PRESIDENT'S REPORT

Ms. Merrifield presented her report (attached).

CHIEF FINANCIAL OFFICER'S REPORT

Mr. Grenrock presented his report (attached).

EXECUTIVE DIRECTOR'S REPORT

Mr. Ankeny presented his report (attached).

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins presented her report (attached).

ELECTION RESULTS

Accurate Voting Services announced the results of the election as follows: Jay Clawson, elected with 27 votes; Marcia Clawson, elected with 26 votes; Loni (Evalene) Gardette, elected with 37 votes; Alfred Grenrock, elected with 37 votes; and Signe Merrifield, elected with 23 votes.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 2:27 p.m.



Attest

Marcia Clawson, Secretary
SEAL BEACH MUTUAL SIXTEEN

lh: 5/25/2018

Attachments

Mutual Sixteen
May 23, 2018

President's Report

Good afternoon to all and welcome to the 55th Annual Shareholder's Meeting of Mutual Sixteen.

During the 2017 - 2018 term years, your Board of Directors has worked hard staying within Mutual Sixteen's budget while maintaining its resources to ensure a better and safer living place today and for many days to come.

The first item on our agenda was to prepare our annual budget for the January 2018 assessments.

On the 9th of August, the budget committee met to review the upcoming increases facing our economy and expenditures required for the mutual. The main topics reviewed, roofing, and repairing or replacing our aging sewer system.

On the 23rd of August during the preliminary budget process, the Board of Directors was presented with an overview training session given by Ms. Miller, the Finance Controller. After the training, the Board had a better understanding of the budget process and the Mutual's present financial status.

The 2018 budget was put together with inputs from all the directors and the final draft was completed.

On the 3rd of October 2017, at the regular monthly meeting of the Board of Directors, Ms. Miller, the Finance Controller, presented our budget findings, and the board accepted and approved the 2018 Operating Budget.

Regulations and Policies are a way of life in Co-Operative Housing Associations like Seal Beach Mutual Sixteen, defined as a California Corporation, in Leisure World. These documents are referred to as our "Governing Documents"

Keeping up to date, with changes to these documents is one of the primary responsibilities of your Mutual Board of Directors.

During this term year, mutual regulations and policies were reviewed with the following actions taken.

Adopted Policies;

7405.16 Flooring and Flooring Covering.

7549.16 Lockout Procedures.

7585.16 Governing Document Compliance Measures and Fines.

7502.16.1 Adoption of GRF Policy 1927-37 Fines for Parked Vehicles.

Amended Policies;

7020.16 Approval of Escrow.

7510.16 Eligibility Requirements.

7701.16 Personal Property Insurance

Rescinded Policies;

7020 Approval of Escrows.

7710.1 Admittance to Apartments - Public Administrator's Office.

7910 Regulatory Agreement.

The following policies while rescinded by our board will be listed under GRF Accounting departments instead of Mutual Sixteen.

Policies 7302, 7304, 7332, 7333, 7334, and 7337.

Ending this term year was the yearly Fire- Safety- Health Inspection, which is a great benefit to all Mutual Sixteen residents, this inspection provides extra helping eyes to identify hazardous conditions and make the corrections before accidents or incidents. Our inspectors also assist in identifying items in need of repairs and or replacement.

During the inspection, I was able to speak briefly with most of our residents, about the Merger of Mutual 15 and 16. All the residents I spoke with seemed to feel that it was a good idea and understood the reasoning for the merger. I made it very clear to all I spoke with, that each resident will have the chance to vote for the merger sometime in October this year.

This Merger is a very important event for our mutual and all its Shareholders. Please keep informed on the progress of this merger, by reading the minutes of our regular monthly meetings of the Board of Directors.

Your Mutual Board of Directors will continue to provide the highest level of service to our shareholders while staying within our operating budget.

The 2017-2018 term year was no different than prior years where Mutual Sixteen would not have been successful without the full support of the Golden Rain Foundation Staff, guided by our Executive Director, Randy Ankeny. A special thank you is due to all the departments in the Golden Rain Foundation, your professionalism and friendly attitude are always displayed when working with this Board of Directors and residents of Mutual Sixteen.

Some GRF personnel has changed positions, and new faces have replaced some old friends, but talented and courteous personnel continue to be on the scene to answer questions and provide a helping hand. Our administrators have continued to provide the needed support in handling delicate situations by providing friendly guidance in resolving issues.

I would like to thank my fellow directors for electing me to President of the Board of Directors, and for their volunteer commitment, hard decision-making process, and diversity. You have maintained our resources during difficult financial times, and your support has maintained this Mutual in a good financial position.

With all that said, I would like to take this time to thank all our residents of Mutual Sixteen, for giving me the opportunity to serve on your Board of Directors.

It has always been a joyful experience for me, and I hope I have served you well.

Al Grenrock
Mutual Sixteen President / CFO

Vice President's Report
Signe Merrifield
Mutual 16 Annual Meeting
5-23-18

As Vice President of Mutual 16, one of my duties was to serve as Landscape Director.

Our trees are some of our most valuable assets, but they require maintenance. This year, we had our landscape contractor, John's Landscape, trim some of our trees, in order to maintain their health.

This past fall, three trees were added to our greenbelts. Betty Ku donated a Magnolia and an African Fern Pine, which replaced the Ficus that was removed last year. Behroze Irani donated a California Pepper. I would like to thank these shareholders for their generous donations. These trees add beauty to our greenbelts and will give our residents enjoyment for many years to come.

55th ANNUAL SHAREHOLDER'S MEETING

Mutual Sixteen
May 23, 2018

Chief Financial Officer's Report

Members of the Board of Directors and Shareholders of Seal Beach Mutual Number Sixteen.

For the year ending December 31, 2017, Total income amounted to \$ 275,936. Total expenses amounted to \$266,761. resulting in an excess before depreciation of \$9,175.

Total Transfers to equity for restricted Funds totaled \$97,104.

Seal Beach Mutual Sixteen has total assets of \$1,147,952.68 include land, and land improvements of \$133,128.

Included in asset items are the Restricted Funds represented by investments amounting to \$554,947. as follows:

- **Appliance Fund - \$1,780.** This represents money set aside to cover future replacement of equipment such as appliances, fixtures, and other components of the Mutual property.
- **Painting Fund - \$8,762.** This is to be used for stucco and woodwork painting of the Mutual buildings.
- **Operating Fund - \$26,969.** This represents money set aside primarily to cover any unforeseen financial stress on the Mutual.
- **Roofing Fund - \$265,207.** This is designed for replacement of roofs.
- **Emergency Fund- \$69,616.** Designated for disasters and unanticipated liabilities.
- **Infrastructure Fund - \$139,455.** Designated for structural needs throughout the Mutual involving building maintenance and repairs of sewers and water or electrical distributing systems.

Al Grenrock
Mutual Sixteen President / CFO



Executive Director's Annual Meeting Report

To the President, Directors, and Shareholders of Mutual 9,

It's been five years since I joined the Golden Rain Foundation of Seal Beach (GRF). I am truly honored and delighted to report our community is running well, and our over 230 staff members are working diligently to insure smooth and fully transparent operations of GRF and the 16 Mutual Corporations to whom we provide service. This is due to our collective commitment to protect the value of Trust property and the enhancement of lifestyle. We collectively strive to create a foundation of accountability, responsible partnership and leadership. At its most basic, we endeavor to do truly meaningful work for our community, our Shareholder/Members, our Boards. We are committed as an organization to serving our community the highest ethical standards, finding thoughtful, effective and innovative ways to support the varied and diverse community needs, while retaining focus on efficiency, respect, teamwork, innovation, and integrity.

The strength of our community continues to come through, by collectively working together with a firm commitment to safety and risk mitigation. Our efforts have been recognized again with a notice of achievement by Philadelphia Insurance Companies for "Outstanding Risk Management"; this recognition is evident in the reduction (emphasis added) in insurance premiums for this policy period.

This speaks highly of everyone who unselfishly volunteers their time to serve on a Board. The compassion you show to those we serve, is an inspiration for us all. I've noticed how you treat everyone with respect and kindness, no matter what the situation is. We both know how stressful it can be at times; however, your words and actions have gone a long way in your collective accomplishments in helping and serving our community. Your work does not go unnoticed. The key to our success rests in you, who embody the spirit of community by unselfishly saying "what may I do for you". You are the heart and soul of Seal Beach Leisure World.

Community means strength that joins our strength to do the work that needs to be done. Arms to holds us when we falter. A circle of healing. A circle of Friends. Someplace where we can be free.

Starhawk

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 for allowing my staff and I to be part of your community and your lives.

Respectfully submitted,

Randy Ankeny,
Executive Director
for the Golden Rain Foundation

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Mutual Administration Director's Report

It has been a great year, all thanks to everyone's talent and unwavering effort. One of the greatest gifts you can give is your time. A Mutual nurtures the community spirit through it's volunteers. Volunteers are the lifeblood of any community. The work you have accomplished emphasizes the values and priorities of your community.

Thank you to this Mutual Board of Directors. We know that for you this is an add-on to the many things you do including your career, your family, other volunteer opportunities and your social life. Thank you for always taking our calls, answering our emails and bringing your passion, intellect, insight, experience and resources to the job of making life better for all of us.

Please join our team of staff members, along with the new or returning Mutual Directors, in continuing the legacy that was set by others many years ago. Let us also continue the growth of our community by incorporating everyone and working for the good of all.

Thank you to the Golden Rain Foundation (GRF) Board of Directors, more specifically your GRF Representative.

Thank you to our Executive Director, Randy Ankeny - working with you is a privilege. With your leadership, we look forward to the next year working with the Board to continue to provide an outstanding community.

Thank you to everyone for your part in our journey.

Respectfully,

Jodi Hopkins

Jodi Hopkins
Mutual Administration Director