

**MINUTES OF THE ANNUAL SHAREHOLDERS MEETING
SEAL BEACH MUTUAL SIXTEEN
July 22, 2020**

The annual Meeting of the Shareholders of Seal Beach Mutual Sixteen, a California corporation, was called to order by President Watkins on Wednesday, July 22, 2020, at 1:58 p.m., in Clubhouse 4, pursuant to written notice given by the Secretary.

PLEDGE OF ALLEGIANCE

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

QUORUM

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

SHAREHOLDER DECLARATION

At the June 2, 2020 regular board meeting, Loni 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 July 22, 2019. 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 2020-2021 term of office were introduced as follows:

Marcia Clawson	(Incumbent)
Loni Gardette	(Incumbent)
Jon A. Gillespie	(Incumbent)
John Mayfield	(New)
Dale Watkins	(Incumbent)

INTRODUCTION OF CANDIDATES (continued)

President Watkins called for nominations from the floor. There being no further nominations, President Watkins requested a motion to close the nominations. Upon a MOTION duly made by Janet Isom, unit 53-A, and seconded by Jon Gillespie, unit 50-K, it was

RESOLVED that the nominations be closed.

The MOTION passed.

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 Watkins announced that the voting was now closed. He informed shareholders that they were welcome to observe the counting process on the monitors. He also informed shareholders that the counting of the ballots would be shown live on YouTube.

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 Watkins asked for a motion to dispense with the reading of the minutes of the last annual shareholders meeting held on May 22, 2019, and that they be approved as printed and distributed. Upon a MOTION duly made by Janet Isom, unit 53-A, and seconded by Marcia Clawson, unit 51-H, it was

RESOLVED that the annual shareholders meeting minutes of May 22, 2019 be approved as printed and distributed.

The MOTION passed.

INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS

President Watkins introduced the current 2020-2021 Board members:

Dale Watkins, President
Loni Gardette, Vice President
Marcia Clawson, Secretary
Jon Gillespie, CFO
Jay Clawson, Director

President Watkins then introduced GRF Representative, Janet Isom; Executive Director, Randy Ankeny; Mutual Administration Director, Jodi Hopkins and Recording Secretary Kristal Givehand.

PRESIDENT'S REPORT

Mr. Watkins presented his report. (attached)

VICE PRESIDENT'S REPORT

Ms. Gardette presented her report. (attached)

CHIEF FINANCIAL OFFICER'S REPORT

Mr. Gillespie presented his report. (attached)

GRF REPRESENTATIVE'S REPORT

Ms. Isom presented her 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:

Marcia Clawson, elected with 33 votes; Loni Gardette, elected with 26 votes; Jon A. Gillespie, elected with 39 votes; John Mayfield elected with 29 and Dale Watkins, elected

**ANNUAL SHAREHOLDERS' MEETING
MUTUAL SIXTEEN**
with 46 votes.

July 22, 2020

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

kg: 07/22/2020

Attachments

MUTUAL 16 PRESIDENTS REPORT
2020 ANNUAL MEETING
JULY 22, 2020

It has been an eventful 12 months here in Mutual 16. One new Shareholder, Jon Gillespie, was appointed to the Board of Directors and became our Chief Financial Officer. The past President and Chief Financial Officer of the Board of Directors, Al Grenrock, retired from the Board, and I was elected President.

Last fall, the Mutual hosted a potluck barbecue and almost all of the shareholders attended. All who joined the festivities enjoyed the experience and invited a similar event this year.

Although some of our long-time neighbors have left us, we have been fortunate to welcome several new neighbors, two of whom just joined us this month. Please introduce yourselves to your new neighbors as the opportunity arises.

We have undertaken some major projects this past year, one of which has been completed and another is in progress. The concrete driveway around carport 9 went as planned and the roofing of buildings 52 and 53 are progressing as expected. We are hopeful circumstances allow for additional roofing projects to occur later in the summer and early fall. It is important to note that the funds necessary for these projects were made possible through the prudent financial decisions made by previous Mutual 16 Boards of Directors and their Chief Financial Officer, Al Grenrock.

Please join me in thanking other Mutual 16 Shareholders who volunteer their time to Mutual activities: Bill Denton, Signe Merrifield, and Carol Hesse come to mind. I thank all of you who act as good neighbors to each other.

Lastly, I would like to thank my fellow members of the Board of Directors. Without them, our lives here in Mutual 16 would not be nearly as pleasurable as it is. Special thanks to Loni Gardette, Jon Gillespie, Marcia Clawson, and Jay Clawson. I couldn't function as President without your support and assistance.

MUTUAL 16 VICE PRESIDENT REPORT
2020 ANNUAL MEETING
JULY 22, 2020

July 22, 2020

Vice President's Report

Thank you for allowing me to serve on the Mutual 16 Board of Directors this past year. During the year I have had the pleasure of helping with (what I hope to be an annual event) a Mutual 16 Neighborhood BAR-BQ. Seeing our neighbors meet, mingle, and dine together, some for the first time, was such a satisfying endeavor; and judging from the feedback comments, the residents also enjoyed it and would like to have another.

I invited myself to attend Emergency Information Council meetings to learn how other mutual's are handling their emergency plans. These meetings are quite helpful, and I hope to bring more of this information to our Board meetings with an eye to providing our residents with helpful emergency information.

I have also been attending the Physical Property meetings so we can stay on topics like the progress of our swimming pool, gym renovations, etc. However, an interesting side note is the Physical Property meetings happen after our monthly Board meeting so most of the information from that meeting has already been printed in the Leisure World news, before we meet again. Still I find it important to have our Mutual represented.

I look forward to continued participation on the Mutual Board and working with a stellar group of people.

Warmest regards

Loni Gardette
Vice President

MUTUAL 16 CFO Financial Report
2020 ANNUAL MEETING
JULY 22, 2020

1. Monthly Revenue is approximately \$25,000

- A. \$412 per unit x 60 units = \$24,700
- B. Interest income = \$50
- C. Laundry Room income = \$75
- D. Inspection and Escrow fees (varies)

2. Monthly Expenses are approximately \$24,000

- A. We have fixed cost expenses and variable expenses
- B. Mutual 16 monthly revenue is greater than expenses. This is good!

3. Monthly Fixed Cost Expenses

- A. Payment to GRF for administration and maintenance of common areas = \$9,787
- B. Contribution to Reserves = \$8,800
- C. Utilities (Trash, Electricity, Water) = \$1,500
- D. Landscape Maintenance Contract= \$1,100
- E. Total Monthly Fixed Costs = \$21,187

4. Monthly Variable Cost Items

- A. GRF service requests
- B. Clogged drains
- C. Tree Maintenance
- D. Sprinkler repair and fertilizer
- E. Additional landscape maintenance requests
- F. Rain gutter cleaning and repair
- G. Variable Cost Items total approximately \$3,000 per month

MUTUAL 16 CFO Financial Report
2020 ANNUAL MEETING
JULY 22, 2020

5. Mutual 16 Cash Assets and Reserve Funds

- A. Total Cash assets on January 1, 2020 = \$807,750
- B. Total amount currently in Checking account = \$72,337
- C. Total amount currently in Emergency Reserve Fund = \$95,378
- B. Total amount in Roofing and Infrastructure Reserve Funds on January 1, 2020 = \$583,063
- C. Total amount contributed to R&I Reserve fund between January and June, 2020 = \$38,530
- D. Total amount in R&I Fund on July 1, 2020 = \$621,593

6. Capital Projects 2020

- A. MJ Jurado (Driveway) = \$187,944
- B. Jordan Roofing (Buildings 51, 52, 53, 54) = \$385,526
- C. JC Kress (Range Hood and vent upgrade) = \$24,000
- D. Berkvist (rotten wood replacement) = \$24,000
- E. Total Capital Projects = \$621,470
- F. Estimated funds remaining in R&I Fund account = \$123

7. Future Projects Needed

- A. Replace 9 electric water heaters that are more than 10 years old (FY 2021) = \$7,200
- B. Re-roof Building 50 (FY 2022) = \$110,000
- C. Re-roof Carport (FY 2024) = \$100,000
- D. Total Funds needed = \$217,000

GRF Representative's Report

As a result of the unprecedented COVID-19 crisis, which has fundamentally affected all of us, Annual meetings of the members have been delayed until now. I want to thank everyone for the opportunity to serve Mutual Sixteen. I am proud of the way that the GRF Board and the Board of Mutual Sixteen have taken action to support the community, our Mutual and our fellow Shareholder/members.

The adaptation of processes and strategies by the Mutuals, the GRF Board and the staff have been critical to the recovery ahead. The COVID-19 pandemic reminds us that the operating environment can shift abruptly, but our focus remains on the safety of our residents and our community.

I am pleased to present the GRF Annual Report: a statement of who we are, what we can do and how we are succeeding.



2019/2020 Executive Directors Annual Report

“There are far better things ahead than we leave behind”

C.S. Lewis

What a heartening quote to sum up the optimism our community feels regarding the effect the of the COVID-19 pandemic- “...there are far better things ahead...” The 2019/2020 Board term has truly been courageous in our collective fight against COVID-19 and in recognizing that we have reached that point in the communities life where we can no longer just place another coat of paint over our problems, but must make the difficult decisions to renew and rebuild, constructing a new, stronger foundation to serve our community well into the future.

Throughout this term, during periods of challenges and change, we have shown our resiliency. Together we are enduring a world changing event; with Coronavirus, we planned, we stayed calm and, most importantly, we are standing together as a community of friends and neighbors.

There are turning points in the life of a community, especially as a community ages past the fifty-year point. Many communities begin to fail and fall into disrepair with depreciating values, simply because Boards have not planned and could not respond to needed change. They could not meet a challenge. They could not change their current trajectory. They could not break free of old commitments and obligations. They did not have the strength.

Strength is a vital component to serve on a Board. We are blessed with caring volunteers who freely give their time to serve their fellow shareholder/members. Our Board members worked together establishing prudent financial planning, creating greater strength, greater courage, greater self-confidence, and greater transparency in what must done to protect and enhance the lifestyle and property values of our community.

Our strength is in working together, building consistency, building consensus regarding the tasks that had to be done, building the resolve to take risks, building the resolution to communicate with people and to unwaveringly address difficulties and dilemmas, building the skill to maintain community responsibilities even when the

actions may impinge upon a few, comprehending that it's the mutual benefit of a majority of the members that counts. This is foundation building for our future and the challenges that will be met and overcome together.

I want to express my sincere gratitude to the Mutual and GRF Board members for your service. Board service is the toughest volunteer role and you took on your Board duties with dedication, grace, and commitment.

My team and I are proud to be part of your community and your lives. Daily I see resilient, strong, and very compassionate people all working together.

We currently are facing times of uncertainty, but also a time of great promise. Yes, there are far better things ahead.

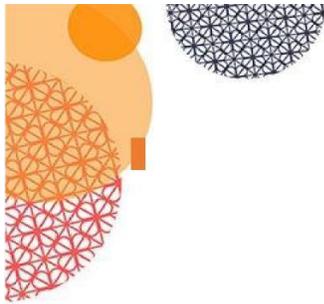
Best Regards,



Randy Ankeny, Executive Director

GRF, Seal Beach, CA

Together
We're making
a difference



Annual Mutual Shareholders' Meeting 2020

The GRF provides an enhanced quality of life for our active adult community of Seal Beach Leisure World.

Give me a platform and I am going to pick a few moments to celebrate our successes over the last year: please feel free to cheer with us because this has been by far the most difficult year. This pandemic has been an eye-opener for all of us. Moving into uncharted territory as we begin to reopen services requires innovation from us all. If it were not for technology, we would not have learned a new platform zoom; it was difficult at first and we are experts now! It has been a survival kit for us to continue to conduct the Mutual business. How reassuring it has been to know that we can count on all our efforts.

The greatest gift you can give is your time. Volunteers give their time and are the lifeblood of any Community. The work you have accomplished emphasizes the values and priorities of your Community.

Thank you to the Mutual Board of Directors, always answering our calls, responding to our emails, and bringing your dedication, loyalty, commitment, experience, and resources to the job of making life better for all of us.

Our team of staff members, along with the new or returning Mutual Directors, are willing to take on another year to continue 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 the GRF Board of Directors, more specifically, your GRF Representative.

Thank you to our truly outstanding Executive Director, Mr. Randy Ankeny – whose leadership and vision steered us from day one. Thank you for your extraordinary ability and leadership to guide us always. We appreciate the efforts made by you. With your guidance we are ready to meet the coming challenges.

In closing, my sincere appreciation and gratitude. Thank you to everyone for your part in our journey.

Sincerely,

Jodi Hopkins, Mutual Administration Director

