

**MINUTES OF THE ANNUAL SHAREHOLDERS MEETING
SEAL BEACH MUTUAL SIXTEEN
May 22, 2019**

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 22, 2019, in the Administration Building, Conference Room A.

PLEDGE OF ALLEGIANCE

Dale Watkins 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 5, 2019 regular board meeting, Marcia Clawson of Unit 51-H 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 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 2019-2020 term of office were introduced as follows:

Jay Clawson (incumbent)
Marcia Clawson (incumbent)
Loni Gardette (incumbent)
Alfred Grenrock (incumbent)
Dale Watkins (incumbent)

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INTRODUCTION OF CANDIDATES (continued)

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 Behroze Irani, unit 52-I, and seconded by Cynthia MacFarland, unit 50-E, 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 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 observers for the Mutual Sixteen election are Cynthia MacFarland and Janet Isom.

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 23, 2018, and that they be approved as printed and distributed. Upon a MOTION duly made by Behroze Irani, unit 52-I, and seconded by Loni Gardette, unit 52-A, it was

RESOLVED that the annual shareholders meeting minutes of May 23, 2018 be approved as printed and distributed.

The MOTION passed.

INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS

President Grenrock introduced the current 2018-2019 Board members:

Al Grenrock, President/CFO
Dale Watkins, Vice President
Marcia Clawson, Secretary
Jay Clawson, Director
Loni Gardette, Director

President Grenrock then introduced GRF Representative, Janet Isom; Executive Director, Randy Ankeny; and Mutual Administration Director, Jodi Hopkins.

PRESIDENT'S REPORT

Mr. Grenrock presented his report (attached).

VICE PRESIDENT'S REPORT

Mr. Watkins presented his report.

CHIEF FINANCIAL OFFICER'S REPORT

Mr. Grenrock presented his report (attached).

GRF REPRESENTATIVE'S REPORT

Ms. Isom presented her report.

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:

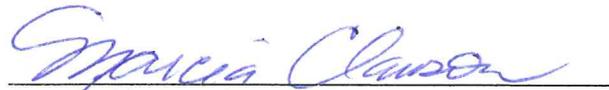
Jay Clawson, elected with 29 votes; Marcia Clawson, elected with 27 votes; Loni Gardette, elected with 37 votes; Alfred Grenrock, elected with 49 votes; and Dale Watkins, elected with 46 votes.

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ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 2:31 p.m.



Attest, Marcia Clawson, Secretary
SEAL BEACH MUTUAL SIXTEEN
ck: 06/24/2019
Attachments

MUTUAL SIXTEEN 56TH ANNUAL SHAREHOLDER'S MEETING

Mutual Sixteen
May 22, 2019

President's Report

Good afternoon to all and welcome to the 56th Annual Shareholder's Meeting of Mutual Sixteen.

During the 2018 - 2019 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 2019 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 14th 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 2019 budget was put together with inputs from all the directors and the final draft was completed.

On the 2nd of October 2018, 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 2019 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;

7490. Pb.16 - Payment and Performance Bond:

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

7541 – Co-Occupants, Qualified Permanent Residents:

Amended Policies;

7502.16 – Carport Regulations:

7701.16 – Personal Property Insurance:

MUTUAL SIXTEEN 56TH ANNUAL SHAREHOLDER'S MEETING

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.

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

The 2018-2019 term years 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 and our Mutual Administration Manager, Jodi Hopkins. A special Thank You is due to all the departments in the Golden Rain Foundation, your professionalism and friendly attitudes are always displayed when working with this Board of Directors and residents of Mutual Sixteen.

Some GRF personnel have 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

56th ANNUAL SHAREHOLDER'S MEETING

Mutual Sixteen
May 22, 2019

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, 2018, Total income amounted to \$ 302,210. Total expenses amounted to \$278,259. resulting in excess before depreciation of \$14,615.

Total Transfers to equity for restricted Funds totaled \$105,715.

Seal Beach Mutual Sixteen has total assets of \$1,292,468.85 including land and land improvements of \$133,128

Included in asset items are the Restricted Funds represented by investments amounting to \$610,698. as follows:

- **Appliance Fund - \$547.** This represents the money set aside to cover future replacement of equipment such as appliances, fixtures, and other components of the Mutual property.
- **Painting Fund - \$10835.** This is to be used for stucco and woodwork painting of the Mutual buildings.
- **Operating Fund - \$26,767.** This represents money set aside primarily to cover any unforeseen financial stress on the Mutual.
- **Roofing Fund - \$280,625.** This is designed for replacement of roofs.
- **Emergency Fund- \$81.151** Designated for disasters and unanticipated liabilities.
- **Infrastructure Fund - \$210,773.** 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



GRF Executive Directors Annual Meeting Report

Dear Mutual Sixteen,

As we look back at the 2018/19 term, remembering our accomplishments while always reflecting on our half a century as a premier community, but we are also inspired and excited by our future. We look to continue to engage the community for your input and support of GRF's mission:

The Golden Rain Foundation provides an enhanced quality of life for our active adult community of Seal Beach Leisure World

Over the years, I have come to see our community as a family. Family is a group of people who share a passion and a vision or simply care deeply for another person. At Leisure World Seal Beach, we are a large and diverse family of Shareholders/Members neighbors, community leaders, staff and friends.

A very sincere thank you to Mutual Sixteen, GRF representative, Janet Isom and the Board members of Mutual Sixteen; you unselfishly volunteer your time to serve on a Board. The care and concern you show to your fellow Shareholders, is an inspiration for us all.

You treat everyone with respect and kindness, no matter what the situation is. Your collective accomplishments in helping and serving our community does not go unnoticed. The key to success rests in you, who embody the spirit of community by unselfishly asking "what may I do for you"?

I and the staff of GRF, thank you for the lasting friendships gained working with you; we are stronger, better, committed and passionate about our mission. Our standards of success are high and today is a great opportunity be able to celebrate our community and be grateful for our achievements.

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.

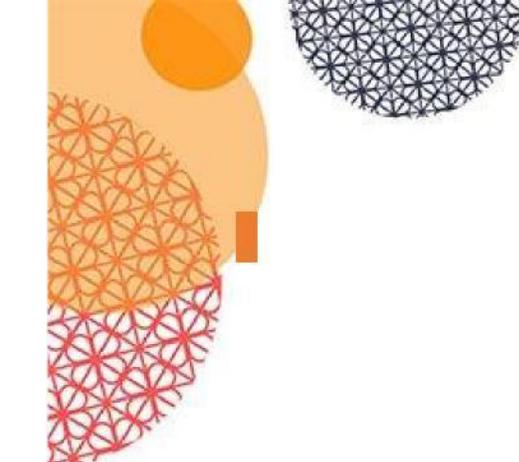
Thank you again for your support and partnership and, most importantly, for allowing my staff and I to be a part of your community and, especially, part of your lives.

With gratitude,

Randy Ankeny, Executive Director

"Without a sense of caring, there can be no sense of community"

Anthony J. D'Angelo



Annual Mutual Shareholders' Meeting 2019

We've come through another great year that was filled with both challenges and victories. How reassuring it has been to know that we can count on all our efforts.

Let's take this opportunity and thank everyone for all the efforts throughout the year. 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. I truly enjoy each meeting, the conversations that are had and the valuable information that is shared.

Thank you to the Mutual Board of Directors. For you this is an add-on to the many things you do including your career, your family, your social life and other volunteer opportunities. Thank you for 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.

Thank you to the GRF Board of Directors, more specifically your GRF Representative.

Our Executive Director, Mr. Randy Ankeny – Thank you for your vision, your extraordinary ability and leadership to guide us always. We appreciate the efforts made by you. With your leadership, we look forward to the next year working with the Board to continue to have many successful years. My sincere appreciation and gratitude.

Thank you to everyone for your part in our journey.

In the words of John E. Southard, let me say, "*The only people with whom you should try to get even with are those who have helped you.*"

Sincerely,

Jodi Hopkins

Mutual Administration Director

