

**MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING
SEAL BEACH MUTUAL ONE
June 12, 2017**

The Annual Meeting of the Shareholders of Seal Beach Mutual No. One, a California corporation, was called to order by President Luther -Stark at 10:00 a.m. on Monday, June 12, 2017, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Ms. Kathy Almeida, Unit 43-E, led the shareholders and guests in the *Pledge of Allegiance*.

QUORUM

President Luther–Stark said that Accurate Voting Services informed her that a quorum was present, either in person or by proxy, and she declared the meeting officially in session.

SHAREHOLDER DECLARATION

At the May 25, 2017, Regular Board Meeting, Jill Brennan, Unit 24-E, declared her intent to vote cumulatively at this Annual Shareholders' Meeting.

CERTIFICATION OF NOTICE OF MEETING

Secretary Gambol read the Certification Notice:

I, Donna Gambol, Secretary for Seal Beach Mutual No. One, 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 May 11, 2017.

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

OBSERVERS OF THE ELECTION

President Luther–Stark announced the appointed Observers of the Election:

Elizabeth Hacke, Unit 18-K; Bonnie Cooper-Salinas, Unit 42-D; and Joan Eisenhart, Unit 23-K

INTRODUCTION OF CANDIDATES

The following candidates for the Board of Directors were nominated for the 2017-2019 term of office:

Ruben Collazo (Incumbent)
Phil Singer (Incumbent)
Fred Holzer (Incumbent)

George J. Tous (New Candidate)

**ANNUAL SHAREHOLDERS MEETING
MUTUAL ONE**

June 12, 2017

INTRODUCTION OF CANDIDATES (continued)

President Luther–Stark asked for nominations from the floor. There being no nominations from the floor, and upon a MOTION duly made by Betty Hacke, Unit 18-K, and seconded by Joan Eisenhart, Unit 23-K, it was

RESOLVED, That the nominations be closed.

The MOTION carried by a unanimous vote of the shareholders present.

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 One's new Directors.

President Luther–Stark announced that the ballot boxes were closed and instructed the Observers of the Election and any interested shareholders to 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. The Organizational Meeting to elect officers will be held at the close of this meeting.

MINUTES

President Luther–Stark called for a motion to dispense with the reading of the minutes of the Annual Shareholders' Meeting held on June 13, 2016, and be approved as printed and distributed.

Upon a MOTION duly made by Kathy Hahn, Unit 56-F, and seconded by Kathy Almeida Unit 43–E, it was,

RESOLVED, That the minutes of the Annual Shareholders' Meeting of June 13, 2016, be approved as printed and distributed.

The MOTION carried by a unanimous vote of the shareholders present.

INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS

Ms. Luther-Stark introduced the following 2016-2017 Board members:

Saundra Luther-Stark, President	Fred Holzer, Director
Ruben Collazo, Vice President	Eileen Merritt, Director (absent)
Donna Gambol, Secretary	Phillip Singer, Director
Byron Schweitzer, Chief Financial Officer	JoAnn St. Aubin, Director (absent)
John Barreras, Director	

President Luther–Stark then introduced GRF Representatives Leah Perrotti and Richard Stone; Executive Director Randy Ankeny, and Mutual Administration Manager Blessilda Fernandez.

PRESIDENT’S REPORT

Ms. Luther–Stark presented her report (attached).

VICE PRESIDENT’S REPORT

Mr. Collazo verbally presented his report.

SECRETARY’S REPORT

Ms. Gambol presented her report (attached).

CHIEF FINANCIAL OFFICER’S REPORT

Mr. Schweitzer presented his report (attached).

DIRECTORS’ REPORTS

Mr. Singer presented his report (attached).

Ms. Gambol presented her report (attached)

GOLDEN RAIN FOUNDATION REPRESENTATIVES’ REPORT

Ms. Perrotti and Mr. Stone verbally presented their reports. Shareholders’ may view the Leisure World Annual Report for 2016-2017, in the library.

EXECUTIVE DIRECTOR’S REPORT

Mr. Ankeny presented his report (attached).

**ANNUAL SHAREHOLDERS MEETING
MUTUAL ONE**

June 12, 2017

MUTUAL ADMINISTRATION MANAGER'S REPORT

In Ms. Hopkins absence, Ms. Fernandez presented her report (attached).

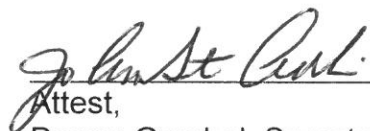
ELECTION RESULTS

Ms. Cheryl Wilson of Accurate Voting Services, Inc., reported the results of the election to the shareholders present:

Ruben Collazo, was elected with 268 votes; Fred Holzer, was elected with 269 votes; Phil Singer, was elected with 305 votes; and George J. Tous, was elected with 292 votes.

ADJOURNMENT

The business of the meeting being concluded, Ms. Luther-Stark adjourned the meeting at 10:50 a.m.



Attest,
Donna Gambol, Secretary
SEAL BEACH MUTUAL ONE
cad:6/13/17
Attachments

We are pleased to have you come to Mutual One's Annual Shareholders meeting. June 12, 2017

In 2015, you the shareholders, passed and approved a bylaw to split the election process. In 2016 the top 5 directors with the most votes were elected for two year term. The next 4 were elected for one year term. This election 4 Directors will be elected for a two year term. Now we observe the election process and celebrate the Board's Accomplishments.

I have boasted many times that Mutual One was the first to complete all new roofs. The first to complete with new water pipes. And now, we do have a projected plan for replacing the sewers. Our CFO feels confident that we can complete 15 buildings a year, without placing a strain our reserves.

So please pat yourself on the back for supporting the Board with these costly, but necessary, projects.

Today, each Director will also give their reports. I just want to say a little about the landscaping.

Out of 2,100 Hotline calls, since June 1st of last year, over one half were complaints about mowing, cutting, trimming, blowing or parts thereof. The landscape contract expires July 31st of this year. The board received bids back from 5 or 6 different landscape companies. A committee selected 3 of them, to interview. The landscape future looks bright.

I want to give thanks to my fellow board members for their work this past year. VP Collazo, who handle's everything, when I am unable to. He also has input on updating our web site. He was the photographer on the many units we added to our site. Check out www.lwsb.com then click on Mu One. Plus, Ruben is also on a committee with me for producing a video for new buyers.

I believe this video will show all of our community, The Pro's and The Con's. We made a decision to down size when we moved in. After viewing this video I think new buyers will understand what makes us different. The conclusion is more people will be pleased as LW is a unique place to live. As I said before, if you do not like policies, LW was not your best choice.

Another committee, I was ask to be a part of was, Community Access. Huge changes will be taking place the second week in July with the new ID's. Mark your calendar for Wed. 7/12 Clubhouse 6 - 9am to 1 pm. Bring your old ID and if the director feels that you no longer look like your current photo- you will step to door #2 and have a new one taken. This new ID will have an expiration date and clearly state if you are an owner or a co-occupant. Many of our past issues have been the result of ID's or passes being abused. As with landscaping, I believe the future will be brighter, as we make these changes.

I want to thank CFO Schweitzer, as he protects our investments and makes it clear to our board our financial status. Together, he & I sign all the checks from Monthly services, taxes, to escrow deposits being returned.

Director Gambol, our secretary and Landscape Chair, took on a taxing position and handled it very well. Thanks Donna, for your contribution and for your thoughtful inquiry during the interview of the new landscape companies. Together we sign all the shareholder certificates at the close of escrow.

Thanks to Director Barreras, our Physical Properties Chair. He not only goes with our inspector on pre-listing, new buyer and final inspections, but he is

included when new buyers come into the community. After the orientation the inspection follows at the unit. John & our inspector explains the responsibilities- each of the Mutual and the shareholder. In the future we are considering have a Director and Good Neighbor Ambassador assist too. Whether they live in the same building as the new buyer or on the same block. That way the new buyers starts off with a welcoming committee already. In addition to his many duties, John signs all permits and follows up with the remodeling too.

Thanks to Director Holzer, who has collectively been a board member longer than all of us put together. He keeps me on my toes, reminds me of correct procedures, and for that I am very thankful.

As for our Carport cleanups I have Director Singer to thank for his tireless hours notifying and revisiting many areas. His military style does not go un-noticed- but I have heard he went out of his way recently, to place items in the carport cabinet for a resident who needed help. Phil also was responsible for two Town Hall events. They were successful. We will continue as we get to know each other.

Director Merritt, was unable to get the day off work. She contributed to the Emergency Planning events and was always willing to help with each new project.

Our newest Director St Aubin, was appointed when Director Rahming resigned in March. She was unable to be here today. As a trip was already planned & paid for last year.

I want to remind everyone that this board has continued to handle our many acres and scores of issues. There is always room for improvement so watch the notices, posted in the Laundry Rooms, for changes.

I am also thankful for our GRF reps Leah Perrotti and Dick Stone. They both have represented Mutual Ones interest very well. Leah was Chair of the Security Bus and Traffic committee, and manage to handle the many challenges. Leah and Dick remind us to take advantage of all the facilities GRF provides.

I can never close without thanking one special lady: Kathy Almeida was a director & VP for two years. She was an Advisory Director this past year with just about anything that was needed. Her special interest is EPIC or I still refer to it as Emergency Planning. She has always had that "I Can Do It Attitude"! That is why she is so special to the Board. And to me personally.

Now we come to what will the future hold? I have no idea. I am hopeful this board will continue to be diligent in our legal matters against, those that abuse their privileges.

An ideal Board of Directors are those that give every issue their undivided attention. I never want a yes board. Plus, I enjoy a great discussion the same as the next person. All of us bring different backgrounds and lifestyles to the Board. Which keeps it interesting. If you are interested we provide "on the job training". Perhaps next year, you will step out of your comfort zone and join us in this election process. Plus you can also volunteer as an Advisory Director.

I appreciate the opportunity to have served as your President... even though no one else raised their hand.

We are all volunteers. So remember to thank them, if & when the situation arises. Thank you's are appreciated.

Respectfully submitted, 
Sandra Luther Stark, President 2016-2017

Secretary's Report, Year, July 2016-June 30 2017

Prepared by **Donna Gambol**, Secretary, **Mutual 1**

During the past year your Board of Directors has addressed a number of issues and policies affecting the shareholders of the Mutual. Among the many issues acted upon were:

Property Management

- To allow one shareholder to add an awning to his unit.
- To adjust or fill in pavers with a solid substance.
- To require specific signatures on building permits. [7403.8.1]
- To remove 385 walkway lights, clean and powder coat their surface and reinstall.
- To replace a retaining wall at Building 47.
- To repair walls at Buildings: 56 and 63.
- To install 24" mirrors on the carports.
- To install a sidewalk adjacent to Building 22 and reconstruct one at Building 38.
- To replace original lighting ballast (in the event of failure) with new LED light fixtures.

Shareholder rentals

- To allow specific shareholders to rent their carport areas to other shareholders in Mutual 1 through a written and board approved application process.

Landscaping

- To allow the landscaping contractor to proceed with scalping lawn areas and reseed with rye grass.
- To replace all of the sprinklers in Mutual 1 to reduce water consumption.

Shareholder Finance Issues

- To increase escrow deposits to \$10,000.
- To amend the Withdrawal Processing Fee. [P. 7530]
- To amend the Inspection Fee with regard to Inheriting a Share of Stock. [P. 7545.1]
- To adjust the procedures for Membership when there is no escrow. [P. 7545.2.1]

Other Policies

- To ratify Patio Regulations [7415.1]

Miscellaneous

- To initiate Lockout Procedures in the event of a shareholder's death.[p. 7549.01]
- To adopt an updated Physician's letter for new shareholders.
- To approve a Mr. C's Towing Agreement (August 2016).
- To increase laundry room fees by \$.25 to a total of \$1 effective Jan 1, 2017.

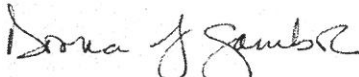
Additionally the Board encouraged enhanced communication it:

Held two "Town Hall" meetings for shareholders to keep residents informed.

Held two Good Neighbor Ambassador meetings for shareholders.

Held two emergency preparedness meetings for shareholders.

There were many individual issues also addressed by the members of the Board, but these issues are those that affect the whole of Mutual 1.



Donna Gambol, secretary

MUTUAL 1

CFO REPORT

June 12, 2017

Budget Review: As of 4/30/17

Expenses: Favorable YTD	\$56,673
Utilities (Favorable)	24,641
Legal Fees (Unfavorable)	(31,898)
Structural Repair (Favorable)	5,177
Service Maint. Std. (Favorable)	21,896
Landscape Contract (Favorable)	32,520
Landscape Extras (Favorable)	4,996
Landscape Trees (Favorable)	6,008
Income: Unfavorable	(3,298)
Laundry (Favorable)	2,363
Interest (Unfavorable)	(3,588)
Inspection Fees (Unfavorable)	(2,073)
Net Budget Comparison (Favorable)	\$53,376

Note: Landscape Contract Currently Under Review

Submitted by:



Byron Schweitzer, CFO Mutual 1

Director's Report
June 2016-June 2017

It's been my privilege to serve on your board this past year with the assistance of a great board we have fulfilled many goals.

1. Introduced a wish list to our Mutual 1 shareholders. Received great responses from our shareholders concerning their wishes.
2. Instrumental in bringing back the Town Hall meetings which were both very successful. I had a terrific committee that included both shareholders and Board members helping me to make these programs a great success.
3. I spearheaded the new safety walkway on the corner of St. Andrews and Golden Rain.
4. Instrumental in having safety mirrors that will be installed in all carports to help drivers back onto the main streets.
5. As carport parking director, I believe I have made a difference in the cleanliness of our carports.

I want to thank all the board members for supporting me and the projects that I introduced this year.

A special thanks to John Barreras and Kathy Aimeida and my committee members for supporting me.

Sincerely,
Phil Singer

Landscape Report

2017 Annual Meeting

Mutual One

Covering the period from July 2016 thru May 2017

Submitted by Donna Gambol, Landscape Chair

For the past 10 years Southern California had experienced drought conditions and this situation dramatically affected the landscape and turf in our Mutual. Mutual One has approximately 14.05 acres (612,244 square feet) of turf and .59 acres (25,510 square feet) allocated as flower bed/garden spaces. The turf areas are considered high microclimates with sun and shade trees, only a few of the areas are considered low microclimates with full shade all day long. The turf areas had experienced a build up of thatch that was 5 to 6 inches in height. Additionally our irrigation/sprinkling system was not operating at peak efficiency.

In July 2016, Mutual One secured a grant to have its irrigation system evaluated. WaterWise Consulting initiated a comprehensive Landscape Water Use Survey and made several observations and recommendations: the surveyors inspected 20 irrigation controllers and 252 active irrigation stations with 2,492 spray heads and 566 rotors. The team located approximately 152 irrigation problems such as tipped, over spraying, clogged, blocked, leaking spray heads and one broken irrigation line.

Their recommendation was to replace the spray-type sprinkler nozzles with more efficient rotary spray nozzles. These nozzles use less water, reduce run-off and lower misting allowing water to soak into the landscape. Your Board authorized the replacement of the 2,492 nozzles and was able to take advantage of the SoCal WaterSmart rebate program.

The Board also authorized the landscape contractor to initiate a "scalping program" to cut off the buildup of thatch to further reduce watering needs. That program began in late October and had an anticipated completion date of mid to late November. And then the rains came. Residents will recall that it rained every weekend, often Friday, Saturday, Sunday and Monday from the beginning of November through the end of March. California is no longer in a drought. Because of the rain, the dethatching scalping program was delayed.

The scalping was completed in April and reseeding of the turf areas was completed by the beginning of May, albeit not the opportune time for the process. It is interesting to note that the sprinkler irrigation system was completely shut down for a six-month period: October through the end of March. Additional changes in turf management included a raising of the mowing height to shade the soil surface and decrease evaporation.

In FY 2015-2016 a number of trees were removed from the site due to poor placement or disease. Funds were not available during 2016-2017 to replace them. This year 2017-2018, with the savings from water management and with advanced budgeting, it is anticipated that we will be installing between 10 and 15 trees. The trees will be planted in the Fall 2017, when temperatures are lower causing less stress to the root systems. Additionally we will be revisiting some of our permanent flower-bed areas near carports, entranceways and along buildings to enhance the visual road side appeal of Mutual One.

In the next few weeks, fertilizer, snail and pest abatement will be conducted to further "green up" our turf areas. The landscapers have been directed to abate and reestablish the tree wells and fill in low depressions in the landscape along walkways. Grass seed will be reapplied to those areas that are bare.

Now that the construction of the Westminster wall is complete, residents have noticed a marked increase in the number of bunnies hopping about. Yes, the bunnies eat your tender flowers. California law has considerable restrictions in methods to control the little beasties. [Some folks might welcome weekly return visits of the coyote...they do have a preference for fresh rabbit.]

We appreciate your patience through all this and hope that as the summer approaches you will enjoy brighter green spaces.

2016/17

LW *annual report*



Improving tomorrow today



Executive Director's Annual Meeting Report

Mutual 1

To the President, Directors, and Shareholders of Mutual 1:

It's been four years since I joined the Golden Rain Foundation of Seal Beach (GRF) and I'm happy to report that the community is running well, and our over 220 staff members are working diligently to insure smooth and fully transparent operations of GRF. This is due to our collective commitment to protect the value of Trust property and the enhancement of lifestyle for all Shareholder/Members. Our continuing commitment to the community includes, but is not limited to, efficiency, respect, teamwork, accountability, innovation, and integrity. We are committed as an organization to the highest ethical standards and compliance with all applicable laws, rules and regulations.

GRF is financially healthy. This is evident in the audited statements and tracking from the monthly financial statements. The auditing firm of NSBN issued an "unmodified" opinion for the 2016 audit. This is the standard of our accounting operations for which we strive.

In addition, recognition of achievement has been rewarded by Philadelphia Insurance Companies for "Outstanding Risk Management"; this recognition is evident in the reduction or insurance premiums for this policy period.

The effectiveness of our community depends heavily on the GRF and Mutual Board members, our leaders. On behalf of the GRF Staff, we sincerely thank the GRF and Mutual Boards. The past year could not have been a success without your dedication, hard work, and public service for your fellow Shareholder/Members. You have made this past year an unprecedented success.

This speaks highly of everyone who unselfishly volunteers their time to serve on a Board. The job can be taxing and time-consuming, and I know how stressful it can be. Your work does not go unnoticed. A simple thank you is not enough for your community service!

We look forward to working with the Boards to ensure that our community continues to prosper and thrive for the betterment of all Shareholders and Members.

This simple quote by an unknown author clearly states our thanks to all Board members,

"For all you do, for who you are, I will be forever grateful you are in my life."

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

Annual Mutual Shareholders' Meeting

2017

Here we are at the start of a new election year. It's been a good year, thanks to the talent and effort from all of us.

I will start by thanking this Mutual Board of Directors of Leisure World Seal Beach Mutual *One*, and each member of Seal Beach Mutual *One*. Together we have accomplished a lot this year: meetings, special meetings, policies, the Bylaws and amendments; this list could go on and on.

Join our team of staff members, along with the new or returning Mutual *One* Directors to continue the legacy that has been set by others many years ago; and continue the growth of your community. Let us continue to incorporate everyone and work for the good of all.

There will be changes. There will be new ideas that were not thought of in prior years, making this a very exciting time. This is our opportunity to work together with a common goal of bettering your community.

Thank you to the Golden Rain Foundation (GRF) Board of Directors, more specifically *Richard Stone and Leah Perrotti* your GRF Representatives. What is GRF one may ask, well, the answer is, GRF is a non-profit corporation that holds in trust, operates, and maintains the Trust property facilities, the streets, and other improvements and amenities within the geographic area identified as Leisure World Seal Beach, for the benefit of everyone.

We really look forward to the next year. I am confident with the direction of our Executive Director, Randy Ankeny, along with the best team effort possible, we will continue to strive, grow, and thrive to provide an outstanding Active Adult Community.

Confucius said: 'What I hear, I forget; what I see, I remember; what I do, I understand.' Let's do this together. We've heard what we have done. We can see what we need to do. Now is the time to do it, and, together, we can do it."

Respectfully the Mutual Administration Team:

- Mutual Administration Director: Jodi Hopkins
- Mutual Administration Manager: Blessilda Fernandez
- Member Resources Liaison: Cynthia Tostado
- Office Secretary: Catherine Dailey
- Recording Secretary: Carol Day
- Recording Secretary: Kheara Aquino
- Receptionist: Stephanie Louison