

**MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING
SEAL BEACH MUTUAL TWO
June 8, 2018**

The Annual Meeting of the Shareholders of Seal Beach Mutual Two, a California corporation, was called to order by President Baker at 10:03 a.m. on Friday, June 8, 2018, in Clubhouse 4.

PLEDGE OF ALLEGIANCE

Leon Esslinger led the *Pledge of Allegiance*.

QUORUM

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

SHAREHOLDER DECLARATION

At the April 19, 2018 Regular Board Meeting, Christine Harris of Unit 15-G, declared her intent to vote cumulatively at this Annual Shareholders' Meeting.

CERTIFICATION OF NOTICE OF MEETING

Secretary Jacquelin read the Certification Notice:

I, Susan Jacquelin, Secretary for Seal Beach Mutual No. Two, hereby certify that the Notice of Stockholders' Meeting and Ballots were mailed in accordance with Article IV, Section 4, of the Bylaws of said Corporation to all subscribers of common stock as of June 8, 2018.

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

EXPLANATION OF WRITE-IN CANDIDATE

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

INTRODUCTION OF CANDIDATES

The following nominated candidates were introduced as follows:

Sandy Esslinger	(Incumbent)
Sandra Glance	(New Candidate)
Susan Jacqueline	(Incumbent)
Holly MacLaren	(Incumbent)
Peggy Keller	(Incumbent)
Christine Harris	(New Candidate)
Patti Kilian	(New Candidate)

President Baker called for nominations from the floor. There being no further nominations, President Baker requested a motion to close the nominations. Upon a MOTION duly made by Janice Klein, Unit 61-J, and seconded by Charles Nugent, Unit 65-J, it was

RESOLVED, That the nominations be closed.

The MOTION passed.

BALLOTING

Ms. Cheryl Wilson from Accurate Voting Services 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 Two's new Directors.

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

MINUTES

President Baker asked for a motion to dispense with reading the minutes of the last Annual Shareholders' Meeting held on June 9, 2017, and that they be approved as printed and distributed. Upon a MOTION duly made by Leon Esslinger, Unit 49-I and seconded by Susanna Dixon, Unit 58-D, it was

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RESOLVED, That the Annual Shareholders' Meeting minutes of June 9, 2017 be approved as printed and distributed.

The MOTION passed.

INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS

President Baker introduced the current 2017-2018 Board members:

Myrna Baker, President	Holly MacLaren, Director
Sandy Esslinger, Vice President	Teri Nugent, Director
Susan Jacquelin, Secretary	Peggy Keller, Director
Travis Brooks, Chief Financial Officer	Laura Sporcich, Director
Shirley Naret, Director	

President Baker then introduced the Golden Rain Foundation Representatives, Paula Snowden and Paul Pratt (absent); Executive Director, Randy Ankeny; and Mutual Administration Director, Jodi Hopkins.

PRESIDENT'S REPORT

Ms. Baker presented her report (attached).

VICE PRESIDENT'S REPORT

Mrs. Esslinger presented her report (attached).

SECRETARY'S REPORT

Ms. Jacquelin presented her report (attached).

CHIEF FINANCIAL OFFICER'S REPORT

Mr. Brooks presented his report (attached).

DIRECTORS' REPORTS

Ms. Keller presented her report (attached).

Ms. Naret presented her report (attached).
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Ms. Nugent presented her report (attached).

Ms. Sporcich read her report.

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Ms. MacLaren read her report.

Ms. Esslinger and Naret presented their report (attached).

GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT

Ms. Snowden provided a verbal report referencing the Annual GRF Report.

EXECUTIVE DIRECTOR'S REPORT

Mr. Ankeny presented his report (attached).

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins presented her report (attached).

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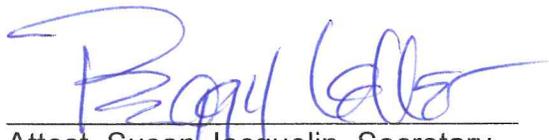
President Baker called a break at 11:00 a.m. to 11:12 a.m., which was necessary to finish the counting of the ballots.

ELECTION RESULTS

Ms. Cheryl Wilson of Accurate Voting Service, Inc., reported the following results of the election: Sandy Esslinger, elected with 377 votes; Christine Harris, elected with 410 votes; Susan Jacquelin, elected with 289 votes; Peggy Keller, elected with 262 votes; Holly MacLaren, elected with 302 votes.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 11:15 a.m.



Attest, Susan Jacquelin, Secretary
SEAL BEACH MUTUAL TWO

lh: 6/11/18

Attachments

Today closes another chapter for Mutual 2 and in my life. I wonder sometimes if I will be able to adjust to less phone ringing and meetings to go to, but am sure that I will. The past three years have been filled with many things, but the best of these has been interacting with shareholders and helping them thru problems that arise. I wished I could say that I have met and talked to each of you, but I know that I have not – 864 are a lot of shareholders, and even if I did I would probably forget who, what or when we talked. Thanks for the good times. It has been great.

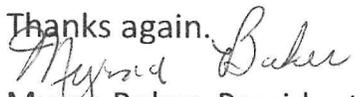
I am very proud of the way our mutual looks following the painting. I thank all of you for being so helpful and understanding thru that long process. I thank the painting committee also for all the work they put into picking colors, talking to painters, doing specs and all the rest that goes with that process.

Our roofing project that started 4 years ago is moving along. We have half of the roofs for 2018 completed. Five more to do for this year. We are right on schedule and getting a lot of dry rot and termite damage fixed at the same time. Shareholders have been great with dealing with the noise during the process on their buildings. Three more years to go – if the board chooses to continue completing 10 roofs per year.

The Westminster Wall is my pride and glory. I thank Sandy Esslinger and her landscaping committee for bird dogging this project thru the process. I feel that it is quite impressive.

I could go on with other projects – but I just want all of you to know that I think our mutual looks better with every project. Hopefully we can continue to do the things that will make us outstanding in this community. I believe this already, but we have to convince the rest of the complex!

Thanks again.


Myrna Baker, President

VICE PRESIDENT'S REPORT – JUNE 8, 2018 MUTUAL 2

I have been Vice President for 2 years. It has been a most interesting time and President Myrna Baker has been an awesome teacher. I have attended most Roundtable and President Council meetings and also special Mutual 2 meetings with Mutual Administration. I have attended Mutual 2 committee meetings as an ex official member and reported back to the President. Learning how to maneuver around the GRF offices and employees has also been most interesting. I have also been involved in New Buyer Orientations. I have the pleasure of meeting new shareholders as they move into Mutual 2.

Putting together bid specifications and planning and interviewing during this time is most important. We are working to get the most “bang for your buck” to keep increases in Mutual 2 assessments down. I work with our CFO to be sure that we don't go over budget. We have a new landscape contractor and we will be inventorying all of our trees so we know what we have and when to take care of that specific tree. Painting of the building exteriors has been completed. We are working on completing another ten roofs. This summer we will appoint a committee to start developing a plan for repiping our buildings.

Our buildings are aging and there is much work to do. All shareholders are welcome to participate on any committee that interests them.

I have enjoyed representing Mutual 2 as your Vice President. I have learned a lot and I know I will be able to put that knowledge to good use in the future. Thank you for putting your trust in me.

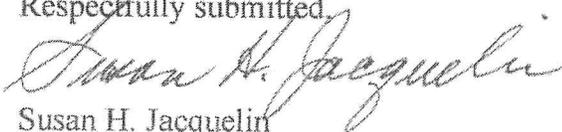
Cordially,

Sandy Esslinger

Mutual 2
Annual Secretary's Report

- Thank you very much for coming today; and thanks to those of you who volunteer for our committees or attend our Board Meetings. We sincerely value your input—that makes us a better community.
- I was only appointed Secretary about 4 ½ months ago, and have been slowly filling Ken Kneibel's big shoes, if that is possible. While going about my duties—reviewing the minutes, distributing documents throughout the Mutual, posting notices, examining policies, having input into Board decisions, interviewing potential contractors, etc., I've learned a lot. I learned things about Leisure World that I never would have known if I hadn't been on the Board, and I would like to share some of them with you.
- I learned that the folks in Administration are very successful at keeping the Board on track. They are incredibly supportive, knowledgeable and professional. Thank you Randy, Jodi, and all the people whose names I have yet to learn.
- I learned that the ladies in Stock Transfer are also wonderfully efficient about ensuring that every "t" is crossed and "i" is dotted when a unit is bought or sold, so that the very complex cooperative ownership process is perfectly legal and free of problems.
- I learned that the people in Service Maintenance are amazing. They truly care about keeping our homes in the best condition possible. That can be a challenge when working with 60-year-old buildings. I've had over 50 calls from Shareholders, with problems big and small. I really like to be able to help them. I love to call in a problem to the Service Maintenance Clerks—Malissa, Dottie, Sandie and Shelby are always very responsive, and so quick to get back to me if I haven't given them all the information they need. They "triage" the requests and get the Shareholders the service they need as soon as possible. They are terrific.
- I learned that the copy center, the Inspectors (thank you, Ray Jones), Security, Physical Property, Recreation, and all the other GRF departments work together to support the management of all the Mutuuls. Leisure World is an amazing little city made of so many moving parts.
- But 2 elements stand out as the core of what makes this all work. First are the Mutual Boards. I know you have heard it before, but I learned that it's true--the people right here volunteer countless hours of research, meetings, discussions, phone calls, shareholder visits, and riding and walking thru the Mutual to make sure all is well.
- And, finally, I learned that you, the Shareholders, care about and support the efforts of the volunteers and employees who make Leisure World a very special place. You step up to be Building Captains or be on our committees. Or, you're just good neighbors and good citizens. Thank you.

Respectfully submitted,



Susan H. Jacquelin

June 8, 2018



MUTUAL TWO

2018 Annual Meeting CFO Report

As we complete elections and start budget season, I want to thank the board and shareholders of Mutual Two for your continued support and assistance.

My goal is to utilize my career experience in contract administration, project management and finance to ensure board financial decisions are responsible and cost effective. As I continue to monitor our income and expenses, I will keep shareholders informed about financial matters that affect all of us.

Careful management of mutual finances is important for three reasons: first, to ensure our carrying charges are enough to fund our daily operations; second, to ensure we have enough money to maintain Mutual Two buildings, driveways, and landscaping in the future; and, finally, to ensure that shareholder contributions are no more than necessary.

Currently, large painting and roofing projects are underway with funds set aside in previous years for this purpose. And, we have large water and sewer projects that will start as these projects are completed.

The great news is that we have enough money to fund all our planned work. Both our operating and reserve accounts are well funded. We are currently in the midst of an \$812,000 project to re-roof ten buildings this year. We have also completed the bulk of our painting project.

During the upcoming budget cycle, the board will be reviewing both operating and reserve expenditures which determine monthly carrying charges. That effort will include an update of the reserve study to ensure our projections are current and carrying charges are adequate, but no higher than necessary.

Costs continue to increase for some operating expenses. For example, our landscaping costs have increased this year. This is partly due to industry increases, but also reflects the board's priority of improving landscaping appearance across the mutual. We will make every effort to keep costs – and carrying charges- as low as possible while still meeting our needs.

I look forward to another successful year making Mutual Two a beautiful and safe place for all of us.

Travis Brooks, CFO, Mutual Two

Peggy Keller – 2017 – 2018 Director's Report for the Year

It's been a busy and fulfilling year. I continue to enjoy working with Mutual 2 shareholders, bringing their concerns to the attention of the board, answering their questions, contacting Service Maintenance for them, and catching up with many of them.

Most recently, I co-chaired Mutual 2 Physical Property along with Teri Nugent. We have been out and about, almost daily, doing our best to make our Mutual infrastructure repaired, up-to-date and attractive, so it will be around for another 50 years. Teri is a dogged worker, a joy to work with and great fun to spend time with while getting the job done. I hope to continue working with her next year. This woman is amazing!!

This is my third year publishing Mutual2Matters, our well-read newsletter, that I resurrected with the help of Margie Meigs and Janice Laine. I plan on continuing to publish it for as many years as shareholders want to read the newsletter.

I have worked on numerous committees over the three years. This past year I worked on the following --

Building Captains: I got the ball rolling to organize a meeting & luncheon with all building captains; something that hadn't been done in years.

Signage: The signs are now on all Mutual buildings and carports. Shortly, signs will be in all carports stating cleaning days and hours. Laundry room signs are in the works announcing hours and rules. More signs to come down the road. Stay tuned!

Laundry Room: I initiated the committee of directors and shareholders to make our laundry rooms more attractive and a more appealing place for M-2 notices to be posted.

Physical Property: Teri and I took turns running meeting, updating shareholders what we've done and what projects are scheduled. To name a few: Wall at Bldg. 72 to prevent people from accessing M-2 through the culvert by Maintenance building; keep track of contractors and all permits issued; replacing sidewalks & driveways; and drainage pipes and sump pumps being replaced and cleaned on a regular schedule, preventing damage.

I want to thank Myrna for her years of devoted service to the Mutual and wish her a happy and peaceful retirement from board duties. I also want to thank all my fellow board members for their friendship and support as we continue to work to make M-2 the Best. This job would be a lot harder if it weren't for all the people in Service Maintenance, and our Building Inspector Ray Jones, and GRF Physical Property – I want to thank them all. And, finally, Jodi Hopkins and her staff in Mutual Administration – the best.

It's has been a busy year and I hope, if reelected, to continue being busy working for Mutual Two shareholders for another two years.

Respectively submitted by,

Peggy Keller



Mutual 2 Annual Meeting 6/8/18

Director's Report

-social committee chair

-landscape committee co-chair

Mr. Ankeny

As a director, this has been a very busy and exciting year.

Our social functions -picnic and holiday dinner- were very well attended, fun and festive.

The landscape committee was a learning curve for me and I was a reluctant co-chair. However, it has given me great pleasure and I enjoyed the learning curve. Thanks to Myrna and Sandy for their advice and patience.

-The Westminster wall is done

-Sprinklers are a daily hassle - (*monitor*)

-new gardening contractor is a real plus

My thanks to all the Shareholders for their support.

Respectfully,

Shirley Naret

Shirley Naret

YEAR END REPORT - DIRECTOR TERI NUGENT

Coming onto this Board in January 2018, was scary and exciting. Being welcomed by these smart, capable, and hardworking Directors has made my job a whole lot easier.

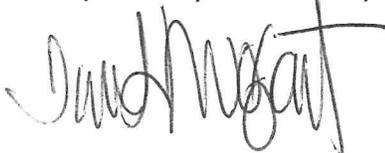
President Myrna Baker paired me with Director Peggy Keller as Co-Chair of Physical Properties, a position that seems to suit me perfectly. Peggy's knowledge, enthusiasm, and professional attitude have been the perfect environment for me to learn and grow in. I am forever grateful for her guidance and friendship. We tackled many challenging projects, most pointedly the breach of the M2 channel fence. Thankfully, we faced that issue head on, and helped to re-secure the property. We also passed the Breaker Box Inspection, and have met all other challenges with hard work and determination.

As for the rest of the Board of Directors, I am proud of all their accomplishments as well. Shirley Naret and Sandy Esslinger have transformed our 15 acres of landscape. The Perimeter Wall planting, and a new gardening contractor are just two of their successes. Travis Brooks, our CFO, has moved us forward with 21st Century technology, while keeping us all informed of how we can better manage our M2 finances. Holly McLaren, Laura Sporcich, and Susan Jacqueline, have all made huge contributions, helping this Board be productive, while all the time working and supporting each other. This has been a wonderful environment in which to work.

And, to President Myrna Baker, who took a chance on me, thank you does not seem enough. Words cannot explain what she has done for this Mutual in her ten years on this Board. Her devoted service to this community will be sorely missed.

I look forward to next year, excited about the future, ready to meet the challenges I know lie ahead. Remaining a Chair on the Physical Properties Committee, and now head of the Laundry Room Committee too, I see busy times ahead. I hope to make my fellow Board members, and residents of Mutual 2, proud of my work.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Teri Nugent". The signature is written in a cursive, flowing style with a prominent loop at the end.

LANDSCAPE REPORT – Mutual 2 – YEAR END ANNUAL REPORT

The past year has been extremely busy for the Landscape Committee. We encourage all who are interested to attend our monthly meetings on the first Friday at 9 am in the Physical Properties Conference Room upstairs in Building 5. We encourage input from everyone.

THE WESTMINSTER WALL IS FINISHED!

Landscaping on the wall is complete. Enjoy the walk. Please no trash or cigarette butts in the Gardens. We don't have a janitor. Also, no doggy doo doo or pee in the Gardens! We have our hands full just keeping the gophers away...

Speaking of gophers, we have monthly maintenance from Fenn for gophers. If you spot a mound, please call the garden hotline so we can dispatch Fenn to that area.

The new landscaper started on June 1. They will focus on lawns and sprinklers first. They will start servicing your Gardens in mid July. If you have an immediate problem, please call the Garden Hotline.

We have planted 40 trees this year. We will continue planting trees. If you would like to donate a tree, the Mutual would be most appreciative. We have hired a company to inventory our trees. They will map them, let us know their condition and tell us what kind of pruning or trimming is necessary.

PLEASE KEEP YOUR GARDENS IN COMPLIANCE

At the time the buildings were painted, we were tough on you and we insisted your gardens be trimmed up. We need to maintain that compliance. All shrubs need to be at least 18 inches under the gutters. No fruits or vegetables in the gardens unless in a pot. Don't let shrubs or bushes hang out beyond the garden. After one warning letter, fines may be assessed. If you have any questions, please ask your Director or call the hotline. We will be happy to assist you.

The Landscape Committee thanks all of you for your patience as we work through these projects to make our Mutual beautiful. Please feel free to call if you have any questions or suggestions.

Cordially,

Sandy Esslinger and Shirley Naret, Co Chairs

GARDEN HOTLINE. 562-294-3142



Executive Director's Annual Meeting Report

To the President, Directors, and Shareholders of Mutual 2,

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

Annual Mutual Shareholders' Meeting 2018

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