

**MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING  
SEAL BEACH MUTUAL TWO  
June 14, 2019**

The Annual Meeting of the Shareholders of Seal Beach Mutual Two, a California corporation, was called to order by President Esslinger at 10:--- a.m. on Friday, June 14, 2019, in Clubhouse 4.

**PLEDGE OF ALLEGIANCE**

Susan Jacquelin led the *Pledge of Allegiance*.

**QUORUM**

President Esslinger 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 18, 2019 Regular Board Meeting, Sandy Esslinger of Unit 49-I, declared her intent to vote cumulatively at this Annual Shareholders' Meeting.

**CERTIFICATION OF NOTICE OF MEETING**

Secretary Keller read the Certification Notice:

I, Peggy Keller, 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 May 16, 2019.

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

**INTRODUCTION OF CANDIDATES**

The following nominated candidates were introduced as follows:

John F. Daamen (New Candidate)  
Sandy Esslinger (Incumbent)  
Judie Jacobus (Incumbent)  
Peggy Keller (Incumbent)  
Patti Kilian (Incumbent)

Holly MacLaren (Incumbent)  
Dr. Shirley Naret (Incumbent)  
Terry Nugent (Incumbent)  
Rose Weldon (New Candidate)

**ANNUAL SHAREHOLDERS' MEETING  
SEAL BEACH MUTUAL TWO**

**June 14, 2019**

**CLOSING OF NOMINATIONS**

President Esslinger called for nominations from the floor. There being no further nominations, President Esslinger requested a motion to close the nominations. Upon a MOTION duly made by Myrna Baker, Unit 33-F and seconded by Patricia Fellers, Unit 36-F, 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 Esslinger announced that the voting was now closed. She asked that any interested shareholders may accompany Accurate Voting Services to the counting area to observe the counting of the ballots, and the results of the election will be posted on the main doors of all the clubhouses. President Esslinger also announced, that at the completion of the Annual Shareholders meeting, the Mutual Two Board of Directors will hold its Organizational meeting to elect officers.

**MINUTES**

President Esslinger asked for a motion to dispense with reading the minutes of the last Annual Shareholders' Meeting held on June 8, 2018, and that they be approved as printed and distributed. Upon a MOTION duly made by John Callos, Unit 3-A and seconded by Martha Goossens, Unit 61-I, it was

RESOLVED, That the Annual Shareholders' Meeting minutes of June 8, 2018 be approved as printed and distributed.

The MOTION passed.

**ANNUAL SHAREHOLDERS' MEETING  
SEAL BEACH MUTUAL TWO**

**June 14, 2019**

**INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS**

President Esslinger introduced the current 2019-2020 Board members:

Sandy Esslinger, President  
Teri Nugent, Vice President  
Peggy Keller, Secretary  
Susan Jacquelin, Chief Financial Officer  
Judie Jacobus, Director

Patti Kilian, Director  
Holly MacLaren, Director  
Dr. Shirley Naret, Director  
Laura Sporcich, Director

President Esslinger then introduced the Golden Rain Foundation Representatives, Paul Pratt and Paula Snowden; Executive Director, Randy Ankeny; Mutual Administration Director, Jodi Hopkins (arrived at 10:10 a.m.), Community Manager Maria Zarro-Anaya, Recording Secretary Kheara Aquino and Building Inspector Ray Jones.

**PRESIDENT'S REPORT**

Mrs. Esslinger presented her report (attached).

**VICE PRESIDENT'S REPORT**

Ms. Nugent had no Vice Presidents Report.

**SECRETARY'S REPORT**

Ms. Keller presented her report (attached).

**CHIEF FINANCIAL OFFICER'S REPORT**

Ms. Jacquelin presented his report (attached).

**DIRECTORS' REPORTS**

Physical Property

Ms. Nugent presented her report (attached).

Landscape Committee

Dr. Naret presented her report (attached).

Social Committee

Ms. Sporcich presented her report (attached).

**ANNUAL SHAREHOLDERS' MEETING  
SEAL BEACH MUTUAL TWO**

**June 14, 2019**

**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).

A brief recess was called from 11:06 a.m. to 12:16 p.m., to complete the tabulation of votes.

**ELECTION RESULTS**

Accurate Voting Services, Inc., reported the following results of the election to the shareholders present. With 556 members representing 64% of the total voting power in Seal Beach Mutual No. Two the following candidates were elected for the 2019 – 2020 term of office. John F. Daamen elected with 717 votes; Sandy Esslinger, elected with 592, votes; Judie Jacobus, elected with 390 votes; Peggy Keller, elected with 508 votes; Patti Killian, elected with 456 votes; Holly MacLaren, elected with 431 votes; Dr. Shirley Naret, elected with 423 votes; Teri Nugent, elected with 649 votes; Rose Weldon, elected with 335 votes.

**BYLAWS AMENDMENT VOTE**

With a majority needed of 433 "yes" votes, the measure of *Amendment and restatement of Bylaws* failed with 344 "yes" votes and 204 "no" votes and 8 abstentions.

**ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 12:20 p.m.

---

Attest, Holly MacLaren, Secretary  
SEAL BEACH MUTUAL TWO  
ka: 07-05-19  
Attachments

(These are tentative minutes, subject to approval by the Shareholders at the next Annual Shareholders meeting.)

June 14, 2019

**Seal Beach Mutual Two  
Chief Financial Officers' 2019 Annual Report**

*Madame President, members of the Board of Directors, and Shareholders of Seal Beach Mutual 2,*

I am pleased to report that our Mutual is in extremely healthy financial shape.

At the end of 2018, our net income (after expenses) was \$140,500; we're on that same track this year. We are not overspending or wasting money.

Our total current assets are almost \$19 million, with a current ratio of assets to liabilities of 9 to 1—a very satisfactory ratio. Your Board, and previous Boards, have taken the responsibility of managing this money—your money—very seriously. In addition to being extremely careful with expenses, we have built up reserves of over \$4.3 million, with annual contributions of over \$1.6 million a year.

These monies are not just in one big bucket that we take from whenever we like. The money is set aside in specific funds such as Roofing Reserves (\$1.6 million), Painting Reserves (\$223,000), Infrastructure Reserves (\$1.7 million), Landscaping (\$57,000), etc. Thus we already have the money for current projects such as landscape upgrades, scheduled structural repairs, new roofs, re-piping and some concrete repair over the next several years. We are in the midst of our annual Reserve Study to plan for another painting project in 10 years and more roofs in 20 years, and walkway replacement over several years. None of us want a special assessment to pay for something we didn't plan ahead for.

We re-work our budgets every year to ensure that we always have enough for known and unknown projects. For instance, we have over half a million dollars in Emergency reserves for sudden disasters, and \$64,000 for additional operating funds if necessary. Actually, we have stopped funding that reserve because we haven't needed to use it in years.

And of course, we had built up a reserve fund of \$61,000 for appliance repair and replacement. By using the new company's laundry machines, with no expenses for us and some income, we can re-allot a big chunk of the appliance reserves to other areas.

We're very careful to not do too much in too short a time. We directors get together and go over our "wish lists" and prioritize as to what we *must* do and the *wouldn't it be nice to do* jobs. We set conservative timetables—such as doing 10 roofs at a time, not all the roofs at once.

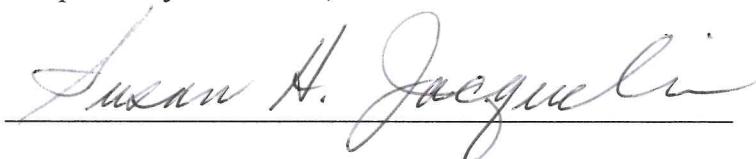
Of course, all of this complex financial planning and management is not done by your volunteer Board members alone. The GRF Accounting Department folks are the professionals

supporting us. Mr. Ankeny, I cannot say how much I sincerely appreciate the expertise, and patience, of Carolyn Miller and Diane Schultze. They are amazing.

And we of course have other professionals on our team, such as an investment firm, CPAs, auditors, tax specialists and the Reserve Study company. All are the best at what they do, and all have served us well. There are a lot of checks and balances, as well as great advisors that help us take good care of your, and our money.

So, like I said, we are in very good financial shape, and I hope I've explained, at least in part, how we have accomplished this.

Respectfully submitted,

A handwritten signature in cursive ink, appearing to read "Susan H. Jacquelin". The signature is written over a horizontal line.

Susan H. Jacquelin, Mutual 2 Chief Financial Officer

## PRESIDENT'S REPORT – JUNE 14, 2019

This year as your President has been very busy and at the same time, very rewarding. The best part has been driving around in my golf cart talking with all the residents and making new friends. I have enjoyed helping some of our neighbors with their minor problems.

As President I have attended lots of meetings and by sharing with other Presidents have learned how to handle certain situations. Our Mutual 2 Board of Directors has also accomplished many milestones. Our gardeners are doing a great job on the lawns. The sprinklers around all the units have been replaced. A lot of trees have been planted with more to come. The carport ends are getting a new look. Soon we will be looking at monument signs to let visitors know they are in Mutual 2.

Even the realtors are noticing how nice our Mutual has become. Our sales are up. Our committees are working well together. Physical properties is looking at upgrading the sidewalks. As soon as the roofs are done, we will start replacing pipes in the attic with copper and each unit will have its own water shut off valve. Another project I would like to consider is upgrading the electricity in the carports so we can have a place to charge electric cars.

All the laundry rooms have new washers and dryers. We hired a laundry service company. Holly did a great job getting this contract in place. Washes are \$1.00 and drying is \$.50 for an hour. The roofing project continues. All of our breaker boxes are being serviced. This project is almost finished. Thank you Teri.

As you can hear, we've been busy. Our Mutual is financially healthy.

My one wish is that more residents will get involved in their community. You all show up when we have food so why not come to a committee meeting or a Board of Directors meeting and hear what we are planning? You might make some new friends and even enjoy yourself. We need your input and would love to have your help. Thanks again for giving me the privilege of serving you, my friends and neighbors.

Sandy Esslinger



ANNUAL REPORT – 2018 - 2019  
PEGGY KELLER, MUTUAL DIRECTOR & SECRETARY

It has been a busy and fruitful year in Mutual Two. Working with our president, Sandy Esslinger, much has been accomplished by all the directors. As many of you know, our most recent project, with all of us working together, was restating the Bylaws. It has been a time-consuming project working with our attorneys to make sure the newly restated Bylaws are fair to everyone. I believe we achieved our goal, contrary to what a small number of shareholders avowed.

Susan Jacquelin, Mutual Two CFO, and I spent hours reviewing and making suggestions to improve the Occupancy Agreement, which will only effect those moving in once it is approved by the attorney and ratified by our Board of Directors. It does not affect current shareholders. Once that is accomplished, we move on to Policies & Procedures, soon to be called Rules and Regulations, again working with our attorneys. Holly MacLaren and I will review all existing policies and ask Directors for their input before making any changes.

I have served on several committees this past year: Roofing (Chair); Physical Property (Vice Chair), along with Teri Nugent (Chair), who has done a great job working with Service Maintenance and the GRF Physical Property Department to improve living in Mutual Two; Policies & Procedures (Chair) with Holly MacLaren (Vice Chair); Carports (Chair); and Mutual Two Matters (Publisher), with contributions from a number of other committee chairs; and I have enjoyed working on all the committees.

I initiated our new building signs that went up last year and began work on unit lettering which has been turned over to Patti Kilian, Mutual Two's Beautification/ADRC Chair, who is doing an excellent job working alongside Shirley Naret, our Landscape Chair, J&J Landscaping, and Teri Nugent, Physical Property Chair.

The next big project is roofing ten (10) buildings now that the Board has chosen a roofer. I will be working closely with Ray Jones, our Building Inspector, and David Rudge, Project Coordinator, to get the buildings completed by the fall. We may possibly begin roofing another four (4) buildings after that.

As Mutual Secretary, I produce and distribute notices to directors for all Mutual Two meetings, and distribute BOD Agendas and Minutes. I take notes at certain meetings and, I visit Stock Transfer daily to sign certificates and gather information for directors, then distribute that information.

Perhaps my favorite responsibility is producing and periodically writing Mutual 2 Matters, our monthly newsletter. I resurrected M2Matters shortly after getting on the board in 2015, and will continue doing it as long as shareholders enjoy reading it.

I look forward to continuing working for and meeting Mutual Two shareholders and doing my best to make our Mutual the best it can be. And, I hope you agree that we are well on our way!

Respectively submitted by,

A handwritten signature in black ink, appearing to read "Peggy Keller".

Peggy Keller, 69-H  
562-446-0130

## MUTUAL 2 / 2019 ANNUAL MEETING

### PHYSICAL PROPERTY COMMITTEE REPORT

Looking back on this past year, I am very proud of this Committee's accomplishments. Being Physical Property Chair has been a rewarding, sometimes challenging position. The year started off with the failure of the Sump Pump located at Building 29. Our Committee worked tirelessly for months with Service Maintenance, the GRF Physical Property Department, and the original installation contractor to learn how the pump operates, and to get it back online. When the heavy rains hit, the pump worked perfectly. A team effort, with excellent results.

Our ongoing inside Breaker Box inspection is nearing completion. A project started with a photo of a scorched water heater from another Mutual, sparked my concerns, and those of then Co-Chair Peggy Keller. Since the beginning, the Electrical Technician has replaced many breakers, made many electrical adjustments, and vacuumed dust and debris from the boxes. We recently discovered two serious problems. We have replaced some burnt wires, and even found it necessary to replace an entire panel in Building 27. This project is worth every penny spent by the Mutual.

Since November, with Peggy now as Vice Chair, our Committee has made many improvements to our aging community. We replaced the asphalt with concrete in Carport 33. Carport 22 is scheduled to start work in early July. We have done three major sidewalk renovations at Buildings 65, 69, and 70. Building 72 is scheduled to begin work soon. The 864 Unit Fire and Safety Inspection just concluded. This All Hands On Deck undertaking was quite demanding, to say the least. Several damaged baffle walls have been removed and repaired. Drainage problems have been identified, and pending survey work will find our solutions. This work is scheduled to start on June 17<sup>th</sup>. And, of course, we have ten new roofs ready to be installed in the upcoming weeks. The Physical Property Committee is working daily to help improve and maintain our infrastructure.

Working in conjunction with Shirley Naret, Landscape Chair, and Patti Kilian, ADRC/Beautification Chair, the Physical Property Committee is so pleased with how great the Mutual looks, and how well everything is working. We have fewer service calls, and folks are smiling and waving at all of us as we make our daily rounds in the neighborhood. I look forward to the good work and collaborations to come.

A sincere thanks to this Board of dedicated, hard working volunteers. There is a lot of hard work ahead, and I am confident with teamwork and good leadership, all our goals will be reached.

Many thanks go out as well to Mark Weaver, Facilities Director, David Rudge, Physical Property Manager, Ruben Gonzalez, Facilities Manager, and their respective staff and crew for their guidance and assistance.

A very special thanks to Ray Jones, Mutual Two Building Inspector, whose knowledge and abilities keep us running smoothly.

Most of all, thank you to the Shareholders, our friends and neighbors, for their continued encouragement and support. It has been my honor and privilege to serve you and this community.

Respectfully submitted,



TERI NUGENT

Physical Property Chair

June 14, 2019

## Seal Beach Mutual 2 Landscape Committee Chair's 2018-2019 Annual Report

*Madame President, members of the Board of Directors, and Shareholders of Seal Beach Mutual 2,*

We have had an extraordinary year with our lawn and garden upgrades and projects. Last June, after careful consideration of several competing bids, the Board awarded J&J Landscaping the annual contract. We have had many, many compliments throughout the year about how the greenbelts, lawns, trees and gardens have now noticeably contributed to our Mutual's beauty.

One of the reasons for the improvements is that you, the Shareholders, care. We are glad that you voice your concerns, problems, and suggestions when you call the Landscape Hotline. Before we had J&J, we had many, many calls with real issues. But now, we have fewer calls, and we even have callers tell us what a good job the gardeners are doing, or that they love the tree we planted near their unit, or how nice the Westminster Wall looks.

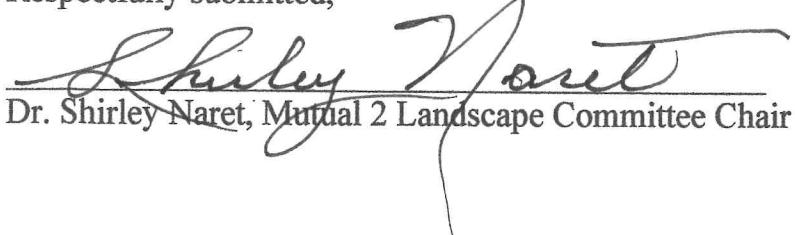
Your very active Landscape Committee, which consists of myself, Director Susan Jacquelain and 6 Shareholders, worked on many significant projects this past year. Besides all new plants and an effective drainage system along the wall, we repaired or replaced all of our sprinkler system components. Replacing damaged sod is an ongoing project, as is grinding out old stumps left by previous landscapers. We had the first comprehensive tree-trimming project in many years; over 100 trees were either trimmed and/or pruned.

We engaged ArborPro, an arborist company who surveyed and listed every tree in Mutual 2, so we now have an up-to-date record of tree trimming and planting, as well as removal of diseased trees or those damaging sidewalks, foundations or roofs. Many thanks to Debby Cobb and Dave Mueller for consistently updating the complex ArorPro database.

We planted more than 50 new trees of many varieties that will enhance Mutual 2 but will not damage walkways, roofs or building foundations, and over 60 Podocarpus bushes that beautify the work staging area by Carport 30, and 30 more by Carport 24.

Now we are replacing the worn or damaged sprinkler valves and made covers to protect the valves likely to be run over with carts or are trip hazards. Other current projects include renovating the expansive greenbelt by Bldg. 61: level the sod, create proper drainage slopes and add new sprinklers. We are working with Chair Patti Kilian and her new Beautification Committee to improve the looks of 10 carport ends with new plants, drip systems and aesthetic boulders.

Respectfully submitted,

  
Dr. Shirley Naret, Mutual 2 Landscape Committee Chair

## SOCIAL REPORT

This year the Social Committee has been very active. Because I had knee replacement last summer, Myrna Baker has done most of the work. The summer potluck was a lot of fun. The food was awesome. In December, the holiday party was catered by Koffels. Turkey, tritip and all the trimmings were served and the band was great. Over 300 residents attended the holiday party. In February we organized a training luncheon for the Building Captains. The Social committee helped at the bylaw meetings with cookies and coffee. Finally, they put together a potluck dinner for the Meet The Candidates evening. Good food and over 100 residents had a great meeting. Thank you Myrna, for all your hard work and dedication to Mutual 2. Thank you also to all of the volunteers who worked on this committee during the year. I appreciate all you did.

Laura Sporcich  
Social Chairperson



---

## GRF Executive Directors Annual Meeting Report

---

Dear Mutual Two,

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 Two, GRF representatives, Paula Snowden and Paul Pratt, and the Board members of Mutual Two; 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.

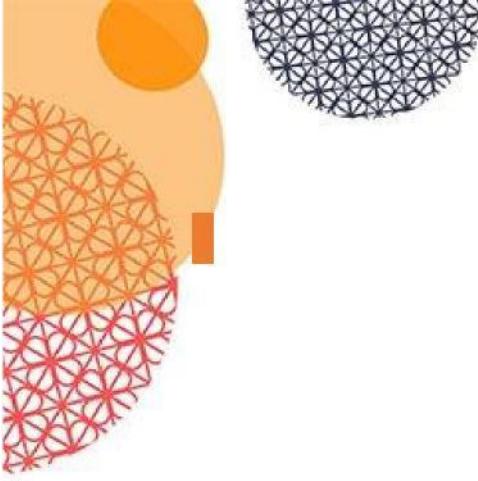
Thank you again for your support and partnership and, most importantly, for allowing my staff and I to be a part of your community and, especially, part of your lives.

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

