

**MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING
SEAL BEACH MUTUAL FIVE**

June 13, 2017

The Annual Shareholders' Meeting of Seal Beach Mutual Five, a Common Interest Development with the rights and protections of the Davis-Stirling Common Interest Development Act, was called to order by President Coven on Tuesday, June 13, 2017, at 10:00 a.m., in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Ms. Trembly led the group in the *Pledge of Allegiance*.

QUORUM

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

SHAREHOLDER DECLARATION

At the May 17, 2017, Regular Board Meeting, Patricia Imbriano, Unit 117-G, declared her intent to vote cumulatively at this Annual Shareholders' Meeting.

CERTIFICATION OF NOTICE OF MEETING

Secretary Boryta read the Certification Notice:

I, Joan Boryta, Secretary for Seal Beach Mutual No. Five, 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.**

INTRODUCTION OF OBSERVERS OF THE ELECTION

President Coven has appointed two Observers of the Election as follows:

Gene Box, Unit 123-B; and David Noble, Unit 108-D.

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 were introduced as follows:

Betty Coven (Incumbent)	Debbie Tran (Incumbent)
Joan Boryta (Incumbent)	Ken Cude (New candidate)
Kevin B. Powell (Incumbent)	Rogell Van Wyk (New Candidate)

President Coven called for nominations from the floor. A self nomination was made by Connie Deady, Unit 71–A for Parcel 13. There being no further nominations from the floor, President Coven called for a motion to close the nominations.

Upon a MOTION duly made by Steven Snyder, Unit 123–C, and seconded by Sandra Massa Lavitt, Unit 110–G, 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 Five's new Directors.

President Coven announced that the voting was now closed and instructed the appointed 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. When the counting is completed, the newly-elected Board will hold its Organizational Meeting to elect officers.

MINUTES

President Coven asked for a motion to dispense with reading the minutes of the last Annual Shareholders' Meeting held on June 14, 2016, and be approved as printed and distributed. Upon a MOTION duly made by Steve Snyder, Unit 123–C, and seconded by Sandra Massa Lavitt, Unit 110–G, it was

RESOLVED, That the minutes of the Annual Shareholders' Meeting of June 14, 2016, be approved as printed and distributed.

The MOTION passed.

INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS

President Coven introduced the current 2016-2017 Board members:

Betty Coven, President
Susan Trembly, Vice President
Joan Boryta, Secretary
Debbie Tran, Chief Financial Officer

Wayne Gould, Director
Kevin Powell, Director

President Coven then introduced Golden Rain Foundation Representative, Phil Hood; Executive Director Randy Ankeny; and Mutual Administration Director, Jodi Hopkins.

PRESIDENT'S REPORT

Dr. Coven presented her report (attached).

VICE PRESIDENT'S REPORT

Ms. Trembly presented her report (attached).

SECRETARY'S REPORT

Ms. Boryta presented her report (attached).

CHIEF FINANCIAL OFFICER'S REPORT

Ms. Tran presented her report (attached).

DIRECTORS' REPORTS

Mr. Gould presented his report (attached).

Mr. Powell presented his report (attached).

GOLDEN RAIN REPRESENTATIVE'S REPORT

Mr. Hood presented his report (attached).

EXECUTIVE DIRECTOR'S REPORT

Mr. Ankeny presented his report (attached).

MUTUAL ADMINISTRATION MANAGER'S REPORT

Ms. Hopkins presented her report (attached).

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

June 13, 2017

Ms. Coven called a recess at 10:53 a.m. and reconvened at 11:04 a.m.

ELECTION RESULTS

Ms. Cheryl Wilson of Accurate Voting Services, Inc., reported the results of the election to the shareholders present as follows: Parcel 13, Connie Deady was elected with 22 votes; Parcel 17, Betty Coven was elected with 263 votes; Parcel 21, Joan Boryta was elected with 218 votes; Parcel 22, Kevin Powell was elected with 209 votes; Parcel 23, Debbie Tran was elected with 132 votes; Ken Cude (at-large) was elected with 310 votes; and Rogell Van Wyk (at-large) was elected with 129 votes.

Proposed Bylaws amendment to eliminate the parcel system, eliminate FHA language, eliminate cumulative voting, and provide for staggered terms, as well as remove antiquated language such as "telegraph," passed with 174 "yes" votes.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:08 a.m.


Attest

Joan Boryta, Secretary
SEAL BEACH MUTUAL FIVE

Cad: 6/13/17

Attachments

MUTUAL 5
President's Annual Report
June 13, 2017

It is my pleasure to report to the Shareholders of Mutual 5 the accomplishments of the 2016-2017 Board of Directors.

The Board is elected and empowered by the 492 Shareholders to govern the Mutual 5 Corporation. This includes: 1) Operational Management of 41 buildings, 17 laundry rooms, 13 carports and eleven acres of landscaping; 2) Rules enforcement, and 3) Financial Management.

1. **OPERATIONAL MANAGEMENT:** Manage the day to day operations of the association. The following projects were instituted by the 2016-2017 Board.
2. **Roofing:** Your Board started the process of finding a contractor for the roofing project in October 2015. Work was finally started in December 2016. A total of nine buildings have been contracted -- Buildings 90, 91, 93, 94, 95, 98, 103, 114 and 121. Five buildings are completed and four more will be finished this year. We had a bumpy start to Building 90's reroofing. While the roof was torn off, a storm hit creating a flood in the building. All of Building 90's Shareholders were moved out to relatives or to hotel accommodations. The repairs and all costs will be covered by the roofing contractor's insurance.
- a. **Attic fresh water pipes:** Although our inspection of the attic fresh water pipes was completed in April 2016, because of a shortage of personnel in Service Maintenance the repairs were postponed and have now been completed.
- b. **Gutters** are slated to be replaced on the reroofed buildings. Because of the requirements in place for the protection of all of LW, finding a contractor is proving to be difficult.
So you can see that getting a construction project started and done takes a good deal of time and effort from your volunteer Directors.
- c. **Sewers:** The ongoing Sewer preventive maintenance program is in renewal negotiations.
- d. **Smart Burners:** During the first phase of installation, almost 400 sets of Smart Burners were installed as part of our ongoing Fire and Safety program. Refunds were paid to Shareholder who had purchased Smart Burners on their own. The program continues.
- e. **Contracts:** Pinnacle Tree removal - 7 trees
Andre tree planting 10 trees
Andre maintaining and pruning trees
Kellie Vaughn - 9 buildings to be re roofed
GRF purchasing: Stove tops
Pioneer Technology - Smart Burners
- f. The Board Resolved to have the shareholders call Service Maintenance directly.
- g. Permits for patios to be approved by the President and Physical Property chair.
- h. The Board now requires a seller to provide a one year insurance policy for non-standard appliances and fixtures for one year.
- i. See Committee Chair reports for more information.

2. **RULES ENFORCEMENT:** Part of the duty of The Board of Directors is to enforce the governing documents. They can do this via warnings, hearings, fines, suspension of privileges, and litigation.
 - a. Policies: the Board adopted and rescinded numerous policies - too many to list here - (See the Resolutions page in the Minutes of each separate month for complete details.)
 - b. A resolution was placed on the 2017 ballot to amend the Mutual 5 Bylaws. To: Remove antiquated language; remove the Parcel system; remove the Cumulative voting system in exchange for a one Share, one vote policy and create a rotating two year term for Directors..
 - c. Rules Enforcement have been conducted via warnings delivered by letter. This has been successful in that response to a great majority of the letters has been positive
 - d. Fire and Safety inspection will be held later this year.

3. **FINANCIAL MANAGEMENT.** The Board is obligated to prepare budgets, levy and collect assessments, pay bills, review financial records, and prepare year-end financial statements.
 - a. Budget: In October 2016 the Board passed the 2017 budget of \$1.91 million.
 - b. Reserve Study: The Reserve study by Association Reserves was used as the basis for Reserve Funding which was \$484,010 this year and was part of the total budget.

Many thanks to our hardworking Directors for all of their efforts. Thanks also go out to the employees of our Golden Rain Foundation Management Company. To Directors Susan Trembly and Wayne Gould for their exemplary work on the Mutual 5 Board and to Phil Hood who served on the Mutual 5 Board as CFO and President and on the GRF Board as Treasurer for a total of thirteen years we send many thanks for their service to the Mutual 5. community.

Respectfully submitted,

Betty Coven, Ph.D.
President, Mutual 5

Mutual Five Annual Meeting
June 13, 2017
Susan Trembly, Vice President

Good morning everyone! Thank you for taking the time to attend our Annual Meeting and Luncheon.

As the Mutual's Vice President, I serve on four committees, Landscape, Events, Legal and Financial. Most of our directors have multiple committees on which they serve which I'm not sure you are aware.

I have racked my brain to come up with a comprehensive report on Landscaping for the past year, but because this is a very fluid responsibility, I'm at a loss to report specific accomplishments during the past year. I can tell you that I, as well as my valuable Landscape Committee cohort, Chris Bitner, have made sure that our residents get the most professional results. There have been issues with sprinklers, seasonal weeds and general turf short fallings which we have dealt with within our contract and dollars allocated to the turf. Nothing is perfect and I have never felt that perfection was our goal. I believe Andre Landscaping has provided good service with a very positive attitude of Customer Service.

As the events chair, I can report that our recent 55th Anniversary Picnic was a huge success, with over 100 residents attending. In addition to the chicken the mutual provided, residents brought delicious sides and deserts. It would be wonderful if we could have such event every other year as it's a great way to meet your neighbors.

In closing, I would like you to know that it was a pleasure to serve you for almost four years and I'm sure you'll enjoy your new Board members. Please consider serving on a committee to help your Mutual to be the best it can be!

Respectfully submitted,
Susan Trembly, Vice President
Chair, Landscape Committee
Chair, Events Committee
Member, Financial Committee
Member, Legal Committee

June 13 2017

Mutual 5 Secretary Report

After a few months of trying to get people to change the habit, the Minutes are finally coming in on the clipboard that was supplied by Mutual 5. Strangely enough, I have boards of every shape and size that were not included when you got your new board, but it's a board at least. Please have a look around your home and see if that clipboard is just hiding under something. You can either deliver the board to me 113G or I will pick up. My phone 714-842-0674. The reason I want the board back is that I want the signed Minutes to file by month. A big thank you to the Building Captains for seeing that everyone gets to read the information and for collecting and returning the clipboards.

The Minutes and important events are always posted in the laundry rooms, so you may check out these spaces from time to time. You may also receive the Minutes via email. Just call and give me your email address and I will add you to the list.

On the note of trash – we are having problems with people not breaking down boxes. You must flatten. Please be responsible to do your own.

Any large items need to be transported to the area at the mini-farms either by you or for a small amount – by Maintenance. Under no circumstances may you leave large articles outside the dumpster. Call a Director if you need help.

You may write the Board or attend Board meetings to discuss any problems or resolve any questions you may have. Please consider coming to the monthly meetings held at Clubhouse 5 Room B at 9 AM the 3rd Wednesday of the month. You will learn what's going on and how your money is spent.

Respectfully submitted,

Joan Boryta, Secretary

A handwritten signature in black ink that reads "Joan Boryta". The signature is written in a cursive style with a large, looping initial "J".

Mutual Five

CFO Report

June 13, 2017

I would like to take opportunity to thank to our mutual shareholders and the board of directors to elect me to serve you as a CFO since September 2016

I'd like to share some highlighted areas of our mutual in the financial perspective

Please note that the dollars amount is round up to the nearest thousands.

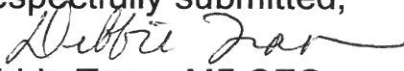
In May 2016, our mutual income was 802,000 and expenses 779,000. We have an excess of roughly 23,000 before off-budget and restricted reserves of 2.9M.

Please note that the restricted reserves are used for appliances, painting, roofing, emergency and infrastructure .

Ending of May 2017, our mutual income was 827,000 and expenses were 807,000. We still had an excess of 20,000 before off-budget. The total restricted reserves were 2.6 M.

The roofing project is a major project going for 2016 and 2017. So far, we completed ⁵ buildings and committed an additional 4 buildings for fiscal year 2017-2018.

Respectfully submitted,


Debbie Tran - M5 CFO

Physical Properties Annual Report 2016-2017

Wayne R. Gould

Director Mutual 5

Mutual 5 has had a very busy year in Physical Properties. Our biggest project of the year is the roofing project. We will close out the reporting period with five new roofs in place with more to come. We got off to a rocky start on the roofing project with the great flood of building 90 due to weather and the loss of covering material in high winds caused by contractor error.

The weather not only caused a major damage to building 90 but also revealed several areas where sidewalks have sunk and grassy areas raised. The el nino predicted last year waited till this year to cause us issues. The good news is we got thru it, learned a lot, and are better prepared as we move forward with roofing and other needed repairs.

Our electrical grid is being serviced as a preventative maintenance project and a complete attic inspection was completed on our overhead water system. Needed repairs are ongoing and the mutual has implemented a re-piping program with at least two building projected to be re-piped per year.

All storm drains have been videoed and are in good shape. Sewers are a concern as they approach the last years of their service life. Drainage is good for the most part and we are monitoring two areas that need improvement.

Parking issues continue to be a concern but we have added two loading zones, created 21 new golf cart parking spaces. The board has adopted a firm but common sense towing policy and proper signage ordered and installed to allow towing if necessary.

Lastly we have had a change of inspectors as Eric K was replaced by Bruno A. Eric should be commended to his outstanding service to Mutual 5. - END

Laundry Report

June 2016/17

We have had a very good year for our laundry rooms. Our cleaning staffs have done a good job keeping them clean and tidy. We also have brooms and dustpans, some of them new, so a big shout-out to our shareholders who help keep our laundry rooms swept in-between cleanings. I also put some artwork up in laundry room 117 to make washday a little more of a pleasant experience. I have some more art and will hang those in some of our other laundry rooms during the next year.

Our program to keep our washers and dryers free of charge has also worked well. We have purchased five new Speed Queen dryers this year and will continue to replace our washer and dryers, but only as the need arises. We do want to keep expense to a minimum so that we can keep your monthly fees reasonable. (Mutual 5 currently has the 4th lowest Fees in Leisure World.)

We have also put-up our four language posters of Laundry Room Rules so everyone can understand our rules and procedures. We have had very good compliance. I have also put plastic bound reminders on top of the dryers reminding everyone not to use High heat as it may exceed our controllers and shut-off the heat and hot water. Compliance has been exceptional.

We will continue with our programs and I expect another good year for 2017/18

Kevin Powell

Laundry Chair.

June 13, 2017

Mutual 5 Emergency Preparedness Annual Report

Since October of 2016, all is quiet on the waterfront so to speak. We had a successful "Shake Out" in October and will begin preparations in September for the annual Shakeout due in October this year.

For everything powered by batteries, replacements of batteries should happen before summer's end. As there has been a shortage of Directors in Mutual 5 and many jobs to do, we have not worked on new procedures for quite some time. There are monthly meetings represented by chairpersons and interested citizens held the first Friday of the month. There are also CERT classes held throughout the year as well as First Aid. Any shareholder is encouraged to attend and learn any of these procedures.

One new shareholder expressed an interest in being part of ER but is not yet moved in. Thank you to all who participate when we have a drill. There are always more volunteers than we expect so it's encouraging to know that although you may not have signed up for responsibility, you show us that everyone wants to help in an emergency.

Respectfully submitted,


Joan Boryta, Chair

June 13, 2017

MUTUAL 5 Carport Annual Report

Due to lack of Director volunteers, the Carport Committee was only revived during the past few months. As Chair I usually check on the carports every 3 or so months for any infractions by shareholders; that is, storing of inappropriate materials in the car space. Out of 492 units, I am happy to say that only a handful of letters go out and compliance is swift.

Please watch the surface beneath your car for any oil leaks and take care of them immediately. There are materials you can purchase to remove and make the surface like new again. Also the use of cat litter is helpful.

If you are storing a bicycle, it is strongly suggested that you lock it securely in place to avoid losing it to sticky fingers. We have lots of outsiders working in here, carpenters, caregivers, roofers. Don't play with temptation!


If you plan to enclose the bottom portion of your car space with cabinetry, please be aware that there is a specific diagram available and a permit through Physical Property is required.

I believe we have all in place to legally tow anyone who is parked wrongfully. As we haven't had a first tow yet, I cannot yet tell you how it will work. By the way, since GRF has imposed fines for illegal parking, the tickets have gone way down to only a handful per month. Good work!!

It is quite a task to organize and update the carport spaces that are already rented or open to rent. Please if you have a carport space or cabinet or both to rent, call me at 714-842-0674 so I can match your situation with a person who is waiting to house his car. There are many shareholders with more than one vehicle and as LW was originally designed as a one car per unit we have many vehicles parked on the street areas making it difficult for an outsider to park. Also too many people are not using their carport space daily causing more of the same problem. PLEASE PARK IN YOUR CARPORT SPACE.

CARPORTS ARE NOT FOR YOUR GUESTS. You park in your carport and there will be room outside for guests.

Respectfully submitted,


Joan Boryta, Carport Chair

TREASURER

As one of the four GRF Corporate Officers', the Treasurer has certain responsibilities among which are:

Chair the Finance Committee (FC) Monthly and any Special Meetings; conduct a monthly Agenda Planning meeting with the Executive Secretary, Committee Vice-Chair, Director of Finance, and others who may be pertinent concerning information necessary for the particular meeting; attend other GRF meetings to be aware of referrals from that committee to FC for approval of finances requested for projects, the results of which are then usually presented to the GRF Board of Directors for their decision; on a weekly basis verifies and confirms proper amounts and accounts and signs appropriate checks prepared by Finance Department for authorized payments, based upon Operations, Capital, or Reserve Funding, with a second Corporate Officer signature required on \$10,001 and over, and on any amount from Reserve's; share thoughts with Director of Finance during the month; meet with Executive Director on weekly basis ensuring items pertaining to FC are being applied appropriately and as required; be available to participate and assist in any activity requested by the GRF President, Vice-President, Executive Director, Secretary, Executive Secretary, Co-Director, Staff Management, and/or.....????

Respectfully,

Phillip W. Hood



Executive Director's Annual Meeting Report

Mutual 5

To the President, Directors, and Shareholders of Mutual 5:

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 *Five*, and each member of Seal Beach Mutual *Five*. 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 *Five* 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 *Phil Hood* your GRF Representative. 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