

**MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING
SEAL BEACH MUTUAL EIGHT
May 29, 2018**

The Annual Meeting of the Shareholders of Seal Beach Mutual Eight, a California corporation, was called to order by President Thompson at 10:00 a.m. on Tuesday, May 29, 2018, in Clubhouse 4.

PLEDGE OF ALLEGIANCE

Ron Parks led the *Pledge of Allegiance*.

QUORUM

President Thompson 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 23, 2018 Regular Board Meeting, Dorene Youngs of Unit 186-J, declared her intent to vote cumulatively at this Annual Shareholders' Meeting.

CERTIFICATION OF NOTICE OF MEETING

Secretary Park read the Certification Notice:

I, Keechul Park, Secretary for Seal Beach Mutual No. Eight, 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 29, 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:

Michael Banfield	(New Candidate)
Ruth G. Mullins Berg	(Incumbent)
Jeri Dolch	(New Candidate)
Ron Kline, Sr.	(Incumbent)

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

May 29, 2018

Keechul Park	(Incumbent)
Camille K. Thompson	(Incumbent)
Charlene Warner	(New Candidate)

President Thompson called for nominations from the floor. There being no further nominations, President Thompson requested a motion to close the nominations. Upon a MOTION duly made by Richard Winslow, Unit 205-H, and seconded by Ron Kline, Unit 190-C, 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 Eight's new Directors.

President Thompson 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 Thompson asked for a motion to dispense with reading the minutes of the last Annual Shareholders' Meeting held on May 22, 2017, and that they be approved as printed and distributed. Upon a MOTION duly made by Claude J. Klug, Unit 186-C and seconded by Lynn M. Zdonek, Unit 197-G, it was

RESOLVED, That the Annual Shareholders' Meeting minutes of May 22, 2017 be approved as printed and distributed.

The MOTION passed.

INTRODUCTION OF CURRENT BOARD MEMBERS AND GUESTS

President Thompson introduced the current 2017-2018 Board members:

Camille Thompson, President	Ron Kline, Director
Ruth Berg, Vice President/CFO	Richard Winslow, Director

K.C. Park, Secretary

President Thompson then introduced the Golden Rain Foundation Representative, Steven McGuigan (who was absent); Executive Director, Randy Ankeny; and Mutual Administration Director, Jodi Hopkins.

PRESIDENT'S REPORT

Ms. Thompson read her report.

VICE PRESIDENT/CFO'S REPORT

Mrs. Berg presented her report (attached).

SECRETARY'S REPORT

Mr. Park read his report.

DIRECTORS' REPORTS

Mr. Winslow read his report.

Mr. Kline read his report.

GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT

No report due to Mr. McGuigan's absence.

EXECUTIVE DIRECTOR'S REPORT

Mr. Ankeny presented his report (attached).

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins presented her report (attached).

RECESS

President Thompson called a recess at 10:43 a.m. until 10:51 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

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

May 29, 2018

election: Michael Banfield elected with 123 votes; Ruth G. Mullins Berg, elected with 116 votes; Jeri Dolch, elected with 135 votes; Keechul Park, elected with 167 votes; Camille K. Thompson, elected with 170 votes.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 10:55 a.m.



Attest, Keechul Park, Secretary
SEAL BEACH MUTUAL EIGHT
lh: 5/29/18

Attachments

Annual Financial Report – Mutual 8: May 29, 2018

Welcome, it's so nice to see all of you here. Your presence and input are so vital in ensuring a smooth running corporation and the best Mutual in Seal Beach Leisure World.

I want to begin by thanking all of the Foundation staff, especially my friends in the Accounting Office, for all their help and assistance. They are consistently helpful, friendly, and a pleasure to work with.

This is the Annual Report for Mutual 8. You all have been provided with an audited review of the year ending December 31, 2017. A summary appears below of the last couple of years.

	<u>Net Worth</u>	<u>Liabilities & Stockholders Equity</u>	<u>Reserves</u>
12/31/16:	3,975,243	4,222,009	2,098,588
12/31/17:	4,593,439	4,879,159	2,184,656
4/30/18:	4,816,738	5,101,279	2,303,372

Investment Activity (BNYMI)

As of 4/30/18:

Total Assets: 1,235,553, most of which is assigned to Reserves

All Municipal Bonds: AA or better

11.8% due in < 1 year

88.2% due 1 – 5 years

None over

Last 6 months: 8/28/17 – 2/28/18

3 Bonds Sold

2 Bonds Matured

6 new Bonds AA or higher bought

Other significant income:

Inspection Fees: 22,500

Laundry Fees: 9,283

Misc. Fees (mainly encroachment): 3,880

Interest: 18,762

As you know, our practice has been to replace matured or sold Bonds with new ones, according to the Banking Policy of Mutual 8.

The major expenses of 2017 was related to the Carport fire and Legal fees. Except for the deductible, all fire income has been received and all expenses have been paid, including the self-loan from the Mutual's Infrastructure which was needed for a time to pay operating expenses. Once the fire insurance payments were made, the loan was no longer necessary.

Like prior years, 2017 was a good year and we were within the Mutual's operating guidelines. The formal outside audit was very positive. More fiscal updates for 2018 will be included at the next meeting.

Soon we will begin the budgeting process for 2019. Please consider letting the Board know, either by email or at the next meeting your thoughts about the upcoming budget.

The plan for 2018 is to hold a couple of fiscal workshops/Town-hall Meetings. One topic will be on Investments and another on Financial reporting issues and Reserves.

Once again, Your input is appreciated and I thank you for all your assistance. God bless you; God bless Mutual 8; God bless America.

Ruth G. Mullins Berg, PhD, RN,CPNP-R
VP/CFO, Mutual 8

MUTUAL 8 PHYSICAL PROPERTY ANNUAL REPORT FOR 2017-2018

Dominating the Physical Property Coordinator's agenda for 2017-18 were issues relating to (1) the laundry rooms, (2) solar power plant and (3) inspections for listing and transfer of apartments.

Laundry rooms experienced frequent equipment failures of washers and, to a lesser extent, dryers.

We are charged *each time* a serviceman comes responds to a call for repair, whether the call was caused by an actual malfunction, or misunderstanding of how to use it.. When the Mutual gets billed, we all wind up paying for it.

An ongoing problem has been a misunderstanding of how to use the machines and members placing "Out of Order" signs on machines without Service Maintenance having a record of the need for repair. I wrote and installed instruction signs where a particular problem was recognized.

To alleviate the inconvenience of delay in repairs, we purchased extra machines which will be used when it is recognized that repairs will take a week or more. We maintain one washer and dryer for each building a laundry room serves. Most serve 3 buildings, some serve 4 and one serves 5 buildings.

Since last May we spent just under \$7,000 purchasing 4 new washers and 4 new dryers, including cost of installation. (This does *not include* cost of electricity or maintenance and repairs to existing machines.) Currently, we have 1 new washer as a spare; 2 dryers as spares, one of which is almost new. We also have 3, spare, used refrigerators. We replaced 9 refrigerators in the past year.

Apartment Inspections. We have a new building inspector- Robert Swords. George Hurtado no longer handles or oversees our building functions.

Inspections are performed each time we are notified that a shareholder intends to transfer an apartment. Our Building Inspector and I survey the interior and exterior to determine what repairs should be done at Mutual 8's expense and what should be done at a Seller's expense to bring the structure up to standards .

Prior to closing on a sale, *another inspection* confirms or amends the requirements, as necessary. I estimate I participated in about 30 such inspections

this past year. For the most part, the units appear to be in good structural condition. We are using the event of transferring shares as an opportunity to automatically replace old stove-top burners with SmartBurners, at the Mutual's expense to help avoid fires. Since May 2017 we installed more than 60 SmartBurners. But you can order a SmartBurner for yourself at any time. Please do. Most fires in Leisure World have started at a stove. We selected SmartBurners as the most effective, economical and least inconvenient means to avoid fires. *A word of caution, they do stay hot longer than we are used to; put a water kettle on the burner while it cools off to avoid accidental burns.*

Since we repainted the trim of the buildings and made a lot of associated repairs 2 years ago, termite problems are noticeably less than before. Please stay alert to signs of termite damage and report it to a board member if you suspect damage.

In the coming year, we should make preparations for re-roofing, repair sidewalk light poles where needed, some are showing signs of rust at their base. Also, the parking lot retaining walls by buildings 186 and 205 are in need of maintenance and repair.

Until March of this year, our Solar Power Electrical System supplied some of the electricity for our laundry rooms; we purchased electricity for what our solar power system did not generate, from Southern California Edison. Without solar panels, this April, we purchased almost 4^{1/2} times more watts of electricity from Southern Calif Edison than we purchased in April of last year.

(8,383 watts in April 2018 vs 1,970 watts in April 2017)

Respectfully submitted,

Richard H. Winslow



Executive Director's Annual Meeting Report

To the President, Directors, and Shareholders of Mutual 8,

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