

**MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING
SEAL BEACH MUTUAL TEN
May 15, 2019**

The annual meeting of the shareholders of Seal Beach Mutual Ten, a California corporation, was called to order by President Arlart at 10:01 a.m. on May 15, 2019, in Clubhouse Four.

PLEDGE OF ALLEGIANCE

Lewis Parker led the *Pledge of Allegiance*.

QUORUM

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

SHAREHOLDER DECLARATION

At the March 27, 2019, regular board meeting, Ruthann Arlart, Unit 249-D, declared her intent to vote cumulatively at this annual shareholders' meeting.

CERTIFICATION OF NOTICE OF MEETING

Secretary Stipcich read the certification notice:

I, John Stipcich, secretary for Seal Beach Mutual No. Ten, hereby certify that the Notice of Stockholders' Meeting and ballot were mailed in accordance with Article IV, Section 4, of the bylaws of said corporation to all subscribers of common stock as of April 15, 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:

Ruthann Arlart (incumbent)
Esther Cummings (incumbent)
Mike Depew (incumbent)
Michael Giles (incumbent)
John Stipcich (incumbent)

INTRODUCTION OF CANDIDATES (continued)

President Arlart called for nominations from the floor. Rose Kroll, unit 256-I, nominated Cheryl Gibson, unit 255-D.

There being no further nominations, President Arlart requested a motion to close the nominations. Upon a MOTION duly made by Linda Sherman, unit 247-C, and seconded by Shirlene Bradrick, unit 242-D, 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 Ten's new Directors.

President Arlart 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 Arlart asked for a motion to dispense with reading of the minutes of the last Annual Shareholders' Meeting held on May 16, 2018, and that they be approved as printed and distributed. Upon a MOTION duly made by Linda Sherman, unit 247-C, and seconded by Marion Higgins, unit 240-G, it was

RESOLVED that the annual shareholders' meeting minutes of May 16, 2018, be approved as printed and distributed.

The MOTION passed.

INTRODUCTION OF CURRENT BOARD OF DIRECTORS AND GUESTS

President Arlart introduced the current 2018-2019 Board of Directors.

Ruthann Arlart, President
Esther Cummings, Vice President
Michael Giles, Chief Financial Officer
John Stipcich, Secretary
Linn Atkinson, Director (absent)
Mike Depew, Director

President Arlart then introduced the GRF Representative, Ronde Winkler, Executive Director, Randy Ankeny; and Stock Transfer Manager, Belinda Meacham (on behalf of Mutual Administration Director, Jodi Hopkins).

PRESIDENT'S REPORT

President Arlart presented her report (attached).

VICE PRESIDENT'S REPORT

Vice President Cummings presented her report (attached).

SECRETARY'S REPORT

Secretary Stipcich presented his report (attached).

CHIEF FINANCIAL OFFICER'S REPORT

Chief Financial Officer Giles presented his report (attached).

DIRECTORS' REPORTS

President Arlart presented the *Annual Meeting Landscape Report* (attached).

President Arlart presented the *Unoccupied Unit Quarterly Inspections Report* (attached).

GRF REPRESENTATIVE'S REPORT

GRF Representative Winkler presented her report (attached).

EXECUTIVE DIRECTOR'S REPORT

Executive Director Ankeny presented his report (attached).

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

In Mutual Administration Director Hopkins' absence, Stock Transfer Manager Meacham presented the *Mutual Administration Director's Report* (attached).

ELECTION RESULTS

Ms. Cheryl Wilson of Accurate Voting Services, Inc., reported the following results of the election:

Ruthann Arlart elected with 161 votes for a one-year term

Esther Cummings elected with 260 votes for a one-year term

Mike Depew elected with 152 votes for a one-year term

Michael Giles elected with 172 votes for a one-year term

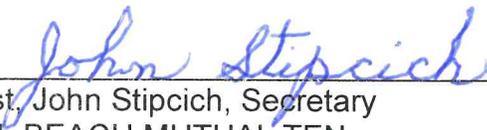
John Stipcich elected with 155 votes for a one-year term

Cheryl Gibson elected with 114 votes for a one-year term

The amendment and restatement of the mutual's bylaws passed with 156 "yes" votes and 35 "no" votes.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 11:05 a.m.



Attest, John Stipcich, Secretary
SEAL BEACH MUTUAL TEN
ck:05/22/19
Attachments

SEAL BEACH MUTUAL TEN ANNUAL MEETING

PRESIDENT'S ANNUAL REPORT

May 15, 2019

Welcome to our Mutual Ten 2019 Annual Shareholder's Meeting. The first annual meeting of this Corporation was held on November 16, 1963. The annual meetings of this Corporation have been held on the 3rd Wednesday of May.

At the meeting today, the Board of Directors will be presenting reports covering the year in review, May 2018 – May 2019, covering the business that has transpired this past year regarding budget, policies and projects.

It has been quite a year in Mutual Ten. All the buildings have now been re-piped, painted and a few have new roofs. We had Fire/Safety/Health Inspections. On behalf of the Board, thanks to all of you for your cooperation and patience this past year with workers briefly interrupting your lives.

Another welcome change to Mutual Ten this year was the hiring of J & J Landscaping, more to be said later with the Landscape Chair Report.

It is so important for all shareholders to take an active interest in the Mutual Board's activities. Please, attend a Board meeting, notices are posted in the laundry rooms. The newly elected Board, 2019-2020 term, begins with preparing the 2020 budget. Find out how the budget is developed, the Reserve Study reviewed, and what projects are planned.

PLEASE volunteer to serve on a committee by contacting a Director. Participate with us!

Thank you to each of the Directors for volunteering your time and service to Mutual Ten--day in and day out.....today and tomorrow. It is because of committed, interested individuals like yourselves that Mutual Ten continues to be a special place to live.

Thank you to the shareholders for the opportunity that I have had to serve on the Mutual Ten Board. I have enjoyed meeting many of you. I am hopeful that you will consider volunteering and supporting Mutual Ten, too.

The Mutual's success is a reflection of everyone: Team of Directors; Building Captains; Shareholders; and GRF Staff.

Be a secret "Kindness Agent":

--Give a smile

--Be kind

--Be nice

--Be honest

Ruthann Arlart
Mutual Ten President

MUTUAL TEN BOARD OF DIRECTORS

Mutual Ten Board of Directors are completing two year terms, 2017-2019. Officers are elected each year at the Organizational Meeting following the Annual Meeting, on the third Wednesday in May. The Mutual Ten Board works as a team to conduct business in overseeing the maintenance, repair and improvements to the Mutual 10 buildings, property, and lifestyle. The Board Members also work together to review and update policies related to their residents and the use of the Mutual 10 property. None of this could be done without the outstanding support of the Golden Rain Staff in all of the departments with which they interact.

ACCOMPLISHMENTS

PHYSICAL PROPERTY:

- Re-piping of the potable water delivery system for all of the 23 residential buildings was completed.
- Roofs on buildings 240, 241 and 242 were replaced (5 residential units have new roofs with 18 residential buildings and the carports to be done in the future)
- Bruno H. Alvarez, General Contractor, was hired to replace all termite damaged and dry rot areas on all of our buildings.
- Hutton Painting completed the painting of the exterior of all the Mutual 10 buildings.
- Original building signs were put back in place by the painters and new MUTUAL 10 signs were made and installed on the residential buildings.
- A full trim of the trees was done by BrightView in the Fall.
- Spring trim of some problem trees and planting of three new trees was accomplished by our new gardeners J & J Landscaping in the Spring.
- Lawns were edged along the sidewalks and new grass planted by J & J Landscaping.
- Fire/Safety inspections were done in March and April. Important data related to future projects was collected by the Directors and phone numbers were checked with residents who were home. New resident emergency forms were distributed.
- Sewers were cleaned and inspected both under the buildings and out to the main line.

OTHER:

- A Town Hall meeting was held on April 1st with our Attorney Steve Roseman to discuss the revised By-Laws.
- The annual Reserve Study will be prepared in the Spring.
- A new landscaping company, J & J Landscaping, has been contracted for 3 years to do small tree trimming and lawn and garden maintenance.
- Our new attorney Roseman and Associates worked with the Board to prepare an updated version of the By-Laws.

NEW AND AMENDED POLICIES

- Policy 7502.10.01 – Parking Rules
- Policy 7502.10.01 – Fees (Fines) for Parking Rules Violations
- Policy 7582.10 – Towing
- Policy 7490.pb.10 – Payment and Performance Bond

POLICIES PENDING TO BE ADOPTED OR AMENDED

- Policy 7541 – Co-Occupants, Qualified Permanent Residents and Health Care Providers

SECRETARY'S REPORT
ANNUAL SHAREHOLDERS' MEETING
SEAL BEACH MUTUAL TEN
MAY 15, 2019

As Secretary, I sign the Stock Certificates of the Mutual's new owners. I distribute copies of the draft Board Meeting Minutes prepared by the Recording Secretary. These copies are delivered to the Directors, who in turn, pass them on to the Building Captains for distribution to the shareholders. Copies of the draft minutes are posted in the laundry rooms. Once the minutes have been approved by the Board, I sign the Mutual Ten Board Meeting Minutes.

Also, as Mutual Secretary, I distribute meeting agendas and other notices to the Directors which are posted in the laundry rooms. In general, I perform the duties required by the office of the Mutual Secretary.

Thank you to the Mutual Administration staff, Stock Transfer staff and the Copy Center staff for all your assistance.

John Stipcich

Mutual Ten Secretary

**Mutual Ten
Annual Financial Report**

Madam President, Members of the Board of Directors and Shareholders of Mutual Number Ten.

An audit of Mutual Ten Financial Statements was conducted by Clifton Larson Allen LLP. It was comprised of the balance sheet as of December 31, 2018, and the related statements of operations, direct operating expenses, stockholders equity and cash flow. The following is the official auditors' opinion from the report.

"In our opinion, the financial statements present fairly, in all material respects, the financial position of Mutual No. Ten as of as of December 31, 2018, and the results of its operations and it cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America."

For the year ending December 31, 2018 Occupancy income was \$1,216,994, less \$359,313 transferred to Reserves plus \$45,212 Non-Operating Income left \$918,920 available for operations. Direct expense was \$873,708 leaving a surplus of \$45,212 that was transferred to Reserves to cover future unexpected expenses.

As required by Davis Stirling during the year 2018 an updated Reserve Study was done for 2018 by Association Reserves Orange County. The study found the reserves are 47% funded, this means the Mutual's special assessment and deferred maintenance risk is currently medium.

All reserves are collected through the monthly assessment from the Shareholders of the Mutual. The income generated from these investments is utilized to help defray expenses and repairs.

It is anticipated that the Mutual will continue to remain solvent in the coming years.

I would like to thank Mr. Ankeny and his staff for the guidance and support which has contributed to a successful year.

My thanks to fellow Board Members and Mutual Ten Stockholders for giving me the opportunity to serve as your Chief Finance Officer.

ANNUAL MEETING LANDSCAPE REPORT

Mutual 10 2019

December 1st J & J Landscaping crews began working hard to make some changes:

--The crews started by renovating the turf.

--Then, the turf was reseeded. As luck would have it, the rains came and the grass grew! The mowing began.

--The trees were trimmed and a few removed.

--A few trees were planted.

--The Mutual has an excellent gardener assigned to care for the flowerbeds. It has taken some extra time for the gardener to bring the flowerbeds up to par. They are looking so much better!

--The J & J Landscaping crew fertilized the grass. The Mutual has green grass at last!

--Now that the rain has stopped for a while, the sprinklers are back on and being checked by Jose, our landscape contractor.

--Several extra projects have been requested and completed very nicely.

The landscape contractor, Jose Anguiano and his son, Jose, Jr., have suggested some needed changes to the overall appearance of the Mutual. We appreciate the weekly lawn service and the extras that have been completed. The crews have worked hard to satisfy Mutual Ten Board and all shareholders. We appreciate that Jose is visible, active and arrives as needed with his crews, in caring for the Mutual Landscape!

Ruthann Arlart, President

Landscape Chair

UNOCCUPIED UNIT QUARTERLY INSPECTIONS

Seal Beach Mutual Ten Annual Meeting

May 15, 2019

Quarterly inspections of Mutual Ten unoccupied units were conducted this past year by the Mutual Ten Building Inspector and a Mutual Ten Director. The term "unoccupied unit" refers to the units that are vacant, unoccupied, seasonal use units, or units of residents who travel for extended periods of time [i.e. three months or more]. The importance of these quarterly inspections is to fill plumbing traps by running the water to avoid sewer gases coming back into the units. Units were also checked for rodents, insects, water leaks, and the general condition of the unit. Results of our findings this past year indicated the true importance of doing these inspections every three months to check water supply lines; check for water heater leaks; evidence of termites; garbage disposal blockage; faucet leaks; food spoilage in refrigerators; and the chirping batteries in smoke alarms.

Ruthann Arlart
Mutual Ten President

ANNUAL MUTUAL 10 REPRESENTATIVE'S REPORT 2018-2019

As your elected Mutual 10 Representative, and Treasurer and Chair of the Finance Committee, (FC) with the approval of the Golden Rain Board of Directors (BOD), we have achieved some very significant goals this year in the area of investments, budgeting and audits. It was a pleasure to serve in the position of Finance Chair and working with the dedicated Committee members who have worked together to improve the return on our investments, protect our assets, pass a workable budget along with minimizing any increase in our assessments, signing checks and oversight of our Finance Department.

With a long trend of low interest rates, GRF reserve and capital funds have yielded very low returns over the years. During the 2018/2019 fiscal year the Finance Committee changed its investment strategy by investing unused reserve and capital funds in higher yielding and insured investments. As a result, interest income will exceed the budget by \$100,000. The Committee has hired an investment advisor who will oversee the Foundations total investments and provide guidance on achieving the best results on invested funds. In addition, the Committee has begun building an investment ladder for Capital Funds which will result in higher yields as well.

The Finance Committee, along with the Finance Department's other achievements include creating a financially sound budget for the calendar year 2019, completing a successful audit on the Foundation financial statements, and producing the monthly and calendar year-end financial statements for the Foundation.

An excess income of \$\$41,026 was, by the GRF Board of Directors, voted to distribute to the Mutual Corporations allocated by the number of units in each Mutual.

In addition, I was appointed Chair of The Strategic Planning Ad Hoc Committee (also known as SPAH) in 2018. This committee reviews and determines what reserve projects must be completed in 2018-2019 and what repairs or replacements need to be scheduled for the following years and if there are enough funds available in the reserve funds to cover the cost of these projects and makes recommendations to the appropriate committee. In addition, the committee also reviews the capital funds available to take on new projects, in the near future and beyond. Capital funds are derived from the membership fees paid by each new resident upon the purchase of their unit. It is an interesting challenge as any disastrous natural occurrence can change the projects plans such as damage to our streets for which the Foundation is totally responsible for repairing. Events such as this can use Capital Funds for repairs and or replacements.

I also represented Mutual 10 on the I.T. Committee, the Executive Committee, the Facilities and Amenities Review Ad Hoc Committee and the Management Services Ad Hoc Committee.

I thank you again for the honor and privilege of representing Mutual 10 on the Golden Rain Foundation Board of Directors.

Respectfully submitted,
Ronde Winkler



GRF Executive Directors Annual Meeting Report

Dear Mutual Ten,

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 Ten, GRF representative, Ronde Winkler and the Board members of Mutual Ten; 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.

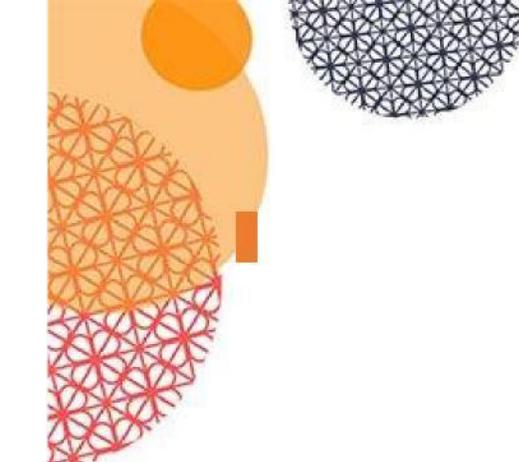
Thank you again for your support and partnership and, most importantly, for allowing my staff and I to be a part of your community and, especially, part of your lives.

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

