

# **MINUTES OF THE SPECIAL MEETING OF SHAREHOLDERS SEAL BEACH MUTUAL FOURTEEN**

**February 8, 2016**

The Special Meeting of the Shareholders of Seal Beach Mutual Fourteen, a California corporation, was called to order by President Melody on Monday, February 8, 2016, at 1:00 p.m., in Clubhouse Two, pursuant to written notice given by the Secretary, followed by the *Pledge of Allegiance*.

## **ROLL CALL**

**Present:** President Melody, Vice President Soderholm, Secretary Worthington, Chief Financial Officer Faucett, and Directors Durham, Henry, Johnstone, and Jorgenson.

**Absent:** Director Destra

**Guests:** Ms. Wilson, Ms. Tinnelly, and Ms. Rogers all from Accurate Voting Services  
Approximately 30 shareholders of Mutual Fourteen

**Staff:** Ms. Knapp, Stock Transfer Supervisor

President Melody welcomed everyone to the meeting.

Mutual Fourteen shareholders were asked, via Special Election, to consider the following four Bylaws amendments:

1. Removing cumulative voting.
2. Reducing the number of Directors from nine to seven.
3. Defining the "good standing" qualification of Directors.
4. Removing the requirement to obtain Federal Housing Administration approval for an amendment to the Bylaws.

## **BALLOTING**

Ms. Cheryl Wilson, Accurate Voting Service, 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 Fourteen's Bylaws amendment changes.

President Melody announced that the ballot boxes were closed at 1:05 p.m. He stated that any interested shareholders may accompany Accurate Voting to the counting area to observe the counting of the ballots.

## **TOWN HALL MEETING**

During the counting of the ballots, shareholder comments and questions were heard.

## **ELECTION RESULTS**

Accurate Voting reported the following results of the election at 1:45 p.m. to the shareholders present as follows: there were 328 ballots mailed out and 226 ballots were received, representing 68% participation.

- Measure 1 – Removes Cumulative Voting
  - Approve – 182
  - Disapprove – 41
  - Abstain – 3
  - Passed by 80% approval

**ELECTION RESULTS (continued)**

- **Measure 2 – Reduce Number of Directors**  
    Approve – 165  
    Disapprove – 60  
    Abstain – 1  
    Passed by 73% approval
  
- **Measure 3 – Define “Good Standing”**  
    Approve – 200  
    Disapprove – 25  
    Abstain – 1  
    Passed by 88% approval
  
- **Measure 4 – Remove FHA Approval**  
    Approve – 182  
    Disapprove – 38  
    Abstain – 6  
    Passed by 80% approval

These Bylaws amendments are effective immediately upon notification to the Mutual Fourteen shareholders.

**TOWN HALL MEETING (continued)**

The meeting continued with shareholder comments and questions.

**SPECIAL SHAREHOLDERS' MEETING  
MUTUAL FOURTEEN**

**February 8, 2016**

**ADJOURNMENT**

There being no further business to conduct, President Melody adjourned the meeting at 2:20 p.m.

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Attest  
Sue Worthington, Secretary  
SEAL BEACH MUTUAL FOURTEEN  
cd:3/04/16

**(These are tentative minutes, subject to approval by the shareholders at the next Annual Shareholders' Meeting.)**