

**MINUTES OF THE REGULAR MONTHLY MEETING OF
THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOUR
Wednesday, April 12, 2017**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Four was called to order, following the Open Forum for shareholders to address the Board, by President Slater on Wednesday, April 12, 2017, at 9:30 a.m. in Conference Room A of the Administration Building, followed by the *Pledge of Allegiance*, led by GRF Representative, Mrs. J. Reed.

ROLL CALL

Present: President Slater, Vice President Levitt, Chief Financial Officer Smith, Secretary Kuhl and Directors Gerber and Harris

Absent: Director Wade

GRF
Representative: Mrs. Reed

Guests: Seven shareholders of Mutual Four

Staff: Ms. Hopkins, Mutual Administration Director
Ms. Fernandez, Mutual Administration Manager
Mr. Black, Building Inspector
Mrs. Whitlock, Recording Secretary

INTRODUCTIONS

President Slater welcomed the guests and staff members to the meeting.

MINUTES

President Slater asked if there were any corrections to the March 8, 2017, Regular Board Meeting minutes. There being no corrections, the minutes were approved as printed.

CORRESPONDENCE

Secretary Kuhl reported no correspondence was received.

GRF REPRESENTATIVE

Mrs. Reed updated activity on the GRF Board (attached).

BUILDING INSPECTOR'S REPORT

Inspector Black updated the Board on activity in the Mutual (attached).

Following a discussion, and upon a MOTION duly made by CFO Smith and seconded by Secretary Kuhl, it was

RESOLVED, To approve and authorize Inspector Black to initiate the replacement of the water-damaged floors in Unit 77J.

The MOTION passed.

Inspector Black left the meeting at 10:05 a.m.

OLD BUSINESS

Following a discussion, and upon a MOTION duly made by CFO Smith and seconded by Director Harris, it was

RESOLVED, To amend Policy 7415.04 – Inside Patio Regulations on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

NEW BUSINESS

Following a discussion, and upon a MOTION duly made by CFO Smith and seconded by Director Harris, it was

RESOLVED, To amend today's agenda of April 12, 2017, by adding the item of the disposition of the regular meeting for May 2017.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Vice President Levitt and seconded by Director Harris, it was

RESOLVED, To cancel the regular monthly meeting of the Board of Directors, which is scheduled for May 10, 2017.

The MOTION passed with one "no" vote from Secretary Kuhl.

Following a discussion, and upon a MOTION duly made by Secretary Kuhl and seconded by Director Gerber, it was

RESOLVED, To approve and move forward with Paving Projects on Knollwood and Southside Carport 56, in an amount not to exceed \$200,000. Start dates for these projects to be determined.

The MOTION passed.

EMERGENCY PREPAREDNESS COUNCIL

Secretary Kuhl submitted her report, as it relates to the Emergency Preparedness Council (attached).

PRESIDENT'S COUNCIL - UPDATE

President Slater submitted his verbal President's Council meeting report.

CHIEF FINANCIAL OFFICER'S REPORT

CFO Smith submitted her financial report (attached).

Following a discussion, and upon a MOTION duly made by President Slater and seconded by Director Harris, it was

RESOLVED, To amend today's agenda of April 12, 2017, by adding the item of rescinding various obsolete Accounting and Fiscal Mutual Operations policies.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by CFO Smith and seconded by Director Gerber, it was

RESOLVED, To approve the recommendation of the GRF Director of Finance, the rescission of the following obsolete Accounting and Fiscal Mutual Operation Policies: 7301 – Audit Expenses; 7302 – Capital Accounts; 7304 – Financing Capital Projects; 7305 – Depreciation, Straight Line Method; 7307 – Signature Requirement on Checks; 7310 – Mutual Budgets; 7320 – Patronage Refunds; 7331 – Interest on Impound Accounts; 7332 – Billing to Mutuals; 7333 – Income Items and Their Distribution; 7334 – Investment Records; 7337 – Financial Reports; 7340 – Accounts Receivable and 7341 – Cashier Service.

The MOTION passed.

(Recording Secretary Whitlock took a break from 10:30 a.m. to 10:40 a.m.)

Following a discussion, and upon a MOTION duly made by CFO Smith and seconded by Vice President Levitt, it was

RESOLVED, To amend today's agenda of April 12, 2017, by adding for discussion, Policy 7425.4 – Garden Areas and Shrubs, by adding a list of approved trees and plants for Mutual Four.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by CFO Smith and seconded by Vice President Levitt, it was

RESOLVED, To amend Policy 7425.4 – Garden Areas and Shrubs, by adding a list of approved trees and plants for Mutual Four, on a preliminary basis until the 30–day posting period is completed.

DIRECTORS' REPORTS

Vice President Levitt submitted his report (attached).

DIRECTORS COMMENTS

Several Directors made comments.

MUTUAL ADMINISTRATION DIRECTOR

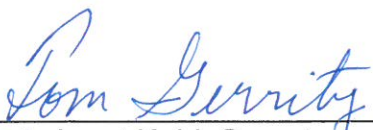
Ms. Hopkins presented her report (attached).

SHAREHOLDER(S') COMMENTS

No comments were made.

ADJOURNMENT

There being no further business to conduct, President Slater adjourned the regular meeting at 11:57 a.m. and announced there would be an Executive Session following the meeting to discuss member issues.



Attest, Janet Kuhl, Secretary
SEAL BEACH MUTUAL FOUR
law:04/12/17
Attachments

**RESOLUTIONS IN THE REGULAR MONTHLY MEETING
OF WEDNESDAY, APRIL 12, 2017**

- 04/12/17 RESOLVED, To approve and authorize Inspector Black to initiate the replacement of the water-damaged floors in Unit 77J.
- RESOLVED, To amend Policy 7415.04 – Inside Patio Regulations on a preliminary basis until the 30–day posting period is completed.
- RESOLVED, To amend today’s agenda of April 12, 2017, by adding the item of the disposition of the regular meeting for May 2017.
- RESOLVED, To cancel the regular monthly meeting of the Board of Directors, which is scheduled for May 10, 2017.
- RESOLVED, To approve and move forward with Paving Projects on Knollwood and Southside Carport 56, in an amount not to exceed \$200,000. Start dates for these projects to be determined.
- RESOLVED, To amend today’s agenda of April 12, 2017, by adding the item of rescinding various obsolete Accounting and Fiscal Mutual Operations policies.
- RESOLVED, To approve the recommendation of the GRF Director of Finance, the rescission of the following obsolete Accounting and Fiscal Mutual Operation Policies: 7301 – Audit Expenses; 7302 – Capital Accounts; 7304 – Financing Capital Projects; 7305 – Depreciation, Straight Line Method; 7307 – Signature Requirement on Checks; 7310 – Mutual Budgets; 7320 – Patronage Refunds; 7331 – Interest on Impound Accounts; 7332 – Billing to Mutuals; 7333 – Income Items and Their Distribution; 7334 – Investment Records; 7337 – Financial Reports; 7340 – Accounts Receivable and 7341 – Cashier Service.
- RESOLVED, To amend today’s agenda of April 12, 2017, by adding for discussion, Policy 7425.4 – Garden Areas and Shrubs, by adding a list of approved trees and plants for Mutual Four.
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April 12, 2017
GRF Report
Mutual 4

"I love Spring, but if I could choose I would always greet it in a garden" Ruth Stout

The paving project phase 1 is beginning. This project is \$600,000 worth of streets. The following streets are scheduled to be repaved: Cedar Crest, Knollwood, Fairfield/Prestwick, Shawnee, Sunningdale, McKinney, Homewood and Weeburn.

Update on St. Andrews paving project

St. Andrews will continue to have two lanes in each direction. Some questions that were brought up at the Physical Propriety Committee were regarding the island, the height of the curb, the new stop sign and the bus stop.

GRF will close down with only a couple of meetings in the month of June. Until then GRF is moving fast before the board changes. I'm really looking forward to June and getting some rest.

GRF has someone running in the odd number Mutuals except for Mutual 11. No one has come forward. So after the organizational meeting in June we will begin looking for someone to fill the Mutual 11 seat on the GRF Board.

I'm on the sub committee "Re Write" this is where we work on updating the policies. GRF has a new policy that all policies are to be looked at once a year. Lots of work.

Things you might like to know:

1. The planter that is at the end of the Administration Building will be replaced because a car ran into it.
2. A new Pedestrian Gate will be going in at Northgate.
3. Still working on finishing touches in Clubhouse 4.
4. New Leisure World ID cards will be scheduled for all members in May. Get ready. You need to bring your old card and turn it in.

If you have any questions please call me.

Sincerely and with Respect,
Joy Reed
Corporate Secretary



MARCH 2017 MONTHLY SUMMARY

Security, Bus & Traffic Committee Meeting • Monday, March 1, 2017 (April 5, 2017)

1. OLD BUSINESS:

- a) PRV Panel: The GRF President reported that the first PRV Panel took place Monday, February 26, 2017. She advised the Committee that correspondence was sent to the Foundation's attorney for direction regarding the PRV process. Chair Perrotti asked for this item to be on April's agenda for further review and discussion.

ITS Committee Meeting • Monday, March 6, 2017 (April 12, 2017)

1. OLD BUSINESS:

- a) Axxerion Update: The ITS Systems Analyst provide an update on the Axxerion launch progress, stating that the project will be completed on March 15, 2017.

2. NEW BUSINESS:

Multi-Display Technology, Video of Stitched Screens: The ITS Systems Analyst spoke on multi-display technology, provided a video of stitched screens and the associated costs. The Executive Director stated that this feature could be considered for implementation in the future.

- a) Resources on the Website: The Committee moved to remove the Resources page from the Leisure World website, discuss it at a work study meeting, and present an updated version of it for the Committee's review at the next scheduled meeting.

3. POLICIES:

- a) Adopt Policy 5051-34, Website Management, Policy 5050-34, Digital Billboards, and Policy 5050.01-34, Request for Display on Digital Billboards: The Committee moved to adopt these polices and upon corrections, recommend them for adoption by the GRF BOD.

4. **PRESIDENT'S COMMENTS**: The President advised that the Community Access Ad Hoc Committee reached a decision on ID card renewal. Upon approval by the GRF BOD, renewal will take place the second week of May and every fifth year thereafter. The President also reported that volunteers are need for the Golden Age Foundation, the Mutual Boards and the GRF BOD.

Strategic Planning Ad Hoc Committee • Tuesday, March 7, 2017 (April 4, 2017)

1. OLD BUSINESS:

- a) Ten Year Plan: the Committee revised the project plans for 2016 and 2017, and agreed on the following: 2016 Projects Plan-Rename File Storage to Distribution (Capital and/or Reserve projects), to include in 2017 Projects Plan: Red Curb project, ID Cards project, Generator, Fiber Optic Cable, Signage, Storm Drains, Signage at St. Andrews and North Gate. The Committee



MARCH 2017 MONTHLY SUMMARY

agreed on reviewing Project Plans for 2018, and the following years, at its next scheduled meeting.

- b) Vision...A Shared Image of a Desirable Future: The Committee reviewed the draft of the Mission statement as presented, and agreed on the following: The mission of our community is to establish programs and procedures for the maintenance and improvement of LWSB facilities and recreation areas to: maintain aesthetically pleasing buildings, structures and landscaping; promote a vibrant and healthy active adult community; increase resident satisfaction with association facilities and recreation space; promote resident participation in community activities and organizations; maintain sound fiscal management to protect and preserve GRF assets. Mutual feedback, communicated by the President's Council President, included large pool, dog park, kids' zone, a disaster program designed for Leisure World as well as consideration of the electric/small cars, condos or high rise buildings, Management agreements/Trust. The Chair requested Committee member review an example of the vision statement for an outside community and the "Welcome" statement on the Leisure World website, and be prepared to share their thoughts at the next scheduled meeting.

Publications Committee Meeting • Wednesday, March 8, 2017 (April 12, 2017)

1. OLD BUSINESS:

- a) Survey Results: The Committee concurred to reduce the survey to 10 questions and publish it in both the LW Weekly and LW Live.

2. NEW BUSINESS:

- a) Review of Potential Members' Column Content: The Committee concurred to move forward with the LW Weekly Readers' Survey, presented by the Publications Managers.
- b) Advertisement Consideration: The Committee concurred to reduce the article to only 250 words and direct staff to include a GRF disclaimer to the column.
- c) Minibus Cover: The Committee concurred on the selection of a minibus cover.

Recreation Committee Meeting • Wednesday, March 8, 2017 (April 13, 2017)

1. CORRESPONDENCE:

- a) Correspondence re: Use of Swimming Pool: The Committee moved to approve use of 16" children's swim fins by a co-occupant in Mutual Ten in the GRF swimming pool as part of aqua physical therapy authorized by her physician.



MARCH 2017 MONTHLY SUMMARY

2. NEW BUSINESS:

- a) Clubhouse Two Griddle: The Committee moved to award Shlick Services, Inc. a contract to provide electrical upgrades needed to accommodate the installation of the new griddle at Clubhouse Two, in the amount of \$4,412.18, and \$2,500, for contingencies, in the total amount not to exceed \$6,912.18, from the Capital portion of the budget, and forward this request to the Finance Committee for funding approval

3. POLICIES:

- a) Policies referred to the Policy Re-write Sub-committee: The Committee moved to refer Policies 1406-50, Limitations of Use; 1422-50, Marquee; 5562-50, Amphitheater Program; 1202-50, Club Membership; 1466-50, Exercise Room Rules, Limitations and Etiquette; 1468-50, Pool Rules, Limitations and Etiquette; 1428-50, Clubhouse Artwork Displays; 1401-50, Use of Community Facilities; 1403-50, Commercial Use; 1411-50, Community Operations – Recreational Facilities; 1431-50, Liability Insurance Clubs; 1480-50, Arts and Crafts Festival; 1412.02-50, Smoking Prohibition; 1710-50, Adult Education; 1409-50, Amphitheater Dancing; 1485-50, Prohibition of Drones.
- b) Amended policies: The Committee moved to recommend the GRF BOD amend Policies 1405-50, Literature-Community Facilities; 1471-50, Display of Trophies and Plaques; and 1511-50, Dissemination of Information-Clubs, 1423-50, Review of the Recreation Committee GRF Policies; 1406-50, Limitations of Use.

Executive Committee Meeting • Friday, March 10, 2017 (April 14, 2017)

1. NEW BUSINESS

- a) Approve Service Maintenance Department Wage Structure: The Committee moved to adopt the Service Maintenance Supervisor job description, 3399.7.

The Committee moved to recommend the Golden Rain Foundation Board of Directors accept the Service Maintenance salary wage structure, as presented.

The Committee moved to recommend the Finance Committee review a \$50,000 non-budgeted salary revision to the Service Maintenance Department budget.

- b) Emergency Lighting in Restrooms, Trust Property: The Committee moved to recommend the Finance Committee to approve the non-budgeted capital funding request, for the purchase of twenty-nine (29) LED two head emergency lights with battery back-up (Exhibit A in agenda packet), at a cost of \$17.99 per unit, including tax, totaling \$562.14, to be installed in Trust Building restrooms, specifically for the Administration Building, Amphitheater, Library, Friends of the Library, Clubhouse Two, Building Five and Clubhouse Six; units to be installed by the Service Maintenance Department (Exhibit B in the agenda packet) for a cost not to exceed \$ 5,750.00, for a total cost of \$6,943.14 (includes a 10% contingency fee).



MARCH 2017 MONTHLY SUMMARY

2. POLICIES

- a) Rescind Policies: The Committee moved to recommend the BOD rescind Policies 5505-30, Staff Communications, 5053-30, Guarantor Agreement Form, 2004-30, Staff Communication, 5029-30, Conflict of Interest-Directors and Officers, 1510-30, Dissemination of Information, 5603-30, Executive Sessions, 5100-30 Committee Functions, 5601.01-30, Rules of Order-Motion to Table, 5030-30, Responsibilities, 2005-30, Litigation Statement, 5080-30, Master Plan of Golden Rain Foundation.
- b) Refer Policies to the Policy Re-write Sub-committee: The Committee moved to refer to the Policy Re-write Sub-Committee Policies 1021-30, Posting of Signs on Trust Property and 2609-30, Foundation Equipment.

Physical Property Committee Meeting • Monday, March 13, 2017 (April 10 2017)

1. OLD BUSINESS:

- a) Post Office Railing and Stairs: The Committee moved to approve MJ Jurado to re-construct the Post Office, in the amount of \$9,100.00, and send a request to the Finance Committee for funding approval from Capital budget, and to the Board of Directors for approval. The Board will also determine the exact location of the stairs, upon the funding approval.
- b) Drainage System on St. Andrews Drive and Golden Rain Road: The Committee concurred to select MJ Jurado to re-construct the drainage system at the intersection of Golden Rain Rd. and St. Andrews Drive, in the amount of \$49,500, with 10% contingency.

2. POLICIES:

- a) Refer Policies to the Policy Re-write Sub-committee: The concurred to refer Policies 5042-70, Foundation Equipment; 5506.01-70, Bidding Exceptions; 5506.02-70, Bidding Exceptions; 5506.03-70, Bidding Exceptions; 5506.05-70, Bidding Exceptions; 5512-70, Bidding Procedure; 3330-70, Health Care Center Maintenance; 5350-70, Project Construction; 3310.01-70, Special Project Procedure; 5504-70, Insurance Requirements for Independent Contractors; 5504.01-70, Insurance Requirements for Vendors; and 3331-70, GRF Landscape Areas, Plantings adjacent to Perimeter Walls to the Policy Re-write Sub-committee.

Architectural Design & Review Committee Meeting • Tues. March 14, 2017 (April 11, 2017)

1. OLD BUSINESS

- a) Signage for GRF News Buildings and Amphitheater, Update: The Facilities Director presented photos of the new signage for the News Office and Amphitheater. Facilities Director asked Committee what they would like to see on the News Office Door. The Committee concurred to place the new masthead, "LW Weekly" on the door of the News Office.



MARCH 2017 MONTHLY SUMMARY

- b) Landscape (seven areas), Update: Facilities Director provided photos for the Committee's review of the seven newly landscaped areas. The Committee is very pleased with the outcome of these areas.
- c) Clubhouse Two – Color and roofing Product Selection: Facilities Director provided samples of roofing materials and colors for Clubhouse 2. After a brief discussion, it is the consensus of the Committee to select Timberline, Light Brown for the roofing material and color for Clubhouse 2.
- d) Christmas Holiday Decorating Sub-committee: Chair Hopewell disbanded the Christmas Holiday Decorating Sub-Committee and thanked its members for their dedication and hard work.

2. NEW BUSINESS:

- a) Selection of New GRF Business Cards: After a brief review of sample new GRF business cards submitted by Publications Manager, it is the consensus of the Committee to select the 4th design as presented on page 10 of the agenda packet.
- b) New GRF Log on Fleet Vehicles: Facilities Director provided photos of the new GRF logo on fleet vehicles. It is the consensus of the Committee to direct staff to repaint the white mailboxes throughout the community and place the new GRF logo on each of them.
- c) Landscaping on South St. Andrews: Facilities Director reported that the Physical Property Committee will be requesting bids for the removal of the trees on South St. Andrews before the Committee can discuss landscaping.
- d) Naming of the Garden Area (Administration Area): The Committee concurred to further discuss the details of this contest at the upcoming ADRC Work Study meeting, scheduled for Friday, February 24, 2017 at 1:00 p.m. in Conference Room C, Bldg. 5.
- e) Approval of New Plants and Trees: The Committee moved to accept the new plants and trees as presented to be added to the ADRC Binder.

3. POLICIES:

- a) Review of Policy 5160-ADRC: The GRF President recommend the ADRC Chair review Policy 5160-ADRC with the Physical Property Chair to determine landscaping responsibilities.

Mutual Administration Committee Meeting • Tuesday, March 14, 2016 (April 11, 2017)

1. POLICIES:

- a) Review of Policy: The Committee moved to refer Policy 1610-33, Membership Eligibility Criteria to the Policy Re-write Sub-committee.



MARCH 2017 MONTHLY SUMMARY

2. STAFF REPORTS:

- a) Mutual Administration Director: The Committee moved request the Policy Re-write Sub-Committee draft a policy pertaining to requests to the Mutual Administration Department for Mutual letters and corresponding postage.

Finance Committee Meeting • Tuesday, March 21, 2017 (April 18, 2017)

1. FINANCIALS

- a) Accept February 2017 Financial Statements for Audit: Moved to recommend the GRF BOD accept the February 2017 Financial Statements for audit.

2. OLD BUSINESS

- a) Acceptance of the Final Draft 2016 Audited Financial Statements and Excess Income Distribution: The Committee moved to accept and recommend to the GRF board of directors acceptance of the final draft 2016 GRF Financial statements as of 12/31/2016 for the year then ended, and the proposed independent auditor's report as submitted by NSBN, LLP, hereby accepting the above mentioned Financial statements and reports therein, reflecting excess income of \$325,451. Further recommended, in addition to the transfer of operating funds to replacement reserve fund of \$298,745, authorize by the Board at its regular board meeting held on October 25, 2016, the remaining excess income of \$26,706 is to be allocated to the Replacement Reserve Fund pursuant to Policy 5528-31 – Refund of Excess Income.
- b) Reserve Study Company Selection: The Committee moved to select proposal from Association Reserves, Inc. and recommend to the Board to approve and to authorize the president to sign the contract.
- c) Non-budgeted Salary Expense, Service Maintenance Department: The Committee moved to approve and forward to the Board for final approval of the non-budgeted expense of up to \$50,000.00 for the remainder of 2017 to bring wages into alignment with the revisions being made to the eight (8) Service Maintenance positions as illustrated on the attached Service Maintenance Wage Grade Structure Proposal March 2017.

3. NEW BUSINESS

- a) Capital Funding Request – Addition of Rails and Stairs to Post Office: The Committee moved to approve and forward to the Board, non-budgeted Capital Funding request to install stairs at the entrance of the Post Office and add bollards with hand rails for a cost not to exceed \$9,100.



MARCH 2017 MONTHLY SUMMARY

- b) Waive Multiple Ownership Stock Certificate Fee: The Committee concurred to take no action on the one-time waiver of the \$250 Membership Certificate Fee and forward to Mutual Administration Committee for review and approval.

4. POLICIES:

- a) The Committee moved to amend: Policies 5051-31, Fees and 5115-31, Committee Functions, and forward to the Board for approval.
- b) The Committee moved to refer Policies to the Policy Re-write Sub-committee: 2230-31, 2244-31, 2920-31, 3321.01-31, 3323-31, 3325-31, 5155-31, 5320-31, 5330-31, 5506-31, 5516-31, 5520-31, 5522-31, and 5523-31.

Community Access Ad Hoc • Thursday, March 23, 2017 (April 27, 2017)

1. OLD BUSINESS:

- a) ID Card Replacement: The Committee moved to approve the purchase of 20,000 blank ID Cards. Further, the Committee moved to change the appearance and amount of ID Cards to purchase (from 9,186 to 20,000) including card readers, cameras, software purchase and upgrade, rental printers including the ribbon, in the total amount not to exceed \$27,000 and forward this request to the Board of Directors for approval.

Recap of Golden Rain Foundation Board Activity of March 28, 2017

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(04) FOUR**

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **April 12th, 2017**

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
4-51F	remodel w/repipe, contract w/ mutual	both	09/20/16	03/20/17	no	10-20-16 footing./ plumbing underground 11/2/16, rough elec, framing hvac 12/6/16 repipe ok 12/6/16, drywall 12/15/16-scratch coat 12/21/16, brown coat 1/5/17	Alpha Master Builders fail final 3/8/17
4-52L	full remodel/repipe	both	12/11/16	06/30/17	no	footing 1/7/17- underground plumb 1/11/17- sheer panel 2/2/17- rough insp. 2/27/17- drywall/lath 3/31/17- interior lath 3/23/17	los al
4-73B	patio tile	grf	01/27/17	02/27/17	no		Lw Décor
4-52f	Flooring/micro/skylite flare	both	02/20/17	05/31/17	no		los al
4-43G	washer/ dryer	both	03/27/17	04/15/17	no	rough 3/22/17	ogan
4-40L	washer/ dryer	both	03/06/17	03/25/17	no	underground plumb. Rough x4, 3/09/17	ogan
4-86L	full remodel and repipe	both	02/27/17	08/27/17	no	footing/underground plumb. 3/17/16- rough/repipe 4/4/17	Alpha master builders
4-80G	new door and windows	both	03/10/17	04/06/17	no		Swenman
4-42I	add bath liting	both	04/04/17	07/31/17	no		los al
4-46L	central FAU	both	03/10/17	06/10/17	no	fail 4/4/17	Greenwood
4-49H	heat pump ductless	both	03/24/17	07/01/17	no		greenwood
4-49L	flooring	GRF	03/27/14	03/27/17	no		bixby carpets
4-40H	counter tops/ flooring	grf	03/30/17	05/30/17	no		alpha master builders
4-80I	remodel/repipe/risers in D/	both	05/01/17	07/31/17	no		Hadi 562.225.5235
4-84J	washer/dryer/retro window	both	04/03/17	07/03/17	no		Kress

ESCROW ACTIVITY							
UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
4-86K					03/21/16		
4-37D		03/24/16	04/05/16	04/08/16	04/20/16		
4-86F		10/28/16					
4-51K		10/31/16	12/27/16	12/29/16	01/11/17		
4-46B		11/18/16	01/27/17	01/25/17	02/08/17		
4-47L				12/20/16	12/30/16		
4-83G		12/22/16		01/12/17			
4-77J			01/03/17	01/24/17			
4-84J			03/14/17	03/13/17	03/27/17		
4-39D		03/21/17					
4-38A		03/29/17	04/03/17				

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation
 FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(04) FOUR**

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **April 12th, 2017**

CONTRACTS and PROJECTS	
CONTRACTOR	PROJECT
Total Landscape Maintenance-	on going now
Tree Pruning:	complete
Fenn Pest Control -	on going - month to month till RFP's are back, mid April
Copper Re-piping John Nelson Plumbing:	have spread sheet for buildings 85 and 86 for repiping in 2017 - will walk buildings to check fixture-counts for contract.
Roofing Roofing Standards:	contract is ready for signature, 2017 buildings: 37,40,42,83,84- tentative start date May 3rd.
stove hoods & Piping Kress Concs:	walking buildngs 37,40 on 4/7/17 will do 42,83 and 84 next week Thursday 4/13/17- this is for count - color for the hoods.
Shareholder Visits and Mutual Requests	
4-52L - drawing for concrete in garden area - discussion	
4-77J - water damage, drain valve for water heater, laminate	flooring happened Sunday 4/3/17
4-80G - roof leak - shareholder left skylight open twice	
4-51D - cut carport locks	
4-86L - met with contractor	
4-43I - check kit. Sink and toilet - replace both	
4-42D - check on shower	
4-52L - met with shareholder about hardscape	
4-83K - inspection	
4-42A - check on roof leak	

MUTUAL OPERATIONS**AMENDED DRAFT**

PHYSICAL PROPERTY

Inside Patio Regulations – Mutual Four

This policy has been developed in an effort to improve the appearance of the community and enhance property values **and to improve the enjoyment of the Mutual Four living style and enforcing standards for inside patios in Mutual Four.** Also addressed is the need to meet applicable Fire Codes and the safety of each family **shareholder.** **It is also the responsibility of the Mutual and its shareholders to manage the appearance, safety and of patios, by respecting approved Mutual's standards.** ~~If this policy is followed, it will help keep pets from roaming and discourage rodents and other animals from entering patios.~~

- 1) Only furniture that is designed for patios may be placed on a patio. Interior upholstered furniture is prohibited as this may become a rodent habitat.
- 2) A clean refrigerator or freezer in good working condition plugged directly into the patio outlet is permitted, **as long as egress is not blocked and not visible from walkway.**
- 3) **No pet may be left unattended on the patio.** ~~If a pet can escape from a patio, then the pet must be on a leash while on the patio.~~
- 4) **Bicycles and scooters may be parked on the patio, as long as egress is not blocked.**
- 5) Windows that may be needed as a secondary egress in the case of fire or other emergency shall not be blocked on either side. A clear path to the entry door of at least 36 inches shall be maintained to allow access for gurneys.

The following items shall not be stored on the patio: **(This is not an all-inclusive list. The Mutual reserves the right to request the removal of items):**

- 1) Any type of cardboard container.
- 2) Highly flammable items, including newspapers, charcoal, magazines, paper or plastic bags, any type of loose tarp, or portable oxygen tanks that are not rated for home use or storage.
- 3) Gasoline-operated equipment or gas cans.
- 4) Electric tools on a permanent basis.

(Draft created 04-14-17 cd)

MUTUAL OPERATIONS

AMENDED DRAFT

PHYSICAL PROPERTY

Inside Patio Regulations – Mutual Four

- 5) Exposed shelving, either free-standing or affixed to the exterior wall, except those used for decorative purposes, which must be kept neat and clean.

Any items in conflict with this policy shall be removed from the patio by the shareholder when requested by the Mutual Board. Such items, if not removed by the shareholder, shall be removed by the Mutual Board at the shareholder's expense.

Note: Patio furniture (chairs, tables, lounges, etc.) may not be left on walkway areas or lawns overnight.

MUTUAL ADOPTION

AMENDED

FOUR: 08-12-09

(Draft created 04-14-17 cd)

MUTUAL OPERATIONS**AMENDED DRAFT****PHYSICAL PROPERTY****Garden Areas and Shrubs - Mutual Four**

All garden areas beyond the drip line are in the common area owned by the Mutual shareholders; therefore, the use of this common area for gardens is subject to change at the discretion of Mutual Four's Board of Directors.

Shareholders are allowed a garden area in front of their units. Over the years, the sizes of the gardens began to vary throughout the mutual. While it is impossible to have total consistency in the sizes of the gardens, providing guidelines can be helpful in decision-making.

GARDEN AREA SIZES

1. Guidelines for approved garden sizes vary depending on the unit location, sidewalk location, safety and aesthetics. Garden measurements are from the face of the building.
2. At the time of resale or transfer of the share of stock, the shareholder (seller) may be required to re-align the garden area with the remaining gardens in their building at the seller's expense. The guideline for a garden size is a maximum of 48 inches.
3. Shareholders in units A, F, G and L, after Board consultation, may be allowed a garden area at the end of their unit, depending on the area available. The planting cannot encumber entry to the attic or access to the meter panel. These gardens shall not exceed 48 inches.
4. The Board may allow, on a case-by-case basis, a garden area at the side of a laundry room not to exceed 48 inches. Also, the director may approve plants at the base of trees located in the front or side lawn. When a shareholder has permission to use one or both of these areas, the shareholder should use the approved choices of plants and will be required to care for the plants so as to keep them attractive. Approval for these special garden areas may be revoked at any time without reimbursement to shareholder for items removed.
5. Any exceptions to these guidelines shall be brought to the Board, in writing, and will be reviewed on a case-by-case basis.

GARDEN USE

1. Shareholders may select plants of their choice from the list of approved plants (see list on page 4). Trees or other plants with root growth that is invasive and has the potential to damage the Mutual's structures and walkways are prohibited. Vines are not permitted to climb on any structure or light poles. If a trellis is used, it must be freestanding and be kept 12" below the eaves. All planting must be trimmed back 6" from the building. Removal of any offending growth will be done by the Mutual at the shareholder's expense if shareholder does not maintain these standards.

(Draft created 4-03-14cd)

MUTUAL OPERATIONS**AMENDED DRAFT****PHYSICAL PROPERTY****Garden Areas and Shrubs - Mutual Four**

2. Watering, fertilization, and plant pest control within the garden area are the responsibility of the shareholder. If a shareholder wants the Mutual's gardener to fertilize and provide plant pest control, the gardener will give shareholder an estimated cost of this work.
3. Gardens are cultivated by the Mutual's gardening service UNLESS the shareholder wants to perform this task. If the shareholder wants to maintain their own garden(s), they must insert red flags in the garden area. Gardeners are instructed to remove weeds, including baby tears, wild mint and plants of the spiderwort family, all of which can spread into the lawn or neighboring garden in all gardens. Roses are trimmed in December/January by the Mutual's gardeners in all gardens except red-flagged gardens.
4. Potted plants may not inhibit the 36" entry requirement, nor are they permitted on the entrance walk, on top of padmount transformers, to be hung from or placed on padmount enclosures (per Policy 7492), or on telephone vaults.
5. Free-standing, aesthetically-pleasing objects are permitted in the garden area. The Board may, on a case-by-case, request any objectionable items to be removed by the shareholder at the shareholder's expense.
6. Wall gardens (defined as adjacent to streets and applicable laundry room areas) shall be 36" maximum, including any decorative edging. If a garden area does not exist, shareholder may establish a garden. Shareholder must pay to remove sod or relocate sprinklers, as needed. Planting shall be in accordance with the list of approved plants (see list on page 4). Vines and other climbing growth that will attach itself to any wall are prohibited and will be removed at the shareholder's expense. The shareholder shall keep the garden area in a neat and attractive state. Failure to abide by the Mutual's gardening policy will result in a revocation of use. At the time of resale or transfer of stock, wall gardens beyond 36" will be moved back at the seller's expense.
7. Sprinklers within the shareholder's garden areas or wall garden must be installed by the Mutual's gardeners or a qualified outside source at the shareholder's expense. Maintenance of sprinklers within garden areas will be at the shareholder's expense.

TURF AREAS

1. Turf areas are all the grounds located outside of each apartment beyond the drip line and garden area. Turf areas are common area. This area is owned by the Mutual and the maintenance of same is the exclusive responsibility of the Mutual. Shareholders are not permitted to install, remove or relocate plants or any other landscaping in the turf areas, including areas around light poles. Shareholders are not permitted to install,

MUTUAL OPERATIONS**AMENDED DRAFT****PHYSICAL PROPERTY****Garden Areas and Shrubs - Mutual Four**

- remove, relocate or adjust sprinklers in turf areas. A director has the authority to remove any problem plant.
2. Tree issues will be addressed by the Board of Directors. Under certain circumstances, trees that are removed may not be replaced.
 3. If a shareholder wants a tree planted in an area where no tree was previously planted, approval in writing must be obtained by the Board of Directors. The tree shall be planted by a reputable the Mutual landscaper and all costs related to this planting shall be borne by the shareholder. After planting of the tree, it becomes the property of the Mutual and will be maintained by the Mutual at the Mutual's expense.
 4. The Mutual's "common areas" can be used for temporary reasons, i.e. construction activity, and moving with director approval.

PLANT GUIDELINES

The selection of plants allowed for the gardening areas is not limited to the plants listed here.

Bushes and shrubs that do well:

Heavenly Bamboo, Hibiscus, Holly Family, Hydrangea, Indian Hawthorn, Juniper Shrubs, Lily of the Nile, Mirror Plant, and Star Jasmine.

Smaller flowering plants that do well:

Azalea, Camellia, Dahlia, Daisy, Fuchsia, Gardenia, Mums, and Roses.

Perennial flowers that do well in our climate and soil (young plants need protection from rabbits):

Geraniums, Impatiens, Marigolds, Vincas, and Wax Begonias

Note: The plants listed above seem to be ignored (at this time) by rabbits, but that could change (pansies and lobelias are favorites of rabbits).

Plants that, by their nature, cause problems and are not allowed:

Asparagus Fern, Baby Tears, Bird of Paradise, Citrus/Fruit (any type), Ficus Trees, Ivy, Spiderwort Family, Wild Mint, and selected palm trees based upon location

Vines that climb or cling to deco blocks, buildings or light poles are also not permitted.

(Draft created 4-03-14cd)

MUTUAL OPERATIONS**AMENDED DRAFT****PHYSICAL PROPERTY****Garden Areas and Shrubs - Mutual Four****APPROVED TREES****Trees for Placement in Narrow Greenbelts****COMMON NAME**

Brisbane box
 Crepe Myrtle
 Forest Pansy
 Magnolia – Little Gem
 Melaleuca (Pink)
 Ornamental Plum

BOTANICAL NAME

Tristania conferta
 Lythraceae Speciosa
 Cercis canadensis
 Magnolia grandiflora "Little Gem"
 Melaleuca nesophila
 Prunus blireiana

Trees for Placement in Larger Greenbelts**COMMON NAME**

Cajeput tree
 California Pepper (w/yearly spraying)
 Camphor tree
 Carrotwood
 Chinese Orchid
 Elm (evergreen)
 Idaho Locust
 Kaffir Plum
 Magnolia
 Memosa (Silk tree)
 New Zealand Christmas tree
 Pine (fern)
 Tabebuia / Trumpet tree
 Tipu tree

BOTANICAL NAME

Melaleuca leucadendron
 Schinus molle
 Cinnamomum camphora
 Cupania anacardioides
 Bauhinia variegata
 Ulmus parvifota
 Robina ambigua idahoensis
 Harpephyllum cafrum
 Magnolia
 Albizia julibrissin
 Metrosideros
 Podocarpus gracillior
 Bignoniaceae
 Tipuana tipu

MUTUAL ADOPTION

FOUR: 01-04-04

AMENDMENTS

04-11-07, 05-14-08, 07-13-11

(Draft created 4-03-14cd)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****ACCOUNTING AND FISCAL****Audit Expense – All Mutuals Except Five, Fifteen, Sixteen and Seventeen**

WHEREAS, in the past the audit expense has been charged to the year when the expense was billed and not for the year for which the audit was made

THEREFORE, BE IT RESOLVED that the audit expense be hereafter charged to the expenses for the year for which the audit was made. The audit expense for 1969 shall be charged to 1969 expenses.

MUTUAL ADOPTION:**RESCIND**

ONE	04-30-70	
TWO	04-16-70	
THREE	04-20-70	
FOUR	04-06-70	
FIVE	04-03-70	Rescinded 10-19-16
SIX	04-24-70	
SEVEN	05-15-70	
EIGHT	04-09-70	
NINE	05-20-70	
TEN	03-30-70	
ELEVEN	04-02-70	
TWELVE	03-30-70	
FOURTEEN	03-26-70	
FIFTEEN:	04-02-70	Rescinded 07-21-14
SIXTEEN	04-09-70	Rescinded 02-07-2017
SEVENTEEN	N/A	

(Mar 17)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****ACCOUNTING AND FISCAL**Capital Accounts

Legal opinion from Attorney W. A. Williams in letter dated 28 Oct 70 to the Controller:

"One of the unfortunate aspects of each Mutual at Leisure World is the fact that it was set up as a general corporation in its inception. This, of course, requires it to be controlled by the general corporation laws for the State of California.

With respect first to dividends, it would be unlawful for the declaration of any kind of dividend out of these funds as, in my opinion, they constitute a paid-in surplus. Paid-in surpluses cannot be used for the payment of dividends except to shares entitled to preferential dividends. None of the shares in the Mutual Corporations qualify as shares entitled to preferential dividends. I would disagree with the position that the funds are available for patronage dividends. The only funds that I would view as available for patronage dividends are those funds paid in by the members as payments in excess of the budget and remaining at the end of the year. A liability can attach to the director and the shareholder receiving those payments if they are not authorized by law. California Corporation Code holds a liability of shareholders for receipt of an unauthorized dividend in Corporation Code 1510. Illegal declaration of dividends can constitute a misdemeanor in the State as set forth in the Penal Code for the State of California.

The only source of dividends that can be made is from earned surplus or out of net profits earned during the preceding accounting period which is not to be less than six months or more than one year. In this latter instance, such dividends can be declared despite the fact that the next assets of the corporation may be less than the stated capital unless there are liquidation preferences on some share, a problem which we do not have.

The fact that these funds, however, cannot be used for dividends does not prevent their use for proper corporate purposes, particularly the establishment of reserve accounts, and I see no reason why the funds cannot be used for reserve account needs or as you have indicated, by transfer within the capital accounts. However, these funds must be clearly designated in that the original stated capital must be set forth and the paid-in surplus must be also clearly identified. It cannot be shown as an earned surplus at any time. Actually, an earned surplus could occur if the payments of the resident exceed the budget requirement set forth at the beginning of the year.

The Board of Directors will have the power to take the necessary steps for transfer of capital funds so long as those steps are within the framework of the restrictions I have indicated."

(Oct 70)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****ACCOUNTING AND FISCAL**Financing Capital Projects

WHEREAS, Seal Beach Mutual No. _____ (all except Mutual No. Nine) recognizes the need for continuing development and improvement of the trust property of Seal Beach Leisure World for the benefit of all stockowners, and

WHEREAS, it is the desire of the Mutual Corporation to assist in the financing of capital improvements to the trust,

NOW, THEREFORE, BE IT RESOLVED that for any refund owing to the Mutual Corporation from the Golden Rain Foundation for the fiscal year 1972, this Corporation does hereby instruct the Golden Rain Foundation as their agent to:

1. Deposit to the credit of the trust fund of Seal Beach Leisure World which is held by the Golden Rain Foundation as trustee for the benefit of the Seal Beach Mutual Corporations any portion of the refund due this Corporation from the Golden Rain Foundation that is the proceeds in excess of the first \$50,000 of refund derived from the operation of the Golden Rain Foundation.
2. It is the intent of this resolution that the Golden Rain Foundation shall refund in the normal manner the first \$50,000 for the fiscal year 1972 and apply any refund in excess of \$50,000 to the capital funds of the trust in the same proportion that the original contributions were made to the trust.

BE IT FURTHER RESOLVED, that this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

Mutual No.5 (11-18-16) & Mutual No. 7 Only (Effective 11-21-00):

WHEREAS, Seal Beach Mutual No. _____ recognizes the need for continuing development and improvement of the trust property of Seal Beach Leisure World for the benefit of all stockowners, and

WHEREAS, it is the desire of the Mutual Corporation to assist in the financing of capital improvements to the trust,

NOW, THEREFORE, IT BE RESOLVED, that for any refund owing to the Mutual

Mutual No.5 (Effective 11-18-16) & Mutual No. 7 Only (Effective 11-21-00) (Cont'd.):

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****ACCOUNTING AND FISCAL**Financing Capital Projects

Corporation from the Golden Rain Foundation for the fiscal year 1972 and following fiscal years, this Corporation does hereby instruct the Golden Rain Foundation as their agent to:

1. Deposit to the credit of the trust fund of Seal Beach Leisure World which is held by the Golden Rain Foundation as trustee for the benefit of the Seal Beach Mutual Corporations any portion of the refund due this Corporation from the Golden Rain Foundation that is the proceeds in excess of the first \$50,000 of refund derived from the operation of the Golden Rain Foundation.
2. It is the intent of this resolution that the Golden Rain Foundation shall refund in the normal manner the first \$50,000 for the fiscal year 1972 and the following fiscal years and apply any refund in excess of \$50,000 to the capital funds of the trust in the same proportion that the original contributions were made to the trust.

BE IT FURTHER RESOLVED, that this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

MUTUAL ADOPTIONAMENDEDRESCINDED

ONE		
TWO	11-16-72	
THREE	11-20-72	
FOUR	01-08-73	
FIVE	12-20-72	11-18-16
SIX	12-08-72	
SEVEN	01-19-73	11-21-00
EIGHT		
NINE	11-13-72	07-11-11
TEN	11-30-72	
ELEVEN	12-21-72	
TWELVE	11-09-72	
FOURTEEN	11-09-72	

(Nov 16)

MUTUAL OPERATIONS

RESCIND MUTUAL FOUR

ACCOUNTING AND FISCAL

Financing Capital Projects

FIFTEEN	11-10-72
SIXTEEN	12-14-72

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****ACCOUNTING AND FISCAL**Depreciation - Straight Line Method

RESOLUTION:

WHEREAS, the official books of this Corporation are being kept using the Sinking Fund method of depreciation, and income tax returns are submitted using the Straight Line method of depreciation, and

WHEREAS, it is desirable to use the same method on the books as is used on the tax returns, and

WHEREAS, the Internal Revenue Service will not recognize the Sinking Fund method as a generally accepted method of depreciation and give their approval for its use on the income tax returns;

THEREFORE, BE IT RESOLVED, to adopt the Straight Line method of depreciation for the official books of this Corporation.

BE IT FURTHER RESOLVED, THAT this resolution will become effective only in the event that all other Seal Beach Mutuals adopt a similar resolution.

MUTUAL ADOPTION:

ONE	03-27-75	NINE	03-10-75
TWO	03-20-75	TEN	04-24-75
THREE	03-17-75	ELEVEN	04-17-75
FOUR	04-07-75	TWELVE	03-13-75
FIVE	06-18-75	FOURTEEN	06-27-75
SIX	06-27-75	FIFTEEN	03-03-75
SEVEN	03-21-75	SIXTEEN	06-18-75
EIGHT	03-24-75		

(Jun 75)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****Signature Requirements on Checks**

RESOLVED:

Two signatures (the CFO and the President or Vice President) shall be required on all checks in the amount of \$5,000 or more.

The Mutual's complete ledger shall be approved by the President or Vice President each month.

MUTUAL ADOPTION

ONE: 08-27-09

(Aug 09)

MUTUAL OPERATIONS

RESCIND MUTUAL FOUR

ACCOUNTING AND FISCAL

Mutual Budgets – All Mutuals Except Five, Nine and Sixteen

I. LEGAL BASIS

The Regulatory Agreement between the Mortgager (Mutual) and the Department of Housing and Urban Development (HUD) requires, under Section 4, that an Operating Budget shall be prepared and submitted to HUD sixty (60) days prior to the beginning of each fiscal year.

Civil Code 1365 requires distribution of the Operating Budget to the all members/stockholders annually 45 to 60 days before the beginning of the fiscal year. In addition, a summary of the association’s reserves, whether special assessments will be needed for repairs or to replenish reserves , and a statement of the procedures used for the calculation of the reserves must be included.

The Management Agreement between the Mutuals and the Golden Rain Foundation requires, under paragraph Fourth, subparagraph (k), that the Foundation shall prepare a budget for adoption by the Mutuals for those items covered by the Agreement.

II. METHOD OF PREPARATION

Since the Management Agreement between the Mutual and the Foundation requires the Foundation to prepare a budget with respect to the items contained in the Agreement, and since these items become a portion of the budget of the Mutual Corporations, the following procedure is used in preparing and presenting budgets for adoption:

- A. The Golden Rain portion of the budget is prepared and adopted by the Board of Directors during July and August for the fiscal year following.

The portions of the budget covered by this adoption are:

- | | |
|---------------------|---|
| Administration | Property Management |
| Recreation | Grounds Maintenance (Community Facilities) |
| Transportation | Community Facilities Maintenance |
| Security | Service Maintenance (all phases except Mutual Other |
| Janitorial Services | Improvements) |

- B. After the adoption of the Golden Rain Foundation budget, the costs of this budget are allocated to the Mutual for use in their budget preparation.
- C. The Golden Rain Foundation is responsible for furnishing information to the Mutual Corporations regarding those budget items which are not covered by the Foundation

(Mar 17)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Five, Nine and Sixteen**

budget. These costs fall into two groups:

1. The items that are either required by contract or set up by governmental agencies are:

Real Estate Taxes	Hazard Insurance
State Franchise Tax	Mortgage Insurance
FHA Mortgage Insurance Premium	Mortgage Principal
Replacement Reserve	General Operating Reserve
Water and Sewer	

2. The items which must be determined by the Mutual Board individually are:

Audit Fee	Vacancy and Collection Losses
Electricity	Rubbish Removal*
Grounds Maintenance – other improvements	Service Maintenance – other improvements
Misc. Maintenance and Repairs	Painting Reserve
Supplemental Replacement Reserve	Special Contingency Funds

*Arranged cooperatively through the Golden Rain Foundation

- D. Recommendations by the Golden Rain Foundation concerning the Mutual budget, together with estimates of income, expenses, and monthly carrying charges, should be available to the Mutual Corporations four (4) working days period to their September Board Meeting. This will enable the Mutual Corporations to have a period of time for study, evaluation, adjustment, and adoption of their budget prior to October 1.

Approximately three (3) weeks are needed after Mutual adoption to complete the clerical work in the Controller's Office for preparing the documentation and required reports for submission to HUD by November 1, and the required distribution to the members/stockholders between November 1 and November 15.

III. OTHER INFORMATION

- A. The administrative staff is always ready and available to discuss proposed budget actions, and to make budget presentations when requested by the Mutual Board.
- B. The action by the Mutual Board is the final action on the budget subject to HUD (Mar 17)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****ACCOUNTING AND FISCAL****Mutual Budgets – All Mutuals Except Five, Nine and Sixteen**

- approval, and is the determining factor in the monthly carrying charge for all residents.
- C. In order to keep all Directors informed of the procedures on the budget, the following other information is furnished:
1. The Presidents and Chief Financial Officers of the Mutual Boards are furnished pertinent budget information at the same time as the Golden Rain Board.
 - a) All Mutual Directors are furnished complete information on the Golden Rain budget when it is adopted, together with complete information on the Mutual budget recommendations.
- D. Normally, the first or second week in September is used for study meetings between the Mutual President and CFO/Treasurer and the staff so that complete information is available for determining budget factors.

Procedure

Amended: Jul 88, Aug 00

**Executive Director
Golden Rain Foundation**

RESCIND

FIVE: 11-18-16

NINE: Rescinded Feb 09

SIXTEEN: 03-07-17 Rescinded

(Mar 17)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR**

ACCOUNTING AND FISCAL

Patronage RefundsI. Legal Basis

The Articles of Incorporation provide, under Article II for Mutuals 1 through 5, and Article III for Mutuals 6 through 16, that the Board of Directions may make refunds to stockholders as provided by the Bylaws and Occupancy Agreement. The Occupancy Agreement, under Article 3, provides that the corporation agrees that it will refund or credit to the member at the end of each fiscal year his proportionate share of such sums as have been collected in anticipation of expenses which are in excess of the amount needed for expense of all kinds, including reserves, in the discretion of the Board of Directors. The procedure recommended by FHA for such refund is stated in Section 2.

II. Refund Procedure

1. Mutual Boards should consider patronage refunds only at the close of a fiscal year.
2. A standard form of the resolution to be adopted by the Board is available for use.
3. The payment of any refund should be subject to two contingencies:
 - a. Completion of the audit, showing that the funds are available for payment.
 - b. The resolution, together with the statement of the auditors that the funds are available, should be submitted to FHA for approval prior to the payment of the refund.

III. Suggestions

Questions concerning the form to be used and the processing for FHA approval should be directed to the Executive Director.

Revised: 20 July 77

RESCIND

FIVE: 11-18-16

SIXTEEN: 02-07-17

(Jul 77)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR**

ACCOUNTING AND FISCAL

Impounds

Budget for impounds is based on advice from mortgagee, and equal monthly payments made to the mortgagee are based on the budget. The mortgagee makes disbursements to payee and advises Mutuals the amounts disbursed. Types of impounds are as follows:

a. Hazard Insurance

Fire and lightning, windstorm, hail, explosions, smoke, riot, aircraft and motor vehicles, vandalism and malicious mischief.

b. Tax Reserve

Assessments by county assessor's office based on parcel or loan area within Mutual.

c. Mortgage Insurance

Based on one-half of 1% unpaid principal balance at the beginning of each year.

RESCIND

FIVE: 11-18-16

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****ACCOUNTING AND FISCAL**Billings to Mutuals

1. Billings to the Mutuals are generated by the Golden Rain Foundation. Any profit or loss is allocated back to the Mutuals at the year's end. There are basically three types of billings:

- A. SROs or service repair orders issued by the Service Maintenance Department for the Mutuals' maintenance needs and all community facility-related service costs.

Maintenance persons bill their work time to a corresponding area. Rates per hour charged by these departments are computed on a basis intended to recover wages, employer's taxes, depreciation of equipment, supplies, and other expenses. These rates are subject to periodic studies. Changes in rates result when increased costs exceed budgeted income.

- B. Administration, recreation, and maintenance of common areas and facilities not charged in item 1, warehouse facilities, property management, transportation, security, and shop repair, are billed to the Mutuals on a pro-rata basis according to the number of apartments. Each month, the Mutual receives a billing covering one-twelfth (1/12) of its budgeted expense.

- C. Billings for expenses paid by Golden Rain Foundation on behalf of the Mutuals and shared expenses:

- a. If it is a bill from an outside vendor specifying more than one Mutual, the Golden Rain Foundation pays it and bills the Mutuals.

- b. Shared expense, such as water charges and street lighting.

2. Mutuals are billed directly by outside vendors for their individual expenses.

Amended: Jul 87

Amended: Aug 00

Aug 00)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****ACCOUNTING AND FISCAL****Income Items and Their Distribution – All Mutuals Except Five & Nine**

Income is derived from the monthly apartment payments, plus other miscellaneous income received from laundry facilities, interest on reserves, inspection fees on apartment resales, late charges, and carport rentals.

A substantial part of the income is used for retirement of principal and interest on the mortgage. The remainder is divided between impounds, reserves, Golden Rain Foundation operations and individual Mutual maintenance and operation expenses.

See Policy 7333.5 for Mutual Five (Feb 16)
See Policy 7333.9 for Mutual Nine (Oct 06)

Revised: Sep 88

Revised: Aug 00

Revised: Feb 09

(Feb 16)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****ACCOUNTING AND FISCAL****Investment Records**

Records of investments, time certificates of deposit and bank pass books and/or reconciliations are available for inspection at any time by the Mutual Directors. Mutual Directors desiring general information should call the Mutual Accountant for an appointment. No appointment is necessary, of course, if an unannounced audit is made.

Reissued Jul 87

RESCIND

FIVE: 11-18-16

(Nov 16)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR****ACCOUNTING AND FISCAL****Cash Disbursements – All Mutuals Except Nos. Five, Nine, and Twelve**

Cash disbursements are made from one of two checking accounts referred to as the Agency Account and General Account (except Mutuals Nos. 16 & 17 who have only an Agency Account.)

A. Agency Account

1. Mortgage Payments
2. Power and Lights
3. Trash Hauling
4. GRF (paid by GRF and invoiced to Mutuals)
 - a. Admin., Recreation, Physical Property
 - b. Service Maintenance (SROs)
 - c. Water Charges
 - d. Rubbish Hauling
 - e. Street Lighting
 - d. Third Party Charges

5. Funding

- a. Operating Reserve
 - b. Replacement Reserve
 - c. Supplemental Replacement Reserve
 - d. Painting Reserve
 - e. Special Contingency Fund (if applicable)
 - f. Emergency Reserve (if applicable)
6. Federal and State Income Taxes.
 7. Property Taxes
 8. Refund to Residents Related to Monthly Fees

B. General Account

1. Extraordinary Expenses
2. Outside Contractors and Services

Amendments**RESCIND**

Mutual Five-Jan 17

Mutual Nine-Aug 00

Mutual Twelve-Oct 13 (See 7335.12)

MUTUAL OPERATIONS

RESCIND MUTUAL FOUR

ACCOUNTING AND FISCAL

Shareholders' Interest – All Mutuals Except Five and Nine

The Internal Revenue Service regulations provide for inclusion of mortgage interest and property tax as an itemized deduction on an individual tax return. This provision extends to shareholders of a cooperative housing corporation.

At the end of each calendar year, a letter will be sent to each shareholder informing them of the amount of their pro-rated mortgage interest and property tax amount paid during the year just ended.

<u>MUTUAL ADOPTION</u>		<u>AMENDED</u>	<u>AMENDED</u>	<u>AMENDED</u>
ONE	08-01-88	08-01-00	02-28-02	
TWO	08-01-88	08-01-00	03-21-02	
THREE	08-01-88	08-01-00	04-12-02	
FOUR	08-01-88	08-01-00	03-04-02	
FIVE	08-01-88	08-01-00	02-20-02	See Policy 7336.5 – Feb
SIX	08-01-88	08-01-00	03-26-02	
SEVEN	08-01-88	08-01-00	05-15-02	
EIGHT	08-01-88	08-01-00	02-25-02	
NINE	See Policy 7336.9 for Mutual Nine Information			
TEN	08-01-88	08-01-00	02-27-02	
ELEVEN	08-01-88	08-01-00	02-21-02	
TWELVE	08-01-88	08-01-00	01-10-02	
FOURTEEN	08-01-88	08-01-00	03-13-02	
FIFTEEN	08-01-88	08-01-00	02-19-02	
SIXTEEN	08-01-88	08-01-00	02-19-02	
SEVENTEEN	08-01-88	08-01-00	02-05-02	

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR**

ACCOUNTING AND FISCAL

Financial ReportsI. Monthly Reports

The Accounting Department, under the direction of the Golden Rain Foundation Controller, prepares and distributes monthly financial reports to each Mutual Director. These reports consist of a balance sheet, an operating statement, which compares income and expenses to budget, detailed balances of the various reserve accounts, reconciliations of bank accounts, and the statements of cash receipts and disbursements of both the agency and the general accounts.

2. Annual Financial Statement

The Controller's Department prepares and distributes a preliminary year-end statement. Any necessary adjustments to this statement are made on completion of the audit. A copy of the annual statement is sent to each Mutual Director.

3. Inquiries About Financial Statements

The Controller is very willing to answer all questions pertaining to either the monthly financial statements or the published annual financial statements. However, it should be realized that the Controller's schedule is heavy, and that the established regulatory procedure is to request an appointment through the Chief Financial Officer or Treasurer of each individual Mutual corporation.

Reissued Jul 87

(Jul 87)

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR**

ACCOUNTING AND FISCAL

Accounts Receivable

This position is responsible for maintaining tenant Accounts Receivable records, including Golden Rain Foundation annual dues, on a current basis. All inquiries regarding tenant delinquencies should be referred to this office.

RESCIND

FIVE: 11-18-16

SIXTEEN: 02-07-17

MUTUAL OPERATIONS**RESCIND MUTUAL FOUR**

ACCOUNTING AND FISCAL

Cashier Service

The position of Cashier has been established to facilitate all cash payments made by those members not maintaining a commercial (checking) account who wish to transact all their business on a cash basis.

RESCIND

SIXTEEN: 02-07-17

Mutual 4 Board of Directors Meeting – April 10, 2017

CFO, Suzi Smith

FINANCIAL RECAP - FEBRUARY 2017

	Monthly Actual	Monthly Budget	Variance	YTD Actual	YTD Budget	Variance
Income	142,418	141,769	649	285,368	283,538	1,830
Reserves	45,077	45,077	0	90,154	90,153	1
Expenses	94,616	96,899	-2,283	186,194	193,799	-7,605
Total Expenses	139,693	141,976	-2,283	276,348	283,952	-7,604
Income/Expense	2,725	-207	2,932	9,020	-414	9,434

Our unrestricted cash for month end is \$381,654; restricted reserve accounts total \$1,967,312

Reserves:

Appliance	\$18,928.00
Painting	\$22,565.00
Operating	\$25,000.00
Roofing	\$1,439,109.00
Emergency	\$126,751.00
Infrastructure	\$334,959.00
Total Reserves	\$1,967,312.00

FINANCIAL RECAP - MARCH 2017

	Monthly Actual	Monthly Budget	Variance	YTD Actual	YTD Budget	Variance
Income	142,832	141,769	1,063	428,200	425,307	2,893
Reserves	45,077	45,077	0	135,231	135,229	2
Expenses	113,041	96,899	16,142	299,235	290,690	8,545
Total Expenses	158,118	141,976	16,142	434,466	425,919	8,547
Income/Expense	-15,286	-207	-15,079	-6,266	-612	-5,654

Our unrestricted cash for month end is \$379,819; restricted reserve accounts total \$2,010,174

Reserves:

Appliance	\$18,913.00
Painting	\$23,518.00
Operating	\$25,000.00
Roofing	\$1,452,026.00
Emergency	\$127,168.00
Infrastructure	\$363,549.00
Total Reserves	\$2,010,174.00

Recap of Financials for the month ended February and March, 2017 (See above). I have prepared a complete profit and loss statements Report A showing actual and budget expenses for the month of February and March , 2017 and year to date for each period. Note the Loss reflected in the March financials is a result of \$13,237 in "catch up" depreciated booked by accounting.

A CD with a yield of 1.05% came up for renewal on 4/11/17; it was reinvested in a two year CD at 1.55%

The CFO Council, with excellent input from Controller Carolyn Miller, reviewed all the financial policies and came to a consensus about rescinding many of the useless and outdated policies on the books. The Board voted on this at the April 10 board meeting.

BUILDINGS/LANDSCAPE

If you ordered mulch for your garden, it has been spread into the gardens and is working its way to feeding all your plants. We now have a list of approved trees. Sprinklers are continually being tweaked; if you have an errant sprinkler call your director and we will have it corrected.

Laundry room 43 has a new dryer. The old one was breaking off paint and when service maintenance inspected it the poor thing was about to fall apart. Originally installed in 2003! Not bad. Hafta tell you folks, when you report a problem with a washer/dryer and 65% of the time Susie Irwin or I can fix it ourselves. We always try rather than just calling service maintenance - helps to keep the expenses down. We do not mind you calling us - that's our job.

Feel free to call me with any questions. I may not be home but if you leave a message I WILL return the call.
562-296-8518.

Susan A. Smith

Leisure World Mutual 4
Profit & Loss Budget vs. Actual
February 2017

	Feb 17	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
ASSESSMENT			
Regular Assessment - Mutual 4	34,131.00	34,345.00	-214.00
Reserves Assessment	45,077.00	45,077.00	0.00
GRF Assessment	57,297.00	57,083.00	214.00
Total ASSESSMENT	136,505.00	136,505.00	0.00
FINANCIAL INCOME			
Interest Income - Tax Exempt	35.00	65.00	-30.00
Interest Income - Taxable	1,954.00	1,650.00	304.00
Late Charges	104.00	44.00	60.00
Total FINANCIAL INCOME	2,093.00	1,759.00	334.00
SERVICES INCOME			
Inspection Fees	2,250.00	2,083.00	167.00
Laundry Machines	1,565.00	1,418.00	147.00
Merchandise Sales	0.00	4.00	-4.00
Miscellaneous	5.00	0.00	5.00
Total SERVICES INCOME	3,820.00	3,505.00	315.00
Total Income	142,418.00	141,769.00	649.00
Cost of Goods Sold			
GRF MAINTENANCE FEE	57,297.00	57,297.00	0.00
Total COGS	57,297.00	57,297.00	0.00
Gross Profit	85,121.00	84,472.00	649.00
Expense			
PROFESSIONAL FEES			
Investment Fees	0.00	0.00	0.00
Legal Fees	370.00	415.83	-45.83
Management Fee	222.00	221.75	0.25
Total PROFESSIONAL FEES	592.00	637.58	-45.58
SERVICES			
Escrow Expense	0.00		
Landscape - Contract	12,460.00	13,274.00	-814.00
Landscape - Extras	-22.00	708.83	-730.83
Miscellaneous Services	34.00	43.58	-9.58
Painting	0.00	83.17	-83.17
Pest Control	168.00	649.42	-481.42
Standard Service	5,588.00	4,965.83	622.17
Structural Repairs	800.00	665.00	135.00
Total SERVICES	19,028.00	20,389.83	-1,361.83
TAXES & INSURANCE			
Hazard/Liability Insurance	9,333.00	7,979.00	1,354.00
State & Federal taxes	285.00	285.08	-0.08
Total TAXES & INSURANCE	9,618.00	8,264.08	1,353.92
UTILITIES			
Electricity	1,965.00	1,999.83	-34.83
Trash	3,155.00	3,183.83	-28.83
Water	2,752.00	4,918.33	-2,166.33
Total UTILITIES	7,872.00	10,101.99	-2,229.99
RESERVE FUNDING			
Emergency Reserve	417.00	416.67	0.33
Roof	12,917.00	12,916.67	0.33
Paint	953.00	953.00	0.00

Leisure World Mutual 4
Profit & Loss Budget vs. Actual
February 2017

	Feb 17	Budget	\$ Over Budget
Infrastructure	28,590.00	28,590.00	0.00
Appliances	2,200.00	2,200.00	0.00
Total RESERVE FUNDING	45,077.00	45,076.34	0.66
DEPRECIATION	209.00	209.00	0.00
Total Expense	82,396.00	84,678.82	-2,282.82
Net Ordinary Income	2,725.00	-206.82	2,931.82
Net Income	<u>2,725.00</u>	<u>-206.82</u>	<u>2,931.82</u>

Leisure World Mutual 4
Profit & Loss Budget vs. Actual YTD Report B
 January through February 2017

	Jan - Feb 17	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
ASSESSMENT			
Regular Assessment - Mutual 4	68,476.00	68,690.00	-214.00
Reserves Assessment	90,154.00	90,154.00	0.00
GRF Assessment	114,380.00	114,166.00	214.00
Total ASSESSMENT	273,010.00	273,010.00	0.00
FINANCIAL INCOME			
Interest Income - Tax Exempt	29.00	130.00	-101.00
Interest Income - Taxable	3,838.00	3,300.00	538.00
Late Charges	24.00	88.00	-64.00
Total FINANCIAL INCOME	3,891.00	3,518.00	373.00
SERVICES INCOME			
Inspection Fees	5,250.00	4,166.00	1,084.00
Laundry Machines	3,207.00	2,836.00	371.00
Merchandise Sales	0.00	8.00	-8.00
Miscellaneous	10.00	0.00	10.00
Total SERVICES INCOME	8,467.00	7,010.00	1,457.00
Total Income	285,368.00	283,538.00	1,830.00
Cost of Goods Sold			
GRF MAINTENANCE FEE	114,594.00	114,594.00	0.00
Total COGS	114,594.00	114,594.00	0.00
Gross Profit	170,774.00	168,944.00	1,830.00
Expense			
PROFESSIONAL FEES			
Legal Fees	435.00	831.66	-396.66
Management Fee	444.00	443.50	0.50
Total PROFESSIONAL FEES	879.00	1,275.16	-396.16
SERVICES			
Landscape - Contract	24,920.00	26,548.00	-1,628.00
Landscape - Extras	-22.00	1,417.66	-1,439.66
Miscellaneous Services	34.00	87.16	-53.16
Painting	0.00	166.34	-166.34
Pest Control	336.00	1,298.84	-962.84
Standard Service	11,971.00	9,931.66	2,039.34
Structural Repairs	800.00	1,330.00	-530.00
Total SERVICES	38,039.00	40,779.66	-2,740.66
TAXES & INSURANCE			
Hazard/Liability Insurance	18,666.00	15,958.00	2,708.00
State & Federal taxes	570.00	570.16	-0.16
Total TAXES & INSURANCE	19,236.00	16,528.16	2,707.84
UTILITIES			
Electricity	2,409.00	3,999.66	-1,590.66
Trash	6,311.00	6,367.66	-56.66
Water	4,308.00	9,836.66	-5,528.66
Total UTILITIES	13,028.00	20,203.98	-7,175.98
RESERVE FUNDING			
Emergency Reserve	834.00	833.34	0.66
Roof	25,834.00	25,833.34	0.66
Paint	1,906.00	1,906.00	0.00
Infrastructure	57,180.00	57,180.00	0.00
Appliances	4,400.00	4,400.00	0.00

Leisure World Mutual 4
Profit & Loss Budget vs. Actual YTD Report B
January through February 2017

	Jan - Feb 17	Budget	\$ Over Budget
Total RESERVE FUNDING	90,154.00	90,152.68	1.32
DEPRECIATION	418.00	418.00	0.00
Total Expense	161,754.00	169,357.64	-7,603.64
Net Ordinary Income	9,020.00	-413.64	9,433.64
Net Income	<u>9,020.00</u>	<u>-413.64</u>	<u>9,433.64</u>

Leisure World Mutual 4
Profit & Loss Budget vs. Actual
March 2017

	Mar 17	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
ASSESSMENT			
Regular Assessment - Mutual 4	34,131.00	34,345.00	-214.00
Reserves Assessment	45,077.00	45,077.00	0.00
GRF Assessment	57,297.00	57,083.00	214.00
Total ASSESSMENT	136,505.00	136,505.00	0.00
FINANCIAL INCOME			
Interest Income - Tax Exempt	71.00	65.00	6.00
Interest Income - Taxable	1,975.00	1,650.00	325.00
Late Charges	94.00	44.00	50.00
Total FINANCIAL INCOME	2,140.00	1,759.00	381.00
SERVICES INCOME			
Inspection Fees	3,250.00	2,083.00	1,167.00
Laundry Machines	936.00	1,418.00	-482.00
Merchandise Sales	0.00	4.00	-4.00
Miscellaneous	1.00	0.00	1.00
Total SERVICES INCOME	4,187.00	3,505.00	682.00
Total Income	142,832.00	141,769.00	1,063.00
Cost of Goods Sold			
GRF MAINTENANCE FEE	57,297.00	57,297.00	0.00
Total COGS	57,297.00	57,297.00	0.00
Gross Profit	85,535.00	84,472.00	1,063.00
Expense			
PROFESSIONAL FEES			
Investment Fees	0.00	0.00	0.00
Legal Fees	370.00	415.83	-45.83
Management Fee	222.00	221.75	0.25
Total PROFESSIONAL FEES	592.00	637.58	-45.58
SERVICES			
Escrow Expense	0.00		
Landscape - Contract	12,460.00	13,274.00	-814.00
Landscape - Extras	30.00	708.83	-678.83
Miscellaneous Services	39.00	43.58	-4.58
Painting	2,073.00	83.17	1,989.83
Pest Control	207.00	649.42	-442.42
Standard Service	5,739.00	4,965.83	773.17
Structural Repairs	4,860.00	665.00	4,195.00
Total SERVICES	25,408.00	20,389.83	5,018.17
TAXES & INSURANCE			
Hazard/Liability Insurance	9,333.00	7,979.00	1,354.00
State & Federal taxes	285.00	285.08	-0.08
Total TAXES & INSURANCE	9,618.00	8,264.08	1,353.92
UTILITIES			
Electricity	1,725.00	1,999.83	-274.83
Trash	3,156.00	3,183.83	-27.83
Water	2,008.00	4,918.33	-2,910.33
Total UTILITIES	6,889.00	10,101.99	-3,212.99
RESERVE FUNDING			
Emergency Reserve	417.00	416.67	0.33
Roof	12,917.00	12,916.67	0.33
Paint	953.00	953.00	0.00

Leisure World Mutual 4
Profit & Loss Budget vs. Actual
March 2017

	Mar 17	Budget	\$ Over Budget
Infrastructure	28,590.00	28,590.00	0.00
Appliances	2,200.00	2,200.00	0.00
Total RESERVE FUNDING	45,077.00	45,076.34	0.66
DEPRECIATION	13,237.00	209.00	13,028.00
Total Expense	100,821.00	84,678.82	16,142.18
Net Ordinary Income	-15,286.00	-206.82	-15,079.18
Net Income	-15,286.00	-206.82	-15,079.18

Leisure World Mutual 4
Profit & Loss Budget vs. Actual YTD Report B
 January through March 2017

Ordinary Income/Expense	Jan - Mar 17	Budget	\$ Over Budget
Income			
ASSESSMENT			
Regular Assessment - Mutual 4	102,607.00	103,035.00	-428.00
Reserves Assessment	135,231.00	135,231.00	0.00
GRF Assessment	171,677.00	171,249.00	428.00
Total ASSESSMENT	409,515.00	409,515.00	0.00
FINANCIAL INCOME			
Interest Income - Tax Exempt	100.00	195.00	-95.00
Interest Income - Taxable	5,813.00	4,950.00	863.00
Late Charges	118.00	132.00	-14.00
Total FINANCIAL INCOME	6,031.00	5,277.00	754.00
SERVICES INCOME			
Inspection Fees	8,500.00	6,249.00	2,251.00
Laundry Machines	4,143.00	4,254.00	-111.00
Merchandise Sales	0.00	12.00	-12.00
Miscellaneous	11.00	0.00	11.00
Total SERVICES INCOME	12,654.00	10,515.00	2,139.00
Total Income	428,200.00	425,307.00	2,893.00
Cost of Goods Sold			
GRF MAINTENANCE FEE	171,891.00	171,891.00	0.00
Total COGS	171,891.00	171,891.00	0.00
Gross Profit	256,309.00	253,416.00	2,893.00
Expense			
PROFESSIONAL FEES			
Legal Fees	805.00	1,247.49	-442.49
Management Fee	666.00	665.25	0.75
Total PROFESSIONAL FEES	1,471.00	1,912.74	-441.74
SERVICES			
Landscape - Contract	37,380.00	39,822.00	-2,442.00
Landscape - Extras	8.00	2,126.49	-2,118.49
Miscellaneous Services	73.00	130.74	-57.74
Painting	2,073.00	249.51	1,823.49
Pest Control	543.00	1,948.26	-1,405.26
Standard Service	17,710.00	14,897.49	2,812.51
Structural Repairs	5,660.00	1,995.00	3,665.00
Total SERVICES	63,447.00	61,169.49	2,277.51
TAXES & INSURANCE			
Hazard/Liability Insurance	27,999.00	23,937.00	4,062.00
State & Federal taxes	855.00	855.24	-0.24
Total TAXES & INSURANCE	28,854.00	24,792.24	4,061.76
UTILITIES			
Electricity	4,134.00	5,999.49	-1,865.49
Trash	9,467.00	9,551.49	-84.49
Water	6,316.00	14,754.99	-8,438.99
Total UTILITIES	19,917.00	30,305.97	-10,388.97
RESERVE FUNDING			
Emergency Reserve	1,251.00	1,250.01	0.99
Roof	38,751.00	38,750.01	0.99
Paint	2,859.00	2,859.00	0.00
Infrastructure	85,770.00	85,770.00	0.00
Appliances	6,600.00	6,600.00	0.00

Leisure World Mutual 4
Profit & Loss Budget vs. Actual YTD Report B
January through March 2017

	Jan - Mar 17	Budget	\$ Over Budget
Total RESERVE FUNDING	135,231.00	135,229.02	1.98
DEPRECIATION	13,655.00	627.00	13,028.00
Total Expense	262,575.00	254,036.46	8,538.54
Net Ordinary Income	-6,266.00	-620.46	-5,645.54
Net Income	<u>-6,266.00</u>	<u>-620.46</u>	<u>-5,645.54</u>

PRESIDENT'S REPORT
Mutual 4 Board of Directors Meeting
April 2, 2017

By the time you read this, you will have received your ballot for next month's election.

We are losing three of our directors: Marsha Harris, Marsha Gerber and Janet Wade. I can't thank these three ladies enough. They were so important to the success of Mutual 4.

We have three applicants for the director slots. All three seem to be very capable replacements. You may also nominate from the floor at the Annual Election meeting.

Hope to see you all at the Annual Meeting in May.

The Prez

Mutual 4 Monthly Report
for March, 2017
Mike Levitt, Director
April 12, 2017

Had landscaper locate and repair leaking sprinkler pipe at Bldg. 85.

Assisted Bldg. 88 resident to relocate garden-area "scallops" to prevent flooding.

Worked with landscaper and other directors to have two trees planted and one tree trimmed for safety.

Had SvcMaint. replace old shut-off valves.

Directed SvcMaint. to repaint red curbs.

Approved installation by landscaper of three new sprinkler valves.

Approved installation of new refrigerator in Bldg. 85.

Residents in Bldg 81, just returning after being away for several months, alerted me that their water heater did not work, and that their bedroom thermostat sparked and charred when turned on. I requested emergency, top priority repairs and advised residents to avoid touching the thermostat. Results from the repairs: thermostat wires had become loose and shorted out; water heater had not been installed properly.

Upon a complaint from a resident in Bldg 74, had landscaper investigate why a portion of turf was not being watered during the overnight irrigation, and to have the situation corrected. The timer cabinet had been disturbed, with watering scheduled for 10 a.m. instead of 2 a.m. Clock fixed.

Approved replacement of an original bath ceiling fan in Bldg. 46 when that building's director could not be reached.

Recently, the Building Captain for Building 86 became critically ill. Because a Building Captain is a valuable and vital addition to Mutual governance, his volunteer efforts must be assumed by another resident. If you can spare just a few hours a month and would like to have a hand in helping your neighbors when help is needed, please contact me at 562/596-1346.

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Mutual 4 Leisure World Director's Report April 12, 2017

Emergency Preparedness and Bldgs. 44, 45, 46, 47, 49

The Mutuals' Emergency Preparedness Information Council continues to meet monthly. 12-14 mutuals' representatives attend each month to discuss different topics and offer advice to the various mutuals and emergency preparedness organizations. During the past 12 months the main topic has been how to create neighbor to neighbor style assistance and open discussion and coordination between and among the mutuals and GRF. This month I was informed that GRF had set their discussion of this topic aside and would not publish a document that would outline their responsibilities in case of an emergency. The mutual council will, however, continue the discussion of ideas. Several mutuals are requesting that GRF, therefore, review the Red Book. The Red Book is an outline of GRF emergency procedures.

In Mutual 4 and most of the mutuals, our efforts are to make our shareholders more comfortable in case of an emergency and to broadcast out to the Leisure World Radio Club the conditions we experience during and after a disaster. ALL mutuals have NO PLANS to feed, provide water, transport, or perform more than basic first aid. We are all volunteers. Recently the Leisure World CERT Study Group held a practice at a club house. They found it was almost impossible for them to carry a "victim" out of the clubhouse using a stretcher. We are, after all, seniors. They found that they would become victims and, therefore, part of the problem.

Leisure World is an active senior adult community, not an assisted care facility. Therefore, behind our walls, residents receive the same assistance during a disaster they would beyond those walls. The Seal Beach Police Department has stated that their first priorities during an emergency will be to keep the roads open, particularly Seal Beach Blvd. They will first be concerned about the hospital access and schools. After that, individual needs of its citizens like us will be addressed.

A power outage is not a GRF or mutual responsibility. The power infrastructure belongs to Southern California Edison. After SCE has reinstated power, the mutual will request your unit power be evaluated if it then does not function. Occasionally a breaker malfunctions following an outage. If you use power for your medical devices, please call Southern California Edison NOW. The company maintains a list of all their customers who are registered. They will assist you during an emergency as soon as possible.

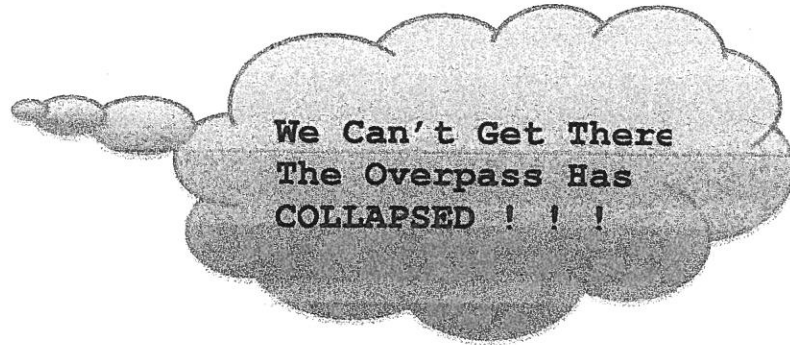
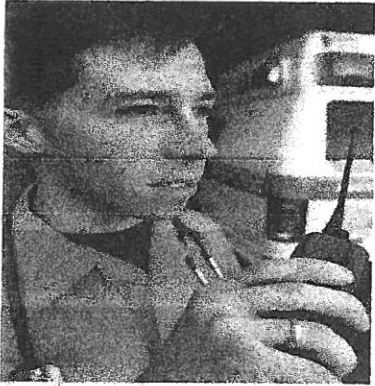
So---BE PREPARED. HAVE WATER AND NON-PERISHABLE FOOD READY FOR 7 DAYS, FLASH LIGHTS WITH 10 YEAR BATTERIES, AND YOUR EXTRA SUPPLY OF MEDICATION.

Respectfully submitted,

Jan Kuhl, 46E

562-446-0082

SPONSORED BY YOUR LEISURE WORLD EMERGENCY INFORMATION TEAM



Disaster First Aid 2017 *What to Do When 911 Can't Come*

Class Schedule – Sign up for ONE (4 hour class)

1. **Saturday, March 25th (9am to 1pm)**
Clubhouse 3 – Room 3 (Bring a lunch or snack)
2. **Saturday, June 24th (9am to 1pm)**
Clubhouse 3 – Room 3 (Bring a lunch or snack)
3. **Saturday, September 23rd (9am to 1pm)**
Clubhouse 3 – Room 3 (Bring a lunch or snack)

Organized Communities Volunteer Education Association (OCEVA) –
a local non-profit disaster training organization, will provide training

Cost: \$22, payable by check to OCEVA or by cash – *← Mutual 4 repays you if you complete the class.*
Payment due at the beginning of the class.
Class payment includes training manual.

Registration is required. - Reserve Your Space **NOW** - Contact;
Geneva Potepan, LW First Aid Training Coordinator,
E-mail - Geneva at mom4rascal@aol.com or phone her at 562-430-4748

Mutual Administration Director's Report

April 2017

Leisure World Library

The Leisure World Library is located next to the North Gate.

Open Monday through Saturday from 9:30 a.m. to 3:30 p.m.

Telephone number is 562-598-2431.

In 1995, Orange County declared bankruptcy and decided to close public branches of libraries. At that time, Seal Beach had three branches, including the Leisure World branch. When hearing that the Leisure World branch would be closed, the residents came together and decided to purchase the branch and convert it into a private library for resident use.

The Leisure World Library has an average of 300 residents who visit every day, which is roughly 6,000 people a month. The Library has over 36,000 titles and 8 patron computers. It has a staff of nine and over a dozen volunteers to run the daily operation.

The Leisure World Library's collection consists of fiction, non-fiction, audio books, magazines, newspapers, DMV study guides, braille, large print, music, DVDs and Blu-rays.

On-line access can be achieved at www.lwsb.com, click on Library under Directory, and then click on Online-Catalog.

The due date for new books is 1 week/no renewal, regular books is 3 weeks/1 renewal, new media is 3 days/no renewal, and regular media is 1 week/1 renewal.

Services include the use of patron computers Monday through Saturday from 9:30 a.m. to 3:00 p.m., copy machine with a charge of \$.10 per copy, and fax machine (sending and receiving) with various fees. The copy machine and fax machine hours are Monday through Saturday from 9:30 a.m. to 3:15 p.m.

The Friends of the Library is located directly across from the Library. Hours are Monday through Saturday from 9:30 a.m. to 3:30 p.m. Their telephone number is 562-596-7735.

The Friends of the Library is a non-profit organization. All donations are tax deductible and the proceeds benefit the Leisure World Library. They invite all shareholders to come down and check out their used book selection.

Important Information

Below is important information for all Leisure World members!

- WHAT:** Mandatory new ID cards for Seal Beach Leisure World residents.
- WHY:** Current ID has a Leisure World logo that we are no longer authorized to use.
- WHO:** All Seal Beach Leisure World residents (members, co-occupants and renters).
- WHEN:** Mandatory new IDs will be issued according to the schedule below.
IMPORTANT: Bring your old ID with you – you will be required to turn it in.

Date	Mutual	Time
Monday, May 8	2, 10, 16 and 17	8 a.m. to 1 p.m. each day
Tuesday, May 9	3, 4 and 5	
Wednesday, May 10	1 and 15	
Thursday, May 11	8, 9, 11 and 14	
Friday, May 12	6, 7 and 12	
Saturday, May 13	Make up for all Mutuals	

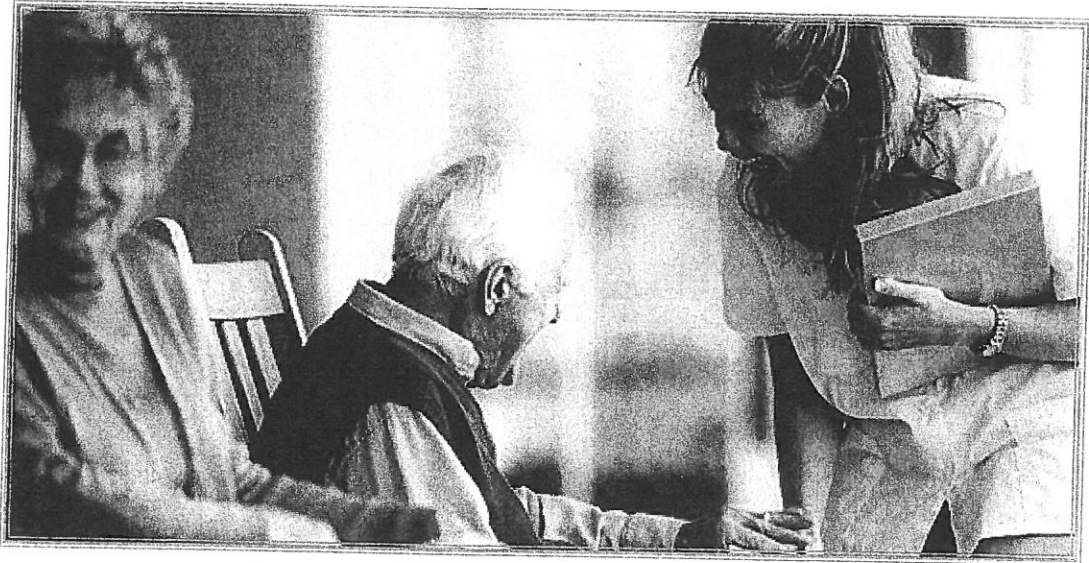
Please Note: If you are out of town this week, please go to the Stock Transfer Office upon your return to have your new ID badge issued. If you are physically unable to come to CH6 during this time do not worry. GRF staff will contact you later in May or June to schedule a visit to your home to take your picture and issue your new ID badge.

- WHERE:** Clubhouse 6 - Additional bus service will be available this week to assist residents in getting to CH6 and home again.

The LW Weekly Newspaper will have more information and reminders about this event over the next few weeks.

Effective May 14, 2017 your current ID will be deactivated and will no longer be accepted at the Administration Building, clubhouses, gym, golf course, library, swimming pool and entrance gates.

Live *Your* Life On *Your* Terms



Come find opportunities to enhance your quality of life at
The Life Options Expo

Presented by
The Golden Rain Foundation, Leisure World, Seal Beach

Saturday, July 8, 2017
9:00 a.m. - 12:00 p.m.
Clubhouse 2

The community-based expo will provide residents of Leisure World, Seal Beach, with an opportunity to learn about options that are available to enhance your quality of life. Come meet and speak with participating businesses and agencies who operate Assisted Living Facilities, Board and Care Operators, Home Care Agencies, Placement Specialists, Elder Care Agencies, Long Term Planning and County Organizations.

For information about The Life Options Expo, please contact Cynthia Tostado, LCSW at 562-431-6586 x317.



"As we grow older, we must discipline ourselves to continue expanding, broadening, learning, keeping our minds active and open." — Clint Eastwood