

**MINUTES OF THE REGULAR MONTHLY MEETING OF  
THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL FOUR  
August 10, 2016**

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, August 10, 2016, at 9:30 a.m. in Conference Room A of the Administration Building, followed by the *Pledge of Allegiance*.

**ROLL CALL**

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

GRF  
Representative: Mrs. Reed

Guests: Eight shareholders of Mutual Four

Staff: Ms. Hopkins, Mutual Administration Director  
Mr. Black, Building Inspector  
Ms. Aquino, 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 July 13, 2016, Board Meeting minutes. Upon a MOTION duly made by President Slater and seconded by Secretary Kuhl, it was

RESOLVED, To approve the Regular Board  
Meeting minutes of July 13, 2016 as printed.

The MOTION passed.

President Slater asked if there were any corrections to the August 3, 2016, Special Meeting minutes. There being no corrections, the minutes were approved as written.

President Slater asked if there were any corrections to the July 6, 2016, Special Meeting minutes. There being no corrections, the minutes were approved as written.

President Slater asked if there were any corrections to the May 25, 2016, Organizational Meeting minutes. There being no corrections, the minutes were approved as written.

**CORRESPONDENCE**

Secretary Kuhl went over correspondence.

**GRF REPRESENTATIVE**

Mrs. Reed updated activity on the GRF Board.

**BUILDING INSPECTOR'S REPORT**

Inspector Black updated the Board on activity in the Mutual.

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

RESOLVED, To continue using Roofing Standards  
as a contractor for Mutual Four.

The MOTION passed.

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

RESOLVED, To add concrete to the sidewalk and  
Carport not to exceed the amount of \$45,675.

The MOTION passed.

Inspector Black left the meeting at 10:17 a.m.

**CHIEF FINANCIAL OFFICER'S REPORT**

CFO Smith presented her financial report (attached).

**OLD BUSINESS**

Board discussed FireStops and SmartBurners.

**NEW BUSINESS**

Following a discussion it was the Consensus of the Board to discuss Gutters (Roofing) at next month's meeting.

Staff took a break from 11:00 a.m. to 11:15 a.m.

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

RESOLVED, To accept the proposal for Dethatching not to exceed the amount of \$60,600.

The MOTION passed. With one "no" vote (Secretary Kuhl).

Following a discussion it was the consensus of the Board to postpone the Landscape contract until further research has been done, and the Board has a chance to speak to Landscape representative.

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

RESOLVED, To repair and pull back 48 inches and remove the Fichus tree. Not to exceed the amount of \$3,105.00.

The MOTION passed.

**NEW BUSINESS (continued)**

Following a discussion, it was the consensus of the Board that President Slater sign Mr. C's Towing Agreement for 2016. Upon a MOTION duly made by Director Wade and seconded by CFO Smith, it was

RESOLVED, To have President Slater sign Mr. C's Towing Agreement for 2016/2017.

The MOTION passed.

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

RESOLVED, That no Directors contact information be released.

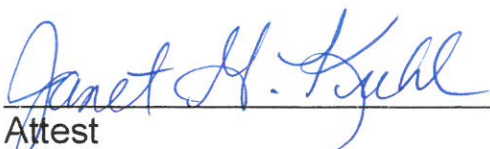
The MOTION passed with one "no" vote (Gerber).

**DIRECTOR(S)' CONCERNS**

Several comments were made by Directors.

**ADJOURNMENT**

There being no further business to conduct, President Slater adjourned the meeting at 11:26 a.m. and announced there would be an Executive Session following the meeting to discuss member issues.



Attest

Janet G. Kuhl, Secretary  
SEAL BEACH MUTUAL FOUR

ka:08/10/16

Attachments

**NEXT MEETING: WEDNESDAY, SEPTEMBER 14, at 9:30 a.m.**

**RESOLUTIONS IN THE REGULAR  
MONTHLY MEETING OF AUGUST 10, 2016**

08/10/16

RESOLVED, To approve the Regular Board Meeting minutes of July 13, 2016 as printed.

RESOLVED, To continue using Roofing Standards as a contractor for Mutual Four.

RESOLVED, To add concrete the sidewalk and carport not to exceed the amount of \$45,675 dollars.

RESOLVED, To accept the proposal for Dethatching not to exceed the amount of \$60,600 dollars.

RESOLVED, To repair and pull back 48 inches and remove the Fichus tree. Not to exceed the amount of \$3,105.00 dollars.

RESOLVED, To have President Slater sign Mr. C's Towing Agreement for 2016/2017.

RESOLVED, That no Directors contact information be released.



## INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (04) FOUR		INSPECTOR: Kevin Black					
MUTUAL BOARD MEETING DATE: July 13th, 2016							
PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE DATE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
4-49D	new entry door	no	04/15/16	04/20/16	NOT YET		Home Depot
4-75F	repl. ducted unit	yes	06/16/16	09/07/16	NOT YET		yes
4-75C	full remodel	yes	03/09/16	7/1/2016	no	4/22/16 undergrd plumbing-shower pan, 7/21/15, rough electric, plumbing, hvac, framing, 7/21/1 rough/6/22/16	Alpha master
4-75C	ducted hvac	YES	05/16/16	08/16/16	no	6/16/16 footing/ground plumbing-sheer panel 7/8/16/ framing, insulatin, drywall, sheer panel, lath electrical, plumbing, hvac, 7/28/16	yes const.
4-87L	full remodel	YES	05/12/16	9/30/2016	no	4/22/16 undergrd plumbing/rough inspection	Kress
4-75C	full remodel	yes	03/09/16	7/1/2016	no	frame, elect, plumb, hvac, 6/22/16/ insulation, 6/23/16, 7/6/16 drywall nailing/ brown coat, 7/14/16	Alpha master
4-48B	kitchen remodel					final cancel'd resch.	ogan
4-43H	patio tile	no	06/01/16	07/30/16	no		kary's carpet
4-84B	full remodel	yes	06/20/16	09/20/16	no	footing insp. 7/6/16-rough plumbing, electrical, framing-8/1/16-sheer panel, 7/15/16- re-inspect rough plumbing and dryer vent 8/2/16	pena
4-40F	dual zone ductless heat pump	yes	07/05/16	09/10/16	no		Greenwood
4-75F	full remodel / full rpipe, risers in 75E and 75G, mutual has contract for rpipe	yes	08/01/16	11/05/16	yes		Alpha Master Builders

ESCROW ACTIVITY							
UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
4-86K					03/21/16		
4-87L		03/23/16	04/11/16	04/11/16	04/21/16		
4-37D		03/24/16	04/05/16	04/08/16	04/20/16		
4-89D			03/25/16	04/12/16	04/21/16	06/02/16	
4-52D			05/10/16	05/12/16	05/24/16		
4-41H		04/06/16	05/04/16	05/06/16	05/18/16	06/28/16	
4-83G			04/11/16	04/13/16	04/25/16	07/21/16	
4-79A		06/20/16					
4-46A		06/25/16					
4-37H	6/27/2016						
4-52I	7/14/2016						
4-50D		07/22/16					
4-85A		07/25/16					
<b>NMI</b> = New Member Inspection <b>PLI</b> = Pre-Listing Inspection <b>NBO</b> = New Buyer Orientation <b>FI</b> = Final Inspection <b>FCOEI</b> = Final COE Inspection <b>ROF</b> = Release of Funds							
CONTRACTS and PROJECTS							
CONTRACTOR				PROJECT			
Total Landscape Maintenance- on going				landscape maintenance of grounds			
Roofing Standards- current year 16' re-roof				currently on last 2 buildings - JOB COMPLETE ALL RE-ROOFED			
Kress construction- stove hood and piping				complete with hood and piping project, in conjunction with re-roofing			
Advance Painting- touch up painting for re-roofing				Last 3 buildings doing interior and exterior touch up painting			
Fenn Pest Control - on going							
				<b>Re-roofing for 2017, 6 more buildings and current specifications?</b>			
concrete area south side of carport 53				Roofing Standards will honor 435.00 per square for 2017 roofing, if			
Shareholder Visits and Mutual Requests							
4-73F - hvac issues							
4-49B - garden issue							
4-41H - hvac issues							
4-73D - stove top issue							
4-88K - termites							
4-87L - water issue, ok after backfill concrete							
<b>4-46K- skylight issue</b>							
4-41B/C - check on no downspout, installed							
4-83G - check n washer mach.							
4-41K- interior paint							
4-73L- check on skylight							
4-46C- paint touch up							
4-84B- new toilet request, see handout							

Mutual 4 Board of Directors Meeting – Jun., 13, 2016

CFO, Suzi Smith

**FINANCIAL RECAP - JUNE, 2016**

	<b>Monthly Actual</b>	<b>Monthly Budget</b>	<b>Variance</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance</b>
Income	137,082	137,844	-762	830,294	827,064	3,230
Reserves	41,857	41,858	-1	251,148	251,148	0
Expenses	97,134	95,986	1,148	576,588	575,916	672
Total Expenses	138,991	137,844	1,147	827,736	827,064	672
Income/Expense	-1,909	0	-1,909	2,558	0	2,558

Our unrestricted cash for month end is \$344,303; restricted reserve accounts total \$2,149,085

**Reserves:**

Appliance	\$12,800.00
Painting	\$35,809.00
Operating	\$25,000.00
Roofing	\$1,620,257.00
Emergency	\$124,128.00
Infrastructure	\$331,091.00
<b>Total Reserves</b>	<b>\$2,149,085</b>

Recap of Financials for the month ended June 30, 2016 (See above). I have prepared two complete profit and loss statements: Report A showing actual and budget expenses for the month of June, 2016 and Report B showing actual and budget expenses Year to Date. These financials will be used as a basis for 2017 budget preparation.



**Leisure World Mutual 4**  
**Profit & Loss Budget vs. Actual Report A**  
**June 2016**

	Jun 16	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>ASSESSMENT</b>			
Regular Assessment - Mutual 4	34,793.00	34,793.00	0.00
Reserves Assessment	41,857.00	41,857.00	0.00
GRF Assessment	57,083.00	57,083.00	0.00
<b>Total ASSESSMENT</b>	133,733.00	133,733.00	0.00
<b>FINANCIAL INCOME</b>			
Interest Income - Tax Exempt	77.00		
Interest Income - Taxable	1,800.00	1,398.00	402.00
Late Charges	88.00	44.00	44.00
<b>Total FINANCIAL INCOME</b>	1,965.00	1,442.00	523.00
<b>SERVICES INCOME</b>			
Inspection Fees	250.00	1,251.00	-1,001.00
Laundry Machines	1,130.00	1,418.00	-288.00
Miscellaneous	5.00		
<b>Total SERVICES INCOME</b>	1,385.00	2,669.00	-1,284.00
<b>Total Income</b>	137,083.00	137,844.00	-761.00
<b>Cost of Goods Sold</b>			
GRF MAINTENANCE FEE	57,083.00	57,083.00	0.00
<b>Total COGS</b>	57,083.00	57,083.00	0.00
<b>Gross Profit</b>	80,000.00	80,761.00	-761.00
<b>Expense</b>			
<b>PROFESSIONAL FEES</b>			
Legal Fees	985.00	166.00	819.00
Management Fee	222.00	222.00	0.00
<b>Total PROFESSIONAL FEES</b>	1,207.00	388.00	819.00
<b>SERVICES</b>			
Landscape - Contract	11,900.00	11,932.00	-32.00
Landscape - Extras	80.00	1,045.00	-965.00
Miscellaneous Services	110.00	127.00	-17.00
Painting	747.00	44.00	703.00
Pest Control	218.00	649.00	-431.00
Standard Service	4,194.00	4,871.00	-677.00
Structural Repairs	0.00	527.00	-527.00
<b>Total SERVICES</b>	17,249.00	19,195.00	-1,946.00
<b>TAXES &amp; INSURANCE</b>			
Hazard/Liability Insurance	9,952.00	8,292.00	1,660.00
State & Federal taxes	67.00	67.00	0.00
<b>Total TAXES &amp; INSURANCE</b>	10,019.00	8,359.00	1,660.00
<b>UTILITIES</b>			
Electricity	1,575.00	2,249.00	-674.00
Trash	3,117.00	3,144.00	-27.00
Water	6,675.00	5,568.00	1,107.00
<b>Total UTILITIES</b>	11,367.00	10,961.00	406.00
<b>RESERVE FUNDING</b>			
Emergency Reserve	417.00	417.00	0.00
Roof	12,917.00	12,917.00	0.00
Paint	2,042.00	2,042.00	0.00
Infrastructure	22,482.00	22,482.00	0.00
Appliances	4,000.00	4,000.00	0.00

**Leisure World Mutual 4**  
**Profit & Loss Budget vs. Actual Report A**  
**June 2016**

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	<u>Jun 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Total RESERVE FUNDING	41,858.00	41,858.00	0.00
DEPRECIATION	209.00	0.00	209.00
Total Expense	81,909.00	80,761.00	1,148.00
Net Ordinary Income	-1,909.00	0.00	-1,909.00
Net Income	<u>-1,909.00</u>	<u>0.00</u>	<u>-1,909.00</u>

**Leisure World Mutual 4**  
**Profit & Loss Budget vs. Actual YTD Report B**  
 January through June 2016

Ordinary Income/Expense	Jan - Jun 16	Budget	\$ Over Budget
<b>Income</b>			
<b>ASSESSMENT</b>			
Regular Assessment - Mutual 4	208,758.00	208,758.00	0.00
Reserves Assessment	251,142.00	251,142.00	0.00
GRF Assessment	342,498.00	342,498.00	0.00
<b>Total ASSESSMENT</b>	<b>802,398.00</b>	<b>802,398.00</b>	<b>0.00</b>
<b>FINANCIAL INCOME</b>			
Interest Income - Tax Exempt	313.00		
Interest Income - Taxable	11,185.00	8,388.00	2,797.00
Late Charges	618.00	264.00	354.00
<b>Total FINANCIAL INCOME</b>	<b>12,116.00</b>	<b>8,652.00</b>	<b>3,464.00</b>
<b>SERVICES INCOME</b>			
Inspection Fees	6,750.00	7,506.00	-756.00
Laundry Machines	8,960.00	8,508.00	452.00
Merchandise Sales	35.00		
Miscellaneous	35.00		
<b>Total SERVICES INCOME</b>	<b>15,780.00</b>	<b>16,014.00</b>	<b>-234.00</b>
<b>Total Income</b>	<b>830,294.00</b>	<b>827,064.00</b>	<b>3,230.00</b>
<b>Cost of Goods Sold</b>			
GRF MAINTENANCE FEE	342,501.00	342,498.00	3.00
<b>Total COGS</b>	<b>342,501.00</b>	<b>342,498.00</b>	<b>3.00</b>
<b>Gross Profit</b>	<b>487,793.00</b>	<b>484,566.00</b>	<b>3,227.00</b>
<b>Expense</b>			
<b>PROFESSIONAL FEES</b>			
Legal Fees	1,522.00	996.00	526.00
Management Fee	1,332.00	1,332.00	0.00
<b>Total PROFESSIONAL FEES</b>	<b>2,854.00</b>	<b>2,328.00</b>	<b>526.00</b>
<b>SERVICES</b>			
Landscape - Contract	71,400.00	71,592.00	-192.00
Landscape - Extras	580.00	6,270.00	-5,690.00
Miscellaneous Services	352.00	762.00	-410.00
Painting	3,987.00	264.00	3,723.00
Pest Control	1,233.00	3,894.00	-2,661.00
Standard Service	26,726.82	29,226.00	-2,499.18
Structural Repairs	11,618.00	3,162.00	8,456.00
<b>Total SERVICES</b>	<b>115,896.82</b>	<b>115,170.00</b>	<b>726.82</b>
<b>TAXES &amp; INSURANCE</b>			
Hazard/Liability Insurance	59,712.00	49,752.00	9,960.00
State & Federal taxes	402.00	402.00	0.00
<b>Total TAXES &amp; INSURANCE</b>	<b>60,114.00</b>	<b>50,154.00</b>	<b>9,960.00</b>
<b>UTILITIES</b>			
Electricity	10,328.00	13,494.00	-3,166.00
Trash	18,591.00	18,864.00	-273.00
Water	25,049.00	33,408.00	-8,359.00
<b>Total UTILITIES</b>	<b>53,968.00</b>	<b>65,766.00</b>	<b>-11,798.00</b>
<b>RESERVE FUNDING</b>			
Emergency Reserve	2,502.00	2,502.00	0.00
Roof	77,502.00	77,502.00	0.00
Paint	12,252.00	12,252.00	0.00
Infrastructure	134,892.00	134,892.00	0.00
Appliances	24,000.00	24,000.00	0.00

**Leisure World Mutual 4**  
**Profit & Loss Budget vs. Actual YTD Report B**  
**January through June 2016**

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	<u>Jan - Jun 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Total RESERVE FUNDING	251,148.00	251,148.00	0.00
DEPRECIATION	1,254.00	0.00	1,254.00
Total Expense	485,234.82	484,566.00	668.82
Net Ordinary Income	2,558.18	0.00	2,558.18
Net Income	<u>2,558.18</u>	<u>0.00</u>	<u>2,558.18</u>