

**MINUTES OF THE REGULAR MONTHLY MEETING OF
THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOUR**

October 12, 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, October 12, 2016, at 9:32 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: Seven shareholders of Mutual Four

Staff: Ms. Hopkins, Mutual Administration Director
Mrs. McAuley, Mutual Administration Manager (10:47 a.m.)
Mr. Black, Building Inspector
Ms. Day, 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 September 14, 2016, Board Meeting minutes. A correction was noted on page 5: in the second resolution, the last word should be "replaced" not replace. There being no further corrections, the minutes were approved as corrected.

President Slater asked if there were any corrections to the October 5, 2016, Special Agenda Meeting minutes. There being no corrections, the minutes were approved as written.

CORRESPONDENCE

Secretary Kuhl reviewed 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.

Inspector Black left the meeting at 10:12 a.m.

CHIEF FINANCIAL OFFICER'S REPORT

CFO Smith submitted her financial report (attached).

OLD BUSINESS

President Slater requested that the Directors provide him with their lists on what shareholders want, either FireStops or SmartBurners, by the end of this month. He will then place an order to purchase the fire suppressants. Also, the Board discussed further amending Policy 7426.4 – SmartBurners.

Secretary Kuhl discussed adopting Policy 7403.8.4 – Floor Covering Permit. Further changes will be made to the policy which will be brought back to the next Board Meeting.

NEW BUSINESS

CFO Smith discussed the dethatching project and asked that shareholders have patience with the landscapers during this project.

President Slater discussed the concrete project and the added expenses incurred.

(Ms. Hopkins left the meeting at 10:47 a.m.)

DIRECTOR(S)' CONCERNS

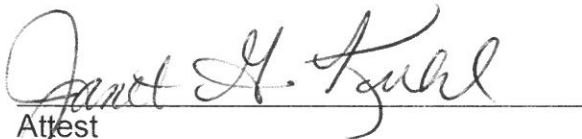
Several comments were made by Directors.

(Recording Secretary Day left on break at 11:04 a.m. to 11:20 a.m.)

October 12, 2016

ADJOURNMENT

There being no further business to conduct, President Slater adjourned the meeting at 11:04 a.m. and announced there would be an Executive Session following the meeting to discuss contract and member issues.



Attest

Janet G. Kuhl, Secretary
SEAL BEACH MUTUAL FOUR

cd:10/13/16
Attachments

**NEXT MEETING: WEDNESDAY, NOVEMBER 9, 2016, at 9:30 a.m.
Mutual Administration Conference Room A**

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF OCTOBER 12, 2016**

10/12/16 None

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(04) FOUR**

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **October 12th, 2016**

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	PERMIT ACTIVITY			RECENT INSPECTION	CONTRACTOR / COMMENTS
				COMP. DATE	CHANGE ORDER			
4-75F	repl. ducted unit	yes	06/16/16		NOT YET		yes	
4-48B	kitchen remodel							
4-43H	patio tile	no	06/01/16			final cancel'd resch.	ogan kary's carpet	
4-75F	full remodel / full rpipe, risers in 75E and 75G, mutual has contract for repipe	yes	8/1/2016/ C.O. TO 9/19/16	11/5/2016/C.O. TO 12/19/16	yesX2		Alpha Master Builders	
4-42F	patio gate	GRF	08/04/16	09/09/16	no		Berkqvist	
4-89D	heat pump ducted	both	08/12/16	12/31/16	no		Greenwood	
4-46L	cart pad	grf	08/29/16	09/05/16	no		JLS	
4-84B	remodel	both	06/20/16	09/20/16	yes, due date 10/20/16	panel, 7/15/16- re	pena	
4-51F	remodel w/ repipe, contract w/ mutual	both	09/20/16	03/20/17	no		Alpha Master Builders	
4-49D	counter tops, kit/bath	both	10/17/16	11/23/16	no		Berkqvist	
4-51H	shower cut down	both	10/06/16	11/06/16	no		nukote	
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			
4-46A		06/25/16						
4-50D		07/22/16						
4-85A		07/25/16		09/20/16	09/30/16			
4-37C		08/15/16						
4-50I								
4-89H		08/18/16						
4-52L		08/15/15	09/01/16		09/19/16			
4-39C			09/19/16	09/22/16	10/04/16			
4-80I		10/10/16						

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

Mutual 4 Board of Directors Meeting – October 12, 2016

CFO, Suzi Smith

FINANCE

The CFO Council reviewed the Bereavement Work Book, written by our very own Joy Reed. We all learned a few things and found it well written, easy to absorb and very organized. The booklet is available in the Stock Transfer Office.

BUILDINGS/LANDSCAPE

Bill Jacob from Total Landscape is requesting our patience and understanding during the extremely large dethatch/sprinkler project. By the time you get these minutes we will be mid stream and full force!

There will be times when water is going in the wrong direction, dust is kicking up, grass looks terrible - all of this and more. They are completing the project in sections so one area may be removing dirt and sod while another is getting new sprinklers. It is a process and all will be taken care of in the end. We request that you remain patient and not bother the guys; all problems are only part of the project.

Thanks for your help.

Suzi A. Smith

Mutual 4 Board of Directors Meeting – October 12, 2016

CFO, Suzi Smith

FINANCIAL RECAP - SEPTEMBER, 2016

	Monthly Actual	Monthly Budget	Variance	YTD Actual	YTD Budget	Variance
Income	139,174	137,844	1,330	1,246,096	1,240,596	5,500
Reserves	41,858	41,858	0	376,722	376,722	0
Expenses	98,817	95,986	2,831	870,162	863,874	6,288
Total Expenses	140,675	137,844	2,831	1,246,884	1,240,596	6,288
Income/Expense	-1,501	0	-1,501	-788	0	-788

Our unrestricted cash for month end is \$370,465; restricted reserve accounts total \$1,974,828

Reserves:

Appliance	\$16,596.00
Painting	\$16,984.00
Operating	\$25,000.00
Roofing	\$1,392,333.00
Emergency	\$125,378.00
Infrastructure	\$398,537.00
Total Reserves	\$1,974,828

Recap of Financials for the month ended September 30, 2016 (See above). I have prepared two complete profit and loss statements: Report A showing actual and budget expenses for the month of September, 2016 and Report B showing actual and budget expenses Year to Date.

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

	Sep 16	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
ASSESSMENT			
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
Total ASSESSMENT	133,733.00	133,733.00	0.00
FINANCIAL INCOME			
Interest Income - Tax Exempt	87.00		
Interest Income - Taxable	1,701.00	1,398.00	303.00
Late Charges	112.00	44.00	68.00
Total FINANCIAL INCOME	1,900.00	1,442.00	458.00
SERVICES INCOME			
Inspection Fees	2,250.00	1,251.00	999.00
Laundry Machines	1,285.00	1,418.00	-133.00
Miscellaneous	5.00		
Total SERVICES INCOME	3,540.00	2,669.00	871.00
Total Income	139,173.00	137,844.00	1,329.00
Cost of Goods Sold			
GRF MAINTENANCE FEE	57,083.00	57,083.00	0.00
Total COGS	57,083.00	57,083.00	0.00
Gross Profit	82,090.00	80,761.00	1,329.00
Expense			
PROFESSIONAL FEES			
Legal Fees	851.00	166.00	685.00
Management Fee	222.00	222.00	0.00
Total PROFESSIONAL FEES	1,073.00	388.00	685.00
SERVICES			
Landscape - Contract	11,900.00	11,932.00	-32.00
Landscape - Extras	250.00	1,045.00	-795.00
Miscellaneous Services	96.00	127.00	-31.00
Painting	75.00	44.00	31.00
Pest Control	562.00	649.00	-87.00
Standard Service	4,162.00	4,871.00	-709.00
Structural Repairs	142.00	527.00	-385.00
Total SERVICES	17,187.00	19,195.00	-2,008.00
TAXES & INSURANCE			
Hazard/Liability Insurance	9,952.00	8,292.00	1,660.00
State & Federal taxes	353.00	67.00	286.00
Total TAXES & INSURANCE	10,305.00	8,359.00	1,946.00
UTILITIES			
Electricity	1,611.00	2,249.00	-638.00
Trash	3,156.00	3,144.00	12.00
Water	8,193.00	5,568.00	2,625.00
Total UTILITIES	12,960.00	10,961.00	1,999.00
RESERVE FUNDING			
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
September 2016

	<u>Sep 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	<u>83,592.00</u>	<u>80,761.00</u>	<u>2,831.00</u>
Net Ordinary Income	<u>-1,502.00</u>	<u>0.00</u>	<u>-1,502.00</u>
Net Income	<u><u>-1,502.00</u></u>	<u><u>0.00</u></u>	<u><u>-1,502.00</u></u>

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

Ordinary Income/Expense	Jan - Sep 16	Budget	\$ Over Budget
Income			
ASSESSMENT			
Regular Assessment - Mutual 4	313,137.00	313,137.00	0.00
Reserves Assessment	376,713.00	376,713.00	0.00
GRF Assessment	513,747.00	513,747.00	0.00
Total ASSESSMENT	1,203,597.00	1,203,597.00	0.00
FINANCIAL INCOME			
Interest Income - Tax Exempt	534.00		
Interest Income - Taxable	18,107.00	12,582.00	5,525.00
Late Charges	747.00	396.00	351.00
Total FINANCIAL INCOME	19,388.00	12,978.00	6,410.00
SERVICES INCOME			
Inspection Fees	9,750.00	11,259.00	-1,509.00
Laundry Machines	13,266.00	12,762.00	504.00
Merchandise Sales	35.00		
Miscellaneous	60.00		
Total SERVICES INCOME	23,111.00	24,021.00	-910.00
Total Income	1,246,096.00	1,240,596.00	5,500.00
Cost of Goods Sold			
GRF MAINTENANCE FEE	513,750.00	513,747.00	3.00
Total COGS	513,750.00	513,747.00	3.00
Gross Profit	732,346.00	726,849.00	5,497.00
Expense			
PROFESSIONAL FEES			
Legal Fees	2,854.00	1,494.00	1,360.00
Management Fee	1,998.00	1,998.00	0.00
Total PROFESSIONAL FEES	4,852.00	3,492.00	1,360.00
SERVICES			
Landscape - Contract	107,100.00	107,388.00	-288.00
Landscape - Extras	830.00	9,405.00	-8,575.00
Miscellaneous Services	845.00	1,143.00	-298.00
Painting	4,657.00	396.00	4,261.00
Pest Control	7,134.00	5,841.00	1,293.00
Standard Service	37,062.82	43,839.00	-6,776.18
Structural Repairs	12,960.00	4,743.00	8,217.00
Total SERVICES	170,588.82	172,755.00	-2,166.18
TAXES & INSURANCE			
Hazard/Liability Insurance	89,568.00	74,628.00	14,940.00
State & Federal taxes	1,461.00	603.00	858.00
Total TAXES & INSURANCE	91,029.00	75,231.00	15,798.00
UTILITIES			
Electricity	15,326.00	20,241.00	-4,915.00
Trash	28,020.00	28,296.00	-276.00
Water	44,718.00	50,112.00	-5,394.00
Total UTILITIES	88,064.00	98,649.00	-10,585.00
RESERVE FUNDING			
Emergency Reserve	3,753.00	3,753.00	0.00
Roof	116,253.00	116,253.00	0.00
Paint	18,378.00	18,378.00	0.00
Infrastructure	202,338.00	202,338.00	0.00
Appliances	36,000.00	36,000.00	0.00

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

	<u>Jan - Sep 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Total RESERVE FUNDING	376,722.00	376,722.00	0.00
DEPRECIATION	1,881.00	0.00	1,881.00
Total Expense	733,136.82	726,849.00	6,287.82
Net Ordinary Income	-790.82	0.00	-790.82
Net Income	<u>-790.82</u>	<u>0.00</u>	<u>-790.82</u>

**MINUTES OF THE SPECIAL (AGENDA) MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOUR**

October 5, 2016

A Special Meeting of the Board of Directors of Seal Beach Mutual Four was called to order by President Slater at 9:00 a.m. on Wednesday, October 5, 2016, in Clubhouse Three Room Three

Those members present were: President Slater, Secretary Kuhl, CFO Smith, Directors Harris, Gerber and Wade. Vice President Levitt was absent.

The purpose of the meeting was to set and write the agenda for the October 12, 2016, Mutual Four Board of Directors Meeting.

President Slater adjourned the meeting at 9:40 a.m.



Attest
Jan Kuhl, Secretary
SEAL BEACH MUTUAL FOUR

cd:10/05/16