

**MINUTES OF THE REGULAR MONTHLY MEETING OF
THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOUR
August 8, 2018**

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 at 9:30 a.m. on Wednesday, August 8, 2018, in the Administration Building Conference Room A.

ROLL CALL

Present: President Slater, Vice President Levitt, Secretary Russell, CFO Smith, Directors Kuhl, and Lessin

Absent: Mr. Black

GRF Representative: Ms. Gerber

Guests: Four shareholders of Mutual Four

Staff: Ms. Hopkins, Mutual Administration Director
Ms. Villalobos, Recording Secretary

MINUTES

The July 11, 2018, Regular Minutes were approved by general consent of the Board as printed.

SECRETARY'S REPORT / CORRESPONDENCE

Secretary Russell received no correspondence.

GRF REPRESENTATIVE

Ms. Gerber presented her report (attached).

BUILDING INSPECTOR'S REPORT

Inspector Black was absent, activity report from the Mutual is attached.

UNFINISHED BUSINESS

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

RESOLVED, To rescind Policy 7402 – Working Hours – Contractors and adopt Policy 7402.04- Working Hours – Contractors on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

UNFINISHED BUSINESS (continued)

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

RESOLVED, To approve the amended patio plans for Unit 39-L, as submitted.

The MOTION passed.

NEW BUSINESS

Following a discussion, it was the consensus of the Board to postpone amending Policy 7499.04 Air Conditioning/HVAC/Heat Pump Units to the next Board meeting.

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

RESOLVED, To adopt Policy 7490.pb.04 – Payment and Performance Bond on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

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

RESOLVED, To approve the Mr. C's Towing Agreement for the towing of vehicles when there is a violation of Mutual Policy, effective 2018-2019, and authorize the President to sign the Agreement.

The MOTION passed.

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

RESOLVED, To adopt Policy 7541 – Co-occupants, Qualified Permanent Residents and Health Care Providers on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

Following a secret ballot vote, the Board of Directors appointed David Goecke to the Mutual Four Board of Directors for the remaining 2018-2019 term of office.

CHIEF FINANCIAL OFFICER'S REPORT

CFO Smith presented her financial report (attached).

MUTUAL ADMINISTRATION DIRECTOR'S COMMENTS

Ms. Hopkins presented the Mutual Administration report (attached).

COMMITTEE REPORTS

Secretary Russell submitted his report.

DIRECTORS' COMMENTS

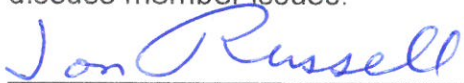
Several Directors' made comments.

SHAREHOLDER COMMENTS

No Shareholder comments were made.

ADJOURNMENT

There being no further business to conduct, President Slater adjourned the meeting at 11:03 a.m. and announced there would be an Executive Session following the meeting to discuss member issues.



Attest, Jon Russell, Secretary
SEAL BEACH MUTUAL FOUR

cv:08/08/18
Attachments

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF August 8, 2018**

08/08/18 RESOLVED, To rescind Policy 7402 – Working Hours – Contractors and adopt Policy 7402.04- Working Hours – Contractors on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To approve the amended patio plans for Unit 39-L, as submitted.

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INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(04) FOUR**

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **August 8th 2018**

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
4-39L	remodel w/repipe	both	01/08/18	07/08/18	yes 6/4/18	18-rough 4 6/14/18	scarini const. jerry 5625333522
4-37H	remodel/repipe	both	02/28/18	12/28/18	no	6-lath6/4/18- froug	alpha master builders
4-80G	washer/dryer/coounters	both	06/18/18	08/18/18	NO		Bruno Alvarez
4-46C	rake wall at patio	both	09/24/18	10/22/18	no		bergkvist
4-47C	remodel	both			no	electrical 5/22/18-	BML constr.
4-47L	heat pump ductless	both			no		greenwood
4-38F	patio	both			yes 6/4/18-7/11	.#2 add 2' planter	nationwide painting
4-47G	washer/dryer at patio	both	12/01/17	08/31/18	yes 7/18/18	ground and rough	bergkvist

ESCROW ACTIVITY							
UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
4-80K		12/06/17	01/09/18	01/18/18	01/30/18		
4-73C		02/22/17	04/06/18	04/12/18	04/24/18		
4-51J		12/21/17	01/05/18	01/05/18	01/17/18		
4-83E		02/09/18	04/13/18	04/18/18	04/30/18		
4-37F		02/22/18		07/18/18	07/30/18		
4-37A		04/03/18					
4-86B		05/22/18	07/19/18	05/31/18	08/03/18		
4-51G		05/22/18					
4-88I		06/05/18		07/12/18	07/24/18		
4-84G		06/20/18					
4-38A		06/21/18					
4-84G			07/11/18	07/18/18	07/30/18		
4-50G		07/18/18					

CONTRACTOR	PROJECT
Total Landscape Maintenance-	on going now
Tree Pruning:	
Fenn Pest Control -	service days are Monday and Wednesday
Copper Re-piping	Plumbing: re-piping complete for this year - next 5 buildings are set for july of 2019
	Abatement: complete this year
re-piping painting	Kress: complete this year
Roofing	Roofing Standards: buildings; 77,79,85,86,88 - will be walking these buildings for skylights and stovehood counts and cold
stove hoods & Piping	Kress Conts: same as above for 2018
Concrete/Drains	MJ Jurado: contract is in place will be pot holing utilities soon - starting to pot hole 8/1/18

Shareholder Visits and Mutual Requests	
4-39L - per phone convo no patio 3' landings only	
7-9-18 to 7-13-18 bldg. 52 repipe	
7/12/18 bldg. 73 abatement	
bldg. 74 repipe notification	
50J - check on ceiling	
7/16/18 to 7/20/18 bldg. 73 repipe	
52A check holes at ceiling	
52H no hot water	
52G check on washer mach.	
7/19/18 bldg. 74 abatement	
89I check on loud toilet noise and crack at cabinet	
post for insp. 46B and 46C	
roof insp. Bldg. 77	
insp. 46B and C	
89C check shower	

GRF Director for Mutual Four

August 8, 2018

I am going to devote most of my report today on the most exciting news! Our Medical Center has a new lease with a new medical provider. We have had the same management company for 30 years and they decided not to renew the lease.

OptumCare is going to make wonderful changes and add services for our residents. They are a medical provider known for their excellent patient care. I hope you were one of the 500 shareholders who showed up for the town hall meeting to introduce the new team. It is a new day for your health care center and I believe you will see some big changes coming up very soon such as new medical equipment, extended office hours (maybe with Saturday appointments), and extra services not previously provided.

The GRF Board is going to be busy in the next few months asking the question: Is Trust Property being used for the Mutual Benefit of a majority of the shareholders? Is the limited Clubhouse space being used at optimum efficiency? There isn't enough space currently for any additional clubs. Does existing space usage justify space allowances? Let me know your thoughts. I am your GRF Representative. I care about what you think.

Marsha Gerber

FINANCIAL RECAP -JULY 2018

	Monthly Actual	Monthly Budget	Variance	YTD Actual	YTD Budget	Variance
Income	146,891	147,965	-1,074	1,028,779	1,035,755	-6,976
Reserves	47,085	47,085	0	329,595	329,595	0
Expenses	114,061	100,882	13,179	758,887	706,174	52,713
Total Expenses	161,146	147,967	13,179	1,088,482	1,035,769	52,713
Income/Expense	-14,255	-2	-14,253	-59,703	-14	-59,689
Add Back Depreciation	8,526			48,401		
Adjusted	-5,729			-11,302		

Our unrestricted cash for month end is \$386,554 restricted reserve accounts total \$1,822,849

Reserves:

Appliance	\$5,412
Painting	\$38,770
Operating	\$25,000
Roofing	\$1,283,939
Emergency	\$121,291
Infrastructure	\$348,436

Total Reserves \$1,822,848

We are over budget year to date about \$11,000. Two items: revenues from inspections fees on sales are under budget \$8000 and the water bill is over budget \$7000. Understand, there is one water meter for ALL of Leisure World and we are allocated a portion based on number of units. I have contacted the head dude at Seal Beach Water and he is in process of analyzing our usage and has promised to provide some helpful hints. He DID say the biggest issue is leaks, and our systems are getting very old and so we are getting a lot of leaks. Am sure you all heard about the big flood on El Dorado a couple of weeks ago; water ran all weekend. Your president is working with Physical Properties to make sure that does not happen again. You can help by reporting leaks to your director as soon as you see them.

The CFO Council welcomed all new CFO's to the table. We discussed Water bills, roofing costs, re-pipe costs, potential future programs, probate vs trust. Your CFO was once again elected Chair of the group.

DÉJÀ VU: All of our new washers and dryers will be installed by the time you get these minutes (this time for real - delivery of new machines was delayed). We analyzed the increase in costs for repair and replacement of our machine inventory and determined the prudent course of action was to outsource all of our laundry room equipment. In order to make this work, we had to raise prices: \$1.00 for wash and \$.50 for a one hour dry. The increase is minimal and it helps us keep the costs down for ALL shareholders. Any problems DO NOT CALL service maintenance or your director. Call the number on the machine (714-633-1811 or 800-473-8812), report Leisure World Mutual 4, laundry room number, machine number, and problem. Put a note on machine. They will take care of it.

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

Suzi Smith

Leisure World Mutual 4
Profit & Loss Budget vs. Actual Report A
July 2018

	Jul 18	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
ASSESSMENT			
Regular Assessment - Mutual 4	34,111.00	34,111.00	0.00
Reserves Assessment	47,085.00	47,085.00	0.00
GRF Assessment	60,469.00	60,469.00	0.00
Total ASSESSMENT	141,665.00	141,665.00	0.00
FINANCIAL INCOME			
Interest Income - Other Taxable	64.00	49.00	15.00
Interest Income - Taxable	2,514.00	2,085.00	429.00
Late Charges	30.00	0.00	30.00
Total FINANCIAL INCOME	2,608.00	2,134.00	474.00
SERVICES INCOME			
Inspection Fees	1,000.00	2,748.00	-1,748.00
Laundry Machines	1,618.00	1,418.00	200.00
Total SERVICES INCOME	2,618.00	4,166.00	-1,548.00
Total Income	146,891.00	147,965.00	-1,074.00
Cost of Goods Sold			
GRF MAINTENANCE FEE	60,469.00	60,469.00	0.00
Total COGS	60,469.00	60,469.00	0.00
Gross Profit	86,422.00	87,496.00	-1,074.00
Expense			
PROFESSIONAL FEES			
Legal Fees	0.00	277.00	-277.00
Management Fee	222.00	222.00	0.00
Total PROFESSIONAL FEES	222.00	499.00	-277.00
SERVICES			
Landscape - Contract	13,020.00	13,159.00	-139.00
Landscape - Extras	0.00	832.00	-832.00
Miscellaneous Services	40.00	182.00	-142.00
Painting	250.00	127.00	123.00
Pest Control	6,585.00	899.00	5,686.00
Standard Service	2,697.00	4,966.00	-2,269.00
Structural Repairs	1,215.00	748.00	467.00
Total SERVICES	23,807.00	20,913.00	2,894.00
TAXES & INSURANCE			
Hazard/Liability Insurance	8,940.00	8,811.00	129.00
State & Federal taxes	564.00	349.00	215.00
Total TAXES & INSURANCE	9,504.00	9,160.00	344.00
UTILITIES			
Electricity	1,910.00	1,501.00	409.00
Trash	3,216.00	3,243.00	-27.00
Water	6,407.00	5,097.00	1,310.00
Total UTILITIES	11,533.00	9,841.00	1,692.00
RESERVE FUNDING			
Emergency Reserve	208.00	208.00	0.00
Roof	13,167.00	13,167.00	0.00
Paint	953.00	953.00	0.00
Infrastructure	28,590.00	28,590.00	0.00
Appliances	4,167.00	4,167.00	0.00
Total RESERVE FUNDING	47,085.00	47,085.00	0.00

Leisure World Mutual 4
Profit & Loss Budget vs. Actual Report A
July 2018

	<u>Jul 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>
DEPRECIATION	8,526.00	0.00	8,526.00
Total Expense	100,677.00	87,498.00	13,179.00
Net Ordinary Income	-14,255.00	-2.00	-14,253.00
Net Income	<u>-14,255.00</u>	<u>-2.00</u>	<u>-14,253.00</u>

Leisure World Mutual 4
Profit & Loss Budget vs. Actual YTD Report B
 January through July 2018

	Jan - Jul 18	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
ASSESSMENT			
Regular Assessment - Mutual 4	238,777.00	238,777.00	0.00
Reserves Assessment	329,595.00	329,595.00	0.00
GRF Assessment	423,283.00	423,283.00	0.00
Total ASSESSMENT	991,655.00	991,655.00	0.00
FINANCIAL INCOME			
Interest Income - Other Taxable	366.00	343.00	23.00
Interest Income - Taxable	14,552.00	14,595.00	-43.00
Late Charges	170.00	0.00	170.00
Total FINANCIAL INCOME	15,088.00	14,938.00	150.00
SERVICES INCOME			
Inspection Fees	11,000.00	19,236.00	-8,236.00
Laundry Machines	11,011.00	9,926.00	1,085.00
Miscellaneous	25.00	0.00	25.00
Total SERVICES INCOME	22,036.00	29,162.00	-7,126.00
Total Income	1,028,779.00	1,035,755.00	-6,976.00
Cost of Goods Sold			
GRF MAINTENANCE FEE	415,605.00	423,283.00	-7,678.00
Total COGS	415,605.00	423,283.00	-7,678.00
Gross Profit	613,174.00	612,472.00	702.00
Expense			
PROFESSIONAL FEES			
Legal Fees	162.00	1,939.00	-1,777.00
Management Fee	1,554.00	1,554.00	0.00
Total PROFESSIONAL FEES	1,716.00	3,493.00	-1,777.00
SERVICES			
Landscape - Contract	92,676.00	92,113.00	563.00
Landscape - Extras	3,450.00	5,824.00	-2,374.00
Miscellaneous Services	2,409.00	1,274.00	1,135.00
Painting	1,647.00	889.00	758.00
Pest Control	8,260.00	6,293.00	1,967.00
Standard Service	34,933.00	34,762.00	171.00
Structural Repairs	7,785.00	5,236.00	2,549.00
Total SERVICES	151,160.00	146,391.00	4,769.00
TAXES & INSURANCE			
Hazard/Liability Insurance	62,580.00	61,677.00	903.00
State & Federal taxes	3,088.00	2,443.00	645.00
Total TAXES & INSURANCE	65,668.00	64,120.00	1,548.00
UTILITIES			
Electricity	11,063.00	10,507.00	556.00
Trash	22,512.00	22,701.00	-189.00
Water	42,762.00	35,679.00	7,083.00
Total UTILITIES	76,337.00	68,887.00	7,450.00
RESERVE FUNDING			
Emergency Reserve	1,456.00	1,456.00	0.00
Roof	92,169.00	92,169.00	0.00
Paint	6,671.00	6,671.00	0.00
Infrastructure	200,130.00	200,130.00	0.00
Appliances	29,169.00	29,169.00	0.00
Total RESERVE FUNDING	329,595.00	329,595.00	0.00

Leisure World Mutual 4
Profit & Loss Budget vs. Actual YTD Report B
January through July 2018

	Jan - Jul 18	Budget	\$ Over Budget
DEPRECIATION	48,401.00	0.00	48,401.00
Total Expense	672,877.00	612,486.00	60,391.00
Net Ordinary Income	-59,703.00	-14.00	-59,689.00
Net Income	<u>-59,703.00</u>	<u>-14.00</u>	<u>-59,689.00</u>

PRESIDENT'S REPORT

Board of Directors Meeting

Wednesday, August 8, 2018

We have a new director to finish out the term of Tom Gerrity. Welcome aboard, Dave Goecke. He will be responsible for Buildings 49, 50, 51 and 52. His phone number is (714) 321-6781. This Board will get him up to speed post haste.

New washers and dryers. By the time you read this we should have completed the change-over. Remember: do not call Maintenance with washer and dryer problems; call the number on the machine. The Mutual doesn't own them anymore!!!!

For those of you that still have old transformers, Edison is going to replace them. No time frame to report yet.

Be sure you fill out your preferences as listed in the LW Weekly on the Amphitheater. Your input goes a long way in selecting future shows.

And last but not least, if you have a problem or a question about what you can do, call your director. He or she will have the solution.

All for now.

Bob Slater, The Prez

Mutual 4

Mutual 4 Director's Report – August 8, 2018

This past month has been extremely busy. Temporarily I have taken on four extra buildings due to the resignation of another director. During this month, a very important project continued. In Buildings 51 and 52, new copper pipes were installed. And five new roofs will be installed in the mutual in the coming months left in 2018. Hurray. On the negative side of things, Buildings 48 and 50 experienced the large leak from a pipe out on Eldorado Road. One of "my" buildings has been battling an insect infestation.

Today at our board meeting we will review the 2019 budget. We will continue to serve you and the community as best we can. I hope everyone understands that prices continue to rise in our part of California. Can you believe that our mutual's water bill for June went up \$5000. All mutuals in Leisure World received similar bills. This amounts to an extra of about \$12. per unit for June for every one of the 6,600 units here. This is being investigated.

Respectfully submitted,

Jan Kuhl, M4 director

Mutual 4 Monthly Report for July 2018 - Buildings 78, 79, 80, 82, 83 and 84

Since I have been elected secretary of the board, things have gotten a little hectic.

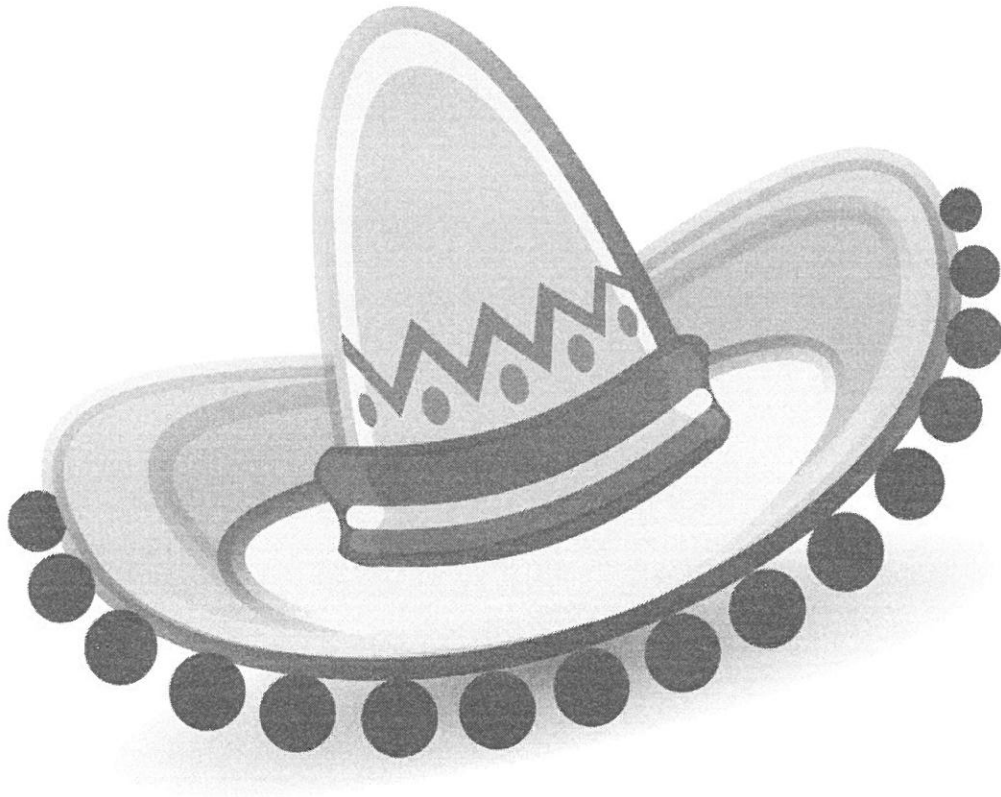
We recently had a large increase in our water bill. You need to know that we need to be diligent in our water use. This does impact our HOA for next year.

We are going to be getting new washers and dryers in the laundry room soon. This is a new service we are contracting with. The price of the washers will be \$1.00 and the dryers will be \$.50 for an hour of drying time. When the new machines are installed and something happens to them you will need to put on a new out of order sign and call the number on this sign or on the machine for maintenance. Do not notify me or service maintenance.

Just a reminder there is no washing of cars allowed in the carports or in the streets. We have a car wash at Clubhouse 2 for your convenience. This is available for shareholders only.

Jon Russell 741

(562) 794-9334



SAVE THE DATE

OCTOBER 16, 2018

ANNUAL SOCIAL EVENT