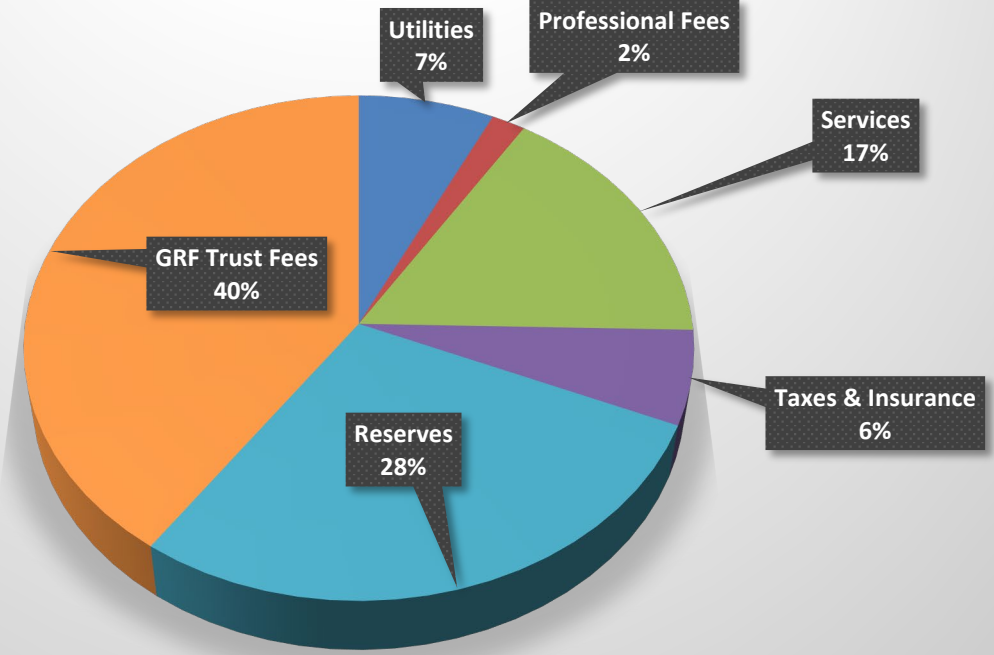


**Seal Beach Mutual Ten
Operating Budget
Year Ended December 31, 2021**

276 Apartments	Average Monthly Per Apartment			Operating Budget In Dollars		
	2021	2020	Change	2021	2020	Change
Electricity	4.53	5.74	(1.21)	15,003	19,011	(4,008)
Water	15.46	15.46	0.00	51,204	51,204	0
Trash	9.50	8.89	0.61	31,464	29,444	2,020
Total Utilities	29.49	30.09	(0.60)	97,671	99,659	(1,988)
Management Fee	0.56	0.56	0.00	1,855	1,855	0
Legal Fees	6.04	6.04	0.00	20,004	20,004	0
Investment Fees	0.72	1.21	(0.49)	2,385	4,008	(1,623)
Total Professional Fees	7.32	7.81	(0.49)	24,244	25,867	(1,623)
Landscape - Contract	34.77	32.43	2.34	115,158	107,408	7,750
Landscape - Extras	4.23	4.23	0.00	14,010	14,010	0
Landscape - Trees	2.42	4.11	(1.69)	8,015	13,612	(5,597)
Green Waste Bins	0.00	0.00	0.00	0	0	0
Painting	0.72	0.91	(0.19)	2,385	3,014	(629)
Pest Control	2.53	2.13	0.40	8,379	7,055	1,324
Structural Repairs	3.62	3.62	0.00	11,989	11,989	0
Miscellaneous	1.06	0.60	0.46	3,511	1,987	1,524
Emergency Preparedness	0.00	0.00	0.00	0	0	0
Escrow Expense	0.00	0.00	0.00	0	0	0
Office Supplies	0.08	0.15	(0.07)	265	497	(232)
Standard Service	17.81	19.63	(1.82)	58,987	65,015	(6,028)
Total Services	67.24	67.81	(0.57)	222,699	224,587	(1,888)
State & Federal Taxes	0.36	1.03	(0.67)	1,192	3,411	(2,219)
Property & Liability Insurance	24.32	23.35	0.97	80,548	77,335	3,213
Total Taxes & Insurance	24.68	24.38	0.30	81,740	80,746	994
Operating Expenses	128.73	130.09	(1.36)	426,354	430,859	(4,505)
Income from Services						
Merchandise Sales	0.00	0.00	0.00	0	0	0
Laundry Machines	2.53	2.11	0.42	8,379	6,988	1,391
Total Services Income	2.53	2.11	0.42	8,379	6,988	1,391
Financial Income						
Interest Income	1.21	2.65	(1.44)	4,008	8,777	(4,769)
Interest Income Allocation	0.00	0.00	0.00	0	0	0
Gain/Loss on Investment	0.00	0.00	0.00	0	0	0
Late Charges	0.54	0.57	(0.03)	1,788	1,888	(100)
Inspection Fees	3.62	4.53	(0.91)	11,989	15,003	(3,014)
Miscellaneous	0.00	0.00	0.00	0	0	0
Parking Fines	0.00	0.00	0.00	0	0	0
Total Financial Income	5.37	7.75	(2.38)	17,785	25,668	(7,883)
Operating Income	7.90	9.86	(1.96)	26,164	32,656	(6,492)
Net Operating Cost	120.83	120.23	0.60	400,190	398,203	1,987
Reserve Funding	116.19	113.73	2.46	384,826	376,667	8,159
Total Mutual Costs	237.02	233.96	3.06	785,016	774,870	10,146
Allocated Trust Cost	165.05	163.11	1.94	546,646	540,220	6,425
Regular assessment	402.07	397.07	5.00	1,331,661	1,315,090	16,571

Property taxes are assessed to the stockholder's unit and are added to the regular assessment and become part of the monthly payment. Accordingly, they are excluded from the operating budget.

2021 Budgeted Allocation of Operating Expenses & Reserve Contributions



**Seal Beach Mutual Ten
Assessment And Reserve Funding Disclosure Summary**

- 1) The current regular assessment per ownership interest per month is \$ 402.07 and the portion allocated to reserves per ownership interest per month is \$ 110.20 .
- 2) Neither the board nor the members have approved additional assessments for any purpose.
- 3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major component during the next 30 years?
 Yes X No _____
- 4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?
- 5) All major components are included in the reserve study and are included in its calculations.
- 6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated required amount to be in the reserve fund at the end of the 2020 fiscal year is \$ 1,845,440 based in whole or in part on the last reserve study or update prepared by the board as of 6/12/2020. The projected reserve fund cash balance at the end of the 2020 fiscal year is \$ 1,237,635 reserves being 67.1% funded at this date.
- 7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated required amount to be in the reserve fund, the projected fund balance of those years, taking into account only assessments approved and other known revenues, and the percentage funded at the end of each of the next five years is:

Year	Required Funding	Projected Fund Bal.	% Funded
2021	\$ 1,321,791	856,960	64.8%
2022	1,307,147	978,185	74.8%
2023	1,208,803	1,003,299	83.0%
2024	1,183,854	1,098,425	92.8%
2025	1,169,210	1,143,024	97.8%

This financial representation set forth in this summary is based on the best estimates of the board at this time and is further predicated on the board maintaining the current Reserve Funding Plan.

**Seal Beach Mutual Ten
Replacement Reserve Summary
Budget Year 2021**

While preparing the annual operating budget, the board reviews the conditions and assumptions regarding the common interest of the Mutual. This review consists of updating the replacement cost and remaining useful life of the Mutual's common interest property. This data is used to develop reserve requirements using the formula set forth in Civil Code 5570 (b) (4). The board expects to finance all replacements through regular assessments to the shareholders. Accordingly, the board does not plan any special assessments.

Fund	Estimated			Reserves Funding			
	Useful Life	Remaining Life	Replacement Cost	Required Funding	Estimated Beg. Bal.	Planned 2021 Funding	Estimated % Funded
Paint	5 - 10	2 - 7	204,050	77,695	11,202	3,655	19.1%
Roof	20 - 60	1 - 59	2,329,000	1,246,583	914,682	256,368	93.9%
Infrastructure	1 - 30	0 - 29	842,550	521,161	311,750	104,952	80.0%
Totals			3,375,600	1,845,440	1,237,635	364,975	86.8%

Seal Beach Mutual Ten
Project Listing for Budget Year
2021

Painting Reserve Projects

Description	Unit		Base Line		Year Acqurd	Repl Year	Yrs. In Serv.	Useful Life	Years Left	Fnding Ratio	Required Balance	Est. Beg Bal	(Surplus)/ Deficit	% Funded
	#	Cost	Year	Cost										
Interior Surfaces - Repair	1	6,750	2021	6,750	2018	2028	3	10	7	30.0%	2,025	292	1,733	14.4%
Pole Lights - Repaint	1	10,300	2021	10,300	2019	2024	2	5	3	40.0%	4,120	594	3,526	14.4%
Stucco - Repaint	1	100,500	2021	100,500	2018	2028	3	10	7	30.0%	30,150	4,347	25,803	14.4%
Wood Surfaces - Repaint	1	39,500	2021	39,500	2018	2023	3	5	2	60.0%	23,700	3,417	20,283	14.4%
Carports - Repaint	1	35,000	2021	35,000	2018	2028	3	10	7	30.0%	10,500	1,514	8,986	14.4%
Wood Surfaces - Repair	1	12,000	2021	12,000		2023			2	60.0%	7,200	1,038	6,162	14.4%
<i>Set aside for painting</i>		204,050		204,050							77,695	\$ 11,202	66,493	14.4%

Roofing Reserve Projects

Description	Unit		Base Line		Year Acqurd	Repl Year	Yrs. In Serv.	Useful Life	Years Left	Fnding Ratio	Required Balance	Est. Beg Bal	(Surplus)/ Deficit	% Funded
	#	Cost	Year	Cost										
Comp Shingle Roof	1	120,000	2021	120,000		2021			0	100.0%	120,000	88,050	31,950	73.4%
Comp Shingle Roof	1	120,000	2021	120,000		2022			1	96.7%	116,000	85,115	30,885	73.4%
Comp Shingle Roof	1	120,000	2021	120,000		2023			2	93.3%	112,000	82,180	29,820	73.4%
Comp Shingle Roof	1	120,000	2021	120,000		2024			3	90.0%	108,000	79,245	28,755	73.4%
Comp Shingle Roof	1	120,000	2021	120,000		2025			4	86.7%	104,000	76,310	27,690	73.4%
Comp Shingle Roof	1	120,000	2021	120,000		2047			26	13.3%	16,000	11,740	4,260	73.4%
Comp Shingle Roof	1	220,000	2021	220,000		2048			27	10.0%	22,000	16,143	5,857	73.4%
Comp Shingle Roof	1	250,000	2021	250,000		2049			28	6.7%	16,667	12,229	4,438	73.4%
Comp Shingle Roof	1	300,000	2021	300,000		2050			29	3.3%	10,000	7,338	2,662	73.4%
Roofing Plywood	1	34,000	2021	34,000		2021			0	100.0%	34,000	24,948	9,052	73.4%
Roofing Plywood	1	34,000	2021	34,000		2022			1	98.3%	33,433	24,532	8,901	73.4%
Roofing Plywood	1	34,000	2021	34,000		2023			2	96.7%	32,867	24,116	8,751	73.4%

Seal Beach Mutual Ten
Project Listing for Budget Year
2021

Roofing Reserve Projects, continued

Description	Unit		Base Line		Year Acqurd	Repl Year	Yrs. In Serv.	Useful Life	Years Left	Fnding Ratio	Required Balance	Est. Beg Bal	(Surplus)/ Deficit	% Funded
	#	Cost	Year	Cost										
Roofing Plywood	1	34,000	2021	34,000		2024			3	95.0%	32,300	23,700	8,600	73.4%
Roofing Plywood	1	34,000	2021	34,000		2025			4	93.3%	31,733	23,284	8,449	73.4%
Roofing Plywood	1	34,000	2021	34,000		2077			56	6.7%	2,267	1,663	604	73.4%
Roofing Plywood	1	34,000	2021	34,000		2078			57	5.0%	1,700	1,247	453	73.4%
Roofing Plywood	1	66,000	2021	66,000		2079			58	3.3%	2,200	1,614	586	73.4%
Roofing Plywood	1	85,000	2021	85,000		2080			59	1.7%	1,417	1,039	378	73.3%
Carport Roofs - Replace	1	450,000	2021	450,000		2021			0	100.0%	450,000	330,188	119,812	73.4%
Set aside for roofing		2,329,000		2,329,000							1,246,583	914,682	331,902	73.4%
High Pitch	1	Low	2											

Infrastructure Reserve Projects

Description	Unit		Base Line		Year Acqurd	Repl Year	Yrs. In Serv.	Useful Life	Years Left	Fnding Ratio	Required Balance	Est. Beg Bal	(Surplus)/ Deficit	% Funded
	#	Cost	Year	Cost										
Gutters/Downspouts - Re	1	7,850	2021	7,850		2021			0	100.0%	7,850	4,696	3,154	59.8%
Gutters/Downspouts - Re	1	7,850	2021	7,850		2022			1	96.7%	7,588	4,539	3,049	59.8%
Gutters/Downspouts - Re	1	7,850	2021	7,850		2023			2	93.3%	7,327	4,383	2,944	59.8%
Gutters/Downspouts - Re	1	7,850	2021	7,850		2024			3	90.0%	7,065	4,226	2,839	59.8%
Gutters/Downspouts - Re	1	7,850	2021	7,850		2025			4	86.7%	6,803	4,070	2,733	59.8%
Gutters/Downspouts - Re	1	7,850	2021	7,850		2047			26	13.3%	1,047	626	421	59.8%
Gutters/Downspouts - Re	1	7,850	2021	7,850		2047			26	13.3%	1,047	626	421	59.8%
Gutters/Downspouts - Re	1	7,850	2021	7,850		2048			27	10.0%	785	470	315	59.9%
Gutters/Downspouts - Re	1	15,500	2021	15,500		2049			28	6.7%	1,033	618	415	59.8%
Gutters/Downspouts - Re	1	19,600	2021	19,600		2050			29	3.3%	653	391	262	59.8%
Concrete Walkways - Re	1	7,800	2021	7,800		2021			0	100.0%	7,800	4,666	3,134	59.8%
Asphalt - Resurface	1	115,000	2021	115,000	2008	2028	13	20	7	65.0%	74,750	44,714	30,036	59.8%
Asphalt Seal Coat	1	13,000	2021	13,000	2017	2021	4	4	0	100.0%	13,000	7,776	5,224	59.8%

Seal Beach Mutual Ten
Project Listing for Budget Year
2021

Infrastructure Reserve Projects, continued

Description	Unit		Base Line		Year <i>Acquird</i>	Repl <i>Year</i>	Yrs. In <i>Serv.</i>	Useful <i>Life</i>	Years <i>Left</i>	Fnding <i>Ratio</i>	Required <i>Balance</i>	Est. <i>Beg Bal</i>	(Surplus)/ <i>Deficit</i>	% <i>Funded</i>
	#	Cost	Year	Cost										
Concrete Drive -Repair	1	35,000	2021	35,000	2017	2021	4	4	0	100.0%	35,000	20,936	14,064	59.8%
Pole Lights - Replace	1	110,000	2021	110,000	2004	2028	17	24	7	70.8%	77,917	46,609	31,308	59.8%
Circuit Breaker Boxes - I	1	41,400	2021	41,400	2020	2055	1	35	34	2.9%	1,183	708	475	59.8%
Irrigation Controllers - R	1	12,500	2021	12,500	2014	2026	7	12	5	58.3%	7,292	4,362	2,930	59.8%
Plumbing & Sewer - Repl	1	57,500	2021	57,500		2021			0	100.0%	57,500	34,396	23,104	59.8%
Meter Cabinet Doors - R	1	16,000	2021	16,000	2008	2023	13	15	2	86.7%	13,867	8,295	5,572	59.8%
WH & Laundry Doors - I	1	4,000	2021	4,000	2008	2023	13	15	2	86.7%	3,467	2,074	1,393	59.8%
Attic Screens - Replace	1	6,950	2021	6,950	1993	2023	28	30	2	93.3%	6,487	3,880	2,607	59.8%
Bldg & Carport Signage	1	7,500	2021	7,500	2010	2028	11	18	7	61.1%	4,583	2,741	1,842	59.8%
Smoke Alarms	1	17,000	2019	17,000	2016	2026	5	10	5	50.0%	8,500	5,085	3,415	59.8%
Trash Area Block Wall -	1	16,500	2021	16,500	2007	2027	14	20	6	70.0%	11,550	6,909	4,641	59.8%
Wood Bumper Rails - Re	1	5,250	2021	5,250	2013	2023	8	10	2	80.0%	4,200	2,512	1,688	59.8%
Res Water Heater - Repl	1	9,500	2021	9,500	2006	2021	15	15	0	100.0%	9,500	5,683	3,817	59.8%
Res Water Heater - Repl	1	9,500	2021	9,500	2007	2022	14	15	1	93.3%	8,867	5,304	3,563	59.8%
Res Water Heater - Repl	1	9,500	2021	9,500	2008	2023	13	15	2	86.7%	8,233	4,925	3,308	59.8%
Res Water Heater - Repl	1	9,500	2021	9,500	2009	2024	12	15	3	80.0%	7,600	4,546	3,054	59.8%
Res Water Heater - Repl	1	9,500	2021	9,500	2010	2025	11	15	4	73.3%	6,967	4,168	2,799	59.8%
Res Water Heater - Repl	1	9,500	2021	9,500	2011	2026	10	15	5	66.7%	6,333	3,788	2,545	59.8%
Res Water Heater - Repl	1	10,000	2021	10,000	2012	2027	9	15	6	60.0%	6,000	3,589	2,411	59.8%
Res Water Heater - Repl	1	82,500	2021	82,500	2013	2028	8	15	7	53.3%	44,000	26,320	17,680	59.8%
Res Water Heater - Repl	1	82,500	2021	82,500	2014	2029	7	15	8	46.7%	38,500	23,030	15,470	59.8%
Res Water Heater - Repl	1	7,750	2021	7,750	2017	2032	4	15	11	26.7%	2,067	1,236	831	59.8%
Res Water Heater - Repl	1	9,500	2021	9,500	2018	2033	3	15	12	20.0%	1,900	1,137	763	59.8%
Res Water Heater - Repl	1	9,500	2021	9,500	2019	2034	2	15	13	13.3%	1,267	758	509	59.8%
Res Water Heater - Repl	1	9,500	2021	9,500	2020	2035	1	15	14	6.7%	633	379	254	59.9%
Laundry Water Heater	1	11,000	2021	11,000	2006	2021	15	15	0	100.0%	11,000	6,580	4,420	59.8%
Set aside for infrastucture		842,550		842,550							521,161	311,750	209,410	59.8%

Total requirement for replacement reserve

3,375,600

1,845,440 1,237,635 607,806 67.1%

**Seal Beach Mutual Ten
Reserve Contributions Work Sheet
Budget Year 2021**

Fund	Estimated Remaining Life	Current Replacement Cost	Reserve Balance Required		Annual Contribution	Per Unit Per Month
			Est.	Beg. Bal.		
Appliance	Note (1)	46,353	46,353	26,502	19,851	
Required monthly contribution to the Appliance fund						5.99
Paint	2 - 7	204,050	77,695	11,202	3,655	Note (2)
Roof	1 - 59	2,329,000	1,246,583	914,682	256,368	Note (3)
Infrastructure	0 - 29	842,550	521,161	311,750	104,952	Note (4)
Contributions to Replacement Reserves			1,845,440	1,237,635	364,975	110.20
Emergency				176,313	0	Note (5)
Capital Fund				50,000	0	Note (6)
Per Unit Per Month					1,490,450	384,826 \$ 116.19

Project Reserve Contribution Comparison				
Project	2021	2020	Change	Chg PAPM
Appliance	19,851	37,591	(17,741)	(5.36)
Painting	3,655	3,655	-	-
Roofing	256,368	244,345	12,023	3.63
Infrastruct	104,952	91,075	13,877	4.19
Emergency	-	-	-	-
Total	384,826	376,667	8,159	2.46

Note:

1) The appliance fund is used to fund the replacement of appliances and fixtures. The value of this fund is calculated annually and is the five-year average units replaced times the current replacement cost adjusted for planned expenditures during the budget year. Current installed replacement cost for this calculation is \$48,917 and the adjustment is a \$2,564 decrease for a total requirement of \$46,353. The board approved the 2021 funding of this reserve for \$19,851.

2) The board determined funding of \$3,655 for 2021.

3) The board determined funding of \$256,368 for 2021.

4) The board determined funding of \$104,952 for 2021.

5) The board determined no funding was necessary for 2021.

6) The board established a capital fund in 2016 to support future capital improvements to the Mutual. The capital fund was funded for \$50,000 in 2016 using funds held in the emergency fund. The board determined no funding was necessary for 2021.

**Seal Beach Mutual Ten
Appliance Replacement History**

Item															Unit	Installed Cost		
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Total	5 yr Avg.	Unit	Extended
Cooktops	0	2	6	13	2	5	5	3	0	1	3	6	6	4	56	5	\$ 520	\$ 2,601
Ovens	5	4	3	7	5	6	12	9	1	7	7	5	12	7	90	5	1,147	5,734
Refrigerators	12	20	14	15	14	13	15	13	10	15	10	1	12	11	175	15	1,126	16,892
Hot Water Heaters	0	25	9	4	4	6	69	77	33	14	17	2	10	2	272	8	778	6,226
Garbage Disposals	10	14	2	8	15	4	14	2	7	7	5	4	6	10	108	10	233	2,329
Sinks - Bath	2	1	5	2	1	7	10	2	1	2	3	3	6	2	47	2	156	313
Sinks - Kitchen	2	2	1	1	2	3	3	3	2	2	5	3	8	1	38	2	662	1,324
Counters - Bath	2	0	1	1	1	4	0	1	0	1	0	2	1	0	14	1	624	624
Counters - Kitchen	1	2	1	2	2	6	2	2	0	1	2	5	3	0	29	2	1,470	2,940
Bath Heaters and Fan	3	9	3	3	1	6	6	3	4	3	0	3	5	4	53	4	538	2,150
Toilets	9	8	5	4	4	2	8	6	27	3	4	4	19	9	112	6	275	1,653
Faucet - Bath	8	4	6	4	5	5	9	1	2	3	3	3	5	3	61	5	143	714
Faucet - Kitchen	10	16	7	9	14	7	17	7	8	9	16	9	11	6	146	11	191	2,101
Hot Water Tanks - Laund	1	0	0	0	0	1	0	0	0	0	0	0	0	0	2	0	833	0
Washers	0	4	3	3	1	2	2	0	1	0	1	0	1	4	22	2	936	1,872
Dryers	1	1	2	3	2	2	0	1	0	3	1	0	0	4	20	2	722	1,444
Estimated replacement cost based on average replacement history - 2015 to 2019 x current pricing																		\$ 48,917

Adjustment for next year's expenditure plan \$ (2,564)
 Combined current and contingent appliance replacements **\$ 46,353**

Appliances can be billed on bill codes other than replacement As such, total replacement expenditures to the right may be less than the total value of replacement items listed above.

Actual expenditures:	
2019	22,741
2018	45,726
2017	24,730
2016	33,518
2015	23,393
2014	28,336
2013	70,484
2012	77,357
5 yr average	<u>\$ 30,022</u>

SEAL BEACH MUTUAL TEN
FLOW OF RESERVE FUNDS

Year	Beginning Fund	Annual Funding**	Interest* 0.00%	Loans or Assessments	Expenses	Ending Fund
2020						1,237,635
2021	1,237,635	364,975	0		745,650	856,960
2022	856,960	364,975	0		243,750	978,185
2023	978,185	364,975	0		339,861	1,003,299
2024	1,003,299	364,975	0		269,849	1,098,425
2025	1,098,425	364,975	0		320,376	1,143,024
2026	1,143,024	364,975	0		120,912	1,387,087
2027	1,387,087	364,975	0		109,615	1,642,447
2028	1,642,447	364,975	0		706,009	1,301,413
2029	1,301,413	364,975	0		261,082	1,405,306
2030	1,405,306	364,975	0		85,201	1,685,080
2031	1,685,080	375,012	0		87,758	1,972,334
2032	1,972,334	385,325	0		101,118	2,256,541
2033	2,256,541	395,921	0		255,996	2,396,466
2034	2,396,466	406,809	0		124,973	2,678,302
2035	2,678,302	417,996	0		113,142	2,983,156
2036	2,983,156	429,491	0		160,159	3,252,488
2037	3,252,488	441,302	0		197,059	3,496,731
2038	3,496,731	453,438	0		497,590	3,452,579
2039	3,452,579	465,908	0		144,877	3,773,610
2040	3,773,610	478,720	0		131,162	4,121,168
2041	4,121,168	491,885	0		1,034,540	3,578,513
2042	3,578,513	505,412	0		140,080	3,943,845
2043	3,943,845	519,311	0		391,940	4,071,216
2044	4,071,216	533,592	0		312,024	4,292,784
2045	4,292,784	548,266	0		230,316	4,610,734
2046	4,610,734	563,343	0		188,020	4,986,057
2047	4,986,057	578,835	0		485,772	5,079,120
2048	5,079,120	594,753	0		1,358,096	4,315,777
2049	4,315,777	611,109	0		911,968	4,014,918
2050	4,014,918	627,914	0		958,887	3,683,945

* Annual funding amount shows an increase of 2.75% each year beginning in 2031.

** Interest earned on the fund is currently not reinvested in the fund.