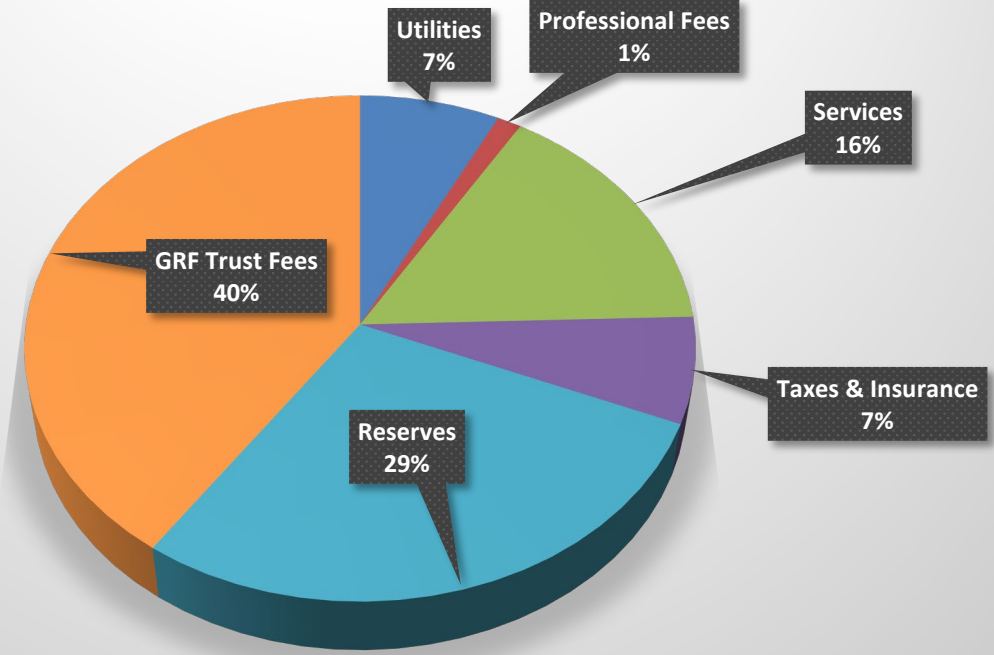


**Seal Beach Mutual Ten
Operating Budget
Year Ended December 31, 2022**

276 Apartments	Average Monthly Per Apartment			Operating Budget In Dollars		
	2022	2021	Change	2022	2021	Change
Electricity	4.83	4.53	0.30	15,997	15,003	994
Water	17.15	15.46	1.69	56,801	51,204	5,597
Trash	9.66	9.50	0.16	31,994	31,464	530
Total Utilities	31.64	29.49	2.15	104,792	97,671	7,121
Management Fee	0.56	0.56	0.00	1,855	1,855	0
Legal Fees	4.83	6.04	(1.21)	15,997	20,004	(4,007)
Investment Fees	0.00	0.72	(0.72)	0	2,385	(2,385)
Total Professional Fees	5.39	7.32	(1.93)	17,852	24,244	(6,392)
Landscape - Contract	35.14	34.77	0.37	116,384	115,158	1,226
Landscape - Extras	4.26	4.23	0.03	14,109	14,010	99
Landscape - Trees	2.42	2.42	0.00	8,015	8,015	0
Green Waste Bins	0.00	0.00	0.00	0	0	0
Painting	0.91	0.72	0.19	3,014	2,385	629
Pest Control	2.82	2.53	0.29	9,340	8,379	961
Structural Repairs	2.72	3.62	(0.90)	9,009	11,989	(2,980)
Miscellaneous	1.06	1.06	0.00	3,511	3,511	0
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	0.08	0.00	265	265	0
Standard Service	18.12	17.81	0.31	60,013	58,987	1,026
Total Services	67.53	67.24	0.29	223,660	222,699	961
State & Federal Taxes	0.27	0.36	(0.09)	894	1,192	(298)
Property & Liability Insurance	28.55	24.32	4.23	94,558	80,548	14,010
Total Taxes & Insurance	28.82	24.68	4.14	95,452	81,740	13,712
Operating Expenses	133.38	128.73	4.65	441,756	426,354	15,402
Income from Services						
Merchandise Sales	0.00	0.00	0.00	0	0	0
Laundry Machines	2.90	2.53	0.37	9,605	8,379	1,226
Total Services Income	2.90	2.53	0.37	9,605	8,379	1,226
Financial Income						
Interest Income	0.05	1.21	(1.16)	166	4,008	(3,842)
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	0.36	0.54	(0.18)	1,192	1,788	(596)
Inspection Fees	4.53	3.62	0.91	15,003	11,989	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	4.94	5.37	(0.43)	16,361	17,785	(1,424)
Operating Income	7.84	7.90	(0.06)	25,966	26,164	(198)
Net Operating Cost	125.54	120.83	4.71	415,790	400,190	15,600
Reserve Funding	121.30	116.19	5.11	401,737	384,826	16,911
Total Mutual Costs	246.84	237.02	9.82	817,527	785,016	32,511
Allocated Trust Cost	172.03	165.05	6.98	569,763	546,646	23,118
Regular assessment	418.87	402.07	16.80	1,387,290	1,331,661	55,629

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.

2022 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 \$ 418.87 and the portion allocated to reserves per ownership interest per month is \$ 114.13 .
- 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 2021 fiscal year is \$ 2,609,161 based in whole or in part on the last reserve study or update prepared by the board as of 7/12/2021. The projected reserve fund cash balance at the end of the 2021 fiscal year is \$ 1,549,083 reserves being 59.4% 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
2022	\$ 2,256,756	1,266,583	56.1%
2023	2,147,198	1,222,849	57.0%
2024	2,088,698	1,224,389	58.6%
2025	2,036,518	1,226,054	60.2%
2026	1,899,221	1,138,656	60.0%

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 2022**

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 2022 Funding	Estimated % Funded
Paint	5 - 10	1 - 6	207,900	106,250	14,859	15,655	28.7%
Roof	20 - 30	0 - 29	3,492,000	2,226,900	1,315,485	257,393	70.6%
Infrastructure	1 - 35	0 - 33	385,900	276,011	218,739	104,952	117.3%
Totals			4,085,800	2,609,161	1,549,083	378,000	73.9%

Seal Beach Mutual Ten
Project Listing for Budget Year
2022

Painting Reserve Projects

Description	Unit		Base Line		Year <i>Acqurd</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										
Interior Surfaces - Repaint	1	6,950	2022	6,950	2018	2028	4	10	6	40.0%	2,780	389	2,391	14.0%
Pole Lights - Repaint	1	10,450	2022	10,450	2019	2024	3	5	2	60.0%	6,270	877	5,393	14.0%
Stucco - Repaint	1	102,000	2022	102,000	2018	2028	4	10	6	40.0%	40,800	5,706	35,094	14.0%
Wood Surfaces - Repaint	1	40,500	2022	40,500	2018	2023	4	5	1	80.0%	32,400	4,531	27,869	14.0%
Carports - Repaint	1	36,000	2022	36,000	2018	2028	4	10	6	40.0%	14,400	2,014	12,386	14.0%
Wood Surfaces - Repair	1	12,000	2022	12,000		2023			1	80.0%	9,600	1,343	8,257	14.0%
<i>Set aside for painting</i>		207,900		207,900							106,250	\$ 14,859	91,390	14.0%

Roofing Reserve Projects

Description	Unit		Base Line		Year <i>Acqurd</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										
Comp Shingle Roof	1	554,000	2022	554,000		2022			0	100.0%	554,000	327,262	226,738	59.1%
Comp Shingle Roof	1	277,000	2022	277,000		2023			1	96.7%	267,767	158,176	109,591	59.1%
Comp Shingle Roof	1	277,000	2022	277,000		2024			2	93.3%	258,533	152,722	105,811	59.1%
Comp Shingle Roof	1	277,000	2022	277,000		2025			3	90.0%	249,300	147,268	102,032	59.1%
Comp Shingle Roof	1	277,000	2022	277,000		2026			4	86.7%	240,067	141,813	98,254	59.1%
Comp Shingle Roof	1	277,000	2022	277,000		2027			5	83.3%	230,833	136,359	94,474	59.1%
Comp Shingle Roof	1	277,000	2022	277,000		2047			25	16.7%	46,167	27,272	18,895	59.1%
Comp Shingle Roof	1	277,000	2022	277,000		2048			26	13.3%	36,933	21,817	15,116	59.1%
Comp Shingle Roof	1	534,000	2022	534,000		2051			29	3.3%	17,800	10,515	7,285	59.1%
Carport Roofs - Replace	1	465,000	2022	465,000		2028			6	70.0%	325,500	192,281	133,219	59.1%
<i>Set aside for roofing</i>		3,492,000		3,492,000							2,226,900	1,315,485	911,415	59.1%

Seal Beach Mutual Ten
Project Listing for Budget Year
2022

Infrastructure Reserve Projects

Description	Unit		Base Line		Year <i>Acquird</i>	Repl Year	Yrs. In Serv.	Useful Life	Years Left	Fnding Ratio	Required Balance	Est. Beg Bal	(Surplus)/ Deficit	% Funded
	#	Cost	Year	Cost										
Concrete Walkways - Repair	1	7,900	2022	7,900		2022			0	100.0%	7,900	6,261	1,639	79.3%
Asphalt - Resurface	1	37,000	2022	37,000	2010	2030	12	20	8	60.0%	22,200	17,593	4,607	79.2%
Asphalt Seal Coat	1	3,100	2022	3,100	2018	2022	4	4	0	100.0%	3,100	2,457	643	79.3%
Concrete Drive -Repair	1	36,000	2022	36,000	2018	2022	4	4	0	100.0%	36,000	28,530	7,470	79.3%
Pole Lights - Replace	1	112,000	2022	112,000	2004	2028	18	24	6	75.0%	84,000	66,570	17,430	79.3%
Circuit Breaker Boxes - Replace	1	42,500	2022	42,500	2020	2055	2	35	33	5.7%	2,429	1,925	504	79.3%
Irrigation Controllers - Replace	1	12,500	2022	12,500	2014	2026	8	12	4	66.7%	8,333	6,604	1,729	79.3%
Plumbing & Sewer - Replace	1	59,500	2022	59,500		2022			0	100.0%	59,500	47,154	12,346	79.3%
Meter Cabinet Doors - Replace	1	16,500	2022	16,500	2013	2028	9	15	6	60.0%	9,900	7,846	2,054	79.3%
WH & Laundry Doors - Replace	1	4,100	2022	4,100	2013	2028	9	15	6	60.0%	2,460	1,950	510	79.3%
Attic Screens - Replace	1	7,150	2022	7,150	1993	2023	29	30	1	96.7%	6,912	5,478	1,434	79.3%
Bldg & Carport Signage - Replace	1	7,750	2022	7,750	2010	2028	12	18	6	66.7%	5,167	4,095	1,072	79.3%
Smoke Alarms	1	17,500	2019	17,500	2016	2026	6	10	4	60.0%	10,500	8,321	2,179	79.2%
Trash Area Block Wall - Replace	1	17,000	2022	17,000	2007	2027	15	20	5	75.0%	12,750	10,104	2,646	79.2%
Wood Bumper Rails - Replace	1	5,400	2022	5,400	2013	2023	9	10	1	90.0%	4,860	3,852	1,008	79.3%
<i>Set aside for infrastucture</i>		385,900		385,900							276,011	218,739	57,271	79.2%
<i>Total requirement for replacement reserve</i>				4,085,800							2,609,161	1,549,083	1,060,076	59.4%

**Seal Beach Mutual Ten
Reserve Contributions Work Sheet
Budget Year 2022**

Fund	Estimated Remaining Life	Current Replacement Cost	Reserve Balance Required	Est. Beg. Bal.	Annual Contribution	Per Unit Per Month
Appliance	Note (1)	47,941	47,941	24,204	23,737	
Required monthly contribution to the Appliance fund						7.17
Paint	1 - 6	207,900	106,250	14,859	15,655	Note (2)
Roof	0 - 29	3,492,000	2,226,900	1,315,485	257,393	Note (3)
Infrastructure	0 - 33	385,900	276,011	218,739	104,952	Note (4)
Contributions to Replacement Reserves			2,609,161	1,549,083	378,000	114.13
Emergency				50,402	0	Note (5)
Capital Fund				50,000	0	Note (6)
Per Unit Per Month				1,673,689	401,737	\$ 121.30

Project Reserve Contribution Comparison				
Project	2022	2021	Change	Chg PAPM
Appliance	23,737	19,851	3,886	1.17
Painting	15,655	3,655	12,000	3.62
Roofing	257,393	256,368	1,025	0.31
Infrastruct	104,952	104,952	-	-
Emergency	-	-	-	-
Total	401,737	384,826	16,911	5.11

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 \$50,289 and the adjustment is a \$2,348 decrease for a total requirement of \$47,941. The board approved the 2022 funding of this reserve for \$23,737.

2) The board determined funding of \$15,655 for 2022.

3) The board determined funding of \$257,393 for 2022.

4) The board determined funding of \$104,952 for 2022.

5) The board determined no funding was necessary for 2022.

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 2022.

**Seal Beach Mutual Ten
Appliance Replacement History**

Item															Unit		Installed Cost	
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	Total	5 yr Avg.	Unit	Extended
Cooktops	2	0	2	6	13	2	5	5	3	0	1	3	6	6	54	5	\$ 483	\$ 2,413
Ovens	3	5	4	3	7	5	6	12	9	1	7	7	5	12	86	4	1,276	5,105
Refrigerators	17	12	20	14	15	14	13	15	13	10	15	10	1	12	181	16	1,106	17,698
Hot Water Heaters	1	0	25	9	4	4	6	69	77	33	14	17	2	10	271	8	853	6,827
Garbage Disposals	8	10	14	2	8	15	4	14	2	7	7	5	4	6	106	8	318	2,546
Sinks - Bath	0	2	1	5	2	1	7	10	2	1	2	3	3	6	45	2	158	315
Sinks - Kitchen	0	2	2	1	1	2	3	3	3	2	2	5	3	8	37	1	688	688
Counters - Bath	0	2	0	1	1	1	4	0	1	0	1	0	2	1	14	1	641	641
Counters - Kitchen	2	1	2	1	2	2	6	2	2	0	1	2	5	3	31	2	1,507	3,014
Bath Heaters and Fan	3	3	9	3	3	1	6	6	3	4	3	0	3	5	52	4	555	2,221
Toilets	12	9	8	5	4	4	2	8	6	27	3	4	4	19	115	8	293	2,342
Faucet - Bath	1	8	4	6	4	5	5	9	1	2	3	3	3	5	59	5	141	707
Faucet - Kitchen	11	10	16	7	9	14	7	17	7	8	9	16	9	11	151	11	191	2,097
Hot Water Tanks - Laund	0	1	0	0	0	0	1	0	0	0	0	0	0	0	2	0	890	0
Washers	0	0	4	3	3	1	2	2	0	1	0	1	0	1	18	2	1,274	2,547
Dryers	0	1	1	2	3	2	2	0	1	0	3	1	0	0	16	1	1,128	1,128
Estimated replacement cost based on average replacement history - 2016 to 2020 x current pricing																	\$ 50,289	

Adjustment for next year's expenditure plan \$ (2,348)
 Combined current and contingent appliance replacements **\$ 47,941**

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:	
2020	22,576
2019	22,741
2018	45,726
2017	24,730
2016	33,518
2015	23,393
2014	28,336
2013	70,484
5 yr average	<u>\$ 29,858</u>

SEAL BEACH MUTUAL TEN
FLOW OF RESERVE FUNDS

Year	Beginning Fund	Annual Funding**	Interest* 0.00%	Loans or Assessments	Expenses	Ending Fund
2021						1,549,083
2022	1,549,083	378,000	0		660,500	1,266,583
2023	1,266,583	378,000	0		421,734	1,222,849
2024	1,222,849	378,000	0		376,460	1,224,389
2025	1,224,389	378,000	0		376,335	1,226,054
2026	1,226,054	378,000	0		465,398	1,138,656
2027	1,138,656	389,340	0		418,962	1,109,034
2028	1,109,034	401,020	0		1,039,064	470,990
2029	470,990	413,051	0		95,746	788,295
2030	788,295	425,443	0		181,782	1,031,956
2031	1,031,956	438,206	0		87,942	1,382,220
2032	1,382,220	451,352	0		90,580	1,742,992
2033	1,742,992	464,893	0		173,445	2,034,440
2034	2,034,440	478,840	0		166,743	2,346,537
2035	2,346,537	493,205	0		98,979	2,740,763
2036	2,740,763	508,001	0		128,419	3,120,345
2037	3,120,345	523,241	0		105,007	3,538,579
2038	3,538,579	538,938	0		507,809	3,569,708
2039	3,569,708	555,106	0		128,674	3,996,140
2040	3,996,140	571,759	0		114,744	4,453,155
2041	4,453,155	588,912	0		118,186	4,923,881
2042	4,923,881	606,579	0		192,351	5,338,109
2043	5,338,109	624,776	0		271,417	5,691,468
2044	5,691,468	643,519	0		149,169	6,185,818
2045	6,185,818	643,519	0		133,020	6,696,317
2046	6,696,317	643,519	0		267,821	7,072,015
2047	7,072,015	643,519	0		756,691	6,958,843
2048	6,958,843	643,519	0		2,171,364	5,430,998
2049	5,430,998	643,519	0		172,927	5,901,590
2050	5,901,590	643,519	0		356,917	6,188,192
2051	6,188,192	643,519	0		1,417,238	5,414,473

* Annual funding amount shows an increase of 3.0% each year beginning in 2027 through 2044.

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