NOVEMBER 2023

TO ALL MEMBERS OF MUTUAL 10:

Enclosed please find the 2024 Annual Budget Report and Annual Policy Statement for the Mutual 10 a non-profit Mutual Benefit Corporation organized and created pursuant to the California Corporations Code for the fiscal year beginning January 1, 2024.

In the accompanying pages are summaries of the 2024 budgets that were adopted by the GRF Board of Directors and your respective Mutual Board of Directors, and which must be distributed to the members thirty (30) to ninety (90) days before the end of the fiscal year pursuant to California Civil Code Section 5300. I would like to thank the members of all the Boards of Directors for their volunteer services resulting in no board costs to the residents. **Any member of the Mutual may request copies of the full budget from the GRF Accounting Department at no cost.** In addition to the budget summary, this package contains a summary of the Annual Policy Statement, which must be distributed to members in accordance with Civil Code Section 5310 within thirty (30) to ninety (90) days before the end of the fiscal year. **Any member may request a complete copy of the report at no cost to the member by submitting a written request to:**

Mutual 10
c/o Golden Rain Foundation
P.O. Box 2069
Seal Beach, CA 90740

Minutes of the Mutual's regular meeting are circulated to each building and posted in the laundry rooms of the Mutual. Copies can be obtained for a nominal fee from the Finance Department in the Administration building.

Please review the foregoing and enclosed documents. Should you have any questions or concerns, please do not hesitate to contact your Board of Directors.

Sincerely,

Mutual 10
Board of Directors

ANNUAL BUDGET REPORT[1]
(Civil Code Section 5300)

After thoughtful review and consideration, the Board of Directors has approved a budget for the fiscal year ending December 31, 2024, which it believes is reasonable and prudent to meet the funding needs of the Mutual 10. The assessments will be increased to $279.75 per unit, per month effective January 1, 2024. A copy of the budget is enclosed for your review.

In accordance with Civil Code Sections 5550(b)(5) and 5560 the Board has adopted the budget along with the reserve funding plan as recommended in the Reserve Study performed by Association Reserves. The reserve study has been performed pursuant to Civil Code Section 5565 for the major capital components. Mutual 10's reserves account will be funded through assessments. A summary of the reserve report is enclosed. Copies of the full reserve study plan are available upon request at the GRF Administration Building.

The Board of Directors does not, at this time, anticipate the need to levy a special assessment for planned expenditures, but reserves the right in accordance with California Civil Code to approve a special assessment for unplanned major expenses, if necessary, in the upcoming fiscal year.

The Board of Directors has not deferred repairs or replacement of any major component with a remaining life of 30 years or less. Or the Board of Directors has deferred the repair or replacement of the following major components:

Component	Reason for Deferment
N/A	

[1] This summary includes a general description of the content of the report. Members may request a complete copy of the report at no cost to the member by submitting a written request to Golden Rain Foundation, P.O. Box 2069, Seal Beach, CA 90740.

Seal Beach Mutual Ten
Operating Budget
2024

		Monthly		Change	Annual
		2023	2024		2024
	Assessments	$73,546	$77,211	$3,665	$926,533
5375000	**Laundry Machines**	$651	$658	$7	$7,896
5398100	**Interest Income Allocation**	$439	$883	$444	$10,596
5610000	**Late Charges**	$116	$116	$0	$1,392
5921000	**Inspection Fees**	$1,833	$1,375	-$458	$16,500
	Other Taxable Income		$400		$4,800
	Buyers Premium Income	$916	$458	-$458	$5,500
	TOTAL INCOME	$77,501	$81,101	$3,201	$973,217
6420000	**Electricity**	$1,466	$1,583	$118	$19,000
6423000	**Water**	$5,268	$4,581	-$687	$54,968
6424000	**Trash**	$3,174	$3,500	$326	$42,000
6434000	**Legal Fees**	$1,330	$1,333	$3	$16,000
6475000	**Landscape - Contract**	$9,862	$10,000	$139	$120,000
6475500	**Landscape - Extras**	$1,176	$1,200	$24	$14,400
6475505	**Landscape - Trees**	$834	$1,333	$500	$16,000
6477100	**Painting**	$500	$500	$0	$6,000
6477200	**Pest Control**	$867	$877	$10	$10,525
6477300	**Structural Repairs**	$751	$750	-$1	$9,000
6477400	**Miscellaneous Services**	$293	$458	$166	$5,500
6812100	**Office Supplies**	$17	$8	-$8	$100
7552000	**Standard Service**	$5,001	$5,000	-$1	$60,000
6720000	**State & Federal Taxes**	$166	$664	$498	$7,968
6730000	**Property & Liability Insurance**	$9,097	$9,313	$216	$111,756
	Reserve Contribution	$37,352	$40,000	$1,149	$480,000
	Capital Contribution		$0	$0	
	TOTAL EXPENSES	$77,150	$81,101	$2,452	$973,217
	Mutual Assessments	**$266.47**	**$279.75**	**$13.28**	
	GRF Assessments	**$193.23**	**$213.25**	**$20.02**	
	TOTAL**	**$459.70**	**$493.00**	**$33.30**	

Seal Beach Mutual Ten
Operating Budget
2024

		Monthly		Change	Annual
		2023	2024		2024
	Reserve Contribution	37351.5	40000	1149	480000
	Appliance	$3,513.33	$3,500.00	-$13.33	$30,136.00
	Painting	$3,632.75	$40,000.00	$36,367.25	$57,956.00
	Roofing	$21,449.42	$17,105.17	-$4,344.25	$205,262.00
	Infrastructure	$8,746.00	$15,553.83	$6,807.83	$186,646.00
	***Contingency**	$0.00	$0.00	$0.00	$0.00
	TOTAL ALLOCATION	$37,341.50	$76,159.00	$38,817.50	$480,000.00

	Useful Life		2024 Rem. Useful Life		Estimated Replacement Cost in 2024	2024 Expenditures	01/01/2024 Current Fund Balance	01/01/2024 Fully Funded Balance	Remaining Bal. to be Funded	2024 Contributions
	Min	Max	Min	Max						
Roofs & Gutters	20	30	0	29	$4,590,000	$340,000	$739,394	$1,797,833	$3,850,606	$205,262
Infrastructure	1	35	0	31	$653,800	$105,100	$340,183	$506,492	$313,617	$168,646
Painting Projects	5	10	0	4	$351,700	$109,850	$109,850	$254,960	$241,850	$57,956
Appliances	1	1	0	0	$24,000	$24,000	$24,000	$24,000	$0	$30,136
					$5,619,500	$578,950	$1,213,427	$2,583,286	$4,406,073	$462,000

Percent Funded: 47.0%

Assessment and Reserve Funding Disclosure Summary

Leisure World SB Mutual 10, Seal Beach

For Fiscal Year Beginning: 1/1/2024 # of units: 276

1) Budgeted Amounts:

	Total	Average Per Unit*	
Reserve Contributions:	$40,000.00	$144.93	
Total Assessment Income:	$77,211.00	$279.75	per: Month

2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Year	Total Amount Per Unit*	Purpose
	Total: $0.00	

3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**

4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*
	Total: $0.00

5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6)

All computations/disclosures are based on the fiscal year start date of:	1/1/2024
Fully Funded Balance (based on formula defined in 5570(b)4):	$2,567,286
Projected Reserve Fund Balance:	$1,213,427
Percent Funded:	47.3 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	$4,905

From the 7/27/2023 Reserve Study by Association Reserves and any minor changes since that date.

* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Sabrina Willison **Date: 11/9/2023**

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.

30-Year Reserve Plan Starting with Board of Directors 2024 Rate 28227-8

Fiscal Year Start: 1/1/2024	Interest: 0.00 %	Inflation: 3.00 %
Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	$1,213,427	$2,567,286	47.3 %	Medium	7.12 %	$480,000	$0	$0	$578,950
2025	$1,114,477	$2,424,892	46.0 %	Medium	9.00 %	$523,200	$0	$0	$474,830
2026	$1,162,847	$2,396,777	48.5 %	Medium	2.75 %	$537,588	$0	$0	$748,465
2027	$951,970	$2,085,054	45.7 %	Medium	2.75 %	$552,372	$0	$0	$198,330
2028	$1,306,012	$2,342,238	55.8 %	Medium	2.75 %	$567,562	$0	$0	$1,291,465
2029	$582,109	$1,493,175	39.0 %	Medium	2.75 %	$583,170	$0	$0	$279,211
2030	$886,067	$1,673,589	52.9 %	Medium	2.75 %	$599,207	$0	$0	$144,480
2031	$1,340,794	$2,010,884	66.7 %	Medium	2.75 %	$615,685	$0	$0	$199,240
2032	$1,757,240	$2,314,972	75.9 %	Low	2.75 %	$632,617	$0	$0	$153,279
2033	$2,236,577	$2,688,992	83.2 %	Low	2.75 %	$650,014	$0	$0	$169,751
2034	$2,716,839	$3,071,140	88.5 %	Low	2.75 %	$667,889	$0	$0	$310,243
2035	$3,074,485	$3,306,651	93.0 %	Low	2.75 %	$686,256	$0	$0	$196,561
2036	$3,564,180	$3,680,207	96.8 %	Low	2.75 %	$705,128	$0	$0	$144,002
2037	$4,125,306	$4,133,410	99.8 %	Low	2.75 %	$724,519	$0	$0	$148,322
2038	$4,701,503	$4,610,493	102.0 %	Low	2.75 %	$744,443	$0	$0	$559,583
2039	$4,886,363	$4,693,466	104.1 %	Low	2.75 %	$764,915	$0	$0	$392,374
2040	$5,258,905	$4,966,783	105.9 %	Low	2.75 %	$785,950	$0	$0	$162,075
2041	$5,882,780	$5,501,608	106.9 %	Low	2.75 %	$807,564	$0	$0	$166,938
2042	$6,523,406	$6,064,052	107.6 %	Low	2.75 %	$829,772	$0	$0	$171,946
2043	$7,181,233	$6,655,291	107.9 %	Low	2.75 %	$852,591	$0	$0	$282,314
2044	$7,751,509	$7,168,180	108.1 %	Low	2.75 %	$876,037	$0	$0	$380,819
2045	$8,246,728	$7,613,117	108.3 %	Low	2.75 %	$900,128	$0	$0	$187,890
2046	$8,958,966	$8,288,783	108.1 %	Low	2.75 %	$924,882	$0	$0	$193,526
2047	$9,690,321	$8,998,137	107.7 %	Low	2.75 %	$950,316	$0	$0	$989,754
2048	$9,650,884	$8,928,459	108.1 %	Low	0.00 %	$950,316	$0	$0	$2,944,401
2049	$7,656,799	$6,863,798	111.6 %	Low	0.00 %	$950,316	$0	$0	$462,411
2050	$8,144,704	$7,314,653	111.3 %	Low	0.00 %	$950,316	$0	$0	$249,086
2051	$8,845,934	$8,020,396	110.3 %	Low	0.00 %	$950,316	$0	$0	$2,199,076
2052	$7,597,173	$6,761,106	112.4 %	Low	0.00 %	$950,316	$0	$0	$2,301,655
2053	$6,245,834	$5,381,336	116.1 %	Low	0.00 %	$950,316	$0	$0	$1,458,950

Reserve Study Executive Summary — No-Site-Visit

Leisure World SB Mutual 10 — Report #: **28227-8**
Seal Beach, CA — # of Units: 276
Level of Service: **Update "No-Site-Visit"** — **January 1, 2024** through **December 31, 2024**

Findings & Recommendations — as of January 1, 2024

Projected Starting Reserve Balance	**$1,213,427**
Current Full Funding Reserve Balance	**$2,583,286**
Average Reserve Deficit (Surplus) Per Unit	**$4,963**
Percent Funded	**47.0 %**
Recommended 2024 "Monthly Full Funding Contributions"	**$38,500**
Alternate minimum contributions to keep Reserve above $0	**$32,000**
Most Recent Reserve Contribution Rate	**$37,343**
Annual Deterioration Rate	**$367,928**

Reserve Fund Strength: 47.0%

	Weak	Fair	Strong	
	< 30%		< 70%	> 130%
		X		
Risk of Special Assessment:	High	Medium	Low	

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	**0.00 %**
Annual Inflation Rate	**3.00 %**

This is an Update "No-Site-Visit", and is based on a prior Report prepared by Association Reserves. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist, Sean Erik Andersen, PRA, RS #68.

The Association is a Mutual.

The Reserve Fund is between the 30% funded level and the 70% funded level at 47.0 % Funded, which is a fair position for the fund to be in. This means that the mutual's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is $367,928.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to $38,500.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above $0. This figure for your mutual is $32,000.

To receive a copy of the full Reserve Study, contact the Mutual.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Roofs & Gutters			
2450	(2024) Comp Shingle Roof - Replace	30	0	$340,000
2450	(2025) Comp Shingle Roof - Replace	30	1	$340,000
2450	(2026) Comp Shingle Roof - Replace	30	2	$340,000
2450	(2047) Comp Shingle Roof - Replace	30	23	$340,000
2450	(2048) Comp Shingle Roof - Replace	30	24	$340,000
2450	(2051) Comp Shingle Roof - Replace	30	27	$848,000
2450	(2052) Comp Shingle Roof - Replace	30	28	$905,000
2450	(2053) Comp Shingle Roof - Replace	30	29	$509,000
2450	Carport Comp Shingle Roof - Replace	20	4	$628,000
	Infrastructure			
2100	Concrete Drive - Repair/Replace	4	3	$41,000
2100	Concrete Walkways - Repair/Replace	1	0	$9,500
2270	(2026) Concrete Drive - Replace	20	2	$230,000
2640	WH & Laundry Doors - Replace	20	9	$9,100
2659	Wood Bumper Rails - Replace/Repair	10	4	$12,600
2732	Attic Screens - Replace	30	0	$8,100
4595	Plumbing & Sewer - Repair	1	0	$67,500
4800	Smoke Alarm Systems - Replace	10	2	$20,000
5010	Walkway Pole Lights - Replace	20	4	$125,000
5501	Trash Area Block Walls - Repair	20	3	$19,500
6830	Signage - Replace/Refurbish	20	5	$10,000
6900	Irrigation Controllers - Replace	12	2	$14,500
6962	Meter Cabinets - Replace	15	4	$19,000
6970	Electrical Panels - Replace	1	0	$20,000
6973	Circuit Breaker Boxes - Replace	35	31	$48,000
	Painting Projects			
2300	Stucco - Repaint	10	4	$182,000
2310	Wood Surfaces - Repaint	5	0	$83,850
2311	Carports - Repaint	10	4	$52,000
2330	Interior Surfaces - Repaint	10	4	$7,850
2350	Light Poles/Fixtures - Repaint	5	0	$12,000
2520	Wood Surfaces - Repair	5	0	$14,000
	Appliances			
3320	Appliances - Replace	1	0	$24,000
31	**Total Funded Components**			

The following information (notice of insurance coverage, billing and collection procedures, assessments and foreclosure, payments, meetings and payment plans, information re CA Civil Code Sections 5920 and 5965, internal dispute resolution procedures, alternative dispute resolution, right to receive copies of minutes, and procedures for remodeling) is distributed to members of the Golden Rain Foundation and shareholders/homeowners of the Mutual Corporations. Throughout these notices, there are references to an "association." The Mutual has been determined to be an association by the courts of this state.

NOTICE OF INSURANCE COVERAGE FOR THE MUTUAL CORPORATIONS AND THE GOLDEN RAIN FOUNDATION

This summary of the policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual insurance policies. Any GRF member may, upon written request and provision of reasonable notice, review the GRF's insurance policies and, upon written request and payment of reasonable duplication charges, obtain copies of those policies. Although the GRF maintains the insurance policies specified in this summary, the GRF's insurance policies may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. GRF members should consult their individual insurance broker or agent for appropriate additional coverage.

Insurer	Coverage	Limit	Deductible
Philadelphia Ins. Co.	Property	$ 200,000,000	$50,000
Chubb	Boiler & Machinery	$ 100,000,000	$ 1,000
Philadelphia Ins. Co.	Auto Liability	$ 1,000,000	$ 1,000
Philadelphia Ins. Co.	General Liability	$ 2,000,000	$10,000
Great American Ins.	Umbrella Liability	$ 30,000,000	N/A
Allied World Assurance	Excess Umbrella	$ 10,000,000	N/A
Chubb	Excess Umbrella	$ 25,000,000	N/A
Great American Ins.	Pollution Legal Liability	$ 5,000,000	$25,000
Chubb	Crime	$ 1,500,000	$100,000
Chubb	Fiduciary	$ 3,000,000	N/A
Chubb	Kidnap/Ransom/Extortion	$ 1,500,000	N/A
Chubb	Workplace Violence	$ 1,000,000	N/A
RSUI	Dir. & Officers (Mutuals)	$ 5,000,000	$50,000
AWAC/ARGO	Excess Dir. & Officers (Mutuals)	$ 5,000,000	N/A
NAS/Lloyd's of London	Cyber (Mutuals)	$ 2,000,000	$5,000
NAS/Lloyd's of London	Cyber (GRF)	$ 2,000,000	$5,000
RSUI	Dir. & Officers (GRF)	$ 5,000,000	$100,000
AWAC/ARGO	Excess Dir. & Officers (GRF)	$ 5,000,000	N/A
STARR	Errors & Omissions	$ 2,000,000	$50,000

The above insurance policies were in effect at the time the budget was prepared. The effective date of these policies is December 1st. We anticipate that the above policies may be renewed with some changes in limits and deductibles. In the event that any of the above policies are cancelled and not immediately replaced, or if there is a material change in coverage or deductible, you will be notified of that change or cancellation.

The coverage provided by these policies exceeds the levels required by law. Claims in excess of this coverage will not result in any direct individual liability by any member. However, there could be a proportionate assessment levied to pay the amount of any judgment in excess of the corporate coverage limits. Earthquake insurance is not provided due to cost and coverage prohibitions.

The property and general liability insurance policies provide coverage for the Golden Rain Foundation and Mutual Corporations. The Directors and Officers Liability policies provide separate coverage for the Mutual Corporations and the Golden Rain Foundation.

ANNUAL POLICY STATEMENT[2]
(*Civil Code* Section 5310)

1. CONTACT PERSON. The name and address of the person designated to receive official communications Mutual 10, pursuant to Civil Code Section 4035 shall be:

Golden Rain Foundation
P.O. Box 2069
Seal Beach, CA 90740
Attn: President, Mutual Ten

2. MULTIPLE ADDRESSES. Members may submit a written request to Mutual 10's Contact Person identified in Section 1 above to add or remove a second address for delivery of the following notices according to subdivision (b) of Section 4040 of the Civil Code:

   a. Annual Budget Report and Annual Policy Statement, as well as the Year-End Report (Article 7 of the Civil Code, commencing with Section 5300 of Chapter 6);

   b. Notices regarding assessment payments and delinquencies (Article 2 of the Civil Code, commencing with Section 5650 of Chapter 8); and

   c. Notices regarding a trustee's sale pursuant to Civil Code Section 5710.

3. NOTICE LOCATION. The location designated for posting of a general notice for the Mutual 10, pursuant to paragraph (3) of subdivision (a) of Section 4045 of the Civil Code shall be:

Laundry rooms of Mutual 10

4. NOTICE BY INDIVIDUAL DELIVERY. A member may submit a written request to the Association Contact Person to receive general notices by individual delivery, pursuant to subdivision (b) of Section 4045 of the Civil Code.

5. RIGHT TO RECEIVE COPIES OF MINUTES. Members have the right to obtain copies of board meeting minutes, pursuant to subdivision (b) of Section 4950 of the Civil Code, by contacting the Mutual's Contact Person and/or stopping by the GRF Administration offices during posted business hours. Minutes of the Mutual's regular meeting of the Board of Directors are posted in the laundry rooms of the Mutual. Copies of all minutes (except minutes of meetings in executive session), proposed minutes or summary minutes, as well as agendas for all open or executive session meetings can be obtained for a nominal fee from the Accounting Department in the Administration building.

6. RULES ENFORCEMENT POLICY: (pursuant to Section 5850 of the Civic Code)
   All current Rules and Regulations can be located at the established website www.lwsb.com, click on Mutual 10 under Mutual section to access.
   a. If the Mutual adopts or has adopted a policy imposing any monetary penalty, including any fee, on any association member for a violation of the governing documents, including any monetary penalty relating to the activities of a guest or

[2] **This summary includes a general description of the content of the report. Members may request a complete copy of the report at no cost to the member by submitting a written request to Golden Rain Foundation, P.O. Box 2069, Seal Beach, CA 90740.**

tenant of the member, the board shall adopt and distribute to each member, in the annual policy statement prepared pursuant to Section 5310, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents.

b. Any new or revised monetary penalty that is adopted after complying with subdivision (a) may be included in a supplement that is delivered to the members individually, pursuant to Section 4040.

c. A monetary penalty for a violation of the governing documents shall not exceed the monetary penalty stated in the schedule of monetary penalties or supplement that is in effect at the time of the violation.

d. The Mutual shall provide a copy of the most recently distributed schedule of monetary penalties, along with any applicable supplements to that schedule, to any member upon request.

7. FINE SCHEDULE: A schedule for fines relating to rule violations is included in the governing document Rule 10-7585-1 Governing Document Compliance Corrective Measures and Fines.

Fine Schedule

The Fine Schedule may be imposed after or concurrent with notice and opportunity for hearing, and the Board of Directors, or committee appointed by the Board, in its discretion, has determined that a resident shareholder is non-compliant with or has violated the "Governing Documents".

Invoices for fines are due and payable immediately.

The Mutual Board reserves the right to revise this Fine Schedule at any time through a rule change procedure and the most recent Fine Schedule shall be distributed to the Shareholders on an annual basis. Violations of the Mutual's Governing Documents, including, but not limited to property alterations and/or improvements made without approval, repair and upkeep of property, unauthorized signs, and all other violations of the Mutual's Governing Documents, may be assessed a monetary penalty in the following amounts:

Violation	1st Offense	2nd Offense and each subsequent and/or continuation of Offense
Residency/occupancy violations (e.g. unauthorized occupants, guests residing longer than permitted)	Notice to Comply in 48 hours	Notice and hearing and fine of up to $500.00 and up to $100.00 per/day for each additional day of non-compliance, for a maximum of 20 days
Violation of Roof & Attic Access	Notice and hearing and up to $1,000.00 and removal of unauthorized installation or non-compliant equipment, if applicable	
Violation of Mutual Occupancy Agreement & all other Rules & Regulations	Written warning	Notice and hearing and fine of up to $100.00 and up to $100.00 per/day for each additional day of non-compliance, for a maximum of 20 days
Violation of Leasing Rules	Notice and hearing and fine of up to $2,500.00	Notice and hearing and fine of up to $5,000.00
Violation of Leasing Rules – Lease for Less than Thirty Days (Short-Term Rental)	Notice and hearing and fine of up to $5,000.00	Notice and hearing and fine of $2,500.00 to $7,500.00

8. Pursuant to Civil Code Section 5850, additional documents will be distributed if and when other fine schedules may be prepared and duly adopted by the Board.

9. PROCEDURES FOR REMODELING: The following is a summary of requirements for Mutual 10 approval of a physical change to property, pursuant to Section 4765 of the Civil Code:

   a. Mutual residents are permitted to remodel their apartment within the parameters of their Occupancy Agreement and applicable Mutual policy. Remodeling common areas or apartments is permitted only with respective Mutual Board approval. Plans for remodeling and selected contractor names must be submitted to, and approved by, the respective Mutual Board of Directors prior to commencement of work.

   b. Rule 7490.3 – Inspection Service – Building Alterations.

MUTUAL OPERATIONS

PHYSICAL PROPERTY

Inspection Service – Building Alterations – Mutuals 2, 3, 5, 7, 9, 10, and 16

Any resident of the Corporation desiring to make any works of improvement by way of construction, either by way of change or addition to the apartment occupied by such resident, shall comply with all prior regulations and requirements adopted by this Corporation as to such works of improvement, and all state, county or municipal laws.

This Corporation hereby requests the Golden Rain Foundation to provide inspection services for said works of improvement while said work is in progress and when completed, assuring compliance with the regulations and requirements of this Corporation relating to such work.

The Golden Rain Foundation shall use a staff member for such inspection services or at its discretion may employ an independent outside inspecting firm.

No works of improvement shall commence prior to the procurement of a permit from the Golden Rain Foundation on behalf of this Corporation. The Golden Rain Foundation shall issue a permit for said work, and such work shall not commence without said permit having been issued.

MUTUAL	ADOPTION	RESCINDED	
~~1~~	~~02-22-90~~	09-24-20	
2	02-15-90		
3	02-09-90		
~~4~~	~~03-05-90~~	12-08-21	(See Procedure 04-7490.3-3)
5	02-14-90		
~~6~~	~~02-23-90~~	05-22-20	
7	02-16-90		
~~8~~	~~02-26-90~~	02-24-20	
9	02-12-90		
10	02-28-90		
~~11~~	~~02-15-90~~	05-21-20	
~~12~~	~~02-08-90~~	01-14-21	(See Procedure 12-7490.3-3)
~~14~~	~~02-23-90~~	01-16-18	
~~15~~	~~02-20-90~~	06-22-20	
16	02-20-90		
17	N/A		

(Dec 2021)

BILLING AND COLLECTION PROCEDURES FOR THE MUTUAL 10 CORPORATION OF SEAL BEACH LEISURE WORLD

Prompt payment of your Regular Assessment and Property tax is essential to the financial health of your Mutual and enhances the value of your ownership in the corporation. In addition to the monthly regular assessment, you may have other charges, i.e. cable service or Service Repair Orders, charged to your account. Upon rare occasions, a special assessment may be levied by your Mutual. Your respective Board of Directors takes seriously its obligation to enforce the collection procedures set forth pursuant to the terms in your shareholder Occupancy Agreement. The presentation of this procedure is intended to fulfill your Board of Director's obligation to notify you under Section 5310(a)(7) of the California Civil Code.

NOTICE
ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars ($1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars ($1,800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The mailing address for overnight payments is listed below. (Section 5655 of the Civil Code)

Seal Beach Mutual 10
P.O. Box 60017
City of Industry, CA 91716-0041

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

INFORMATION REGARDING CALIFORNIA CIVIL CODE SECTIONS 5920 and 5965 CONCERNING INTERNAL DISPUTE RESOLUTION PROCEDURE AND ALTERNATIVE DISPUTE RESOLUTION

California Civil Code Section 5965 requires that the association furnish you with the following information concerning the provisions of the code section related to Alternative Dispute Resolution (ADR). Civil Code Section 5920 requires that you be notified concerning Internal Dispute Resolution Procedure (IDR) and that we furnish you with the following information concerning the provisions of the Code Section, usually at the time that the budget is delivered, or some other convenient time as specified by the Civil Code. The provisions, in summary form, are as follows:

INTERNAL DISPUTE RESOLUTION PROCEDURE

1. The Internal Dispute Resolution Procedure (IDR) is set forth commencing with Civil Code Section 5915 and requires the association to provide an expeditious procedure for the determination of disputes between the association and any resident. The sections therein require the following: (a) any party may submit a written request to "meet and confer" in an effort to resolve the dispute, (b) a member of an association may refuse a request to meet and confer; the association may not refuse a request to meet and confer, (c) the board shall designate a member of the board to meet and confer, (d) the parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute, and (e) a resolution of the dispute agreed to by the parties shall be put in writing and signed by the parties, including the board designee on behalf of the association.

2. An agreement reached under this procedure binds the parties and is judicially enforceable if both of the following conditions are satisfied: a) The agreement is not in conflict with law or the governing documents of the common interest development or the association, and b) the agreement is consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors. A member of the association may not be charged a fee to participate in the process.

3. As required by Civil Code Section 5920, Mutuals that have adopted their own IDR process pursuant to California Civil Code Section 5910 shall include a description of said IDR process in their individual budget reports.

MUTUAL OPERATIONS

MUTUAL ADMINISTRATION

Internal Dispute Resolution – IDR – Except Mutual Twelve

California Civil Code §5910 and §5915 provides that the Mutual Boards shall provide a "fair, reasonable and expeditious" procedure for resolving disputes between the Mutual and its members without charging a fee to the member participating in the process. The process is referred to as "Internal Dispute Resolution" (IDR) or "Meet and Confer."

(1) The member may request the Mutual Board to meet and confer in an effort to resolve a dispute. The request shall be in writing.

(2) A member may refuse a request to meet and confer with the Board of Directors. The Board of Directors may not refuse a request to meet and confer with the members.

(3) The Board of Directors shall designate a minimum of two (2) Board Directors to meet and confer with the member. The member may bring another person and/or legal representative to the meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place to explain their positions to each other in an effort to resolve and dispute.

(5) Any proposed resolution of the dispute shall be memorialized in writing and brought to the next Mutual Monthly Meeting for the Board's consideration and final approval.

(6) All such IDRs are considered to be confidential and may only be discussed in Executive Session.

(7) Any final agreement between the Board of Directors and the member shall be in writing and signed by all parties.

MUTUAL ADOPTION

ONE:	SIX:	~~TWELVE~~: (See Policy 7731.12)-July 2015	
TWO:	SEVEN:	FOURTEEN:	
THREE:	EIGHT:	FIFTEEN:	
FOUR:	TEN:	SIXTEEN:	
~~FIVE~~: **(See Policy 7731.5)**	ELEVEN:	SEVENTEEN:	05-13-15

ALTERNATIVE DISPUTE RESOLUTION

1. Prior to filing a civil action either by Golden Rain Foundation, a Mutual or by an owner of a Mutual share, which action is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure, Civil Code Section 5930 requires that the parties shall endeavor to submit their dispute to Alternative Dispute Resolution (ADR), such as mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. This section does not apply to a small claims action or, except as otherwise provided by law, to an assessment dispute.

2. The form of alternative dispute resolution may be binding or non-binding at the option of the parties. Any party to such dispute may initiate the process by serving upon all other parties to the dispute a "REQUEST FOR RESOLUTION." The Request for Resolution shall include all of the following: (a) A brief description of the dispute between the parties; (b) A Request for Alternative Dispute Resolution; (c) A notice that the party receiving the Request for Resolution is required to respond thereto within thirty (30) days of receipt or the request will be deemed rejected; and (d) If the party on whom the request is served is the owner of a separate interest, a copy of Civil Code 5925 et seq. shall be provided.

3. The service of the Request for Resolution shall be either by personal delivery, first class mail, express mail, facsimile transmission, or other means reasonably calculated to provide actual notice to the party on whom the request is served.

4. The party receiving the Request for Resolution shall have thirty (30) days to accept or reject the request. In the event no such response is received, the Request is deemed “rejected.”

5. If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within ninety (90) days after receipt of the acceptance by the party initiating the request, unless this period is extended by written stipulation signed by both parties.

6. The costs of the alternative dispute resolution shall be borne by the parties.

7. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action (as defined by Civil Code §5925(b) the time limitation is tolled during the following periods: (a) The period provided in Section 5935 for response to a Request for Resolution, (b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated by the parties pursuant to Section 5940.

8. At the time of commencement of an enforcement action (as defined in Civil Code §5925(b)), the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) Alternative dispute resolution has been completed in compliance with this article; (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution; (3) Preliminary or temporary injunctive relief is necessary.

   Failure to file a certificate pursuant to Civil Code §5950 is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

9. After an enforcement action (as defined in Civil Code §5925) is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code. The costs of the alternative dispute resolution shall be borne by the parties.

10. In an enforcement action (as defined by Civil Code 5925(b)) in which fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

11. Except on agreement by the parties to the contrary, anything said, or admissions made in the course of alternative dispute resolution shall not be admissible into evidence in a trial. Documents prepared in preparation for or during the course of alternative dispute resolution shall not be admissible into evidence and disclosure of those documents may not be compelled in a civil action.

12. Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY CALIFORNIA CIVIL CODE SECTION 4525* **

Mutuals 1-12 and 14-17 contract with Golden Rain Foundation to provide administrative assistance, including, but not limited to, addressing Civil Code Section 4525 requirements (i.e., this Document Disclosure Summary Form), and oversight of the Mutuals' finances, periodic disclosures to the membership, rule violation notices, and maintenance and repair issues, all at the ultimate direction of the Mutuals' Board of Directors.

The seller (Shareholder) may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser (Member), at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller (Shareholder).

A seller (Shareholder) may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Property Address:_____

Owner (Shareholder) of Property:_____

Owner's (Shareholder's) Mailing Address (If known or different from property address.):_____

Provider of the Section 4525 Items:

Print Name: _____ Position or Title: _____ Association or Agent: Golden Rain Foundation

Date Form Completed:_____, 20___

Check or Complete Applicable Column or Columns Below:

Document	Civil Code Section	Included	Fee	Not Available(N/A) or Not Applicable (N/App), or directly provided by seller and confirmed in writing by seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	X	$10.00	
Trust Agreement	Section 4525(a)(1)	X	$15.00	
**CC&Rs	Section 4525(a)(1)	X	$15.00	
Bylaws	Section 4525(a)(1)	X	$15.00	
Operating Rules	Section 4525(a)(1)	X	$15.00	
Age restrictions	Section 4525(a)(2)	X	$8.00	
Rental restrictions	Section 4525(a)(9)		$8.00	
Annual budget report or summary, including reserve study	Section 5300 and 4525(a)(4)	X	$25.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	X	$20.00	
Financial statement review	Sections 5305 and 4525(a)(3)	X	$25.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	X	$10.00	
Insurance summary	Sections 5300 and 4525(a)(3)	X	$10.00	
Regular assessment	Section 4525(a)(4)	X	Included w/required statement of fees	
Special assessment	Section 4525(a)(4)		Included w/required statement of fees	

Emergency assessment	Section 4525(a)(4)		Included w/required statement of fees
Other unpaid obligations of seller	Section 5675 and 4525(a)(4)		Included w/required statement of fees
Approved changed to assessments	Sections 5300 and 4525(a)(4),(8)	X	$25.00
Settlement notice regarding Common Area defects	Sections 4525(a)(6), (7) and 6100		$8.00
Preliminary list of defects	Sections 4525(a)(6), 6000 and 6100		$8.00
Notice(s) of violations	Section 5855 and 4525(a)(5)		$8.00
Required statement of fees	Section 4525	X	$150.00
Minutes of regular meetings of the Board of Directors conducted over the previous 12 months, if requested	Section 4525(a)(10)		$35.00
Total fees for these documents:			**$395.00**

*The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately. Note, Golden Rain Foundation

**This document is applicable to Mutual Seventeen, only.

Request for Annual Notice of Address, Representative and Rental Status

Civil Code, Section 4041 requires each owner of a separate interest to provide written notice to the Association of all the following information annually. Please provide the information in the form below and return the completed form to the Association within 30 days. If the requested information is not provided, the property address of the Owner's separate interest will be used for notices.

1. The address or addresses to which notices from the Association are to be delivered.

2. An alternate or secondary address to which notices from the Association are to be delivered.

3. The name and address of your legal representative, if any, including any person with power of attorney, or other person who can be contacted in the event of your extended absence from the separate interest.

4. Is the separate interest --

◯ Owner-occupied? ◯ Rented out? ◯ Developed, but vacant?
◯ Undeveloped?

5. Member Name

Property Address

6. Return form to:

ELECTRONIC CONSENT FORM

SEAL BEACH MUTUAL NO. TEN

Pursuant to *Civil Code* §4040 and *Corporations Code* §20, the undersigned shareholder of Seal Beach Mutual No. Ten, a California corporation ("Mutual"), hereby consents to receipt of all documents from the Mutual by Electronic Transmission, including without limitation all documents that the Mutual is required to provide to its members by "individual delivery" as defined in *Civil Code* § 4040, on request, on a periodic basis, and/or on as-needed basis. Execution of this Electronic Consent Form ("Form" or "Agreement") is recommended and greatly appreciated because it will make the delivery of documents efficient and reduce the Mutual's mailing costs. Please return this Form to the Mutual by U.S. mail, personal delivery, or via electronic mail at the address provided below.

I/we, _____("Shareholder"), shareholder(s) of the Mutual via an occupancy agreement for the unit located at _____, Seal Beach, CA 90740, hereby agree and provide express consent to the Mutual to receive any and all documents, notices, and correspondence (collectively, "Documents") from the Mutual via Electronic Transmission as defined by *Corporations Code* §20, which states the following:

> "Electronic transmission by the corporation" means a communication (a) delivered by (1) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation, (2) posting on an electronic message board or network which the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered upon the later of the posting or delivery of the separate notice thereof, or (3) other means of electronic communication, (b) to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications under or pursuant to this code, and (c) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form. However, an electronic transmission under this code by a corporation to an individual shareholder or member of the corporation who is a natural person, and if an officer or director of the corporation, only if communicated to the recipient in that person's capacity as a shareholder or member, is not authorized unless, in addition to satisfying the requirements of this section, the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (a) any right of the recipient to have the record provided or made available on paper or in

nonelectronic form, (b) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation, and (c) the procedures the recipient must use to withdraw consent.

The Documents may be sent to me/us via Electronic Transmission at the following contact (fill in as applicable):

- Email(s):_____

Please be advised that you are not required to receive the Documents via Electronic Transmission. You have a right to receive "individual notice" of the Documents in paper form through U.S. mail. If you prefer to receive Documents via U.S. mail, do not execute this Agreement.

This Agreement may be withdrawn or revoked in whole, or in part, by sending the Mutual a written revocation of consent, signed and dated by the undersigned Shareholder, to the Mutual at the below address.

Please fill out, sign, and return this Agreement to the Mutual at the following address:

Seal Beach Mutual No. Ten
c/o Mutual Administration Department
P.O. Box 2069
Seal Beach, CA 90740
Email: MutualSecretaries@lwsb.com

SHAREHOLDER(S):

Date:_____ Signed:_____

Print Name:_____

Date:_____ Signed:_____

Print Name:_____