

AGENDA
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOUR

June 14, 2023

Open Forum begins at 8:30 a.m. – Meeting begins at 8:45 a.m.
Conference Room A and via Zoom Video & Conference Call

TO ATTEND ON ZOOM: The Shareholder will be provided with instructions on how to access the call via Zoom/telephone upon the Shareholder contacting Mutual Administration and requesting the log-in information. Please submit your information, including your name, Unit number, and telephone number, via e-mail at mutualsecretaries@lwsb.com or by calling (562) 431-6586 ext. 313, by 06/13/2023 no later than 3:00 p.m., the business day before the date of the meeting.

TO PROVIDE COMMENTS DURING MEETING: In order to make a comment during the open Shareholder forum, the Shareholder must submit all the necessary information stated above, via e-mail at mutualsecretaries@lwsb.com, and state their intent to speak. Please send in your request by 06/13/2023 no later than 3:00 p.m., the business day before the date of the meeting.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

2. ROLL CALL

President Levitt, Vice President Conley, Secretary Kuhl, Chief Financial Officer Green, Directors Glasser, Falconer, and Potter.

3. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):

Marsha Gerber, GRF Representative
Mallorie Hall, Sr. Director of Member Services
Diane Schultze, Mutual Accountant
Ryan Quental, Building Inspector
Ripa Barua, Senior Portfolio Specialist
Antoine Jackson, Portfolio Specialist

4. GUEST SPEAKER Ms. Hall / Ms. Schultze
a. Discuss and vote to approve 2022 Financial audited statements (pp. 4-23)

5. APPROVAL OF MINUTES
a. **Regular Meeting Minutes of May 10, 2023**
b. **Organizational Meeting Minutes of May 24, 2023.** (p. 24)

6. **BUILDING INSPECTOR'S REPORT** Mr. Quental
Permit activity; escrow activity; contracts & projects; shareholder and mutual requests (p. 25)
a. Discuss and vote to approve the Mutual 4 Fenn Pest 3-Year Bait Station proposal. (pp. 26-28)
b. Discuss and Vote to approve the Greco Design proposal for Electrical Doors, Phone Doors, and Attic Vent Doors. (pp. 29-32)
c. Discuss and vote to approve the Block wall proposal at unit 42-L by MJ Jurado. (pp. 33-34)

- d. Discuss and vote to approve the Patio Proposal at unit 44-F by MP Construction. (pp. 35-37)
- e. Discuss and vote to approve the Cart Pad proposal at unit 84-J by MJ Jurado. (pp. 38-39)

- 7. GRF REPRESENTATIVE Ms. Gerber
- 8. SECRETARY / CORRESPONDENCE Ms. Kuhl
- 9. CHIEF FINANCIAL OFFICER’S REPORT Ms. Green

10. UNFINISHED BUSINESS

- a. Discuss and vote to amend Rule 04-7507-1 Golf Cart Pad (pp. 40-44)
- b. Continue discussion of exiting the appliance business.
- c. Discuss amending Patio Rule Regarding Patio Wall/Stone wall cover.

11. NEW BUSINESS

- a. Approval of monthly finances for April and May (p. 45)
- b. Discuss and vote to approve/deny Notice of Intent to withdraw. (p. 46)
- c. Discuss and vote to approve/deny monthly meeting minutes in other mutuals. (p. 47)
- d. Discuss and vote to approve/deny property tax postponement application. (p. 48)
- e. Discuss and vote to approve/deny release of Mutual Board Contact information. (p. 49)
- f. Discuss and vote to approve “Yes”, “No” and abstention votes in the minutes. (p. 50)
- g. Discuss and vote to approve/deny the appointment setting commitment. (p. 51)
- h. Discuss and vote to appoint Landscape Advisory Director (p.)
- i. Discuss posting flyers on units regarding non-residents to vacate units.
- j. Discuss charges to SH vs. Mutual Fenn Various Services.
- k. Discuss securing a different company for viewing and cleaning Sewer lines.
- l. Discuss follow-up regarding email service for Directors.
- m. Discuss seller-purchased Home Warranty on non-standard items, such as a/c, skylights, appliances, etc.
- n. Open Discussion with new board members on any subjects or questions.

STAFF BREAK BY 11:00 a.m.

- 12. PORTFOLIO SPECIALIST REPORT Mr. Jackson

13. COMMITTEE REPORTS

- a. Mutual Administration Committee Ms. Kuhl
- b. Recreation Ms. Kuhl
- c. Physical Property Mr. Conley
- d. Landscape
- e. Special Events Ms. Glasser
- f. Electric Vehicle Ms. Green

14. ANNOUNCEMENTS

- a. **NEXT MEETING: Wednesday, July 19, 2023, Open Forum begins at 8:30 a.m. and the Meeting begins at 8:45 a.m. in the Administration Building, Conference Room A and via Zoom Conference Call**

15. DIRECTORS' COMMENTS

16. SHAREHOLDERS' COMMENTS (3 minutes)

17. ADJOURNMENT

18. EXECUTIVE SESSION

STAFF WILL LEAVE THE MEETING BY 12:00 p.m.

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO ACCEPT THE 2022 DRAFTED AUDITED FINANCIAL STATEMENTS (GUEST SPEAKER, ITEM A)
DATE: JUNE 14, 2023
CC: MUTUAL FILE

I move to accept that the Board of Directors of Seal Beach Mutual Four, upon a presentation of the Financial Statements as of December 31, 2022, for the year then ended, and the proposed Accountant's Report as submitted by CliftonLarsonAllen (CLA), hereby accepts the above-mentioned Financial Statements and reports therein, and authorize the President to sign the Management Representation Letter .

"Significant delay of audit issuance due to Restatement of financial statement -

- The prior year financial statements have been restated to recognize the deferred reserve in accordance with ASU 606 and U.S. GAAP as applicable to Common Interest Realty Associations (CIRAs). As a result of the restatement, the deferred reserve funds are recognized as liabilities in the financial statement, instead of the past presentation as owners' equity. Income from deferred reserve is recognized when the related performance obligation is satisfied, which occurs when major repairs or replacements are expended, instead of when cash is collected."

Thanks,
Alix Gruden, CPA, CCIFP
Assurance Director, Nonprofit
CLA (CliftonLarsonAllen LLP)

SEAL BEACH MUTUAL NO. FOUR
Financial Statements
December 31, 2022

DRAFT

**SEAL BEACH MUTUAL NO. FOUR
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YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Members
Seal Beach Mutual No. Four
Seal Beach, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Seal Beach Mutual No. Four (the Mutual), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seal Beach Mutual No. Four as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Seal Beach Mutual No. Four and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis-of-Matter Regarding a Correction of an Error

As discussed in Note 6 to the financial statements, certain errors regarding classification of assessments as of December 31, 2021 were discovered during the current year. Accordingly, amounts reported for project reserve and emergency reserve as of December 31, 2021 have been restated in the financial statements now presented. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Seal Beach Mutual No. Four's ability to continue as a going concern for Four year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for Four resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Seal Beach Mutual No. Four's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Seal Beach Mutual No. Four's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Direct Operating Expenses with comparative budget figures on page 15, is presented for purposes of additional analysis and is not a required part of the financial statements.

The Statement of Direct Operating Expenses is the responsibility of the Mutual's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The comparative budget information presented in the Statement of Direct Operating Expenses has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that information on future major repairs and replacements of common property on page 16 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Disclaimer of Opinion on Comparative Budget Information in the Statement of Operations

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The comparative budget information presented in the Statement of Operations and Statement of Direct Operating

Expenses which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

DRAFT

CliftonLarsonAllen LLP

Pasadena, California
May xx, 2023

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SEAL BEACH MUTUAL NO. FOUR
BALANCE SHEET
December 31, 2022

ASSETS

CURRENT ASSETS

| | | |
|--|----|------------------|
| Cash and cash equivalents (Note 2) | | |
| 1111000 Cash | \$ | 21,504 |
| 1122000 Money market accounts | | <u>390,206</u> |
| | | <u>411,710</u> |
| Receivables: | | |
| 1130500 Members (Note 1) | | 24,898 |
| 1133000 Other receivables | | <u>690</u> |
| | | <u>25,588</u> |
| Other current assets: | | |
| 1170000 Undivided beneficiary future interest in community trust funds | | 960,596 |
| 1150000 Prepaid expenses | | <u>62,262</u> |
| | | <u>1,022,858</u> |
| TOTAL CURRENT ASSETS | | <u>1,460,156</u> |

IMPOUND ACCOUNTS (Note 2)

| | | |
|-------------------------------|--|----------------|
| 1152500 Money market accounts | | <u>166,206</u> |
| TOTAL IMPOUND ACCOUNTS | | <u>166,206</u> |

RESTRICTED DEPOSITS (Note 2)

| | | |
|----------------------------------|--|------------------|
| Restricted money market accounts | | <u>1,327,184</u> |
| TOTAL RESTRICTED DEPOSITS | | <u>1,327,184</u> |

FIXED ASSETS

| | | |
|---|--|--------------------|
| 1501000 Land | | 610,809 |
| 1502000 Residences | | 8,408,084 |
| 1518000 Undivided beneficiary future interest in community facilities trust | | <u>2,659,568</u> |
| | | 11,678,461 |
| 1519000 Accumulated depreciation | | <u>(5,946,340)</u> |
| NET FIXED ASSETS | | <u>5,732,121</u> |

OTHER ASSETS

| | | |
|--|--|---------------|
| 1411000 Notes receivable | | 2,468 |
| 1650000 Repair & tax deposits (Note 2) | | <u>49,380</u> |
| TOTAL OTHER ASSETS | | <u>51,848</u> |

| | | |
|--------------|----|------------------|
| TOTAL ASSETS | \$ | <u>8,737,515</u> |
| | | (continued) |

See accompanying independent auditors' report.
The notes are an integral part of these financial statements.

SEAL BEACH MUTUAL NO. FOUR
BALANCE SHEET
December 31, 2022

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

| | | |
|--|----|------------------|
| 2111000 Payable to Golden Rain Foundation (Note 3) | \$ | 75,769 |
| 2111700 Project Commitments - Reserves (Note 1) | | 7,531 |
| 2120000 Prepaid monthly dues (note 1) | | 20,652 |
| 2131100 Accounts Payable - Misc Deposits - Mut | | 37,800 |
| 2132100 Other liabilities | | 9,166 |
| 2153500 Property tax accrual | | 44,779 |
| 2181000 Repair and tax deposit liability | | 44,605 |
| Deferred Reserve (Note 4) | | <u>1,319,653</u> |
| TOTAL CURRENT LIABILITIES | | <u>1,559,955</u> |
| TOTAL LIABILITIES | | <u>1,559,955</u> |

STOCKHOLDERS' EQUITY (Note 5)

Capital Stock:

| | | |
|--|----|-------------------------|
| 3120000 Common stock of par value ranging from \$325 to \$389; authorized, issued and outstanding 396 shares | | 141,517 |
| 3510000 Additional paid-in capital | | 4,547,500 |
| 3448000 Equity in additions to community facilities and trust funds | | 3,113,093 |
| 3449000 Equity in additions to land and residences improvements | | 4,845,616 |
| 3515000 Excess income before depreciation and amortization: | | 643,555 |
| 3649500 Accumulated depreciation and amortization | | (6,113,721) |
| TOTAL STOCKHOLDERS' EQUITY | | <u>7,177,560</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ | <u><u>8,737,515</u></u> |

See accompanying independent auditors' report.
The notes are an integral part of these financial statements.

SEAL BEACH MUTUAL NO. FOUR
STATEMENT OF OPERATIONS
(with comparative budget figures)
For the Year Ended December 31, 2022

| | <u>Actual</u> | <u>(Unaudited) Budget</u> |
|---|---------------------|-------------------------------|
| OCCUPANCY INCOME | | |
| Dwelling units, net of reserve funding | \$ 1,360,529 | \$ 1,360,546 |
| NON OCCUPANCY INCOME | | |
| Release from project reserve | 99,672 | - |
| Laundry facilities | 9,673 | 12,023 |
| Interest | 1,591 | 665 |
| Inspection fees | 32,750 | 22,002 |
| Miscellaneous | 734 | 523 |
| TOTAL NON OCCUPANCY INCOME | <u>144,420</u> | <u>35,213</u> |
| TOTAL AVAILABLE FOR OPERATIONS | <u>1,504,949</u> | <u>1,395,759</u> |
| DIRECT OPERATING EXPENSES (see Supplementary Information) | <u>1,496,038</u> | <u>1,395,759</u> |
| EXCESS OF INCOME AND TRANSFERS OVER DIRECT OPERATING EXPENSES | <u>8,911</u> | <u>\$ -</u> |
| DEPRECIATION | <u>241,242</u> | |
| EXCESS OF DIRECT OPERATING EXPENSES AND DEPRECIATION OVER INCOME AND TRANSFERS | <u>\$ (232,331)</u> | |

See accompanying independent auditors' report.
The notes are an integral part of these financial statements.

SEAL BEACH MUTUAL NO. FOUR
STATEMENT OF STOCKHOLDERS' EQUITY
For the Year Ended December 31, 2022

| | Capital Stock | Additional Paid-in Capital | Equity in Additions to Community Facilities | Equity in Additions to Land & Residences Improvements | Excess Income Before Depreciation and Amortization | Accumulated Depreciation and Amortization | Total Stockholders' Equity |
|---|-------------------|----------------------------------|--|--|---|--|----------------------------------|
| BALANCE AT JANUARY 1, 2022, as restated | \$ 141,517 | \$ 4,547,500 | \$ 2,884,973 | \$ 4,842,416 | \$ 634,644 | \$ (5,872,479) | \$ 7,178,571 |
| Equity in additions to community facilities trust | - | - | 228,120 | - | - | - | 228,120 |
| Equity in additions to land and residences improvements | - | - | - | 3,200 | - | - | 3,200 |
| Excess of income and transfers over direct operating expenses | - | - | - | - | 8,911 | - | 8,911 |
| Depreciation | - | - | - | - | - | (241,242) | (241,242) |
| BALANCE AT DECEMBER 31, 2022 | <u>\$ 141,517</u> | <u>\$ 4,547,500</u> | <u>\$ 3,113,093</u> | <u>\$ 4,845,616</u> | <u>\$ 643,555</u> | <u>\$ (6,113,721)</u> | <u>\$ 7,177,560</u> |

See accompanying independent auditors' report.
The notes are an integral part of these financial statements.

SEAL BEACH MUTUAL NO. FOUR
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

| | |
|--|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Excess of direct operating expenses and depreciation over income and transfers | \$ (232,331) |
| Adjustments to reconcile to net cash provided by operating activities: | |
| Funding of replacement reserves | 567,500 |
| Building and land maintenance paid from reserve funds | (96,472) |
| Depreciation | 241,242 |
| (Increase) in other receivables | (3,769) |
| (Increase) in prepaid expenses | (6,133) |
| Decrease in notes receivable | 779 |
| Increase in payable to Golden Rain Foundation | 65,010 |
| Increase in project commitment reserve | 7,531 |
| (Decrease) in prepaid monthly dues | (2,731) |
| Increase in Misc Deposits - Mut | 37,800 |
| (Decrease) in other liabilities | (7,952) |
| Increase in property tax accrual | 5,752 |
| Increase in repair and tax deposit liability | 18,011 |
| TOTAL ADJUSTMENTS | <u>826,568</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>594,237</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| (Purchase) of residences | <u>(3,200)</u> |
| NET CASH (USED IN) INVESTING ACTIVITIES | <u>(3,200)</u> |
| NET INCREASE IN CASH | 591,037 |
| CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR | <u>1,363,443</u> |
| CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR | <u>\$ 1,954,480</u> |

See accompanying independent auditors' report.
The notes are an integral part of these financial statements.

SEAL BEACH MUTUAL NO. FOUR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Seal Beach Mutual No. Four (the "Mutual"), located in Seal Beach, California, is one of 16 similar corporations which own land, buildings and an undivided beneficiary future interest in community facilities held in trust by Golden Rain Foundation (the "Foundation") within a housing project consisting of 6,482 cooperative housing units and 126 condominium units known as Seal Beach Leisure World.

The stockholders of the Mutual are also members of the Foundation, a nonprofit corporation that operates and maintains the community facilities within the project for the benefit of all residents of Seal Beach Leisure World. The beneficiary future interest of the Mutual in the community facilities of the Foundation and Trust reserve funds, before deduction of accumulated depreciation, totals \$3,620,164, consisting of interest in Trust funds of \$960,596 and interest in community facilities of \$2,659,568.

Fixed Assets: The cost of residences and improvements are capitalized at cost and are being depreciated on a straight-line basis over the useful life of the asset which is principally forty years.

The Mutual's undivided future interest in the community facilities of the trust is being depreciated on a straight-line basis over the useful lives of the underlying assets, which range from five to thirty years.

Revenue Recognition: The Mutual has adopted Accounting Standards Update No. 2014-09, *Revenues from Contracts with Customers* ("ASC 606"), refer to Note 6. The Mutual disaggregates its revenue streams by type of service into two major categories that depict the nature, amount, timing, and uncertainty of revenues and related cash flows. The following depicts each revenue stream:

- Net occupancy income represents the monthly assessment that the Mutual charges to the shareholders for providing the bundled services of operating and maintaining the Mutual facilities. The Mutual recognizes this revenue stream on a monthly basis as the shareholders are assessed amounts based on approved budgets. Receivable from members at December 31, 2022 and 2021 were \$24,898 and \$20,994, respectively. Prepaid monthly dues from members at December 31, 2022 and 2021 were \$20,652 and \$23,383, respectively.
- The release from project reserve represents the satisfaction of performance obligations for replacement fund assessments. Performance obligations are satisfied when the funds are expended for their intended purposes, at which time, revenue is recognized by the Mutual.
- Other non occupancy income relates to incidental revenue earned by the Mutual as part of services provided to the shareholders, such as laundry machine revenue, late charges on delinquent balances, interest on investments, inspection fees, returned check / ACH fees and parking fines.

Generally, due to the nature of its revenues, the Mutual recognizes revenues as services are provided over time and its obligations are complete from express or implied contracts. Prepaid monthly dues is a contract liability consisting of advance payments on account by shareholders.

SEAL BEACH MUTUAL NO. FOUR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Expenses: Included in the Mutual's operating expenses are trust administration costs related to administration, recreation and community facilities. The Foundation charges the Mutual for these services in the proportion to the Mutual's number of units as compared with all the units in the project. Trust Administration costs for the 396 units controlled by Mutual Four were \$804,392 for the year ended December 31, 2022.

Project Commitments: Reserves represent outstanding balances due to contractors for reserve and replacement work that is in process or has been completed, but not paid in full as of the balance sheet date. The total cost of these project commitments have been reflected in the current year's reserve activities.

As of December 31, 2022, the balance of Project Commitments - Reserves is \$7,531

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These assumptions and estimates can affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of changes in members' equity during the reporting period. Actual results could differ from those estimates.

Statement of Cash Flows: For purposes of reporting cash flows, cash and cash equivalents include securities and municipal bonds maturing within 90 days of the original purchase date. No interest expense was incurred. During 2022, the Mutual had noncash investing and financing activities increasing both the undivided beneficiary future interest in community facilities trust funds and equity in additions to community facilities in the amount of \$228,120.

Concentration of Credit Risk: The Mutual's cash is maintained in two commercial banks. Cash maintained in U.S. Bank consists of demand deposits, certificates of deposit ("CD"), and money market accounts. U.S. Bank has a "Secured Deposit" program that provides insurance in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The Mutual's accounts are fully covered by this program. Cash maintained in First Foundation Bank consists of demand deposit account. Cash in demand deposit totals \$56,369 which is fully covered by FDIC insurance.

Advertising: Costs are charged to operations when incurred and are included in operating expenses. The Mutual did not incur any advertising expense as of December 31, 2022.

SEAL BEACH MUTUAL NO. FOUR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes: Under Federal and State income tax regulations, income from member and non-member sources, net of applicable expenses, is taxable to the Mutual. Provision has been made in the current year for the 2022 tax expense or liability.

The Mutual adopted the provisions of FASB ASC Number 740-10, "Accounting for Uncertainty in Income Taxes." FASB ASC Number 740-10 changes the accounting for uncertainty in income taxes by creating a new framework for how organizations should recognize, measure, present and disclose uncertain tax positions in their financial statements. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax positions will more likely than not (>50%) be sustained upon the technical merits of the position. In accordance with FASB ASC 740-10, the Mutual adopted a policy to recognize penalties and interest resulting from those uncertainties in the period in which they are incurred as operating expenses. The Mutual has analyzed tax positions taken for filing with the Internal Revenue Service and the California Franchise Tax Board. The Mutual believes that income tax filing positions will be sustained upon examination, and does not anticipate any adjustments that would result in a material adverse affect on the Mutual's financial condition, results of operations, or cash flows. Accordingly, the Mutual has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2022.

Subsequent Events: Date of Management's Review - Subsequent events have been evaluated through May XX, 2023, the date that these financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS, INVESTMENTS, AND RESTRICTED CASH

Deposits and investments are presented on the balance sheet at December 31, 2022 as follows:

| | |
|---|---------------------|
| Cash and cash equivalents | \$ 411,710 |
| Impound accounts - cash equivalents | 166,206 |
| Repair and tax deposits - cash equivalents | 49,380 |
| Restricted cash equivalents | <u>1,327,184</u> |
| Total cash and cash equivalents and restricted cash | <u>\$ 1,954,480</u> |

SEAL BEACH MUTUAL NO. FOUR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - CASH AND CASH EQUIVALENTS, INVESTMENTS, AND RESTRICTED CASH (Continued)

A summary of designated deposits and investments at December 31, 2022 follows:

| | |
|--|---------------------|
| <u>Property Tax Fund</u> : Designated for the payment of property taxes | \$ 166,206 |
| <u>Appliance Fund</u> : Designated for replacement of appliances, fixtures and other property components | 9,588 |
| <u>Painting Fund</u> : Designated for painting of residences and other facilities | 123,537 |
| <u>Contingency Operating Fund</u> : Designated for deficiencies resulting from delinquent accounts and other contingencies | 25,000 |
| <u>Roofing Fund</u> : Designated for replacement of roofs | 340,039 |
| <u>Emergency Fund</u> : Designated for disasters and unanticipated liabilities | 92,209 |
| <u>Infrastructure Fund</u> : Designated for replacement of infrastructure | 726,811 |
| <u>Capital Fund</u> : Designated for future capital improvements | 10,000 |
| <u>Repair & Tax Deposits</u> : Designated for repairs of sold units and for pending tax liabilities of the sellers | 49,380 |
| Total designated deposits and investments | \$ <u>1,542,770</u> |

NOTE 3 - RECEIVABLE AND PAYABLE FROM AND TO GOLDEN RAIN FOUNDATION

A significant portion of the operating expenses consist of assessments and other billings paid to the Foundation. The board of the Foundation consist of members that are also members of the Mutuals.

Amounts payable to the Foundation of \$75,769 at December 31, 2022 represent the Mutual's current payables for bills paid by the Foundation on behalf of the Mutual and service maintenance charges for the month of December 2022.

SEAL BEACH MUTUAL NO. FOUR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 - DEFERRED REPLACEMENT FUNDS

The Mutual recognizes revenue from members as the related performance obligations are satisfied. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purposes. A contract liability (deferred reserve) is recorded when the Mutual has the right to receive payment in advance of the satisfaction of performance obligations related to replacement fund assessments. Deferred reserve for the year ended December 31, 2022 is as follows:

| | | |
|--------------------------------------|----|------------------|
| Deferred reserve - beginning of year | \$ | 851,826 |
| Collection of reserve | | 567,500 |
| Repair and maintenance expenditures | | (99,672) |
| Deferred reserve - end of year | \$ | <u>1,319,653</u> |

NOTE 5 - STOCKHOLDERS' EQUITY

On original issue, each share of common stock was accompanied by an occupancy agreement entitling the purchaser to possession of a particular residential apartment. Par value of each share was determined by the size, type and location of each apartment.

NOTE 6 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Mutual's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate \$1,327,184 at December 31, 2022, are held in separate accounts and are generally not available for operating purposes.

The funding for major repairs and replacements is based on a review performed by the Board of Directors (the "Board") to estimate the remaining useful lives and the replacement costs of the common property components. The estimates were obtained from licensed contractors and from the costs of recent projects performed in the community.

The Mutual is funding such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variances may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Mutual has the right, subject to shareholder approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

SEAL BEACH MUTUAL NO. FOUR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 - INCOME TAXES

The Company's effective income tax rate differs from the statutory federal income tax rate due to IRC Subchapter T adjustments and state income taxes, net of federal tax benefit. Subchapter T prohibits the use of losses generated from tenant activities against income from non-tenant activities. The Company's non-tenant activities for 2022 generated no taxable income.

At December 31, 2022, there were no temporary differences that gave rise to significant portions of deferred tax assets and deferred tax liabilities.

NOTE 8 - PRIOR PERIOD ADJUSTMENT

Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, requires the recognition of revenue when promised goods and services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services, and the deferral of incremental costs of obtaining a contract with a customers.

The following are the line items from the balance sheet and the statement of owners' equity for the year ended December 31, 2021, that were affected, and restated:

| | <u>As Originally Reported</u> | <u>Prior Period Adjustment</u> | <u>As Restated</u> |
|--|-----------------------------------|------------------------------------|------------------------|
| Balance Sheet | | | |
| Deferred Project Reserve Liability | \$ - | \$ 851,826 | \$ 851,826 |
| Statement of Stockholders' Equity | | | |
| Appliance Reserve | \$ 6,235 | \$ (6,235) | \$ - |
| Project Reserve | \$ 722,867 | \$ (722,867) | \$ - |
| Contingency Reserve | \$ 25,000 | \$ (25,000) | \$ - |
| Emergency Reserve | \$ 92,724 | \$ (92,724) | \$ - |
| Capital Reserve | \$ 5,000 | \$ (5,000) | \$ - |

SEAL BEACH MUTUAL NO. FOUR
 SUPPLEMENTARY INFORMATION
 STATEMENT OF DIRECT OPERATING EXPENSES
 (with comparative budget figures)
 For the Year Ended December 31, 2022

| | Actual | (Unaudited) Budget |
|--|--------------|-----------------------|
| COMMUNITY FACILITIES AND ASSOCIATION EXPENSES | | |
| Trust administration cost | \$ 804,392 | \$ 817,487 |
| TOTAL COMMUNITY FACILITIES AND ASSOCIATION EXPENSES | 804,392 | 817,487 |
| ADMINISTRATIVE EXPENSES | | |
| Management fee | 2,661 | 2,661 |
| Legal fees | 11,902 | 1,996 |
| TOTAL ADMINISTRATIVE EXPENSES | 14,563 | 4,657 |
| OPERATING EXPENSES | | |
| Electricity | 24,091 | 18,010 |
| Water | 81,526 | 74,987 |
| Rubbish removal | 48,502 | 47,330 |
| TOTAL OPERATING EXPENSES | 154,119 | 140,327 |
| MAINTENANCE AND REPAIR EXPENSES | | |
| Building and land maintenance from reserves | 99,672 | - |
| Building and land maintenance from excess operating | 13,095 | - |
| Outside replacements and maintenance | 26,185 | 28,085 |
| Outside grounds maintenance | 206,984 | 213,697 |
| Service maintenance - standard | 49,585 | 54,981 |
| Service maintenance - replacement | 41,647 | - |
| Transfers from replacement reserve | (41,647) | - |
| TOTAL MAINTENANCE AND REPAIR EXPENSES | 395,521 | 296,763 |
| TAXES AND INSURANCE EXPENSES | | |
| Income taxes (Note 1) | 1,022 | 855 |
| Hazard insurance | 126,396 | 135,670 |
| TOTAL TAXES AND INSURANCE EXPENSES | 127,418 | 136,525 |
| FINANCIAL EXPENSES | | |
| Bank service fee | 25 | - |
| TOTAL FINANCIAL EXPENSES | 25 | - |
| TOTAL DIRECT OPERATING EXPENSES | \$ 1,496,038 | \$ 1,395,759 |

See accompanying independent auditors' report.

SEAL BEACH MUTUAL NO. FOUR
 SUPPLEMENTARY INFORMATION REGARDING FUNDS FOR FUTURE REPAIRS
 (Unaudited)
 December 31, 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 recommended in Civil Code 5570(b)(4). Except as noted below the Board expects to finance all replacements through regular assessments to the shareholders. Accordingly, the Board does not plan any special assessments.

| Fund | Estimated Remaining Life | Current Replacement Cost | Reserve Balance Required | Est Beg Bal | Annual Contribution | Per Unit Per Month | |
|--|--------------------------------|--------------------------------|-----------------------------|-------------|------------------------|-----------------------|----------|
| Appliance | | \$ 47,760 | \$ 47,760 | \$ 2,760 | \$ 45,000 | | Note (1) |
| Monthly contribution to the Appliance fund | | | | | | \$ 9.47 | |
| Painting | 4 | 303,410 | 182,046 | 103,538 | 20,000 | | Note (2) |
| Roofing | 1 - 24 | 3,593,775 | 871,537 | 309,343 | 125,000 | | Note (3) |
| Infrastructure | 0 - 49 | 2,124,700 | 880,291 | 384,118 | 370,000 | | Note (4) |
| Contribution to Replacement Reserves | | | 1,933,874 | 796,999 | 515,000 | 108.38 | |
| Emergency | | | | 94,303 | 2,500 | | Note (5) |
| Capital | | | | 5,000 | 5,000 | | Note (6) |
| Contingency | | | | 25,000 | - | | Note (7) |
| Total for Budget | | | | \$ 124,303 | 7,500 | 1.58 | |
| | | | | \$ 919,062 | \$ 562,500 | \$ 119.42 | |

Notes:

- 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 \$78,770 and the adjustment is a \$31,010 decrease for a total requirement of \$47,760. The board approved the 2022 funding of this reserve for \$45,000.*
- Note 2. The board determined funding of \$20,000 for 2022.*
- Note 3. The board determined funding of \$125,000 for 2022.*
- Note 4. The board determined funding of \$370,000 for 2022.*
- Note 5. The board determined funding of 2,500 for 2022.*
- Note 6. The board determined funding of \$5,000 for 2022.*
- Note 7. The board determined no funding was necessary for 2022.*

See accompanying independent auditors' report.

**MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOUR
MAY 24, 2023**

The Organizational Meeting of Seal Beach Mutual Four was held following the Annual Shareholders' Meeting at Clubhouse 4. Portfolio Specialist Mr. Jackson, acting as Chairperson, called the meeting to order at 10:54 a.m. The purpose of the meeting was to elect the officers for the 2023-2024 term of office and to ascertain the Regular Monthly Board Meeting location, day, and time.

Those Directors present were Michael "Mike" Levitt, Dan Conley, Jan Kuhl, Cheryl Falconer, Patti Green, Judi Glasser and Anne R. Potter. Also present were Mutual Administration Director Jodi Hopkins, and Portfolio Specialist Antoine Jackson.

Portfolio Specialist Jackson opened the nominations for the office of the President. Dan Conley nominated Mike Levitt for the President. There being no further nominations, Mike Levitt was elected to the office of President for the 2023-2024 term of office.

The chair was turned over to new elected President Mike Levitt, who then called for nominations for the Vice President. Patricia "Patti" Green nominated Dan Conley for the office of Vice President. There being no further nominations, Dan Conley was elected to the office of Vice President for the 2023-2024 term of office.

President Levitt called for nominations for the office of the Secretary. Judi Glasser nominated Jan Kuhl for the office of Secretary. There being no further nominations, Jan Kuhl was elected to the office of Secretary for the 2023-2024 term of office.

President Levitt called for nominations for the Chief Financial Officer. Dan Conley nominated Patricia "Patti" Green for the office of Chief Financial Officer. There being no further nominations, Patricia "Patti" Green was elected to the office of Chief Financial Officer for the 2023-2024 term of office.

Upon a MOTION duly made by President Michael "Mike" Levitt and seconded by Vice President Conley, it was

RESOLVED that starting July 1, 2023, Mutual 4 board meeting will remain on the second Wednesday of each month, in Building 5, Conference Room, with the meeting Open Forum starting at 8:30 a.m. followed by the Regular Board Meeting at 8:45 a.m. June Meeting will be in the Mutual Administration building Conf. Room A

The MOTION passed with 6 "Yes" votes (Levitt, Conley, Kuhl, Falconer, Glasser, Potter) and 1 "No" vote (Green).

There being no further business, the meeting was adjourned at 11:04 a.m.

Attest, Jan Kuhl, Secretary
SEAL BEACH MUTUAL FOUR
AJ:05/24/2023

MONTHLY MUTUAL INSPECTOR REPORT

MUTUAL: **(04) FOUR**

DATE: **JUNE**

INSPECTOR: **RYAN QUENTAL**

PERMIT ACTIVITY

| UNIT # | WORK DESCRIPTION | GRF/CITY PERMIT | START DATE | FINISH DATE | CHANGE ORDER | RECENT INSPECTION | CONTRACTOR |
|--------|------------------|-----------------|------------|-------------|--------------|-----------------------------|----------------------|
| 37-I | ABATEMENT | GRF | 05/29/23 | 06/02/23 | NO | | P.E.A SOLUTIONS |
| 43-B | SHOWER CUT DOWN | BOTH | 06/09/23 | 07/09/23 | NO | | NU-KOTE |
| 43-H | HVAC | BOTH | 01/09/23 | 11/11/23 | NO | | GREENWOOD |
| 47-I | REMODEL | BOTH | 06/27/22 | 03/01/23 | YES | 5/5/23 - FINAL (NOT READY) | HANDYCREW |
| 47-L | WINDOWS | BOTH | 07/30/21 | 02/28/23 | YES | | ROBERTS CONSTRUCTION |
| 49-F | SOLAR PANELS | BOTH | 12/09/21 | 01/31/22 | NO | | SOLARMAX |
| 49-G | CART PAD | GRF | 04/13/23 | 04/18/23 | NO | 5/18/23 - FINAL (NOT READY) | ANGUIANO LAWN CARE |
| 49-I | REMODEL | BOTH | 04/05/23 | 07/30/23 | NO | 5/31/23 - INSULATION/LATH | MP CONSTRUCTION |
| 50-K | SHOWER CUT DOWN | BOTH | 12/29/22 | 01/29/23 | NO | | NUKOTE |
| 52-E | ENTRYWAY/WALLS | GRF | 03/27/23 | 07/30/23 | NO | | LW DÉCOR |
| 77-E | COUNTER TOPS | BOTH | 03/01/23 | 04/15/23 | YES | | JC KRESS |
| 81-A | PATIO | GRF | 01/15/23 | 03/12/23 | NO | | MJ JURADO |
| 81-D | ENTRY DOOR | BOTH | 06/20/23 | 08/31/23 | NO | | LW DÉCOR |
| 84-J | SHOWER REFINISH | BOTH | 04/11/23 | 05/11/23 | NO | 6/2/23 - FINAL | NU-KOTE |
| 86-A | REMODEL/PATIO | GRF | 04/11/22 | 08/31/23 | NO | 1/30/23 - DRYWALL | BA CONSTRUCTION |

ESCROW ACTIVITY

| UNIT # | NMI | PLI | NBO | FINAL | FCOEI | RELEASE OF FUNDS | ACTIVE | CLOSING | CLOSED |
|--------|-----|----------|----------|----------|----------|------------------|--------|---------|--------|
| 37-I | | 03/02/23 | 04/10/23 | 04/11/23 | 04/21/23 | | 12 | 4 | 6 |
| 44-F | | 01/27/23 | 04/26/23 | 04/26/23 | 05/08/23 | | | | |
| 50-A | | 09/27/22 | | | | | | | |
| 50-F | | 04/20/23 | 06/08/23 | | | | | | |
| 51-G | | 04/20/23 | | | | | | | |
| 52-J | | 04/14/23 | | | | | | | |
| 76-I | | 04/20/23 | | | | | | | |
| 76-L | | 05/24/23 | | | | | | | |
| 77-E | | 03/20/23 | 06/06/23 | 06/06/23 | 06/16/23 | | | | |
| 81-E | | 11/01/22 | | | | | | | |
| 84-F | | 03/30/23 | | | | | | | |
| 88-E | | 03/22/22 | | | | | | | |

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation
FCOEI = Final Close of Escrow Inspection

CONTRACTS & PROJECTS

| CONTRACTOR | PROJECT | EXPIRATION |
|-------------------|----------------------------|------------|
| Total Landscape | Landscape Maintenance | 12/31/2023 |
| Fenn Pest Control | Termites on Wednesday Only | 4/30/2023 |

SHAREHOLDER & MUTUAL REQUESTS

| SHAREHOLDER | MUTUAL |
|-------------------------------------|--|
| 45G - Carport cabinet lock removal. | Exterior Electrical Panel Doors/Attic Access Doors |
| 47D - Porch ceiling paint peeling. | |
| 84E - Cart pad proposal visit. | |

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE FENN TERMITE & PEST CONTROL 3-YEAR BAIT STATION CONTRACT (BUILDING INSPECTOR REPORT, ITEM A)
DATE: JUNE 14, 2023
CC: MUTUAL FILE

I move to approve the “Fenn Termite & Pest Control” contract to service and maintain Mutual No. Four Bait Station for a two-year period from 2023-2025, at a total cost not to exceed \$294 for year one, \$336 for Year Two, and \$336 for Year Three. Funds to come from Operating Budget line item “Pest Control” and authorize the president to sign the contract.

LEISURE WORLD MUTUAL 04

Rodent Control Service

Presented by



TERMITE + PEST CONTROL

A Full Service Pest Control Company

1-800-443-PEST (7378)

www.fennpest.com

Established 1950

*Dependable, family run service
for over 60 years.*

7322 Walnut Avenue
Buena Park, CA 90620

SCOPE OF SERVICE

SERVICE: Monthly inspection and maintenance of 84 rodent bait stations.

PESTS COVERED: Rats and Mice.

AREAS COVERED: Exterior of buildings & Carports.

COST:

2023

\$3.50 X 84 stations = \$294.00

2024

\$4.00 X 84 stations = \$336.00

2025

\$4.00 X 84 stations = \$336.00

AGREED:

MUTUAL 04:

FENN TERMITE & PEST CONTROL INC.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE GRECO DESIGN AND DEVELOPMENT CONTRACT FOR REPLACEMENT OF THE ELECTRICAL PANEL DOORS (BUILDING INSPECTOR'S REPORT, ITEM B)
DATE: JUNE 14, 2023
CC: MUTUAL FILE

I move to approve the electrical contract from Greco Design and Development for replacement of the exterior Electrical Panel Doors at a cost not to exceed \$_____. Funds to come from Structural Reserves and authorize the President to sign any necessary documentation.

Proposal - Contract

Greco DeSign and Development, Inc.
7438 Mohawk Circle, Buena Park, CA 90620
714-330-3523

| | | | |
|-------------------------------|---------------|-----------------------|--------------|
| Proposal Submitted To: | | Job Name: | Date: |
| Mutual 4 (Ryan Quental) | | Aluminum Doors | 2/17/2023 |
| Address: | | Job Location: | |
| Mutual 4 Leisure World | | Same | |
| Seal Beack, Ca | | Contact Person | |
| Phone #: | FAX #: | Ryan | |
| 562 431-6586 x359 | | | |

Project Description:

- * Provide & install Aluminum Doors for extrior of all buildings in Mutual 4
- * Doors made of .063 aluminum with white baked on finish
- * Aluminum hinges, & stainless steel clasps included
- * 34 Single Doors at \$750. each = \$25,500
- * 16 Double Doors at \$ 1,375 each = \$22,000

Total Cost \$47,500

We propose hereby to furnish material and labor - complete in accordance with the above specifications for the sum of:

\$ FORTY SEVEN THOUSAND, FIVE HUNDRED DOLLARS 00/100
 Deposit required with balance on completion

Any alterations or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted _____

Note: this proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of Proposal - Contract

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Signature: _____


Date of Acceptance: _____

Signature: _____

Proposal - Contract

Greco DeSign and Development, Inc.
7438 Mohawk Circle, Buena Park, CA 90620
714-330-3523

| | | | |
|-------------------------------|---------------|-----------------------|--------------|
| Proposal Submitted To: | | Job Name: | Date: |
| Mutual 4 (Ryan Quental) | | Aluminum Doors | 2/17/2023 |
| Address: | | Job Location: | |
| Mutual 4 Leisure World | | Same | |
| Seal Beack, Ca | | Contact Person | |
| Phone #: | FAX #: | Ryan | |
| 562 431-6586 x359 | | | |

Project Description:

- * Provide & install Aluminum Doors for extrior of all buildings in Mutual 4
- * Doors made of .063 aluminum with white baked on finish
- * Aluminum hinges, & stainless steel clasps included
- * 34 Single Doors at \$750. each = \$25,500
- * 16 Double Doors at \$ 1,375 each = \$22,000
- * 33 Phone Doors at \$225. each = \$7425.

Total Cost \$54,925

We propose hereby to furnish material and labor - complete in accordance with the above specifications for the sum of:

\$ FIFTY FOUR THOUSAND, NINE HUNDRED & TWENTY FIVE DOLLARS 00/100
 Deposit required with balance on completion

Any alterations or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted _____

Note: this proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of Proposal - Contract

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Signature:



Date of Acceptance: _____

Signature: _____

Proposal - Contract

Greco DeSign and Development, Inc.
7438 Mohawk Circle, Buena Park, CA 90620
714-330-3523

| | | | |
|-------------------------------|---------------|-------------------------|--------------|
| Proposal Submitted To: | | Job Name: | Date: |
| Mutual 4 (Ryan Quental) | | Exterior Aluminum Doors | 6/5/2023 |
| Address: | | Job Location: | |
| Leisure World Mutual 4 | | Same | |
| Seal Beach, Ca | | Contact Person | |
| Phone #: | FAX #: | Ryan | |
| 562 431-6586 x 359 | | | |

Project Description:

- * Provide & install Aluminum Doors for exterior of all buildings in Mutual 4
- * Doors made of .063 aluminum with white baked on finish
- * Aluminum hinges, & stainless steel clasps included
- * 34 Single Doors at \$750. each = \$25,500.
- * 16 Double Doors at \$1,375. each = \$22,000.
- * 33 Phone Doors at \$225. each = \$7,425.
- * 33 Buildings at 4 attic doors each = 132 at \$350. each = \$46,200.

Total \$101,125.

We propose hereby to furnish material and labor - complete in accordance with the above specifications for the sum of:

\$ ONE HUNDRED & ONE THOUSAND, ONE HUNDRED & TWENTY FIVE DOLLARS 00/100
Deposit required with balance on completion

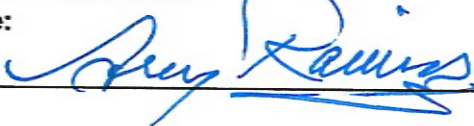
Any alterations or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted _____

Note: this proposal may be withdrawn by us if not accepted within ____ days.

Acceptance of Proposal - Contract

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Signature: _____


Date of Acceptance: _____ **Signature:** _____

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE BLOCK WALL PROPSAL AT UNIT 42-L
(BUILDING INSPECTOR'S REPORT, ITEM C)
DATE: JUNE 14, 2023
CC: MUTUAL FILE

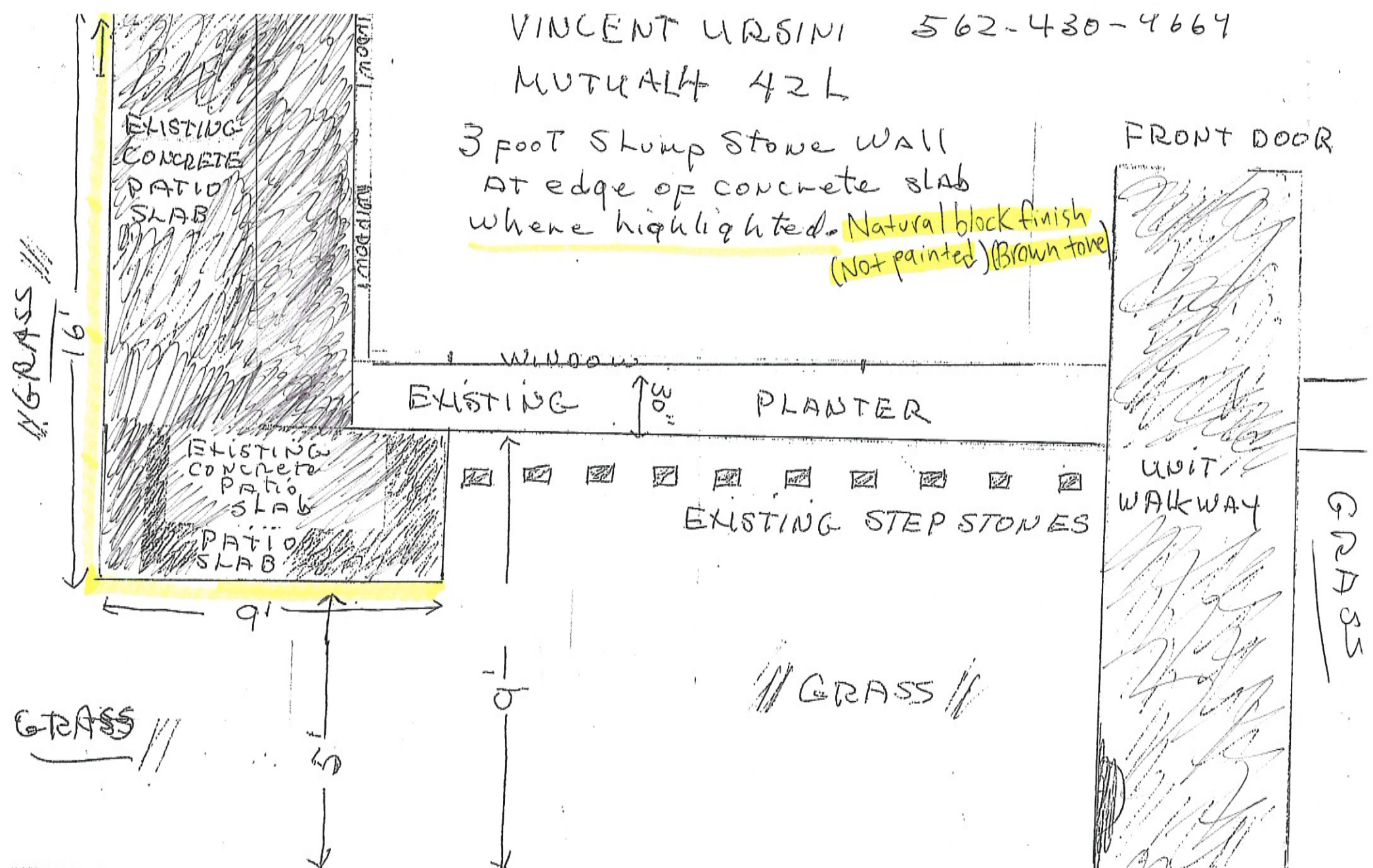
I move to approve the Block Wall proposal at Unit 42-L. Work to be done by MJ Jurado at the shareholder's expense.

VINCENT URSINI 562-430-4664

MUTUAL 42L

3 foot Skump Stone wall
at edge of concrete slab
where highlighted. Natural block finish
(Not painted) (Brown tone)

FRONT DOOR



COMMUNITY SIDEWALK

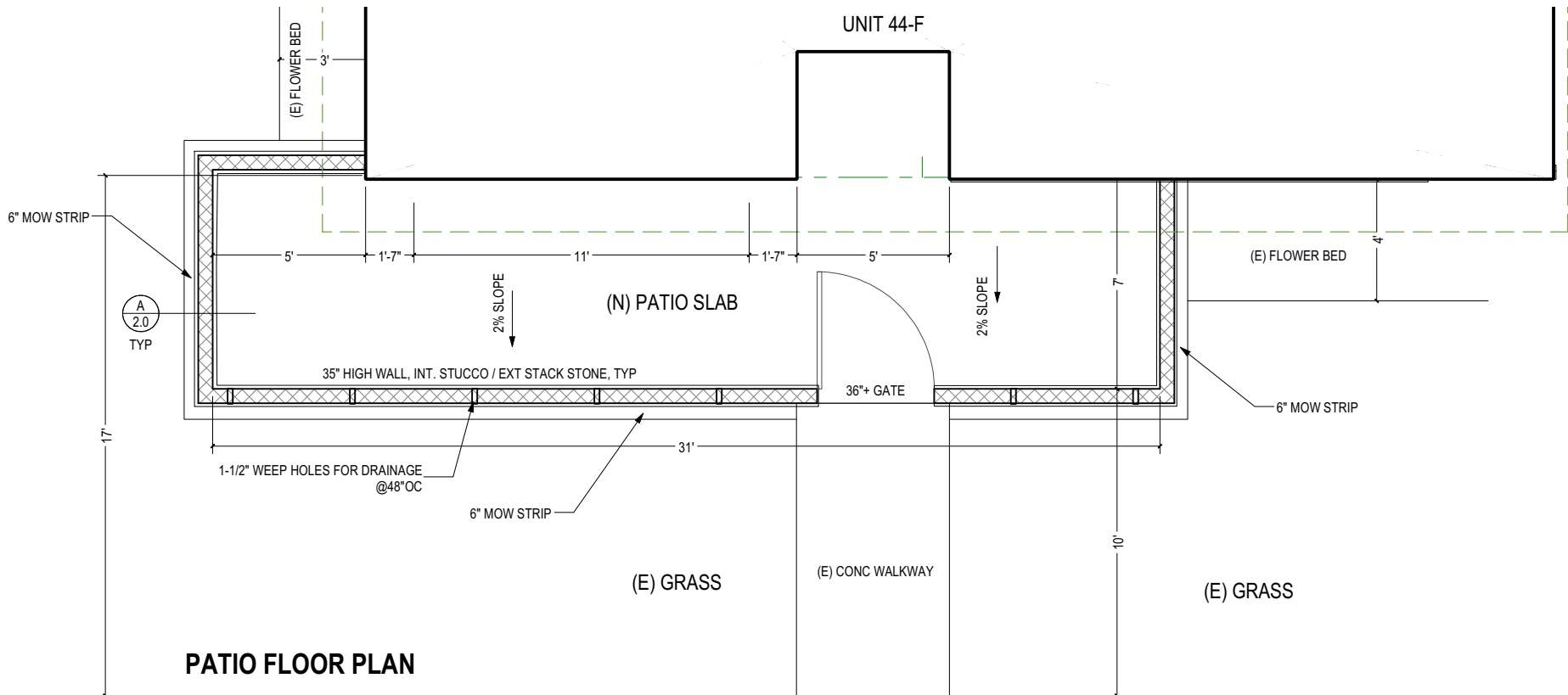
34

Mutual Corporation No. Four

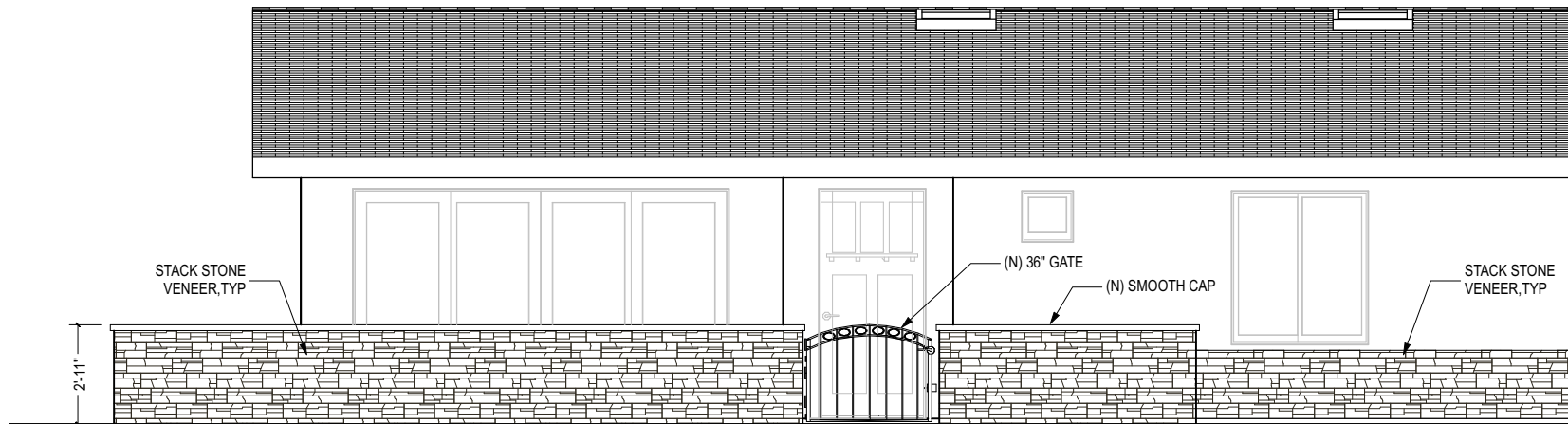
MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE PATIO PROPSAL AT UNIT 44-F
(BUILDING INSPECTOR'S REPORT, ITEM D)
DATE: JUNE 14, 2023
CC: MUTUAL FILE

I move to approve the patio proposal at Unit 44-F. Work to be done by MP Construction at the shareholder's expense.



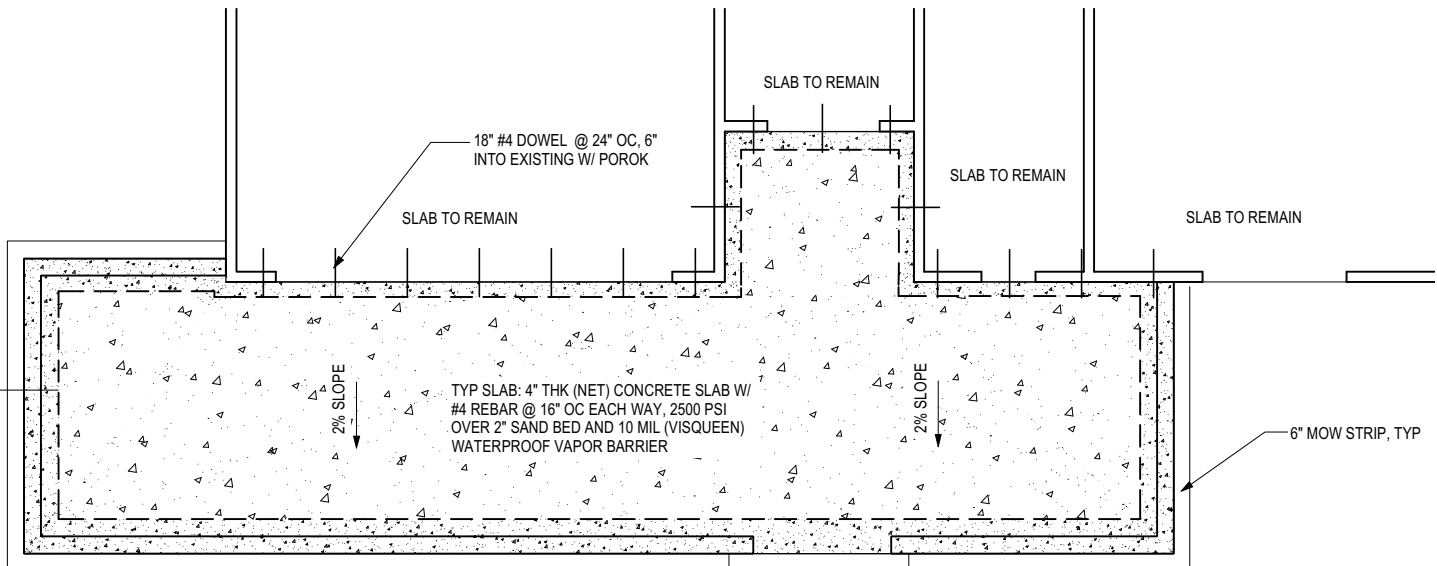
(E) SIDEWALK



FRONT ELEVATION

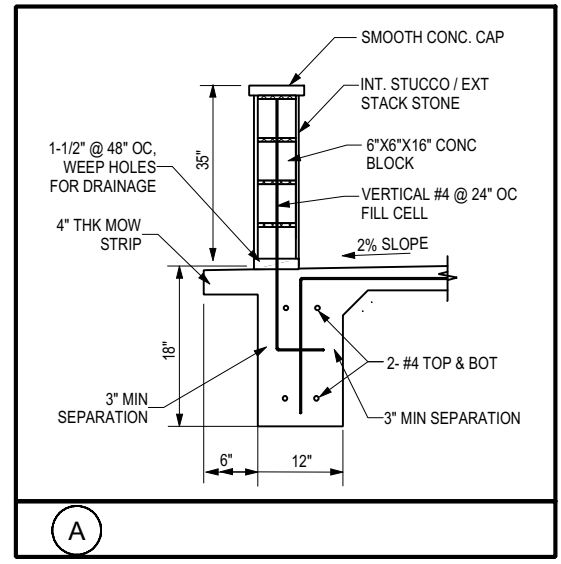
PATIO REMODEL
 1281 Knollwood Rd 44-F M4
 Seal Beach, CA 90740

A
2.0
TYP



PATIO FOUNDATION PLAN

(E) CONC WALKWAY



A

Mutual Corporation No. Four

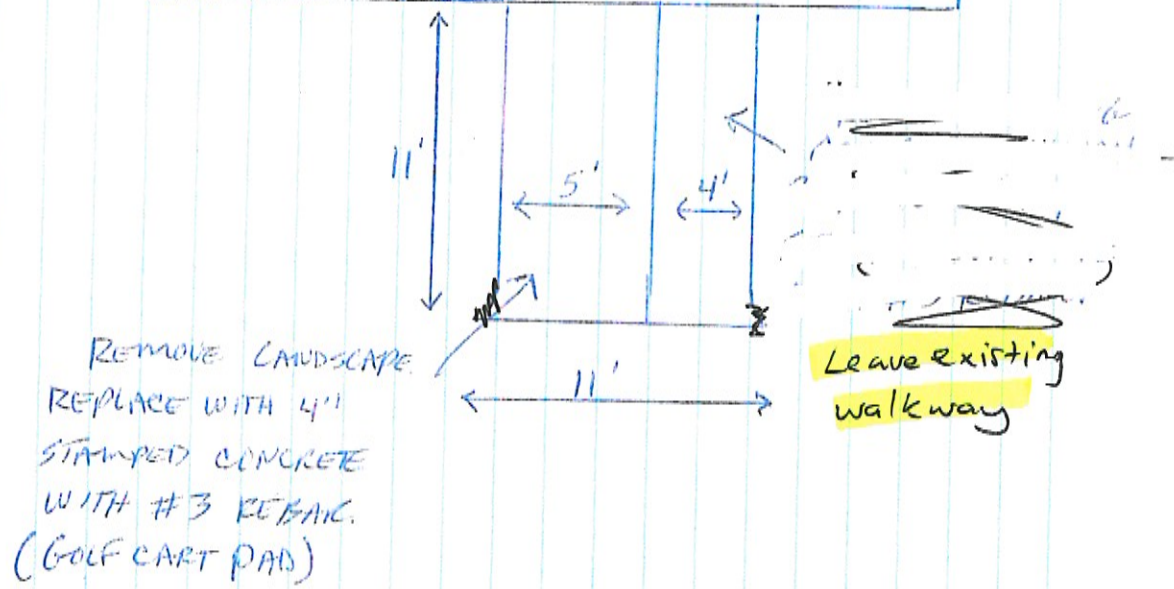
MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE CART PAD PROPSAL AT UNIT 44-F
(BUILDING INSPECTOR'S REPORT, ITEM E)
DATE: JUNE 14, 2023
CC: MUTUAL FILE

I move to approve the Cart Pad proposal at Unit 84-J. Work to be done by MJ Jurado at the shareholder's expense.

SALVADOR HERRERA

1420 SKOKIE RD
MUTUAL 4 - 845
(714) 552-2651



Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO AMEND RULE 04-7501-1 – GOLF CART PAD
(UNFINISHED BUSINESS, ITEM A)
DATE: JUNE 14, 2023
CC: MUTUAL FILE

I move to propose a rule change amending Rule 04-7507-1 – Golf Cart Pad of the Rules and Regulations and approve 28-day posting of notice of the proposed rule change. The proposed rule change will be considered by the board at the next scheduled meeting following review of any shareholder comments received.

SEAL BEACH MUTUAL NO. FOUR

SHAREHOLDER REGULATIONS

Golf Cart Pad

1
2 A temporary parking or charging pad (“pad”) may be installed adjacent to an apartment. Such
3 pads shall not be considered a permanent change to the unit but charging of carts and scooters.
4 Shareholders must follow the established guidelines below:

- 5
- 6 1. All pad requests must be submitted in writing by the contractor to the Mutual Board of
7 Directors (“Board”) and be accompanied by a photo of the proposed location. Board approval
8 will be on a case-by-case basis.
- 9
- 10 2. A permit must be obtained from the Golden Rain Foundation (“GRF”) Physical Property
11 Department before a pad is installed.
- 12
- 13 3. The pad shall be constructed of an interlocking or decorative block. All approvals are subject
14 to installation specifications.
- 15
- 16 4. The pad must not exceed 6 feet wide, that includes a 3” mow strip boarder on all sides.
- 17
- 18 5. The cost of installing a pad will be at the shareholder’s expense.
- 19
- 20 6. Any modifications to the existing sprinkler system that are required as a result of the
21 approved pad installation shall be at the shareholder’s expense.
- 22
- 23 7. In no case shall more than one pad per unit be approved.
- 24
- 25 8. Pads can only be used for parking golf cart and charging electric carts.
- 26
- 27 9. The pad is to be removed by the shareholder at his or her expense if shareholder no longer
28 has a golf cart and has no intention of acquiring another one.
- 29
- 30 10. The pad shall be removed upon resale or transfer of the share stock, at the seller’s expense,
31 unless the buyer has a cart, or may acquire a cart and agrees in writing to adhere to this cart
32 policy.
- 33
- 34

Golf Carts

- 35
- 36 ~~1. All carts must have an approved Leisure World decal from the GRF Security Department.~~
- 37
- 38 ~~2. For safety reasons, all carts shall have a rearview mirror, directional signals, headlights,~~
39 ~~taillights, and brake lights in good operating condition. Headlights shall be used when driving~~
40 ~~in darkness.~~
- 41
- 42 ~~3. The Board of Directors requires any cart owner to obtain sufficient insurance to protect~~
(May 2023)

SEAL BEACH MUTUAL NO. FOUR

SHAREHOLDER REGULATIONS

Golf Cart Pad

43
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~~themselves in case of personal injury or damage to the Mutual's property or another person's property.~~

~~4. Damage caused by a Shareholder, caregiver, family member, guest, or vendor shall be the responsibility of the Shareholder.~~

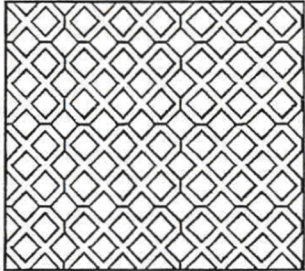
SEE INSTALLATION SPECIFICATIONS BELOW

DRAFT

**SEAL BEACH MUTUAL NO. FOUR
SHAREHOLDER REGULATIONS**

Golf Cart Pad

| thickness | stone size | approx. weight | approx. stones/pallet | approx. lbs./pallet | approx. stones/sq.ft. | approx. sq.ft./pallet |
|-----------|---------------|----------------|-----------------------|---------------------|-----------------------|-----------------------|
| 80 mm | 15.6" x 23.5" | 57 lb. | 48 | 2736 | 0.39 | 122 |



Unlimited design possibilities...

- Patios
- Pool Decks
- Walkways
- Driveways
- Intersections
- Shopping Malls
- Medians
- Sidewalks
- Roadways
- High Traffic Areas
- Show Room Floors
- and Much More

INSTALLATION

53

54 1. Excavate unsuitable, unstable, or unconsolidated
 55 subgrade material and compact the area which has been
 56 cleared. Backfill and level with dense graded aggregate
 57 suitable for base material (typically 3 to 6 inches for
 58 pedestrian and light vehicular traffic.

59 2. Install edge restraint using concrete curb, concrete toe,
 60 or Dimex Edge Pro.

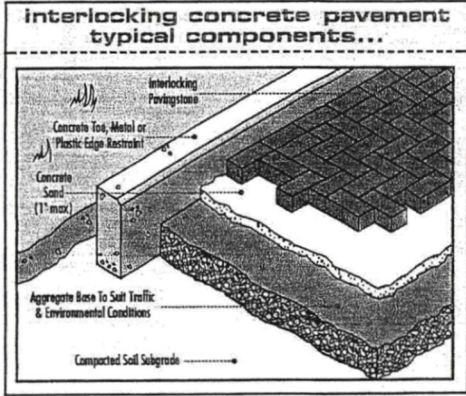
61 3. Place bedding course of sharp normal weight screening
 62 or concrete sand to a uniform depth of approximately 1"
 63 leveled to grade.

64 4. Install Interlocking Pavers hand tight with joints
 65 approximately 1/8".

66 5. Where required, cut stones with an approved cutter to fit accurately.

67 6. Tamp paving stones with mechanical vibrator uniformly level true to grade and free of
 68 movement.

69 7. Fill voids in joints by sweeping dry fine sand over pavers.



(May 2023)

SEAL BEACH MUTUAL NO. FOUR

SHAREHOLDER REGULATIONS

Golf Cart Pad

70
71
72
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Document History

Adopted: 09 Sep 2012 Amended: 10 May 2023

Keywords: Mutual Four Golf Cart Pad



(May 2023)

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVAL OF MONTHLY FINANCES (NEW BUSINESS, ITEM A)
DATE: JUNE 14, 2023
CC: MUTUAL FILE

I move to acknowledge, per the requirements of the Civil Code Section 5500(a)-(f), a review of the reconciliations of the operating and reserve accounts, operating revenues and expenses compared to the current year's budget, statements prepared by the financial institutions where the Mutual has its operating and reserve accounts, an income and expense statement for the Mutual's operating and reserve accounts, the check registers, monthly general ledger and delinquent assessment receivable reports for the month of April and May 2023.

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE NOTICE TO INTENT TO WITHDRAW
(NEW BUSINESS, ITEM B)
DATE: JUNE 14, 2023
CC: FILE

On June 8, 2022, Mutual Four Board of Directors “RESOLVED to approve that Mutual Four authorizes the Board’s President and/or duly appointed officer to act on behalf of the Board to execute the Notice of Intent to Withdraw.

I move to **approve** that Mutual Four authorizes the Board’s President and/or duly appointed officer to act on behalf of the Board to execute the Notice of Intent to Withdraw.

OR

I move to **deny** that Mutual Four authorizes the Board’s President and/or duly appointed officer to act on behalf of the Board to execute the Notice of Intent to Withdraw.

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RECEIVE MONTHLY MEETING MINUTES FROM OTHER MUTUALS. (NEW BUSINESS, ITEM C)
DATE: JUNE 14, 2023
CC: FILE

On June 8, 2022, Mutual Four Board of Directors, “RESOLVED to deny that Mutual Four continues to receive one hard copy of the various mutuals’ monthly minutes in their mailbox in the Stock Transfer Office.

I move to **approve** that Mutual Four continues to receive one hard copy of the various mutuals’ monthly minutes in their mailbox in the Stock Transfer Office.

OR

I move to **deny** that Mutual Four continues to receive one hard copy of the various mutuals’ monthly minutes in their mailbox in the Stock Transfer Office.

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE PROPERTY TAX POSTPONEMENT APPLICATION. (NEW BUSINESS, ITEM D)
DATE: JUNE 14, 2023
CC: FILE

On June 8, 2022, Mutual Four Board of Directors “RESOLVED to approve that Mutual Nine **does not support** or authorize the signing of the Property Tax Postponement Application from the State of California. The Mutual further authorizes the GRF Finance Department to notify the Board if a shareholder requests a Property Tax Statement.

I move to approve that Mutual Four **does not support** or authorize the signing of the Property Tax Postponement Application from the State of California. The Mutual further authorizes the GRF Finance Department to notify the Board if a shareholder requests a Property Tax Statement.

OR

I move to approve that Mutual Four **does support** or authorize the signing of the Property Tax Postponement Application from the State of California. The Mutual further authorizes the GRF Finance Department to notify the Board if a shareholder requests a Property Tax Statement.

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE RELEASE MUTUAL BOARD CONTACT INFORMATION. (NEW BUSINESS, ITEM E)
DATE: JUNE 14, 2023
CC: FILE

On June 8, 2022, Mutual Nine Board of Directors “RESOLVED to **approve** that the Mutual Nine Board of Directors authorizes the Mutual Administration Department to release all contact information as requested.”

I move to **approve** that the Mutual Four Board of Directors authorizes the Mutual Administration Department to release all contact information as requested.

OR

I move to **deny** that the Mutual Four Board of Directors authorizes the Mutual Administration Department to release all contact information as requested.

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO DISCLOSE “YES”, “NO” AND “ABSTENTIONS”
VOTES IN THE MINUTES. (NEW BUSINESS, ITEM F)
DATE: JUNE 14, 2023
CC: FILE

On June 8, 2022, Mutual Four Board of Directors “RESOLVED to approve that the Mutual Nine Board of Directors reflect “no” vote, a “yes” vote or an “abstention” in the meeting minutes..

I move to **approve** that the Mutual Four meeting minutes disclose “yes” votes, “no” votes, and abstentions in the meeting minutes.

OR

I move to **deny** that the Mutual Four meeting minutes disclose “yes” votes, “no” votes, and abstentions in the meeting minutes.

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE APPROVE THE APPOINTMENT
SETTING COMMITMENT (NEW BUSINESS, ITEM G)
DATE: JUNE 14, 2023
CC: FILE

The GRF staff provides valuable services to all Mutuals. To maintain these valuable services, we are again soliciting all Mutual Board of Directors to help support our united mission to maintain our collective community for the betterment of all. To facilitate this mission and to help control time, focus and, most importantly, expense, I need to take this opportunity to kindly request action from all Mutual Board of Directors to help us support you, so that we may ensure all goals and tasks are accomplished in a timely and productive manner.

On June 8, 2022, Mutual Four of Directors, “RESOLVED to approve a commitment by the Board of Directors of Mutual Four, to help support the unified mission of the collective mutuals of Leisure World Seal Beach, to ensure appointments are made to meet with GRF staff.

I move to **approve** a commitment by the Board of Directors of Mutual Four, to help support the unified mission of the collective mutuals of Leisure World Seal Beach, to ensure appointments are made to meet with GRF staff.

OR

I move to **deny** a commitment by the Board of Directors of Mutual Four, to help support the unified mission of the collective mutuals of Leisure World Seal Beach, to ensure appointments are made to meet with GRF staff.

Mutual Corporation No. Four

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPOINT LANDSCAPE ADVISORY DIRECTOR
(NEW BUSINESS, ITEM H)
DATE: JUNE 14, 2023
CC: FILE

I move to appoint _____ as Landscape Advisory Director for 2023-2024.