

**AGENDA**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL FOUR**  
**July 12, 2023**

**Open Forum begins at 8:30 a.m. – Meeting begins at 8:45 a.m.**  
**Conference Room B 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](mailto:mutualsecretaries@lwsb.com) or by calling (562) 431-6586 ext. 313, by 07/11/2023 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](mailto:mutualsecretaries@lwsb.com), and state their intent to speak. Please send in your request by 07/11/2023 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 Falconer, Potter and Glasser.

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  
Connie Celestine, Assistant 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 June 14, 2023**

6. **BUILDING INSPECTOR'S REPORT** Mr. Quental

Permit activity; escrow activity; contracts & projects; shareholder and mutual requests (p. )

  - a. Discuss and vote to approve the Cart Pad proposal at unit 84-J by MJ Jurado. (pp. 25)
  - b. Discuss and vote to approve the Patio proposal at unit 44-F by MP Construction. (pp. 26-27)
  - c. Discuss and vote to approve the Porch Wall Change order at unit 52-E by LW Décor. (pp. 28-32)

d. Discuss and vote to amend Fenn pest 3-Year Bait Station Proposal. (p. 33-35)

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

**10. UNFINISHED BUSINESS**

- a. Discuss creating a document for Shareholders getting the Homeowner 1-year warranty.
- b. Continue discussion exiting appliance business.
- c. Discuss painting and colors for patio walls.
- d. Discuss amending Patio Rule Regarding Patio rule to say "with Board approval".
- e. Discuss amendments to the Rule 04-7452-3 - Equipment Standards.
- f. Discuss securing a different company for viewing and cleaning Sewer lines.
- g. Update on EV charging.
- h. Discuss and vote to Ratify 04-7501-1 – Golf Cart Pad. (p. 36-38)

**11. NEW BUSINESS**

- a. Approval of monthly finances for April, May, and June. (p. 39)
- b. Discuss and vote to appoint Landscape Advisory Director (p. 40)
- c. Discuss and vote to approve the Visitor vacate flyers. (p. 41)
- d. Discuss and vote to approve the "New Buyer Orientation Packet" (p. 42)
- e. Discuss and vote to approve the CINC resident portal and invoice approval. (p. 43-46)
- f. Discuss and vote to approve the Webmaster Access Agreement. (p. 47-51)
- g. Discuss and vote on all permits going to board or who will be responsible for signing. (p. 52)
- h. Discuss amending the mutual policy regarding not allowing plant pots on patio walls.
- i. Continue discussion on Directors' email services.
- j. Discuss hiring a contractor for Termite damage repair.

**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, August 9, 2023, Open Forum begins at 8:30 a.m. and the Meeting begins at 8:45 a.m. in the Building 5, Conf. Room B 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*

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## MEMO

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**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:** JULY 12, 2023  
**CC:** MUTUAL FILE

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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			390,206
			<u>411,710</u>
Receivables:			
1130500 Members (Note 1)			24,898
1133000 Other receivables			690
			<u>25,588</u>
Other current assets:			
1170000 Undivided beneficiary future interest in community trust funds			960,596
1150000 Prepaid expenses			62,262
			<u>1,022,858</u>
TOTAL CURRENT ASSETS			<u>1,460,156</u>

IMPOUND ACCOUNTS (Note 2)

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

RESTRICTED DEPOSITS (Note 2)

Restricted money market accounts			1,327,184
			<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			2,659,568
			<u>11,678,461</u>
1519000 Accumulated depreciation			(5,946,340)
			<u>5,732,121</u>
NET FIXED ASSETS			<u>5,732,121</u>

OTHER ASSETS

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

		\$	<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

	Actual	(Unaudited) Budget
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	144,420	35,213
TOTAL AVAILABLE FOR OPERATIONS	1,504,949	1,395,759
DIRECT OPERATING EXPENSES (see Supplementary Information)	1,496,038	1,395,759
EXCESS OF INCOME AND TRANSFERS OVER DIRECT OPERATING EXPENSES	8,911	\$ -
DEPRECIATION	241,242	
EXCESS OF DIRECT OPERATING EXPENSES AND DEPRECIATION OVER INCOME AND TRANSFERS	\$ (232,331)	

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

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
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
<b>TOTAL ADJUSTMENTS</b>	<u>826,568</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>594,237</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
(Purchase) of residences	<u>(3,200)</u>
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<u>(3,200)</u>
<b>NET INCREASE IN CASH</b>	591,037
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR</b>	<u>1,363,443</u>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR</b>	<u><u>\$ 1,954,480</u></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 &amp; 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>
<b>Balance Sheet</b>			
Deferred Project Reserve Liability	\$ -	\$ 851,826	\$ 851,826
<b>Statement of Stockholders' Equity</b>			
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

	<u>Actual</u>	<u>(Unaudited) Budget</u>
COMMUNITY FACILITIES AND ASSOCIATION EXPENSES		
Trust administration cost	\$ 804,392	\$ 817,487
TOTAL COMMUNITY FACILITIES AND ASSOCIATION EXPENSES	<u>804,392</u>	<u>817,487</u>
ADMINISTRATIVE EXPENSES		
Management fee	2,661	2,661
Legal fees	11,902	1,996
TOTAL ADMINISTRATIVE EXPENSES	<u>14,563</u>	<u>4,657</u>
OPERATING EXPENSES		
Electricity	24,091	18,010
Water	81,526	74,987
Rubbish removal	48,502	47,330
TOTAL OPERATING EXPENSES	<u>154,119</u>	<u>140,327</u>
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	<u>395,521</u>	<u>296,763</u>
TAXES AND INSURANCE EXPENSES		
Income taxes (Note 1)	1,022	855
Hazard insurance	126,396	135,670
TOTAL TAXES AND INSURANCE EXPENSES	<u>127,418</u>	<u>136,525</u>
FINANCIAL EXPENSES		
Bank service fee	25	-
TOTAL FINANCIAL EXPENSES	<u>25</u>	<u>-</u>
TOTAL DIRECT OPERATING EXPENSES	<u>\$ 1,496,038</u>	<u>\$ 1,395,759</u>

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.

## MUTUAL 4 INSPECTOR'S REPORT

MUTUAL: **(04) FOUR**

DATE: **JULY**

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
44-F	REMODEL/WINDOWS	BOTH	06/05/23	10/30/23	NO	7/5/23 - HOT MOP	MP CONSTRUCTION
45-D	SHOWER CUT DOWN	BOTH	07/06/23	08/06/23	NO		NU KOTE
47-I	REMODEL	BOTH	06/27/22	03/01/23	YES	5/5/23 - FINAL (NOT READY)	HANDYCREW
49-F	SOLAR PANELS	BOTH	12/09/21	01/31/22	NO		SOLARMAX
49-I	REMODEL	BOTH	04/05/23	07/30/23	NO	7/3/23 - FINAL	MP CONSTRUCTION
52-E	ENTRYWAY/WALLS	GRF	03/27/23	07/30/23	NO		LW DÉCOR
75-L	DISHWASHER	GRF	06/20/23	08/30/23	NO		LW DÉCOR
81-D	ENTRY DOOR	BOTH	06/20/23	08/31/23	NO		LW DÉCOR
85-G	AWNINGS	GRF	10/10/23	10/10/23	NO		AAA AWNINGS
86-A	REMODEL/PATIO	GRF	04/11/22	08/31/23	NO	1/30/23 - DRYWALL	BA CONSTRUCTION
87-K	DISHWASHER	BOTH	06/19/23	08/31/23	NO		MARCO 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	06/30/23	12	3	8
44-F		01/27/23	04/26/23	04/26/23	05/08/23	07/03/23			
50-A		09/27/22							
50-F		04/20/23	06/08/23	06/13/23	06/23/23				
51-G		04/20/23							
52-J		04/14/23							
76-I		04/20/23	06/23/23	06/23/23	07/05/23				
76-L		05/24/23							
77-E		03/20/23	06/06/23	06/06/23	06/16/23				
79-A		06/28/23							
80-J		06/22/23							
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	5/31/2026

### SHAREHOLDER & MUTUAL REQUESTS

SHAREHOLDER	MUTUAL
45G - Carport cabinet lock removal.	
47D - Porch ceiling paint peeling.	
84E - Cart pad proposal visit.	

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE CART PAD PROPSAL AT UNIT 84-J  
(BUILDING INSPECTOR'S REPORT, ITEM A)  
**DATE:** JULY 12, 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.

# *Mutual Corporation No. Four*

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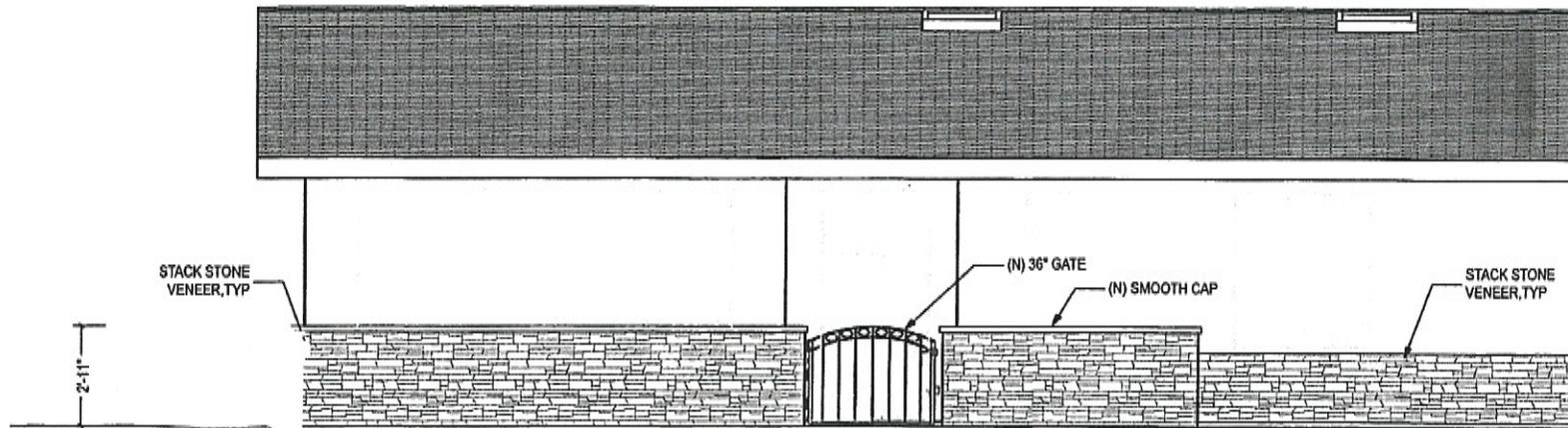
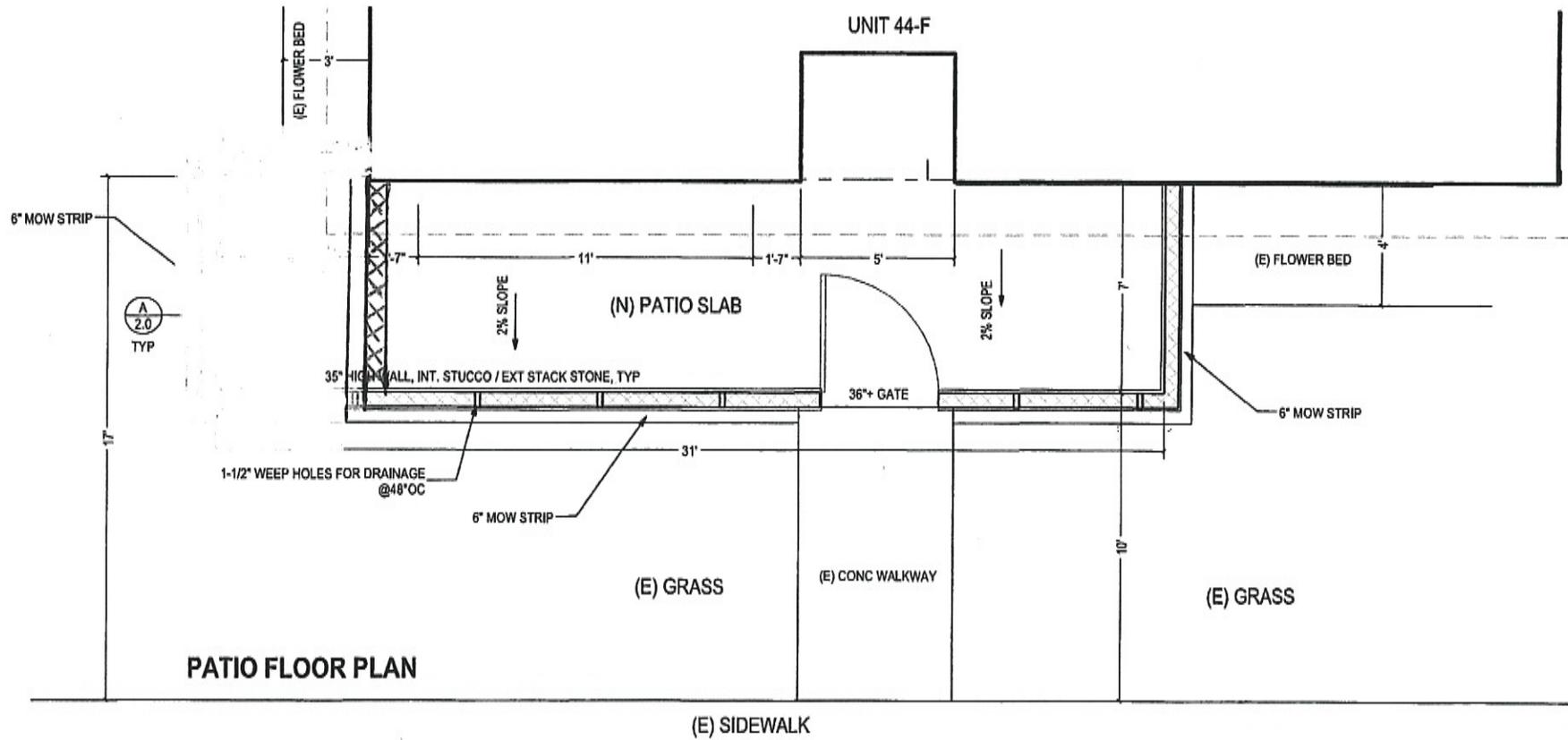
## MEMO

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**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 B)  
**DATE:** JULY 12, 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.



**FRONT ELEVATION**

**PATIO REMODEL**

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

# *Mutual Corporation No. Four*

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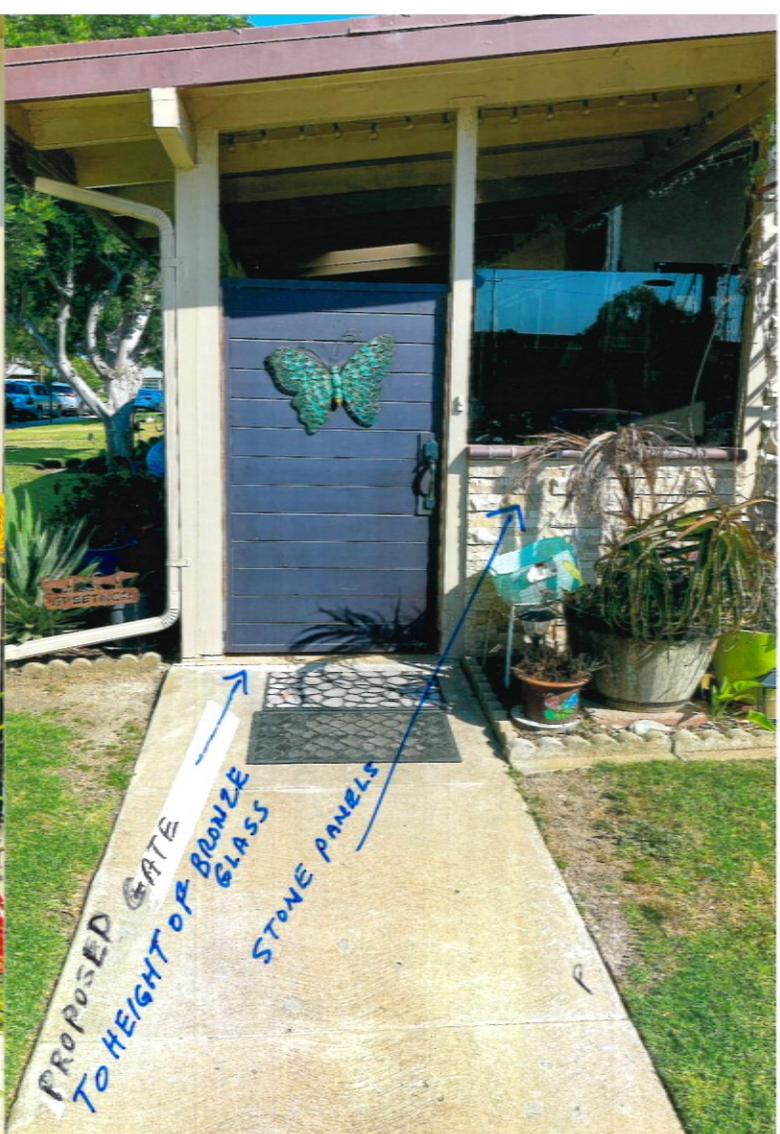
## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE THE PORCH WALL CHANGE ORDER AT UNIT 52-E BY LW DÉCOR (BUILDING INSPECTOR'S REPORT, ITEM C)  
**DATE:** JULY 12, 2023  
**CC:** MUTUAL FILE

---

I move to approve the Porch Wall change order at unit 52-E, work to be done by LW Décor at the shareholders expense.



GOLDEN RAIN FOUNDATION  
PHYSICAL PROPERTY DEPARTMENT  
POST OFFICE BOX 2069  
SEAL BEACH, CA 90740

CHANGE ORDER # 04 - Revised

Mutual # 04 Unit # 52-E

PROPOSAL SUBMITTED BY:

L.W. DECOR INC  
562-596-0559

JOB ADDRESS:

1240 OAKMONT Rd

WE PROPOSE TO PERFORM THE FOLLOWING WORK, CHANGES OR DELETIONS:

Cancel 4x14 sidewalk and Hardie Board - item A on Proposed open patio. Change item A to 5 ft wooden Gate - also additional 5 ft Gate on North side to enter 8 ft wide long patio. Install 2 ft long Bronze Glass 3/8" Thick Tempered of 35" New Cinder Blocks walls and on each side of North side Gate. Texture patio walls around Entry Door and paint mutual color. Install new Entry glass door

PAYMENT WILL BE MADE BY:

LUMP SUM: \$ 3800<sup>00</sup> TOTAL AMOUNT TO BE ADDED TO THE CONTRACT PRICE FOR THE COST OF THE EXTRA WORK.

DELETION: \$ \_\_\_\_\_ TOTAL AMOUNT TO BE DELETED FROM THE CONTRACT PRICE FOR THE ABOVE NOTED DELETION.

YOUR SIGNATURE BELOW SIGNIFIED YOUR ACCEPTANCE

John Figueroa  
CONTRACTOR'S SIGNATURE

May 24, 2024  
DATE

Raymond S. Hee  
RESIDENT'S SIGNATURE

5.24.2023  
DATE

MUTUAL DIRECTOR'S SIGNATURE

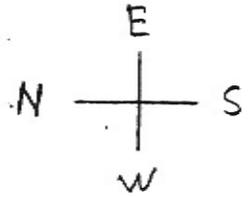
DATE

INSPECTOR'S SIGNATURE

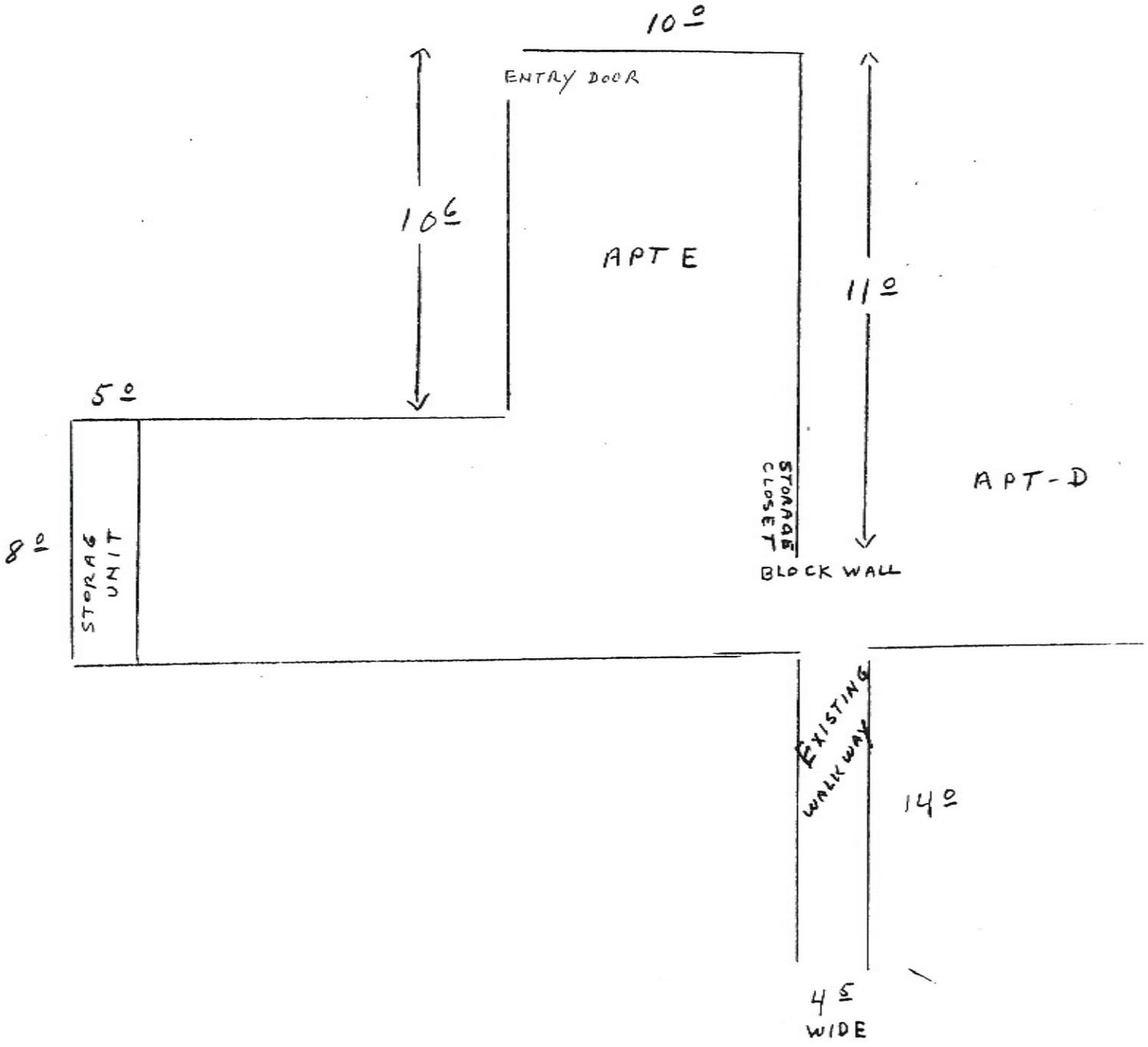
DATE

LW DECOR INC

MUTUAL 04-52-E

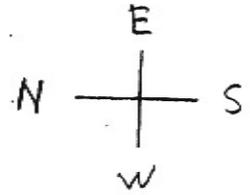


EXISTING OPEN PATIO

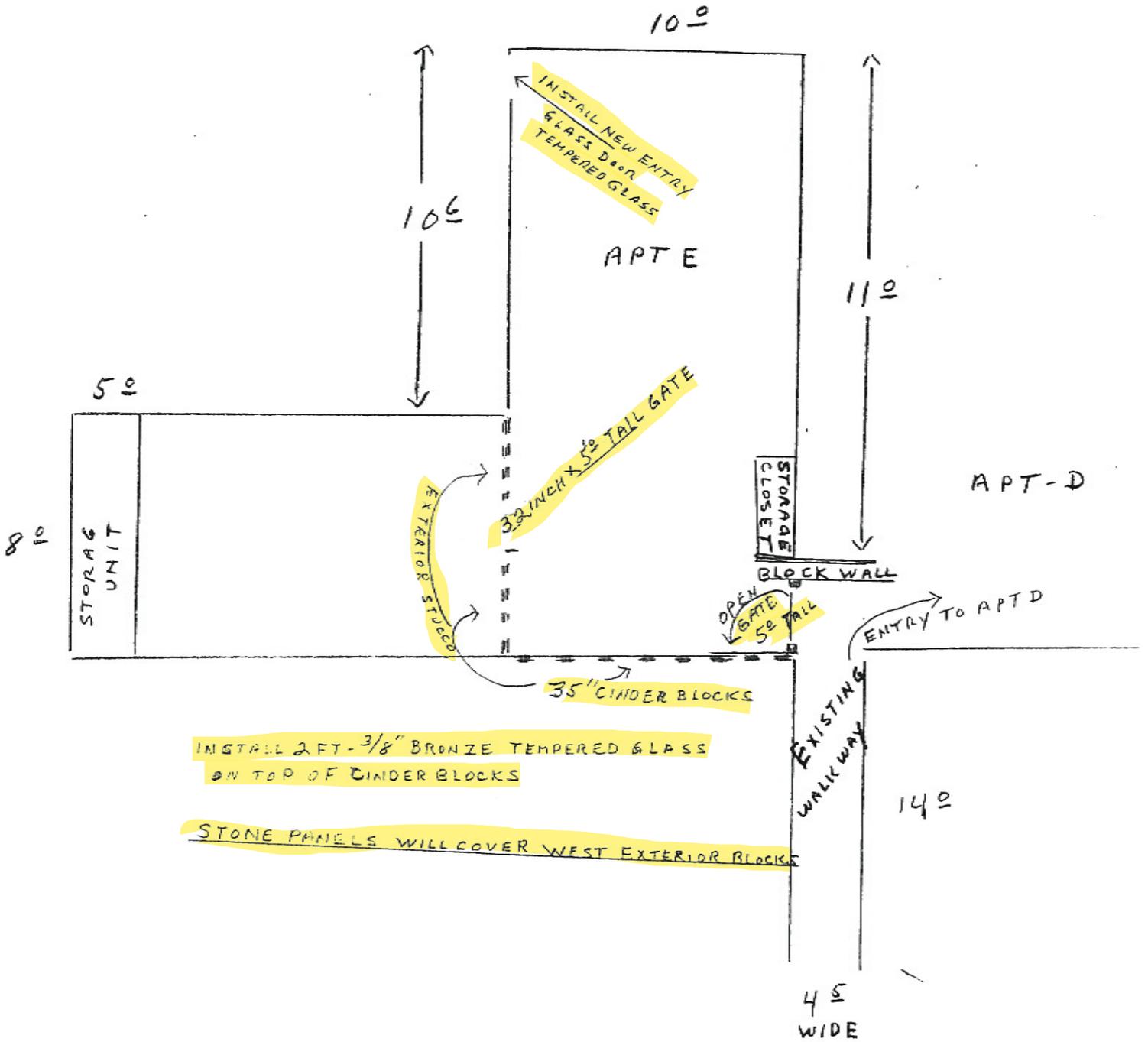


LW DECOR INC

MUTUAL 04-52-E



NEW PROPOSED OPEN PATIO  
PER CHANGE ORDER 01 REVISED



# *Mutual Corporation No. Four*

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## MEMO

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**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 D)  
**DATE:** JULY 12, 2023  
**CC:** MUTUAL FILE

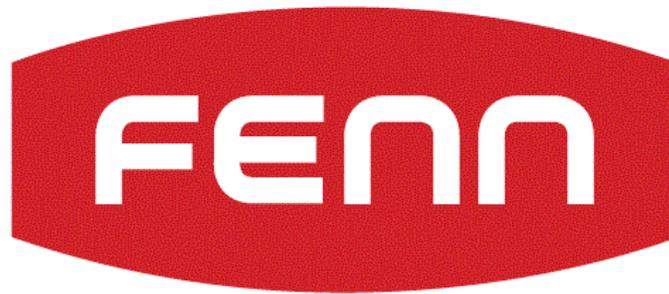
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I move to approve the “Fenn Termite & Pest Control” contract to service and maintain Mutual No. Four Bait Station for a two-year period from 2023-2026, at a total cost not to exceed \$294 for year one, \$\_\_\_\_\_ for Year Two, and \$\_\_\_\_\_ for 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](http://www.fennpest.com)

**Established 1950**

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

7322 Walnut Avenue  
Buena Park, CA 90620

## SCOPE OF SERVICE

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

**PESTS COVERED:** Rats and Mice.

**AREAS COVERED:** Exterior of buildings & Carports.

**COST:**

**2023 - 2024**

\$3.50 X 84 stations = \$294.00

**year 1: \$3,528.00**

---

**2024 - 2025**

\$4.00 X 84 stations = \$336.00

**year 2: \$3,456.00**

---

**2025 - 2026**

\$4.00 X 84 stations = \$336.00

**year 3: \$3,456.00**

**AGREED:**

**year 3 total: \$10,440.00**

MUTUAL 04:

FENN TERMITE & PEST CONTROL INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RATIFY 04-7501-1 – GOLF CART PAD (UNFINISHED BUSINESS, ITEM H)  
**DATE:** JULY 12, 2023  
**CC:** MUTUAL FILE

---

I move to ratify proposed rule change by amending 04-7501-1 – Golf Cart Pad. of the Rules and Regulations; the 28-day posting requirement has been met.

**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 **only solid surface** interlocking or decorative block. All  
14 ~~approvals are subject to installation specifications.~~ **All are subject to board approval.**
- 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.

**Golf Carts**

- 33  
34 ~~1. All carts must have an approved Leisure World decal from the GRF Security Department.~~
- 35  
36 ~~2. For safety reasons, all carts shall have a rearview mirror, directional signals, headlights,~~  
37 ~~taillights, and brake lights in good operating condition. Headlights shall be used when driving~~  
38 ~~in darkness.~~
- 39  
40
- 41

(~~May-June~~ 2023)

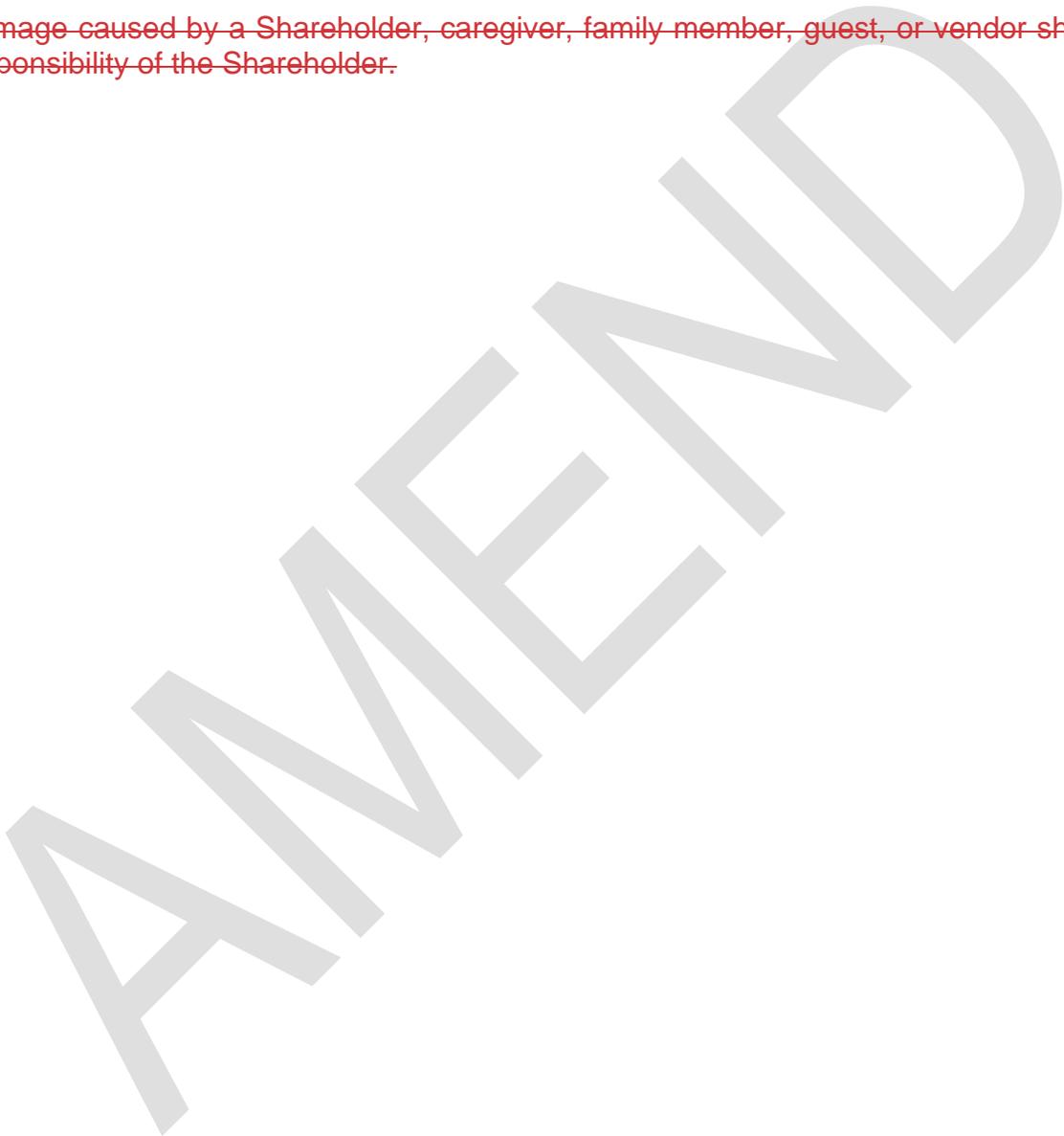
**SEAL BEACH MUTUAL NO. FOUR**

**SHAREHOLDER REGULATIONS**

**Golf Cart Pad**

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- ~~3. The Board of Directors requires any cart owner to obtain sufficient insurance to protect 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.~~



(~~May-June~~ 2023)

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF MONTHLY FINANCES (NEW BUSINESS, ITEM A)  
**DATE:** JULY 12, 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, and June 2023.

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPOINT LANDSCAPE ADVISORY DIRECTOR  
(NEW BUSINESS, ITEM B)  
**DATE:** JULY 12, 2023  
**CC:** FILE

---

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

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DICUSS AND VOTE TO APPROVE THE VISITOR VACATE FLYER (NEW BUSINESS, ITEM C)  
**DATE:** JULY 12, 2023  
**CC:** MUTUAL FILE

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I move to approve the Mutual board to draft and post "Visitor Vacate" flyers around the mutual.

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DICUSS AND VOTE TO APPROVE THE "NEW BUYER ORIENTATION PACKET"  
(NEW BUSINESS, ITEM D)  
**DATE:** JULY 12, 2023  
**CC:** MUTUAL FILE

---

I move to approve the New Buyer Orientation packet for all new residents moving into Mutual four.

# Mutual Corporation No. Four

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE CINC RESIDENT PORTAL & INVOICE APPROVAL (NEW BUSINESS, ITEM E)  
**DATE:** JULY 12, 2023  
**CC:** FILE

---

I move to approve the CINC Resident Portal & Invoice Approval from GRF and “turn on” the following modules for CINC Director Portals: \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_.

# CINC RESIDENT PORTAL & INVOICE APPROVAL



## PORTAL DESCRIPTION

CINC provides homeowners with a customized portal to pay dues, submit maintenance requests, access governing documents, and communicate with their HOA management team. CINC Systems' homeowner portals also enable Board members to view aging reports, accounts receivables and electronically approve invoices.

The new CINC systems also allows for electronic signing of checks.

## PORTAL OPTIONS

Please check whether the Board opts to "turn on" the following modules:

Yes	No		Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	Work Orders* (when launched)	<input type="checkbox"/>	<input type="checkbox"/>	Board Invoice Approval
<input type="checkbox"/>	<input type="checkbox"/>	ACC Requests* (when launched)	<input type="checkbox"/>	<input type="checkbox"/>	Electronic Check Signing
<input type="checkbox"/>	<input type="checkbox"/>	Calendar			Max Electronic* Check Signing Amount
<input type="checkbox"/>	<input type="checkbox"/>	Photos	\$ _____		

## BOARD APPROVAL

Mutual #: \_\_\_\_\_

Board Meeting Date: \_\_\_\_\_

Signature: \_\_\_\_\_

# NOTES

## ACC REQUESTS

The ability to add a ACC (Permit) has been disabled in the resident view. If the Board chooses to add the ACC module it will only be for residents to view their permits, but they will not be able to add.

## WORK ORDER REQUESTS

For Work Order Requests (Formerly known as SROs), the resident would have the ability to submit a work order through the system.

For those Mutual Associations that require Board Approval for any work orders, we can factor that into the workflow process and still allow for residents to submit online.

## BOARD INVOICE APPROVAL

Electronic (online) approval of invoices will be set to 2 Board members automatically. If the Board wishes they can increase to no more than 3 required approvers.

## MAX ELECTRONIC CHECK SIGNING AMOUNT

If the Board opts to approve electronic invoice approval and check signing, an amount will need to be set for the maximum amount a check can be before a wet signature is required.

# ELECTRONIC CHECK SIGNING

If the Board approves to sign checks electronic, two Board members will need to sign in the following spaces. Signature must be wholly contained within the box:



BOARD MEMBER ONE

BOARD MEMBER TWO

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE WEBMASTER ACCESS DOCUMENT.  
(NEW BUSINESS, ITEM F)  
**DATE:** JULY 12, 2023  
**CC:** FILE

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I move to approve GRF Mutual Administration Website Access Agreement for Mutual 4, if required to fix any issues that are not “general upkeep” of the website the Mutual will be billed \$180/ per hour. Funds to come from \_\_\_\_\_ and authorize the President to sign any necessary documentation.



## MUTUAL ADMINISTRATION WEBSITE ACCESS AGREEMENT

This agreement is with Golden Rain Foundation, (“GRF”), Mutual \_\_\_\_\_ (“Mutual”), and Mutual’s designated webmaster, \_\_\_\_\_ (“Webmaster”). Mutuals and their designated webmaster must agree to this Administrative Access Agreement (“Agreement”) and any other document referred to herein as a condition precedent to being issued credentials to access administrative areas of their Mutual website.

### Terms:

1. GRF owns and hosts the Mutual domain name and website. GRF retains all property rights in the Mutual domain name and Mutual website with this Agreement.
2. GRF is not responsible for any content created and uploaded by Mutual. The content created and uploaded by Mutual does not reflect the view and/or opinions of GRF and GRF expressly disclaims any affiliation with content created by Mutual. Any content created and uploaded by Mutual must include the following reference, or the equivalent without material modifications: *“The content created and uploaded by Mutual does not reflect the view and/or opinions of GRF and GRF expressly disclaims any affiliation with content created by Mutual.”*
3. GRF is only responsible for “general upkeep” of the Mutual website and uploading meeting minutes and agendas. “General upkeep” of the website shall include the following tasks: making regular backups of the websites, testing loading speeds, testing browser capability, and testing links. Should any issues arise that are not included in the “general upkeep” of the website, including, but not limited to, the website failing, any functionality issues, or content needing intervention and troubleshooting by GRF staff, the Mutual and Webmaster are responsible for any costs arising from said issues. The time required to fix any issues that are not “general upkeep” of the website will be billed to the Mutual at a billable rate of one hundred and eighty dollars (\$180.00) an hour.
4. Mutual and Webmaster are held responsible for any uploaded content deemed to be illegal, false, defamatory, misleading, out of compliance or not in accordance with GRF Governing Documents and Policies. GRF retains its complete authority to modify or delete any content or code uploaded to or displayed on the Mutual website.

5. Mutual hereby expressly acknowledges and agrees that the record and data of the Mutual website and Mutual domain for which access is provided under this Agreement are and shall remain records under the control and custody of GRF. Mutual is to use the highest standard of care to protect, preserve, and maintain the confidentiality of any records provided by GRF to access the Mutual website and Mutual domain.
6. Mutual hereby acknowledges and agrees to access and use Mutual website as follows:
  - a. Shall be for the sole purpose of uploading, creating, editing, and modifying content created by Mutual.
  - b. Is provided solely for the use by Mutual, Webmaster, and GRF. Mutual hereby expressly agrees that it will not allow anyone not authorized by this Agreement to access the Mutual website nor allow anyone not authorized by this Agreement to use the Mutual website domain. GRF has the right, at all times, to access and use the Mutual website and Mutual domain, and to edit, modify, and remove content from the Mutual website.
  - c. Will be accessed and used by Mutual only in the manner expressly authorized and permitted by GRF, in writing, and this Agreement. Mutual agrees that it will neither use nor permit use of the Mutual website and Mutual website domain in any manner or for any purpose which is not authorized by GRF or which is unlawful or which is likely to cause damage or disrepair to GRF equipment, GRF software, GRF records or the Mutual website and Mutual Website Domain.
7. Mutual shall and hereby agrees to indemnify GRF for, and to defend and hold GRF harmless from any claims, demands, suits, damages, judgments, settlements or costs, of any kind, arising out of or relating to use and access provided under this Agreement, caused or claimed to be caused by any act or failure of GRF, other than any act or failure of GRF arising from its gross negligence or willful misconduct.
8. Mutual and Webmaster shall obtain and supply, at its sole cost, all equipment, including computer, peripherals, modems, software and connections to operate Mutual website and shall be responsible for and pay any and all other fees or costs necessary to implement this Agreement.
9. This Agreement shall continue until such time as it is terminated pursuant to the provision in the following subsection.
10. This Agreement may be terminated by either GRF or by the Mutual upon thirty (30) days written notice. Upon termination of this Agreement, Mutual and Webmaster shall surrender all access rights to the Mutual domain name and Mutual website and shall delete all copies of content acquired through access to the Mutual domain name and Mutual website and shall deliver to GRF all files, documents, and information obtained through the use of the Mutual domain name and Mutual website. Upon termination, Mutual and Webmaster shall surrender and lose all credentials to Mutual domain name and Mutual website.

11. GRF hereby expressly disclaims any express or implied warranties of the Mutual domain name and Mutual website and any risk related to the use and access provided under this Agreement.
12. GRF shall not be liable in any manner under this Agreement for any error, inaccuracy or incomplete information contained in the records for which access is provided, and Mutual hereby expressly releases GRF from any claim, demand or suit arising from or as a result of any such error, inaccuracy or incomplete information.  
  
Further, GRF shall not be liable in any manner under this Agreement for any failure, malfunction or other delay, inconvenience, or inability of the computer system, software or equipment, and Mutual hereby expressly releases GRF from any claim, demand, or suit arising from or as a result of any such failure, malfunction or other delay.
13. This Agreement shall not be assigned, nor shall any use or access provided under this Agreement be subcontracted, co-opted or allowed to any other person, firm or other legal entity without the express written consent of GRF, and such consent may be conditioned upon such terms and conditions as GRF may reasonably require.
14. This Agreement shall be construed in accordance with the laws of the State of California.
15. Each individual executing Agreement represents and warrants that he is duly authorized to execute and deliver this Agreement on behalf of the party to Agreement.
16. This Agreement, together with any rules or procedures adopted by GRF shall constitute the entire Agreement between the parties, and Mutual hereby expressly acknowledges that it is not relying upon any other representations or agreements not expressed in writing as a part of this Agreement. Any other representations and agreements between the parties are superseded by this Agreement. This Agreement may not be amended or modified, except in writing, and signed by all parties.

*[Signatures to Follow]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

GOLDEN RAIN FOUNDATION,  
a California non-profit mutual benefit corporation

GRF President: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

GRF Secretary: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

“GRF”

MUTUAL \_\_\_\_\_

Mutual President: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

“Mutual”

Mutual Webmaster

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

“Mutual Webmaster”

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE ON ALL PERMITS GOING TO BOARD OR WHO WILL BE RESPONSIBLE FOR SIGNING. (NEW BUSINESS, ITEM G)  
**DATE:** JULY 12, 2023  
**CC:** FILE

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I move to approve having all Mutual 4 permits go through the mutual board for approval.

OR

I move to authorize having \_\_\_\_\_ be responsible for the approval and signing of all Mutual 4 permits.