

AGENDA
REGULAR MONTHLY CONFERENCE CALL MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
March 15, 2023
Meeting begins at 9:00 a.m.
Building 5, Conference Room B / Zoom Video and Conference

TO ATTEND: The Shareholder will be provided with instructions on how to access the call via telephone upon the Shareholder contacting Mutual Administration and requesting the call-in information. Please submit your information, including your name, Unit number, and telephone number, via e-mail at mutualsecretaries@lwsb.com, by 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 (i) notify their parcel director of their intent to speak during Shareholder open forum, or (ii) submit their information, including their name, Unit number, and telephone number, via e-mail at mutualsecretaries@lwsb.com, by 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
3. SHAREHOLDERS' COMMENTS (limited to 2-3 minutes per shareholder)
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):

Mr. Thompson, GRF Representative
Mr. Mario, IT Director
Mr. Meza, Building Inspector
Ms. Barua, Senior Portfolio Specialist
Ms. Martinez, Portfolio Specialist
Ms. Equite, Assistant Portfolio Specialist

5. GUEST SPEAKER Mr. Mario
 - a. Discuss LWSB Mutual 05 email setting up new email service with new addresses for Mutual Five Board Members
6. APPROVAL OF MINUTES:
 - a. **Regular Meeting Minutes of February 15, 2023.**
7. **GRF REPRESENTATIVE** Mr. Thompson
8. **BUILDING INSPECTOR'S REPORT** Mr. Meza

Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (pp. 3-4)

 - a. Discuss and vote to accept the Roofing Standards proposal for reroofing buildings 96, 97, 107, 112, 123, and 125 (p. 5) (handout)

9. **UNFINISHED BUSINESS**

- a. No Unfinished Business

10. **NEW BUSINESS**

- a. Approval of Monthly Finances (p. 6)
- b. Discuss and vote to accept the CliftonLarsonAllen LLP engagement letter for 2022 audit (pp. 7-16)
- c. Discuss and vote setting up new email service with new addresses for Mutual Five Board Members (p. 17)
- d. Discuss and vote to approve National Service Company proposal (pp. 18-21)
- e. Discuss and vote to appoint Inspectors of Elections (p. 22)
- f. Discuss and vote to approve the Reserve Study contract (pp. 23-26)

STAFF BREAK BY 11:00 A.M.

- 11. SECRETARY / CORRESPONDENCE Ms. Gardner
- 12. CHIEF FINANCIAL OFFICER'S REPORT Mr. Cude
- 13. PRESIDENT'S REPORT Ms. DeRungs
- 14. PORTFOLIO SPECIALIST REPORT Ms. Barua
- 15. ANNOUNCEMENTS

- a. **NEXT REGULAR MEETING:** Wednesday, April 19, 2023, at 9:00 a.m., Building 5, Conference Rm B and Zoom Video/Conference Call.

- 16. COMMITTEE REPORTS
- 17. DIRECTORS' COMMENTS
- 18. ADJOURNMENT
- 19. EXECUTIVE SESSION

STAFF WILL LEAVE THE MEETING BY 12 PM

INSPECTOR MONTHLY MUTUAL REPORT

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|---|-----------------------------|
| MUTUAL: (05) FIVE | INSPECTOR: Mike Meza |
| MUTUAL BOARD MEETING DATE: March, 2023 | |

PERMIT ACTIVITY

| UNIT # | DESCRIPTION OF WORK | GRF/CITY PERMIT | PERMIT ISSUE | COMP. DATE | Improvement Values | RECENT INSPECTION | CONTRACTOR |
|--------|-----------------------|-----------------|--------------|------------|--------------------|-------------------------------|-------------------------|
| 95-G | UNIT REMODEL | BOTH | 11/20/22 | 03/15/23 | \$138,700 | FRAM, ELEC 01/26/23 | JC KRESS |
| 70-F | ELECTRICAL WORK | BOTH | 11/01/22 | 01/30/23 | \$750 | FINAL 01/26/23 | CJ CONSTRUCTION |
| 118-F | ROOM ADDITION | BOTH | 11/10/23 | 04/30/23 | \$88,000 | | MP CONSTRUCTION |
| 98-C | COUNTERS/ WASH/DRYER | BOTH | 11/12/22 | 03/30/23 | \$20,000 | FINAL 02/23/23 | MP CONSTRUCTION |
| 113-A | COUNTERTOP KIT | BOTH | 11/14/22 | 12/10/22 | \$9,350 | WAITING ON CONTRACTOR | M&M SKYLIGHTS |
| 106-E | FLOORING | GRF | 12/28/23 | 02/28/23 | \$4,600 | | B&B CARPET |
| 97-C | SLIDING DOOR | BOTH | 12/31/23 | 02/28/23 | \$7,800 | LATHE/FLASH 02/06/23 | VICKERS CONSTRUCTION |
| 121-B | UNIT REMODEL | BOTH | 01/01/23 | 07/30/23 | \$65,000 | | MP CONSTRUCTION |
| 105-C | WINDSCREEN PATIO | GRF | 01/03/23 | 01/15/23 | \$1,540 | FINAL 01/11/2023 | CUSTOM GLASS |
| 93-L | ELECTRICAL OUTLETS | BOTH | 01/05/23 | 04/30/23 | \$2,000 | | JULIAN AGUILAR ELECTRIC |
| 72-J | FLOORING | GRF | 01/15/23 | 02/28/23 | \$4,625 | | KARYS CARPET |
| 102-K | PORCH FLOORING | GRF | 01/16/23 | 02/16/23 | \$1,188 | FINAL 02/10/23 | CORNERSTONE FLOORS |
| 115-F | LOWER STORAGE CABINET | GRF | 01/20/23 | 02/26/23 | \$1,100 | | VICKERS CONSTRUCTION |
| 115-F | ELECTRICAL OUTLETS | BOTH | 01/26/23 | 03/01/23 | \$1,450 | FINAL 02/10/23 | VICKERS CONSTRUCTION |
| 116-K | LOWER STORAGE CABINET | GRF | 01/30/23 | 03/01/23 | \$950 | FINAL 02/10/23 | VICKERS CONSTRUCTION |
| 113-D | HEAT PUMP | BOTH | 02/13/23 | 05/13/23 | \$7,835 | | GREENWOOD |
| 116-A | SHOWER REMODEL | BOTH | 01/30/23 | 05/18/23 | \$23,450 | | LOS AL BUILDERS |
| 112-C | UNIT ABATEMENT | GRF | 02/07/23 | 02/09/23 | \$3,200 | FINAL 02/09/23 | UNIVERSAL ABATEMENT |
| 115-B | CARPORT CABINET | GRF | 02/13/23 | 03/18/23 | \$950 | | VICKERS CONSTRUCTION |
| 118-F | UNIT REMODEL | BOTH | 11/10/23 | 04/30/23 | \$88,000 | Framing, electrical, 02/10/23 | MP CONSTRUCTION |
| 123-D | COUNTERTOPS | BOTH | 03/01/23 | 06/30/23 | \$6,800 | | MP CONSTRUCTION |
| 121-K | LOWER STORAGE CABINET | GRF | 03/16/23 | 04/15/23 | \$950 | | VICKERS CONSTRUCTION |

ESCROW ACTIVITY

| Unit # | NMI | PLI | NBO | FI | FCOEI | ROF | ACTIVE, CLOSING, CLOSED |
|--------|-----|----------|----------|----------|-----------|------------|-------------------------|
| | | | | | | | 9 0 2 |
| 101-B | | 06/21/22 | | | | | |
| 101-L | | 02/21/23 | | | | | |
| 104-F | | 01/27/23 | | | | | |
| 105-I | | 12/13/22 | | | | | |
| 115-F | | 10/13/22 | 01/10/23 | 01/11/23 | 1/26/2023 | 03/01/2023 | |
| 116-E | | 12/06/22 | | | | | |
| 122-L | | 11/17/22 | | | | | |
| 122-E | | 10/21/22 | 01/03/23 | 01/03/23 | 01/17/23 | 03/01/2023 | |
| 122-L | | 11/17/22 | | | | | |
| 124-J | | 11/17/22 | | | | | |
| 124-L | | 02/24/23 | | | | | |

SHADED AREAS HAVE BEEN SIGNED OFF

FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

CONTRACTS

| CONTRACTOR | PROJECT |
|---|----------------------------------|
| J&J LANDSCAPE AUGUST 8th 2025 | Landscaping & Irrigation |
| EMPIRE PIPE DECEMBER 31st 2022 | Annual inspection |
| FENN MAY 31st 2023 | Pest and rodent control services |

INSPECTOR MONTHLY MUTUAL REPORT

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|--------------------------|--|-----------------------------|
| MUTUAL: (05) FIVE | | INSPECTOR: Mike Meza |
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| MUTUAL BOARD MEETING DATE: | March, 2023 | |
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| | BID packages are due March 17, 2023 |
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| ROOFING PROJECT | Buildings 70, 100, 101, 113, 120 Completed buildings: 70, 100, 101, 113 |
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SPECIAL PROJECTS

| Contractor | Discription of Work |
|--------------|--|
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| Roofing 2023 | Buildings 96, 97, 107, 112, 123, 125 Proposal will be a Hand out. |
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SHAREHOLDER AND MUTUAL REQUEST

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| 95-E Roof leak repair | Inspect mutual sidewalks |
| 93-L Electrical issue | Building 120 roof walk |
| 104-G Dry rot repair | |
| 101-C Stucco repair | |
| 123-D Work being done in unit | |
| 112-C Permit question | |
| 92-E Roof leak | |
| 107-E Microwave not working | |
| 115-F Termites at entry way | |
| 124-G Closet door issue | |
| 95-E Refrigerator trim | |
| 94-F Inspect ceiling for leaks | |
| 110-A Rodent activity | |
| 110-H Leak at skylight | |
| 116-K Cracks in bathroom around bath fan | |
| 126-E Leak at bath room skylight | |
| 113-J Ceiling stains roof leak | |
| 92-A Inspect for water damage | |
| 90-J Inpspect kitchen sink | |
| 121-D Check paito for egress | |
| 123-D Question about cooktop | |
| 120-A Roofing concerns | |
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Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO ACCEPT THE ROOFING STANDARDS PROPOSAL FOR REROOFING BUILDINGS 96, 97, 107, 112, 123, AND 125 (BUILDING INSPECTOR, ITEM A)
DATE: MARCH 15, 2023
CC: MUTUAL FILE

I move to accept the Roofing Standards proposal for reroofing buildings 96, 97, 107, 112, 123, and 125, at a cost not to exceed \$_____. Funds to come from _____ and authorize the President to sign any necessary documentation.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVAL OF MUTUAL MONTHLY FINANCES (NEW BUSINESS, ITEM A)
DATE: MARCH 15, 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 February 2023.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO ACCEPT THE CLIFTONLARSONALLEN LLP
ENGAGEMENT LETTER FOR 2022 AUDIT (NEW BUSINESS, ITEM B)
DATE: MARCH 15, 2023
CC: MUTUAL FILE

I move to accept the CliftonLarsonAllen LLP Engagement Letter for the 2022 audit and to authorize the President to sign the letter.



Statement of Work - Audit Services

December 16, 2022

This document constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated November 4, 2021, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Golden Rain Foundation and 16 Seal Beach Mutual Corporations ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended December 31, 2022.

Karen Lo is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the consolidated financial statements of Golden Rain Foundation and the basic financial statements of the 16 Seal Beach Mutual Corporations (the "Mutual Corporations"), which comprise the financial statements identified below, and the related notes to the financial statements (collectively, the "financial statements").

Consolidated Balance Sheet of the Golden Rain Foundation

Consolidated Statement of Revenues and Expenses of the Golden Rain Foundation

Consolidated Changes in Membership Interest and Trust Equity of the Golden Rain Foundation

Consolidated Statement of Cash Flows of the Golden Rain Foundation

Balance Sheets of the Mutual Corporations

Statements of Operations of the Mutual Corporations

Statements of Stockholders' Equity of the Mutual Corporations

Statements of Cash Flows of the Mutual Corporations

The Financial Accounting Standards Board (FASB) provides for certain required supplementary information (RSI) about future major repairs and replacements to accompany the entity's financial statements, respectively. The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of adjusting journal entries, if needed

Audit objectives

The objectives of our audit of the financial statements 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 about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). 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 auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Our audit will be conducted in accordance with U.S. GAAS. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion.

We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management Override of Controls
- Revenue Recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. 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 the entity's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

You are responsible 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, including monitoring ongoing activities and safeguarding assets. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations, and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's operations, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Fees

We estimate our professional fees will be \$162,200. We will also bill for expenses including travel, internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation.

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Authority to Execute

The entity executing this SOW represents that it is duly authorized to do so and on behalf of itself and the entities listed on the Multiple Entities List.

Agreement

We appreciate the opportunity to provide to you the services described in this SOW under the MSA and believe this SOW accurately summarizes the significant terms of our audit engagement. This SOW and the MSA constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to audit services. If you have any questions, please let us know. Please sign, date, and return this SOW to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of Golden Rain Foundation.

CLA

Client

CLA

Golden Rain Foundation

Karen Lo

SIGN: *Mallorie Hall*

Karen Lo, Principal

Mallorie Hall, Director of Finance

DATE: *12/21/2022*

Golden Rain Foundation

SIGN: *Marsha Gerber*

Marsha Gerber, Board President

DATE: *12/21/22*

Multiple Entities

CLA Client ID

Entity Name

A265378

Golden Rain Foundation

A245538

Seal Beach Mutual One

A245537

Seal Beach Mutual Two

A245536

Seal Beach Mutual Three

A245535

Seal Beach Mutual Four

A245534

Seal Beach Mutual Five

A245533

Seal Beach Mutual Six

| | |
|---------|-----------------------------|
| A245532 | Seal Beach Mutual Seven |
| A245531 | Seal Beach Mutual Eight |
| A245530 | Seal Beach Mutual Nine |
| A245529 | Seal Beach Mutual Ten |
| A245527 | Seal Beach Mutual Eleven |
| A245526 | Seal Beach Mutual Twelve |
| A245525 | Seal Beach Mutual Fourteen |
| A245524 | Seal Beach Mutual Fifteen |
| A245522 | Seal Beach Mutual Sixteen |
| A245521 | Seal Beach Mutual Seventeen |

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE MUTUAL FIVE DIRECTORS TO HAVE AN LWSB EMAIL ADDRESS (NEW BUSINESS, ITEM C)
DATE: MARCH 15, 2023
CC: FILE

I move to authorize GRF IT Department to provide Mutual 5 Board of Directors to have a LWSB Mutual Five email address, of \$10.00 per month per Director for a total of \$70.00 per month. Funds to come from Operating Budget and authorize the President to sign any necessary documentation.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE NATIONAL SERVICE COMPANY (NEW BUSINESS, ITEM D)
DATE: MARCH 15, 2023
CC: FILE

I move to accept the proposal from National Service Company to install and service commercial laundry equipment in 9 laundry rooms from a term of 5 years and authorize the President to sign any necessary documentation.

*National Service Co.
845 N. Commerce St.
Orange, Ca. 92867
(714) 633-1811*

March 15, 2023

Re: Leisure World – Mutual 5. Seal Beach, CA

Dear Esteemed Owner,

Attached, please find our laundry room lease proposal for installing “top of the line” Speed Queen laundry machines into the laundry room located at Leisure World – Mutual 5, Seal Beach, CA. Should you have any questions, please give me a call.

I’d also like to give you some information about our company. National Service Company has been installing commercial laundry equipment in laundry rooms of apartment and condominium properties for over 60 years, with service throughout California. We have an AAA rating with the Better Business Bureau, which is the highest rating available.

All of our laundry equipment is tested and cleaned on a monthly basis. We believe that having a clean, attractive laundry room will produce more income, and add value to your property. Another part of our service is that we maintain the plumbing to which our machines are directly connected, and we will snake the laundry room drain if needed.

Our laundry machines are equipped with labels listing our toll-free 800 number, for calling us directly if a problem develops. With ten service vehicles throughout Orange County, Los Angeles, Inland Empire, San Bernardino and San Diego, should there be a need for service, the laundry machine is usually repaired within hours after a call for service is received. If a machine needs to be serviced, our technicians leave a card on it, stating that the washer or dryer has been repaired, and we refund any lost money to the tenant who called in for service. Our emphasis is on the service satisfaction of our customers, managers and residents. We take pride in prompt and efficient service that you can count on.

You will find that we are a “hands on” Company, always available to our customers, property owners, and managers. We strive to provide you with personalized service, and should you ever wish to discuss anything concerning your laundry rooms, proposals, or the equipment, please give me a call at (800) 473-8812.

Sincerely,

*Anel Burgin – Operations Manager
National Service Company, Inc.
ab_national@yahoo.com
Apartmentlaundry.com*

NATIONAL SERVICE CO.
845 N. Commerce St.
Orange, Ca. 92867
(714) 633-1811

PROPOSAL

March 15, 2023

The following is the proposal for leasing the Commercial Speed Queen coin-operated equipment for:

Mutual 5
Seal Beach Blvd
Seal Beach.

1. National Service to install **thirty (42)** brand new “electronic display” computerized Speed Queen washers and **twenty-nine (42)** brand new “electronic display” computerized dryers (**with Payrange-coin less app.- 1 set per room**). The washers use eight gallons less water than the previous models. The dryers have a large capacity drum with airflow being one of the industry’s highest at 220 cfm.
2. All of the machines are equipped with “electronic display”. This digital display shows vend price, coin and time countdown and cycle status, to maximize user turnover. These machines records in exact detail the number of cycles each machine completes and the number of coins deposited in each machine for maximize audit control and income accuracy. You can verify the reported income at any time.
3. National Service has a 24-hour service line; your tenants call us “toll-free”, with service normally completed within 3 hours after the call is taken. Our trained professionals with cellular radio-dispatched trucks are fully equipped for on the spot repairs.
4. National Service maintains the plumbing to which the machines are directly connected to including replacing the hose bibs and “power snaking” the laundry room drain to the main sewer line whenever needed, at no cost to the owner.
5. National Service to provide Public Liability Insurance at a rate of \$5,000,000.00/\$5,000,000.00 at all times during the lease.
6. **National Service agrees to pay a commission of 40% at all times.** This is for a five-year lease.
7. **\$2,000.00 to be paid to Mutual 5 for purchasing the existing machines.**
8. Washer to be priced at \$.75 for a wash and .75 for 45 minutes of drying time. **(Vend price can be raised, at the request of the Lessee, during the duration of the contract).**

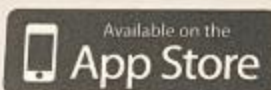
Laundry Machines Now Accept Mobile Payment!

¡Máquinas De Lavandería Que Ahora Aceptan Pago Móvil!

**It's easy to get started.
Here's how.**

Es Fácil Empezar. Aquí Es Cómo.

- 1** Download the free
PayRange app.
Descarga La Aplicación Gratuita.



- 2** Launch app and sign-up.
Iniciar La Aplicación E Iniciar Sesión.



- 3** Add funds.
Añadir Fondos.



- 4** Slide to send
payment.
Diapositiva Para Enviar El Pago.



* For every App use, there is a 10 cent charge *
* Por cada uso de la aplicación, hay un cargo de 10 centavos *
* Please choose a machine that is not in use. Use at your own discretion *
* Por favor elija una máquina que no esté en uso. Utilice a su propia discreción *

National Service Company
845 N. Commerce Street
Orange, CA 92867
1-800-473-8812 714-633-1811
www.ApartmentLaundry.com



ApartmentLaundry.com
by National Service Company

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: VOTE AND DISCUSS TO APPOINT ACCURATE VOTING AS INSPECTORS OF ELECTIONS (NEW BUSINESS, ITEM E)
DATE: MARCH 15, 2023
CC: MUTUAL FILE

Rules and Regulations Article XI, Section 4 – Inspectors of Election states that, “At an open meeting, the Board shall appoint one (1) or three (3) persons to serve as independent Inspector(s) of Election (“Inspector(s)”).

I move to appoint Accurate Voting Services as Mutual Five’s Inspectors of Election for the 2023-2024 Election of Directors.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: VOTE AND DISCUSS TO APPROVE THE RESERVE STUDY CONTRACT (NEW BUSINESS, ITEM F)
DATE: MARCH 15, 2023
CC: MUTUAL FILE

I move to approve the Loyalty Update Plan for a three-year agreement with Association Reserves from 2024-2026 for the Mutual Five Reserve Study at a cost not to exceed \$1,250 per year. Funds to be taken from Operating Budget, Miscellaneous Services and authorize the President to sign the contract.



January 30, 2023

21575 - 12a

Leisure World - Mutual 5

c/o Linda DeRungs
Leisure World Seal Beach & Mutuals
13533 Seal Beach Blvd.
Seal Beach CA 90740

History with our organization

Report Exp. Date: - DEC 31 2023
Level of Service: WSV
% Funded: 26.2%

Subject: Bid Options for 492 units in Seal Beach, CA

Dear Ms. DeRungs,

Thank you for being a “Loyalty Update Plan” client for the past three years. It’s been our privilege to have served as your Reserve planning partner! Enclosed is a Reserve Study Update proposal for the upcoming fiscal year, along with a new three-year Loyalty Update Plan Agreement for your consideration.

Our Loyalty Update Plan clients enjoy the benefit of always having a current Reserve Study! By teaming up with us again, you can be assured of three more consecutive Reserve Studies reflecting any changes to the Component List, Reserve Fund Strength (% Funded), and 30-year Funding Plan.

Annual Reserve Study Updates provide Associations with financial stability through Board & Manager transitions and help ensure timely common area repairs & replacements. It only takes one year for a “current” Reserve Study to become outdated and for the risk of Special Assessment to increase.

There are many unique benefits to continuing to partner with Association Reserves:

- We’ve completed over 45,000 Reserve Studies throughout California & the United States
- Your Study will be prepared by a credentialed Reserve Specialist™ (RS) in accordance with National Reserve Study Standards™
- Your free Video Explanation of Results will help you better understand the report
- Your free Funding Analysis Software will allow you to compare various “what-if” scenarios
- Your report will be completed on time and deliverables will be posted online for easy, 24/7 access
- Free preparation of CA state Disclosure Form 5570 is included with your Reserve Study!

We appreciate the opportunity to continue our partnership. Please take a look at the different levels of service outlined on the following pages. To get started, simply sign & return the Agreement(s).

Sincerely,

Sean Andersen, RS
President
sandersen@reservestudy.com



Single year engagements < Check here and circle fee associated with the desired Level of Service/Turnaround

| Level of Service | Economy Fee | Standard Fee | Rush Fee |
|---|-------------|--------------|------------|
| | 8 week | 5 week | 2 week |
| Reserve Study FULL (with Site Visit) Component List is developed from a full set of new measurements. Report includes full-color photographic inventory. | \$3,600.00 | \$4,500.00 | \$6,750.00 |
| Reserve Study Update-WSV (with Site Visit) Component List from a prior professional Reserve Study is updated, based on visual observations, but no re-measuring. Report includes full-color photographic inventory. | \$2,000.00 | \$2,500.00 | \$3,750.00 |
| Reserve Study Update-NSV (no Site Visit) Component List from a prior professional Reserve Study is updated, based on a series of interviews. Report does not include a photographic inventory. | \$1,080.00 | \$1,350.00 | \$2,030.00 |

Note = A "FULL" Reserve Study is not necessary if a credible Reserve Study with measurements (prepared by Association Reserves or another company) is available for updating.

Loyalty Update Plan < Check here to save time & stabilize your budget with this popular "Flat Fee" option
Includes one With-Site-Visit Reserve Study Update and two No-Site-Visit Reserve Study Updates delivered over three consecutive years with an Economy (8) week turnaround.



Flat Fee \$1,250/year

Do-it-Yourself (DIY) Reserve Study < Check here to receive our " Do-it-Yourself " Reserve Study Kit
\$349 1 - week turnaround

Prices are valid for 90 days

Agreement between Association Reserves & Leisure World - Mutual 5



1. Please, indicate the nature of this agreement

Single Year Engagement Loyalty Update Plan Do-it-Yourself Reserve Study Fee \$ _____
For the FY beginning ___/___/___ Turnaround Time ___ weeks

2. Obtain a Boardmember or Managing Agent signature

We, the undersigned, understand that the Reserve Study being prepared will identify and address the normal deterioration of properly built and installed components with predictable life expectancies, inspecting for construction defects, performing destructive testing to search for hidden issues (such as plumbing or electrical problems), environmental hazards (asbestos, radon, lead, etc.), or unpredictable acts of nature are all outside our scope of work. We understand that the above Fee is based on the accuracy of how the Association was described to Association Reserves in our Request for Proposal. If this is not found to be a true representation of our common area maintenance responsibilities, Association Reserves reserves the right to negotiate an adjusted fee for our services. Association Reserves liability in any matter involving this Reserve Study is limited to our Fee for services rendered. We will respond to a request for revision for up to 60 days following delivery of our Report.

Print Name: _____ Company/Title: _____
Signature: _____ Date: _____



3. Return this Agreement to us, along with a check made payable to Association Reserves

in the amount of \$ _____.*

* All professional Reserve Studies (Single Year Engagement or Loyalty Update Plan) require a 50% deposit, with balance due upon delivery. The "Do-it-Yourself" Reserve Study requires 100% payment upon start-up.

"Loyalty Update Plan" Agreement 21575 - 12a, Leisure World - Mutual 5

Services Provided: Association Reserves [AR] will perform one With-Site-Visit Reserve Study Update and two No-Site-Visit Reserve Study Updates, in any order, delivered over three consecutive years. The studies will be prepared in accordance with National Reserve Study Standards, pursuant to the schedule and scope of work indicated below:

| Year | FY Reporting | Period Ending | Level of Service |
|------|--------------|---------------|------------------|
| 1 | DEC-31 | 2024 | FULL WSV NSV |
| 2 | DEC-31 | 2025 | FULL WSV NSV |
| 3 | DEC-31 | 2026 | FULL WSV NSV |



Upon each completion, all Reserve Study related files will be posted online for password-protected viewing and printing.

Fees: Client agrees to pay AR an annual fee of \$1,250 for these services. A 50% deposit is due upon start-up of each year's Reserve Study. The final 50% is due and payable upon delivery. Consulting services (i.e., custom analysis, meeting attendance, revisions, etc.) outside the scope of this Reserve Study agreement will be billed on an hourly basis, inclusive of out of pocket costs incurred related to such consulting services, and are due upon receipt of invoice.

Term: The term of this agreement is one year. However, this agreement shall automatically renew for consecutive one-year terms, up to a maximum of three (3) years, unless and until the Client gives AR written notice of non-renewal at least thirty (30) days prior to the expiration of any given one-year term.

Non-Renewal Fee: Client understands and agrees that the annual fee for this agreement is based on the expectation that the agreement shall be renewed for three (3) consecutive one-year terms. Although the Client is entitled not to renew this agreement after any given one-year term, if the Client chooses to do so, the Client agrees to pay AR a non-renewal fee of \$1,250 payable concurrently with the giving of the notice of non-renewal as described above.

Modification & Waiver: This agreement cannot be modified or waived except by a writing signed by both parties.

Assignment: This agreement shall not be assignable by either party, without the written consent of the other.

Indemnity: Client agrees to indemnify AR and to hold AR harmless from and against any and all liability, loss, damage, claim and expense, including reasonable attorney's fees and expenses, that may be incurred by AR arising out of or related to Client's breach of this agreement, Client's violation of any law or regulation, and/or Client's intentional misconduct or gross negligence.

Execution: By signing below, Client is indicating Client's agreement to all of the terms & conditions of this agreement. Client has the full right, power, and authority to enter into and be bound by the terms and conditions of this agreement and to perform Client's obligations under this agreement without the approval or consent of any other party. The person signing this agreement on behalf of Client represents and warrants that he/she has the authority to do so.

Agreement dated _____ between:

Client: Leisure World - Mutual 5

Represented by _____

Title _____ Company _____

Signature _____

-and- Association Reserves
Orange County Regional Office

Sean Andersen, RS
President

Return via email
or FAX (949) 481-0516