

AGENDA
REGULAR MONTHLY CONFERENCE CALL MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
July 19, 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
 - Ms. Sedgwick, Executive Director
 - Ms. Young, Sr. Director Internal Operations
 - Ms. Hall, Senior Director of Member Services
 - Ms. Schultze, Mutual Accountant
 - Mr. Meza, Building Inspector
 - Ms. Barua, Sr. Portfolio Specialist
 - Ms. Equite, Assistant Portfolio Specialist
 - Ms. Celestine, Assistant Portfolio Specialist
5. GUEST SPEAKER Ms. Young/ Ms. Sedgwick
 - a. Discuss and vote to approve CINC Functions and Invoice (pp. 3-6)
6. GUEST SPEAKER Ms. Hall/ Ms. Schultze
 - a. Discuss and vote to accept the drafted Financial Statements 2022 (pp. 7-26)
7. APPROVAL OF MINUTES:
 - a. **Regular Meeting Minutes of May 17, 2023.**
 - b. **Organizational Meeting Minutes of June 13, 2023.** (p. 27)
8. **GRF REPRESENTATIVE** Mr. Thompson
9. **BUILDING INSPECTOR'S REPORT** Mr. Meza

Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (pp. 28-30)

 - a. Discuss and vote to approve MJ Jurado sidewalk replacement proposal (pp. 31-34)
 - b. Discuss and vote to approve bait station proposal (pp. 35-37)
 - c. Discuss and vote to approve patio proposal for Unit 5-072G (pp. 38-39)
 - d. Discuss and vote to approve patio proposal for Unit 5-113D (pp. 40-41)
 - e. Discuss and vote to approve patio proposal for Unit 5-113H (pp. 42-43)
 - f. Discuss and vote to approve patio proposal for Unit 5-117L (pp. 44-45)

g. Discuss and vote to approve patio proposal for Unit 5-123F (pp. 46-48)

10. **UNFINISHED BUSINESS**

a. No Unfinished Business

11. **NEW BUSINESS**

- a. Approval of Monthly Finances (p. 49)
- b. Discuss and vote to approve/deny the Notice of Intent to Withdraw. (p. 50)
- c. Discuss and vote to approve/deny receiving monthly minutes of other Mutuals. (p. 51)
- d. Discuss and vote to approve release of Mutual Board contact information. (p. 52)
- e. Discuss and vote to approve/deny Property Tax postponement application. (p. 53)
- f. Discuss and vote to approve/deny disclosure of “Yes” “No” and abstention votes in Minutes. (p. 54)
- g. Discuss and vote to approve/deny appointment setting commitment. (p. 55)
- h. Discuss and vote to approve the 7110.5 – Code of Ethics (pp. 56-60)
- i. Discuss and vote to approve maintaining procedure per 05-7510-1 and the Stock Transfer Office (p. 61)
- j. Discuss and vote to approve Mutual Administration Website Access Agreement (p. 62-66)
- k. Discuss and vote to cancel the Segway hotline (p. 67)
- l. Discuss and vote to approve the resignation from John Berton as a Director (p. 68)
- m. Discuss and vote to approve the resignation of Gloria Shannon as Secretary (p. 69)
- n. Discuss and vote to approve to appoint a Director to Mutual Five board of Directors (p. 70)
- o. Discuss and vote to approve to appoint a Director as Secretary to Mutual Five Board of Directors (p. 71)
- p. Discuss and vote to adopt GRF glossary of terms (p. 72-84)
- q. Discuss Electrical Charging Information
- r. Discuss replacing Towing Signs
- s. Discuss laundry room progress
- t. Discuss new email addresses

STAFF BREAK BY 11:00 A.M.

12. SECRETARY / CORRESPONDENCE

13. CHIEF FINANCIAL OFFICER’S REPORT

Mr. Cude

14. PRESIDENT’S REPORT

Ms. DeRungs

15. PORTFOLIO SPECIALIST REPORT

Ms. Barua

16. ANNOUNCEMENTS

- a. **NEXT REGULAR MEETING:** Wednesday, August 16, 2023, at 9:00 a.m., Building 5, Conference Rm B and Zoom Video/Conference Call.

17. COMMITTEE REPORTS

18. DIRECTORS’ COMMENTS

19. ADJOURNMENT

20. EXECUTIVE SESSION

STAFF WILL LEAVE THE MEETING BY 12 PM

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE CINC RESIDENT PORTAL & INVOICE APPROVAL (GUEST SPEAKER, ITEM A)
DATE: JULY 19, 2023
CC: FILE

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

CINC 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 Aging Report
<input type="checkbox"/>	<input type="checkbox"/>	ACC Requests* (when launched)	<input type="checkbox"/>	<input type="checkbox"/>	Board Invoice Approval
<input type="checkbox"/>	<input type="checkbox"/>	Calendar	# _____		# of Approvers
<input type="checkbox"/>	<input type="checkbox"/>	Photos	<input type="checkbox"/>	<input type="checkbox"/>	Electronic Check Signing
			\$ _____		Max Electronic* Check Signing Amount

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 AGING REPORT

The Board Aging Report shows the outstanding a prepaid amounts broken out by Account Number and Address. This report is required to be reviewed by the Board per the CA Civil Code Section 5500

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. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO ACCEPT THE 2022 DRAFTED AUDITED FINANCIAL STATEMENTS (GUEST SPEAKER, ITEM A)
DATE: JULY 19, 2023
CC: MUTUAL FILE

I move to accept that the Board of Directors of Seal Beach Mutual Five, 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. FIVE
Financial Statements
December 31, 2022

DRAFT

**SEAL BEACH MUTUAL NO. FIVE
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Seal Beach Mutual No. Five (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. Five 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. Five 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. Five's ability to continue as a going concern for Five 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 Five 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. Five'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. Five'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

DRAFT

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

ASSETS

CURRENT ASSETS

Cash and cash equivalents (Note 2)		
1111000 Cash	\$	12,296
1122000 Money market accounts		<u>140,253</u>
		<u>152,549</u>
Receivables:		
1130500 Members (Note 1)		38,181
1134000 Accrued interest		<u>2,167</u>
		<u>40,348</u>
Other current assets:		
1170000 Undivided beneficiary future interest in community trust funds		1,193,468
1150000 Prepaid expenses		<u>72,296</u>
		<u>1,265,764</u>
TOTAL CURRENT ASSETS		<u>1,458,661</u>

IMPOUND ACCOUNTS (Note 2)

1152500 Money market accounts	218,418
TOTAL IMPOUND ACCOUNTS	<u>218,418</u>

RESTRICTED DEPOSITS (Note 2)

Restricted money market accounts	1,710,525
Restricted investments	<u>300,000</u>
TOTAL RESTRICTED DEPOSITS	<u>2,010,525</u>

FIXED ASSETS

1501000 Land	754,172
1502000 Residences	9,822,860
1518000 Undivided beneficiary future interest in community facilities trust	<u>3,300,965</u>
	13,877,997
1509000 Accumulated depreciation	<u>(7,104,269)</u>
NET FIXED ASSETS	<u>6,773,728</u>

OTHER ASSETS

1650000 Repair and tax deposits (Note 2)	67,298
TOTAL OTHER ASSETS	<u>67,298</u>

TOTAL ASSETS	\$ <u>10,528,630</u>
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(continued)

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

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

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

2111000 Payable to Golden Rain Foundation (Note 3)	\$	84,491
2111700 Project Commitments - Reserves (Note 1)		758,336
2120000 Prepaid monthly dues (Note 1)		21,075
2132100 Other liabilities		26,900
2153500 Property tax accrual		47,101
2180000 Repair & tax deposit liability		65,733
Deferred Reserve (Note 4)		1,252,190
TOTAL CURRENT LIABILITIES		<u>2,255,826</u>

TOTAL LIABILITIES 2,255,826

STOCKHOLDERS' EQUITY (Note 5)

Capital Stock:

3120000 Common stock of par value ranging from \$325 to \$392; authorized, issued and outstanding 492 shares		176,678
3510000 Additional paid-in capital		5,678,200
3448000 Equity in additions to community facilities and trust funds		3,867,786
3449000 Equity in additions to land and residences improvements		5,405,065
3515000 Excess income before depreciation and amortization:		470,956
3649500 Accumulated depreciation and amortization		(7,325,881)
TOTAL STOCKHOLDERS' EQUITY		<u>8,272,804</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 10,528,630

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

SEAL BEACH MUTUAL NO. FIVE
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	\$ 1,662,076	\$ 1,662,095
NON OCCUPANCY INCOME		
Interest	3,253	649
Inspection fees	43,875	56,974
Buyer Premium	27,000	29,992
Miscellaneous	4,867	4,900
TOTAL NON OCCUPANCY INCOME	78,995	92,515
TOTAL AVAILABLE FOR OPERATIONS	1,741,071	1,754,610
DIRECT OPERATING EXPENSES (see Supplementary Information)	1,725,255	1,754,610
EXCESS OF INCOME OVER DIRECT OPERATING EXPENSES	15,816	\$ -
BUILDING AND LAND MAINTENANCE		
Release from project reserve	1,009,209	
Building and land maintenance from reserves	(1,009,209)	-
Building and land maintenance from excess income	(64,814)	-
TOTAL BUILDING AND LAND MAINTENANCE	(64,814)	
DEPRECIATION	263,748	
EXCESS OF DIRECT OPERATING EXPENSES, BUILDING AND LAND MAINTENANCE, AND DEPRECIATION OVER INCOME	\$ (312,746)	

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

SEAL BEACH MUTUAL NO. FIVE
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	\$ 176,678	\$ 5,678,200	\$ 3,584,364	\$ 4,770,412	\$ 519,954	\$ (7,062,133)	\$ 7,667,475
Equity in additions to community facilities trust	-	-	283,422	-	-	-	283,422
Equity in additions to land and residences improvements	-	-	-	634,653	-	-	634,653
Excess of direct operating expenses and building and land maintenance over income	-	-	-	-	(48,998)	-	(48,998)
Depreciation	-	-	-	-	-	(263,748)	(263,748)
BALANCE AT DECEMBER 31, 2022	<u>\$ 176,678</u>	<u>\$ 5,678,200</u>	<u>\$ 3,867,786</u>	<u>\$ 5,405,065</u>	<u>\$ 470,956</u>	<u>\$ (7,325,881)</u>	<u>\$ 8,272,804</u>

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

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

CASH FLOWS FROM OPERATING ACTIVITIES	
Excess of direct operating expenses and depreciation over income and transfers	\$ (312,746)
Adjustments to reconcile to net cash provided by operating activities:	
Funding of replacement reserves	762,697
Building and land maintenance paid from reserve funds	(374,556)
Depreciation	263,748
(Increase) in other receivables	(18,077)
(Increase) in accrued interest	(2,167)
(Increase) in prepaid expenses	(8,134)
Increase in payable to Golden Rain Foundation	70,728
Increase in project commitment reserve	619,196
Increase in prepaid monthly dues	11,093
Increase in other liabilities	11,986
Increase in property tax accrual	10,476
(Decrease) in repair and tax deposit liability	(12,285)
TOTAL ADJUSTMENTS	<u>1,334,705</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,021,959</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
(Purchase) of residences and construction-in-progress	(634,653)
(Purchase) of investments	<u>(300,000)</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(934,653)</u>
NET INCREASE IN CASH	87,306
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	<u>2,061,484</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	<u>\$ 2,148,790</u>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Seal Beach Mutual No. Five (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 \$4,494,433, consisting of interest in Trust funds of \$1,193,468 and interest in community facilities of \$3,300,965.

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 \$38,181 and \$20,104, respectively. Prepaid monthly dues from members at December 31, 2022 and 2021 were \$21,075 and \$9,982, 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. FIVE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Expenses: Included in the Mutual operating expenses are trust administration costs related to administration, recreation and community facilities. The Foundation charges each Mutual Corporation 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 492 units controlled by Mutual Five were \$999,395 for 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 \$758,336.

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 \$283,422.

Concentration of Credit Risk: The Mutual's cash is maintained in one commercial bank. Cash maintained in U.S. Bank consists of demand deposits, certificates of deposit (CDs), 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 U.S. Bank accounts are fully covered by this program.

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. FIVE
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 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	\$	152,549
Impound accounts - cash equivalents		218,418
Repair and tax deposits - cash equivalents		67,298
Restricted cash equivalents		<u>1,710,525</u>
Total cash and cash equivalents and restricted cash	\$	<u>2,148,790</u>
Restricted investments	\$	<u>300,000</u>
Total	\$	<u><u>2,448,790</u></u>

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

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

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Restricted investments are comprised of certificates of deposits with maturities greater than three months. Investments in certificates of deposit are valued based on fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer. Certificates of deposits are measured using level 2 inputs within the fair value hierarchy.

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

<u>Property Tax Fund</u> : Designated for the payment of property taxes	\$ 218,418
<u>Appliance Fund</u> : Designated for replacement of appliances, fixtures and other property components	32,088
<u>Painting Fund</u> : Designated for painting of residences and other facilities	318,264
<u>Contingency Operating Fund</u> : Designated for deficiencies resulting from delinquent accounts and other contingencies	65,520
<u>Roofing Fund</u> : Designated for replacement of roofs	1,306,527
<u>Emergency Fund</u> : Designated for disasters and unanticipated liabilities	77,925
<u>Infrastructure Fund</u> : Designated for replacement of infrastructure	210,201
<u>Repair & Tax Deposits</u> : Designated for repairs of sold units and for pending tax liabilities of the sellers	67,298
Total designated deposits and investments	\$ <u><u>2,296,241</u></u>

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

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 \$84,491 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.

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	\$ 1,498,702
Collection of reserve	762,697
Repair and maintenance expenditures	(1,009,209)
Deferred reserve - end of year	<u>\$ 1,252,190</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 \$2,010,525 at December 31, 2022, are held in separate accounts and are generally not available for operating purposes.

The funding 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 completed 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 variations 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. FIVE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 - INCOME TAXES

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

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

NOTE 8 - PRIOR PERIOD ADJUSTMENT

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

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

	<u>As Originally Reported</u>	<u>Prior Period Adjustment</u>	<u>As Restated</u>
Balance Sheet			
Deferred Project Reserve Liability	\$ -	\$ 1,498,702	\$ 1,498,702
Statement of Stockholders' Equity			
Appliance Reserve	\$ 41,174	\$ (41,174)	\$ -
Project Reserve	\$ 1,357,889	\$ (1,357,889)	\$ -
Contingency Reserve	\$ 20,706	\$ (20,706)	\$ -
Emergency Reserve	\$ 78,933	\$ (78,933)	\$ -

SEAL BEACH MUTUAL NO. FIVE
 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	\$ 999,395	\$ 1,015,665
TOTAL COMMUNITY FACILITIES AND ASSOCIATION EXPENSES	<u>999,395</u>	<u>1,015,665</u>
ADMINISTRATIVE EXPENSES		
Management fee	3,306	3,306
Legal fees	11,144	5,018
TOTAL ADMINISTRATIVE EXPENSES	<u>14,450</u>	<u>8,324</u>
OPERATING EXPENSES		
Electricity	25,418	23,026
Telephone	260	118
Water	101,290	101,254
Rubbish removal	60,260	58,804
TOTAL OPERATING EXPENSES	<u>187,228</u>	<u>183,202</u>
MAINTENANCE AND REPAIR EXPENSES		
Outside replacements and maintenance	58,860	56,738
Outside grounds maintenance	214,832	213,371
Service maintenance - standard	91,415	106,980
Service maintenance - replacement	73,775	-
Transfers from replacement reserve	(73,775)	-
TOTAL MAINTENANCE AND REPAIR EXPENSES	<u>365,107</u>	<u>377,089</u>
TAXES AND INSURANCE EXPENSES		
Income taxes (Note 1)	2,022	1,771
Hazard insurance	157,028	168,559
TOTAL TAXES AND INSURANCE EXPENSES	<u>159,050</u>	<u>170,330</u>
FINANCIAL EXPENSES		
Bank service fee	25	-
TOTAL FINANCIAL EXPENSES	<u>25</u>	<u>-</u>
TOTAL DIRECT OPERATING EXPENSES	<u>\$ 1,725,255</u>	<u>\$ 1,754,610</u>

See accompanying independent auditors' report.

SEAL BEACH MUTUAL NO. FIVE
 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 set forth 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		Annual Contribution	Per Unit Per Month		
			Required	Est Beg Bal				
Appliance		\$ 104,713	\$ 104,713	\$ 47,604	\$ 57,097		Note (1)	
	Monthly contribution to the Appliance Fund						\$ 9.67	
Painting	1 - 2	469,350	404,715	310,026	8,240		Note (2)	
Roofing	0 - 29	3,943,000	2,155,100	808,344	531,810		Note (3)	
Infrastructure	0 - 8	2,653,750	2,324,551	397,589	165,550		Note (4)	
	Contribution to Replacement Reserves		4,884,366	1,515,959	705,600	119.51		
Emergency				81,483	-		Note (5)	
Contingency				20,706	-		Note (6)	
Total for Budget				\$ 1,665,752	\$ 762,697	129.18		

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 \$130,570 and the adjustment is a \$25,857 decrease for a total requirement of \$104,713. The board approved the 2022 funding of this reserve for \$57,097.*
- Note 2. *The board determined funding of \$8,240 for 2022.*
- Note 3. *The board determined funding of \$531,810 for 2022.*
- Note 4. *The board determined funding of \$165,550 for 2022.*
- Note 5. *The board determined no funding was necessary for 2022.*
- Note 6. *The board determined no funding was necessary for 2022.*

See accompanying independent auditors' report.

**MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
JUNE 13, 2023**

The organizational meeting of Seal Beach Mutual Five was held following the annual shareholders' meeting at Clubhouse Four. Mutual Administration Director Jodi Hopkins, acting as chairperson, called the meeting to order at 10:52 a.m. The purpose of the meeting was to elect the officers for the 2023–2024 term of office and to ascertain the regular monthly board meeting location, day, and time.

Those directors present were Ken Cude (**via phone**), Linda DeRungs, Wayne Gould, Gloria Shannon, Kevin Powell, and Ed Murphy. Also, present were Executive Director Jessica Sedgwick, Mutual Administration Director Jodi Hopkins and Assistant Portfolio Specialist Delia Equite.

Absent: John A Berton

Mutual Administration Director Jodi Hopkins opened the nominations for the office of the President. Wayne Gould nominated Linda DeRungs for the President. There being no further nominations, Linda DeRungs was elected to the office of President for the 2023 – 2024 term of office.

The chair was turned over to the newly elected President DeRungs, who then called for nominations for the Vice President. Kevin Powell nominated Ed Murphy for the office of Vice President. There being no further nominations, Ed Murphy was elected to the office of Vice President for the 2023-2024 term of office.

President DeRungs called for nominations for the office of the Secretary. Wayne Gould nominated Gloria Shannon for the office of Secretary. There being no further nominations, Gloria Shannon was elected to the office of Secretary for the 2023–2024 term of office.

President DeRungs called for nominations for the Chief Financial Officer. Wayne Gould nominated Ken Cude for the office of Chief Financial Officer. There being no further nominations, Ken Cude was elected to the office of Chief Financial Officer for the 2023–2024 term of office.

Chief Financial Officer Cude left the meeting at 10:55 a.m. (**via phone**)

President DeRungs stated that Advisory Committees will be assigned at the next regular board meeting.

The board discussed the monthly meeting location, day, and time. The Mutual Five regular monthly board meetings will be held in Building Five Conference Room B on the third Wednesday of each month at 9:00 a.m.

There being no further business, the meeting was adjourned at 10:56 a.m.

Attest, Gloria Shannon, Secretary
SEAL BEACH MUTUAL FIVE
DE 06/13/23

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE	INSPECTOR: Mike Meza
MUTUAL BOARD MEETING DATE: July, 2023	

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	Improvement Values	RECENT INSPECTION	CONTRACTOR
100-A	KITCHEN REMODEL	BOTH	06/10/23	04/30/23	\$35,500	PLUMB, FRAM, ELEC, 03/27	BA CONSTRUCTINO
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
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	FINAL 02/27/23	B&B CARPET
97-C	SLIDING DOOR	BOTH	12/31/23	02/28/23	\$7,800	FINAL 05/29/23	VICKERS CONSTRUCTION
121-B	UNIT REMODEL	BOTH	01/01/23	07/30/23	\$65,000	FINAL 06/01/23	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	FINAL 04/30/23	JULIAN AGUILAR ELECTRIC
72-J	FLOORING	GRF	01/15/23	02/28/23	\$4,625	FINAL 02/07/23	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	FINAL 02/25/23	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
98-D	ROOM ADDITION	BOTH	02/01/23	07/30/23	\$28,000	FINAL 07/12/23	MP CONSTRUCTION
113-D	HEAT PUMP	BOTH	02/13/23	05/13/23	\$7,835	FINAL 03/22/23	GREENWOOD
97-H	SHOWER CUT DOWN	BOTH	02/13/23	03/13/23	\$3,512	FINAL 03/13/23	NUKOTE
116-A	SHOWER REMODEL	BOTH	01/30/23	05/18/23	\$23,450	FINAL 04/12/23	LOS AL BUILDERS
112-C	UNIT ABATEMENT	GRF	02/07/23	02/09/23	\$3,200	FINAL 02/09/23	UNIVERSAL ABATEMENT
112-C	UNIT REMODEL	BOTH	01/03/23	04/07/23	\$121,800	LATHE 06/08/23	BA CONSTRUCTION
115-B	CARPORT CABINET	GRF	02/13/23	03/18/23	\$950	FINAL 03/15/23	VICKERS CONSTRUCTION
118-F	UNIT REMODEL	BOTH	11/10/23	04/30/23	\$88,000	FINAL 07/10/23	MP CONSTRUCTION
123-D	COUNTERTOPS	BOTH	03/01/23	06/30/23	\$6,800	FINAL 03/27/23	MP CONSTRUCTION
121-K	LOWER STORAGE CABINET	GRF	03/16/23	04/15/23	\$950	FINAL 03/27/2023	VICKERS CONSTRUCTION
115-J	LOWER STORAGE CABINET	GRF	03/18/23	04/18/23	\$1,100	FINAL 04/18/23	VICKERS CONSTRUCTION
113-J	UNIT REMODEL					FINAL 06/01/23	OGAN CONSTRUCTION
69-J	SHOWER CUT DOWN	BOTH	03/28/23	04/28/23	\$4,535	FINAL 04/28/23	NUKOTE
115-J	WINDOWS	BOTH	03/30/23	04/30/23	\$3,280	FINAL 04/05/23	VICKERS CONSTRUCTION
115-I	WINDOWS	BOTH	03/31/23	04/30/23	\$4,920	FINAL 04/30/23	VICKERS CONSTRUCTION
111-E	ELECTRICAL OUTLET	BOTH	04/07/23	04/28/23	\$450	04/28/23	OGAN CONSTRUCTION
94-G	SKYLIGHT FLARE/SLIDER	BOTH	04/10/23	07/20/23	\$30,235	FRAMING 05/01/23	LOS AL BUILDERS
126-K	FLOORING	GRF	04/10/23	05/30/23	\$5,570		KARYS CARPET
120-E	SHOWER CUT DOWN	BOTH	04/13/23	05/13/23	\$2,815	FINAL 05/13/23	NUKOTE
118-K	PORCH TILE	GRF	04/15/23	05/30/23	\$3,000		KARYS CARPET
102-D	PATIO GLASS	GRF	04/15/23	06/15/23	\$707	FINAL 06/15/23	BODIES GLASS
115-F	PORCH GATE	GRF	04/17/23	05/10/23	\$690		VICKERS CONSTRUCTION
103-K	SHOWER CUT DOWN	BOTH	04/25/23	05/25/23	\$4,535		NUKOTE
125-E	FLOORING	GRF	04/30/23	05/30/23	\$4,500		KARYS CARPET
97-G	UNIT REMODEL	BOTH	06/19/23	11/15/23	\$140,400		JC KRESS
121-D	LOWER STORAGE CABINET	GRF	05/08/23	06/30/23	\$1,750		BERGKVIST
98-B	SHOWER CUT DOWN	BOTH	06/26/23	07/26/23	\$5,222		NUKOTE

ESCROW ACTIVITY

Unit #	NMI	PLI	NBO	FI	FCOEI	ROF	ACTIVE, CLOSING, CLOSED		
							14	5	6
69-L		04/17/23							
71-L		03/24/22	07/07/23	07/07/23					
91-F		06/30/23							
91-J		06/23/23							
94-H		06/23/23							
95-K		03/29/23							

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE		INSPECTOR: Mike Meza					
MUTUAL BOARD MEETING DATE:		July, 2023					
97-G		03/14/23	04/20/23	05/01/23	05/15/23	07/10/23	
98-F		05/23/23	06/26/23	06/30/23			
101-B		06/21/22					
101-L		02/21/23	06/26/23	06/26/23			
104-F		01/27/23					
105-I		12/13/22	04/11/2023	04/11/23	04/23/23	05/16/23	
115-F		10/13/22	01/10/23	01/11/23	1/26/2023	03/01/2023	
116-E		12/06/22					
118-K		07/07/23					
120-J		03/17/23					
122-A		03/29/23					
122-L		11/17/22					
122-E		10/21/22	01/03/23	01/03/23	01/17/23	03/01/2023	
123-D		04/014/23	05/02/23	05/02/23	05/16/23	07/10/23	
124-J		11/17/22	03/09/23	03/14/23	03/28/23		
124-L		02/24/23					
125-E		06/15/23					
126-G		03/24/23	04/10/23	04/10/23	04/24/23	07/10/23	
126-K		03/10/23	03/23/23	03/24/23	04/07/23		

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 2026	Pest and rodent control services New contract is being drafted
FENN PEST CONTROL 2026	Bait station (pending BOD approval)
ROOFING STANDARDS	Buildings 70, 100, 101, 113, 120 Completed
ROOFING STANDARDS October, 2023	Buildings 96, 97, 107, 112, 123, 125 Contract signed

SPECIAL PROJECTS

Contractor	Discription of Work
5-72-G	New Patio
113-D	Seating area
113-H	New Patio
117-L	New Patio

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE MJ JURADO SIDEWALK REPLACEMENT PROPOSAL (BUILDING INSPECTOR, ITEM A)
DATE: JULY 19, 2023
CC: MUTUAL FILE

I move to approve the MJ Jurado sidewalk replacement proposal, at a cost not to exceed \$_____. Funds to come from _____ and authorize the President to sign any necessary documentation.

BID PROPOSAL and CONTRACT

10552 Chestnut Ave. • Stanton, CA 90680
Tel: 714-397-0143 • Fax: 714-827-2110
State Contractor's License #987670 - A

3RD
PHASE

Job# _____

Date MARCH 1, 2023

Bid to MUTUAL 5
INSPECTOR: MIKE MEZA

Location BLDG 70 + 71
ENTRY WALK + MAIN SIDE WALK

Owner/Dev _____

We promise to furnish you labor and materials as noted below at the unit prices shown for the construction of

Item No	Quantity	Type or Description	Unit Price	Total
	120 4	REMOVE + REPLACE SIDEWALKS 4" CONCRETE #3 REBAR AT END OF BLDG 70 ADJALENT TO CARPORT.	\$ 14.75	\$ 1770.
	894 4	REMOVE + REPLACE SIDEWALKS 4" CONCRETE #3 REBAR BLDG 70 MAIN WALK	14.75 \$ 14.75	\$ 13186.50
	240 4	REMOVE + REPAIR SIDEWALK 4" CONCRETE #3 REBAR BLDG 71 MAIN WALK	\$ 14.75	\$ 3540.
		<u>BLDG 71</u>		
UNIT	L	ENTRY WALK		\$ 600.
UNIT	K	ENTRY WALK		\$ 300.
		<u>BLDG 70</u>		
UNIT	E+D	ENTRY WALK		\$ 1400.
UNIT	C	ENTRY WALK		\$ 300.
UNIT	B	ENTRY WALK		\$ 600.
UNIT	A	ENTRY WALK		\$ 300.

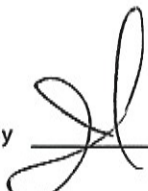
PRICES BASED ON SACK TYPE CONCRETE VALID TO

TOTAL	\$ 21996.50
--------------	-------------

ACCEPTED:

Buyer

Date

By  JAMES JURADO 3-1-23



Mutual Five Sidewalk Near Building 72

Phase two Yellow

Phase three Orange

Legend

Medinao Ln

Medinao Ln



Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE FENN TERMITE AND PEST CONTROL PROPOSAL FOR BAIT STATIONS (BUILDING INSPECTOR, ITEM B)
DATE: JULY 19, 2023
CC: MUTUAL FILE

I move to approve the Bait Stations proposal from Fenn Termite and Pest Control, at a cost not to exceed \$_____. Funds to come from _____ and authorize the President to sign any necessary documentation.

LEISURE WORLD MUTUAL 05

Rodent Control Service

Presented by



TERMITE + PEST CONTROL

A Full Service Pest Control Company

1-800-443-PEST (7378)

www.fennpest.com

Established 1950

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

7322 Walnut Avenue
Buena Park, CA 90620

SCOPE OF SERVICE

SERVICE: Quarterly inspection and maintenance of 82 rodent bait stations.

PESTS COVERED: Rats and Mice.

AREAS COVERED: Exterior of buildings and carports.

COST:

2023

\$3.50 X 82 stations = \$287.00

year 1: \$1,148.00

2024

\$4.00 X 82 stations = \$328.00

year 2: \$1,312.00

2025

\$4.50 X 82 stations = \$369.00

year 3: \$1,476.00

AGREED:

3 year total: \$3,936.00

MUTUAL 05:

FENN TERMITE & PEST CONTROL INC.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE PATIO PROPOSAL FOR UNIT 05-072G
(BUILDING INSPECTOR, ITEM C)
DATE: JULY 19, 2023
CC: MUTUAL FILE

I move to approve the patio proposal for Unit 05-072G. Work to be done at the shareholder's expense.



- Remove the sod
- Reroute the sprinklers
- Replace the sod with pavers
- Put up a stucco wall with concrete caps.
- Stucco wall will be 26 in from the inside

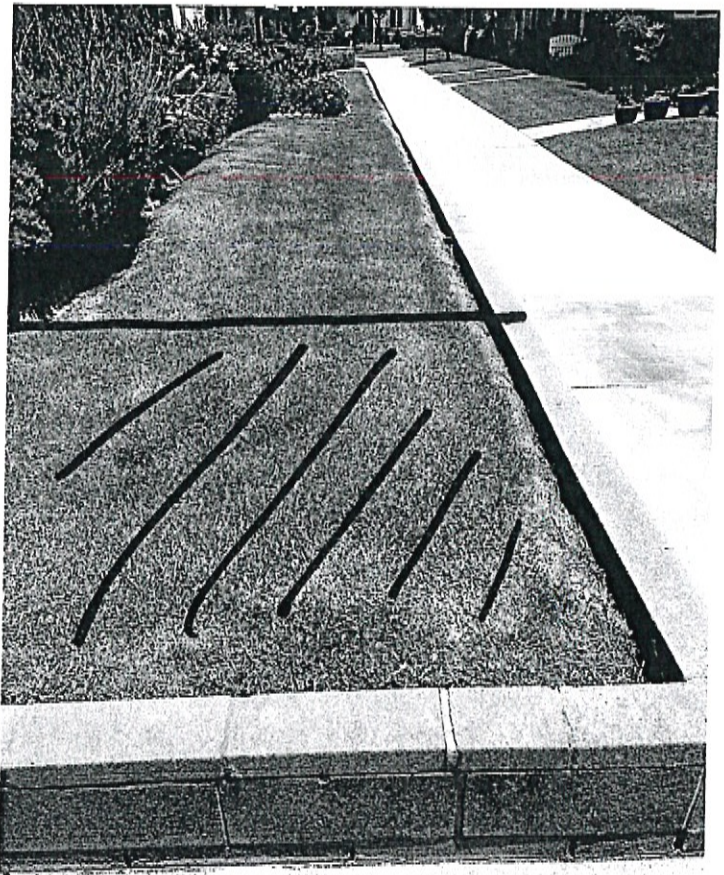
5-72-G

 - Pavers inside.

26 feet wide X 9 feet Deep
 2 feet wall height w/cap
 6-inch set back from sidewalk

Stucco wall finish (color of building)
 Floor finish, Pavers

3 feet wall height (option)

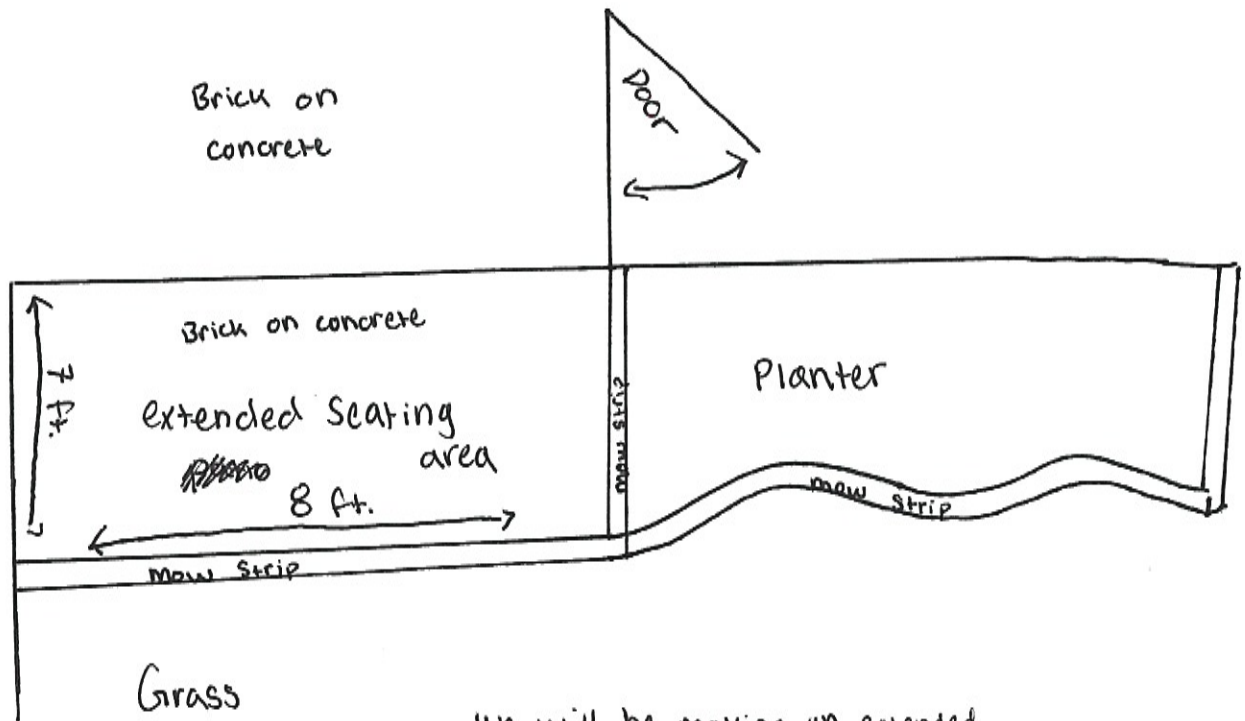
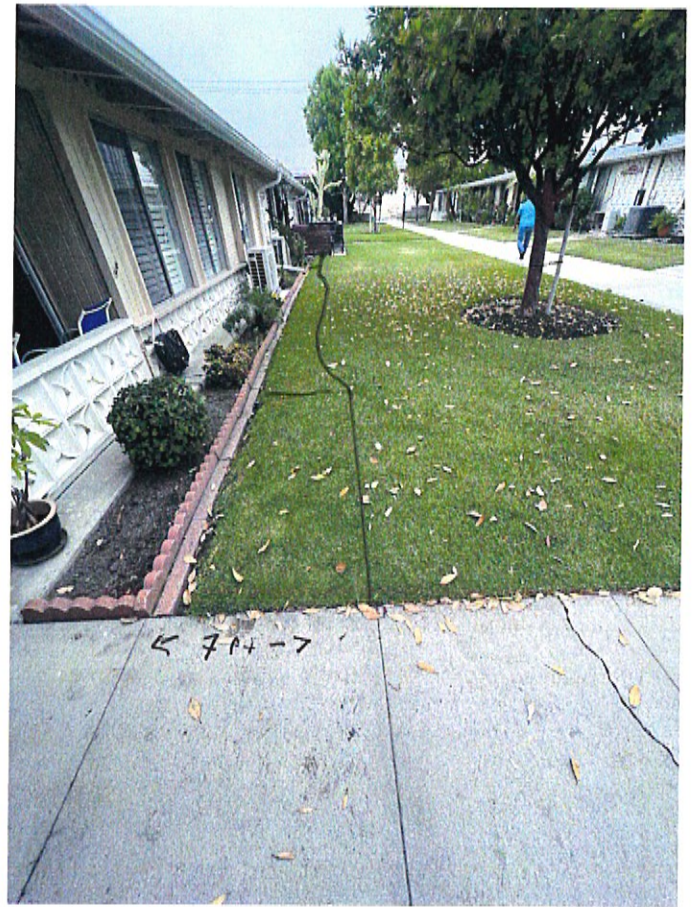


Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE PATIO PROPOSAL FOR UNIT 05-113D
(BUILDING INSPECTOR, ITEM D)
DATE: JULY 19, 2023
CC: MUTUAL FILE

I move to approve the patio proposal for Unit 05-113D. Work to be done at the shareholder's expense.



We will be making an extended Seating area with bricks on concrete. The wall will be removed to make one solid seating area. Add concrete mow strip to separate borders. Re route sprinklers as needed.

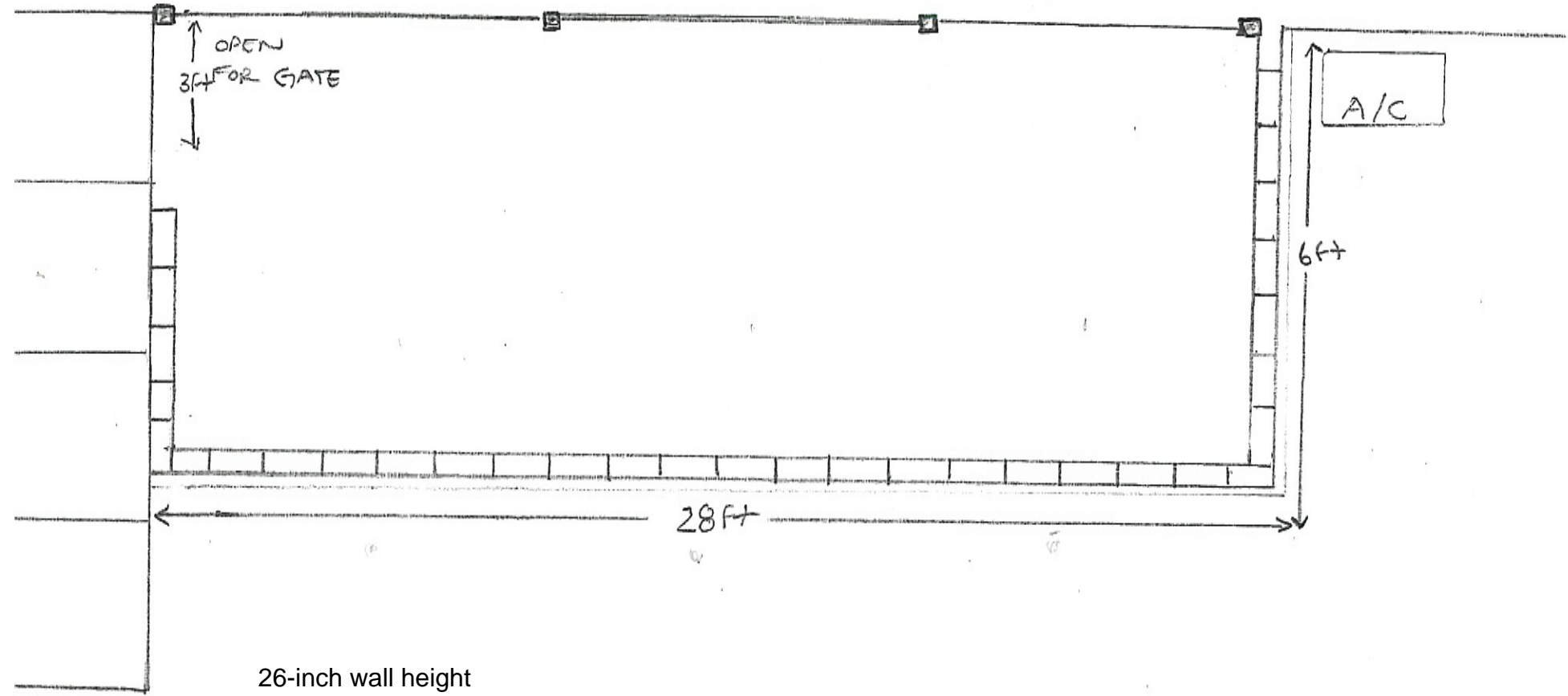
Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE PATIO PROPOSAL FOR UNIT 05-113H
(BUILDING INSPECTOR, ITEM E)
DATE: JULY 19, 2023
CC: MUTUAL FILE

I move to approve the patio proposal for Unit 05-113h. Work to be done at the shareholder's expense.

5-113 H PATTY



BLOCK WALL 34IN HIGH W/ CAPS STUCCO FINISH INSIDE AND OUT.

FLOOR WILL BE BROOM FINISH

WILL HAVE WEEP HOLES AND DRAINING 43 AND 4 IN CONCRETE WALL STABIL

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE PATIO PROPOSAL FOR UNIT 05-117L
(BUILDING INSPECTOR, ITEM F)
DATE: JULY 19, 2023
CC: MUTUAL FILE

I move to approve the patio proposal for Unit 05-117L. Work to be done at the shareholder's expense.



- EXT PATIO MUTUAL 5 117-L
- CARMEN MARTINEZ 310 654-3992
- GRECO / GREG RAMIREZ 714 330-3523
- PATIO W 22'6" DEPTH 8'8" INSIDE WALL @ 26'
- INT WALLS STUCCO/MATCH BLDG
- EXT WALL STONE W CAPS

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE PATIO PROPOSAL FOR UNIT 05-123F
(BUILDING INSPECTOR, ITEM G)
DATE: JULY 19, 2023
CC: MUTUAL FILE

I move to approve the patio proposal for Unit 05-123F. Work to be done at the shareholder's expense.

1236

123F

Replace Window
TO SLIDER 5'

A/C
COND.

NEW SLIDER

EX. BAY WINDOW

EX. Planter

Broom Finish
Concrete

Concrete mow

6" Block wall 35" max

9'-7"

4'

24'

4'

24'-0"

Public Sidewalk

GRASS

GRASS AREA

Owner:

Alice Chung

13490 Wentworth Ln 123F

Contractor:

J.C. Kress Const

714 822-5000

Scope of Work:

New Patio Area 24'x14'

6" Block wall 32" + 3" Cap

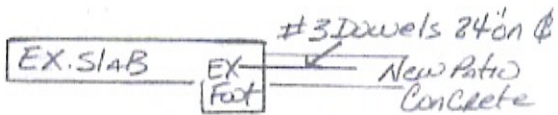
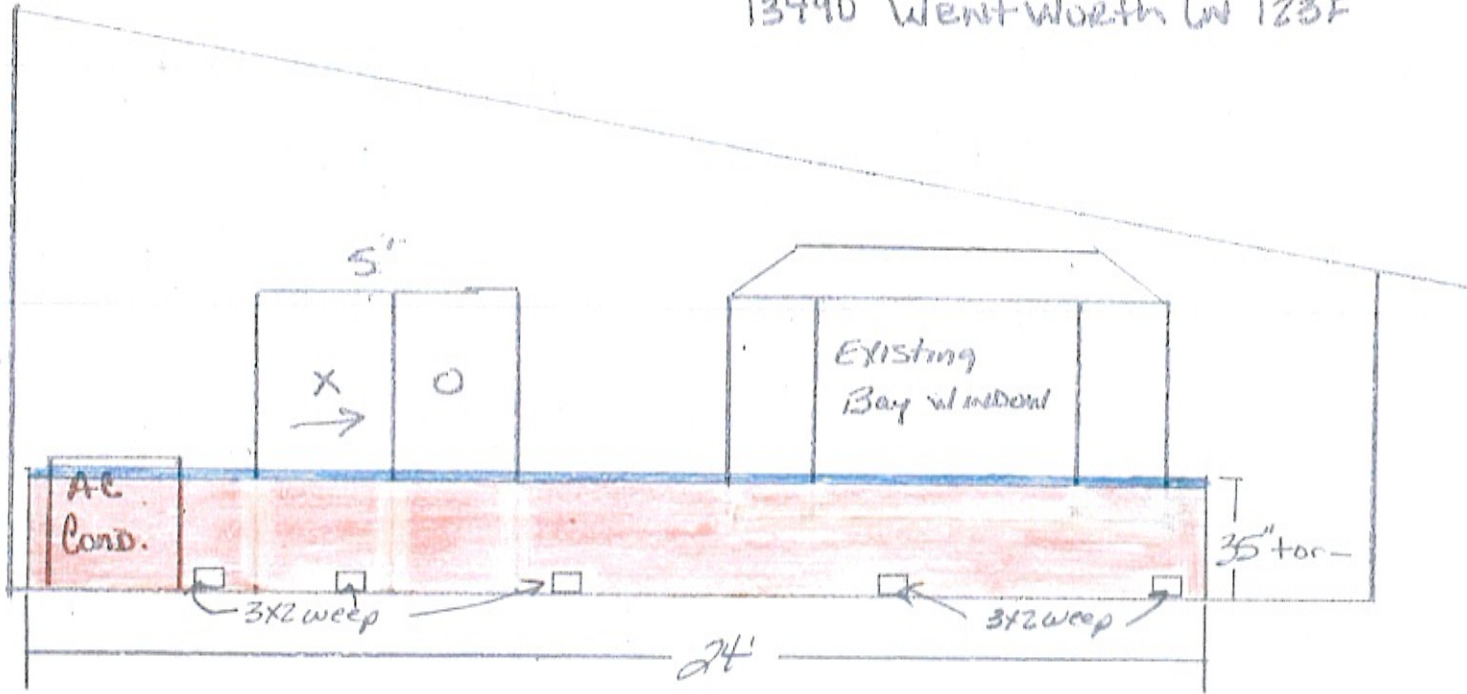
Total 35" tall -

Stucco Finish Both Sides

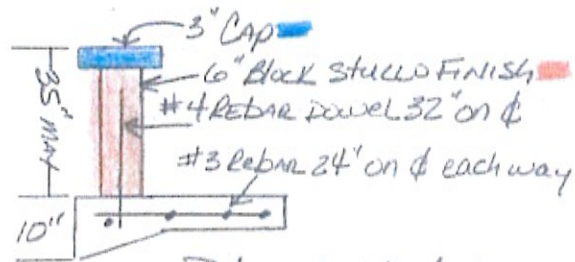
5-3/2 weep holes in wall

4" mow edge along grass

Alice Chung
 13490 Wentworth Ln 123F



SLAB TIE IN DETAIL



PATIO WALL DETAIL

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVAL OF MUTUAL MONTHLY FINANCES (NEW BUSINESS, ITEM A)
DATE: JULY 19, 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 months April, May, and June 2023.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE NOTICE TO INTENT TO WITHDRAW
(NEW BUSINESS, ITEM B)
DATE: JULY 19, 2023
CC: FILE

On July 20, 2022, Mutual Five Board of Directors “RESOLVED to approve that Mutual Five authorizes the board’s president and/or duly appointed officer to act on behalf of the board to execute the Notice of Intent to Withdraw for the 2022-2023 term of office.”

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

OR

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

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RECEIVE MONTHLY MEETING MINUTES FROM OTHER MUTUALS. (NEW BUSINESS, ITEM C)
DATE: JULY 19, 2023
CC: FILE

On July 20, 2022, Mutual Five Board of Directors, “RESOLVED to approve that Mutual Five continues to **NOT** receive one hard copy of the various mutuals’ monthly minutes in their mailbox in the Stock Transfer Office.

I move to **approve** that Mutual Five continues to receive one hard copy of the various mutuals’ monthly minutes in their mailbox in the Mutual Mailroom.

OR

I move to **deny** that Mutual Five continues to receive one hard copy of the various mutuals’ monthly minutes in their mailbox in the Mutual Mailroom.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE RELEASE MUTUAL BOARD CONTACT INFORMATION . (NEW BUSINESS, ITEM D)
DATE: JULY 19, 2023
CC: FILE

On July 20, 2022, Mutual Five Board of Directors “RESOLVED to approve that the Mutual Five Board of Directors authorizes the Mutual Administration Department to release all contact information as requested.”

I move to **approve** that the Mutual Five Board of Directors authorizes the Mutual Administration Department to release Director information as requested.

OR

I move to **deny** that the Mutual Five Board of Directors authorizes the Mutual Administration Department to release Director information as requested.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE PROPERTY TAX POSTPONEPOST APPLICATION. (NEW BUSINESS, ITEM E)
DATE: JULY 19, 2023
CC: FILE

On July 20, 2022, Mutual Five Board of Directors “RESOLVED approve that Mutual Five DOES NOT support or authorize the signing of the Property Tax Postponement Application from the State of California. The mutual further authorizes the GRF Finance Department to notify the board if a shareholder requests a Property Tax Statement.

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

OR

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

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO DISCLOSE “YES”, “NO” AND “ABSTENTIONS”
VOTES IN THE MINUTES. (NEW BUSINESS, ITEM F)
DATE: JUNE 19, 2023
CC: FILE

On June 14, 2022, Mutual Five Board of Directors “RESOLVED to approve that the Mutual Five meeting minutes disclose “yes” votes, “no” votes, and abstentions in the motion results effective June 2022.”

I move to **approve** that the Mutual Five meeting minutes disclose “yes” votes, “no” votes, and abstentions in the motion results effective July 2023.

OR

I move to **deny** that the Mutual Five meeting minutes disclose “yes” votes, “no” votes, and abstentions in the motion results effective July 2023.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE THE APPOINTMENT SETTING COMMITMENT (NEW BUSINESS, ITEM G)
DATE: JULY 19, 2023
CC: FILE

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

On July 20, 2022, Mutual Five of Directors, “RESOLVED to approve a commitment by the Board of Directors of Mutual Five, to help support the unified mission of the collective mutuals of Leisure World Seal Beach, to ensure appointments are made to meet with GRF staff.”

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

OR

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

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO HAVE ALL BOARD MEMBERS SIGN THE CODE OF ETHICS (NEW BUSINESS, ITEM H)
DATE: JULY 20, 2022
CC: FILE

I move to have all board members of Mutual Five sign 7710.5 - Code of Ethics.

MUTUAL OPERATIONS

ORGANIZATION OF THE BOARD

Ethics Policy – Mutual Five

ETHICS POLICY FOR DIRECTORS & COMMITTEE MEMBERS

The Board of Directors has adopted the following ethics policy for its board members and committees. This policy is intended to provide guidance with ethical issues and a mechanism for addressing unethical conduct.

A. BOARD RESPONSIBILITIES

The general duties for directors are to enforce the association's governing documents, collect and preserve the association's financial resources, insure the association's assets against loss, and keep the common areas in a state of good repair. To fulfill that responsibility, directors must:

- regularly attend board meetings,
- review material provided in preparation for board meetings,
- review the association's financial reports, and
- make reasonable inquiry before making decisions.

B. PROFESSIONAL CONDUCT

In general, directors and committee members must conduct all dealings with vendors and employees with honesty and fairness, and safeguard information that belongs to the association.

1 Self-Dealing.

Self-dealing occurs when directors or committee members make decisions that materially benefit themselves or their relatives at the expense of the association. "Relatives" include a person's spouse, parents, siblings, children, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone who shares the person's residence. Benefits include money, privileges, special benefits, gifts or other item of value. Accordingly, no director or committee member may:

- solicit or receive any compensation from the association for serving on the board or any committee,
- make promises to vendors unless with prior approval from the board,
- solicit or receive, any gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves or their relatives from a person or company who is seeking a business or financial relationship with the association,
- seek preferential treatment for themselves or their relatives,
- use association property, services, equipment or business for the gain or benefit of themselves or their relatives, except as is provided for all members of the association.

MUTUAL OPERATIONS

ORGANIZATION OF THE BOARD

Ethics Policy – Mutual Five

2. Confidential Information.

Directors and committee members are responsible for protecting the association's confidential information. As such they may not use confidential information for the benefit of themselves or their relatives. Except when disclosure is duly authorized or legally mandated, no director or committee member may disclose confidential information. Confidential information includes, without limitation:

- private personal information of fellow directors and committee members,
- private personnel information of the association's employees,
- disciplinary actions against members of the association,
- assessment collection information against members of the association, and
- legal disputes in which the association is or may be involved--directors may not discuss such matters with persons not on the board without the prior approval of the association's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and loss of confidential information.

3. Misrepresentation.

Directors and committee members may not knowingly misrepresent facts. All association data, records and reports must be accurate and truthful and prepared in a proper manner.

4. Interaction with Employees.

To ensure efficient management operations, avoid conflicting instructions from the board to management and avoid potential liability, committee members and directors shall observe the following guidelines:

- The president of the board shall serve as liaison between the board and management and provide direction on day to day matters.
- Except for the president, committee members and directors may not give direction to management, employees or vendors.
- Directors may not contact management after hours unless there is an emergency representing a threat of harm to persons or property.
- If directors or committee members are contacted by employees with complaints, the employees shall be instructed to contact management or the board as a whole.
- No director may threaten or retaliate against an employee who brings information to the board regarding improper actions of a director or committee member.
- Directors and committee members are prohibited from harassing or threatening employees, vendors, directors, committee members, and owners, whether verbally, physically or otherwise.

MUTUAL OPERATIONS

ORGANIZATION OF THE BOARD

Ethics Policy – Mutual Five

5. Proper Decorum.

Directors and committee members are obligated to act with proper decorum. Although they may disagree with the opinions of others on the board or committee, they must act with respect and dignity and not make personal attacks on others. Accordingly, directors and committee members must focus on issues, not personalities and conduct themselves with courtesy toward each other and toward employees, managing agents, vendors and members of the association. Directors shall act in accordance with board decisions and shall not act unilaterally or contrary to the board's decisions.

C. WHEN CONFLICTS OF INTEREST ARISE

Situations may arise that are not expressly covered by this policy or where the proper course of action is unclear. Directors and committee members should immediately raise such situations with the board. If appropriate, the board will seek guidance from the association's legal counsel.

1. Disclosure & Recusal.

Directors and committee members must immediately disclose the existence of any conflict of interest, whether their own or others. Directors and committee members must withdraw from participation in decisions in which they have a material interest.

2. Violations of Policy.

Directors and committee members who violate the association's ethic's policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to disciplinary action, including, but not limited to:

- censure,
- removal from committees,
- removal as an officer of the board,
- request for resignation from the board,
- recall by the membership, and
- legal proceedings.

Prior to taking any of the actions described above, the board shall appoint an executive committee to investigate the violation. The committee shall review the evidence of violation, endeavor to meet with the director/committee member believed to be in violation, confer with the association's legal counsel, and present its findings and recommendations to the board for appropriate action. The board shall endeavor to meet with the director/committee member in executive session prior to imposing disciplinary action against that person.

MUTUAL OPERATIONS

ORGANIZATION OF THE BOARD

Ethics Policy – Mutual Five

D. PLEDGE

I have read the Ethics Policy and pledge to act in accordance with my obligations as described above.

Signature: _____ Date: _____

Print name: _____

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE/DENY MAINTAINING PROCEDURE PER RULE 05-7510-1 AND THE STOCK TRANSFER OFFICE (NEW BUSINESS, ITEM I)
DATE: JULY 19, 2023
CC: MUTUAL FILE

On July 20, 2022, Board Meeting, the Mutual Five Board of Directors passed the following resolution: “RESOLVED approve that, according to Policy 7510.05– Eligibility Requirements, if there is a question of financial eligibility, Mutual Five **will be** contacted by the Stock Transfer Office in the event of a non-qualifying financial issue, and furthermore to have the Stock Transfer Office follow Policy 7510.05 – Eligibility Requirements.”

I move to **approve** that Mutual Five authorizes, that according to Rule 05-7510-1 – Eligibility Requirements, if there is a question of financial eligibility; Mutual Five **WILL NOT** be contacted by the Stock Transfer Office in the event of a non-qualifying financial issue, and furthermore to send a letter to the Golden Rain Foundation to state that Rule 05-7510-1 – Eligibility Requirements, and all Mutual Five Rules and Regulations and Procedures, are to be followed as written.

OR

I move to **approve** that Mutual Five authorizes, that according to Rule 05-7510-1 – Eligibility Requirements, if there is a question of financial eligibility; Mutual Five **WILL BE** contacted by the Stock Transfer Office in the event of a non-qualifying financial issue, and furthermore to send a letter to the Golden Rain Foundation to state that Rule 05-7510-1 – Eligibility Requirements, and all Mutual Five Rules and Regulations and Procedures, are to be followed as written.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE MUTUAL ADMINISTRATION WEBSITE ACCESS AGREEMENT (NEW BUSINESS, ITEM J)
DATE: JULY 19, 2023
CC: MUTUAL FILE

I move to approve GRF Mutual Administration Website Access Agreement for Mutual 05, 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.



Golden Rain Foundation

Golden Rain Foundation

Leisure World, Seal Beach

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. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO CANCEL SEGWAY HOTLINE(NEW BUSINESS, ITEM K)
DATE: JULY 19, 2023
CC: MUTUAL FILE

I move to cancel the Segway Hotline.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO ACCEPT THE RESIGNATION (NEW BUSINESS, ITEM L)
DATE: JULY 19, 2023
CC: FILE

I move to respectfully accept the resignation of John Berton as a Director on the Mutual Five Board of Directors.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO ACCEPT THE RESIGNATION OF GLORIA SHANNON AS SECRETARY (NEW BUSINESS, ITEM M)
DATE: JULY 19, 2023
CC: FILE

I move to respectfully accept the resignation of Gloria Shannon as Secretary of the Mutual Five Board of Directors.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPOINT A DIRECTOR (NEW BUSINESS, ITEM N)
DATE: JULY 19, 2023
CC: FILE

I move to appoint Eun Jin Lee as Director to the Mutual 5 Board of Directors for the 2023-2024 term of office.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPOINT DIRECTOR AS SECRETARY (NEW BUSINESS, ITEM O)
DATE: JULY 19, 2023
CC: FILE

I move to appoint Eun Jin Lee as Secretary to the Mutual 5 Board of Directors for the 2023-2024 term of office.

Mutual Corporation No. Five

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE TO ADOPT GRF GLOSSARY TERMS
(NEW BUSINESS, ITEM P)
DATE: JULY 19, 2023
CC: MUTUAL FILE

I move to adopt GRF's document of 30- 1001- 5 Glossary of Terms.



GRF ADMINISTRATION COMMITTEE

Glossary of Terms

The GRF Glossary of Terms creates greater efficiency for the Board's formulation and enforcement of rules governing the community by codifying meanings of terms and limiting the need to include those definitions in each rule.

1. **ACTIVE ADULT COMMUNITY**: A residential community with recreational and educational activities for active senior adults. Assisted living, independent, and skilled nursing services are NOT provided.
2. **AGE-RESTRICTED COMMUNITY**: A residential community for adults aged 55 or over as defined by applicable State and Federal law.
3. **ALL-TERRAIN VEHICLE (ATV)**: a three- or four-wheeled MOTOR VEHICLE no wider than 50 inches designed for riding on unpaved surfaces. Its steering is controlled by handlebars and has a seat designed to be straddled by the operator.
4. **ALTERNATE DISPUTE RESOLUTION (ADR)**: A method of resolving disputes other than by litigation involving a neutral third party pursuant to Civil Code sections 5925-5965.
5. **AMENITIES FEE**: A one-time fee paid to GOLDEN RAIN FOUNDATION (GRF) for use of TRUST PROPERTY, facilities, and AMENITIES, by a MEMBER, authorized CO-OCCUPANT or QUALIFIED PERMANENT RESIDENT. (For RENTER/LESSEE, see TRUST PROPERTY USE FEE).
6. **AMENITY**: Any LEISURE WORLD SEAL BEACH facility or feature that provides comfort, convenience, enjoyment, or pleasure.
7. **ASSESSMENT**:
 - 7.1. Monthly Assessment: The recurring DUES paid by the MEMBER to GRF and the MEMBER's MUTUAL to cover the predicted expenses of maintaining the community.
 - 7.2. Special Assessment: A payment by the MEMBER to GRF or the MEMBER's MUTUAL to cover unforeseen costs, emergencies, or unanticipated DEFAULTS by other MEMBERS of the corporation.
8. **ASSIGNED PARKING**: A defined parking location that has been designated for the use of a specific individual or group by GRF.
9. **AUTHORIZED RESIDENT**: An OCCUPANT who has been approved, under the terms of GRF and the RESIDENT's respective MUTUAL, to occupy a residential UNIT IN LEISURE WORLD. These include a MEMBER occupying a unit, a RENTER/LESSEE, a QUALIFIED PERMANENT RESIDENT under the age of 55, or a CO-OCCUPANT.

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10. **BICYCLE:** A device equipped with a seat, propelled exclusively by human power through a belt, chain, or gears, and having one or more wheels.
11. **BUDGET:** An estimate of income and expenses for a future period.
12. **BYLAWS:** A GOVERNING DOCUMENT that addresses matters such as membership meetings, voting rights, elections, meetings of the BOARD OF DIRECTORS, appointment of officers, and similar administrative matters.
13. **CAPITAL FUNDS:** Monies set aside for the purchase of fixed or capital assets.
14. **CAREGIVER:** A family member or other person, unpaid or receiving compensation as money, lodging, or food in exchange for care, who tends to the needs or concerns of an AUTHORIZED RESIDENT with short- or long-term limitations due to illness, injury, or disability. (Also see PERMITTED HEALTH CARE RESIDENT).
15. **CC&Rs:** Covenants, Conditions, and Restrictions (Mutual 17).
16. **COMMERCIAL VEHICLE:** A MOTOR VEHICLE used or maintained for the transportation of persons for hire, compensation, or profit; or a vehicle or trailer used, or maintained primarily for the transportation of property. A COMMERCIAL VEHICLE shall also mean any type of vehicle, which includes without limitation, a passenger vehicle, truck, van, or trailer that has one or more of the following traits:
 - 16.1. Measures more than 80 inches from the ground to the highest point of any permanently installed rack, storage container, appliance, machinery or other extension to the vehicle's roof. A pop-up top will be measured with the extension closed;
 - 16.2. Has a manufacturer's specified minimum curb weight greater than 4,000 pounds and a Gross Vehicle Weight Rating (GVWR) greater than 8,000 pounds;
 - 16.3. Bears a prominent business name or advertisement. If the graphic medium is removable, such as a magnetically attached sign, this element does not apply when all such signage is removed and stored out of view;
 - 16.4. Has equipment racks, materials, ladders, toolboxes and/or tools visible from the exterior of the vehicle;
 - 16.5. Used to haul any hazardous materials;
 - 16.6. Designed to carry more than 12 (twelve) passengers.
17. **COMMERCIAL WORKER:** A part-time or full-time employee or subcontractor of a CONTRACTORS.



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18. **COMMON AREA:** That portion of a real estate development not assigned to the exclusive PROPERTY INTEREST of an individual SHAREHOLDER or OWNER.
19. **COMMON INTEREST DEVELOPMENT:** A real-estate development whose SHAREHOLDERS or OWNERS share a common set of financial obligations, property rights and community RULES established in a set of recorded rights and restrictions.
20. **COMMUNITY RULES VIOLATION NOTICE:** A written notification of a violation of a GRF RULE that is presented to a MEMBER, AUTHORIZED RESIDENT, VISITOR, or other person, or posted on their VEHICLE.
21. **COMMUNITY RULES VIOLATION PANEL:** A panel comprising designated members of the GRF BOARD OF DIRECTORS that receives from MEMBERS any appeals and resolves violations of GRF rules.
22. **CONDOMINIUM OR CONDOMINIUM UNIT:** A Single, individually – owned housing unit in a multi-unit Mutual 17 building.
23. **CONTRACTOR:** Any company, organization, or person, including a CAREGIVER, who enters into an agreement with GRF, its MEMBERS, the MUTUALS or AUTHORIZED RESIDENTS to do business or provide services IN LEISURE WORLD SEAL BEACH.
24. **CONTRACT WORKER:** see CONTRACTOR.
25. **CO-OCCUPANT:** A person holding no ownership interest in a UNIT who is approved by the respective MUTUAL to reside with a SHAREHOLDER or Mutual 17 CONDOMINIUM OWNER. A co-occupant is required to pay the GRF AMENITIES FEE.
26. **COOPERATIVE HOUSING:** The arrangement in which a COOPERATIVE MUTUAL owns a group of housing UNITS and COMMON AREAS for the use by all the MUTUAL's RESIDENTS.
27. **COOPERATIVE MUTUAL:** One of the MUTUALS numbered 1-12 and 14-16 in which the RESIDENTS' PROPERTY INTEREST is conveyed through ownership of the MUTUAL's STOCK CERTIFICATE.
28. **COVENANTS:** Formal agreements or promises set forth in a DEED OR OCCUPANCY AGREEMENT.
29. **DEED:** An official legal document establishing ownership rights to a Mutual 17 CONDOMINIUM.



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30. **DEFAULT:** Failure to fulfill an obligation required by duty, law, or GOVERNING DOCUMENTS.
31. **DIRECTOR:**
- 31.1. An individual elected by the MEMBERS of each MUTUAL to the GRF BOARD OF DIRECTORS.
- 31.2. The professional manager heading one of the following GRF departments: Facilities, Finance, Human Resources, Information Technology Services, Internal Operations, Mutual Administration, Recreation, Security, and Service Maintenance.
- 31.3. An individual elected by a MUTUAL's SHAREHOLDERS to a position on the BOARD OF DIRECTORS of their respective MUTUAL.
32. **DUES:** The obligatory monthly payment by the MEMBER to GRF and the MEMBER's MUTUAL to pay for the predicted expenses of maintaining the community. (See ASSESSMENT)
33. **DUE PROCESS:** An established procedure designed to safeguard legal rights of an individual during the resolution of their possible violation of GRF RULES or other GOVERNING DOCUMENTS.
34. **DWELLING UNIT:** (See UNIT).
35. **EGREGIOUS CONDUCT:** An act or omission that is deplorable, flagrant, or outrageous by an accepted standard of legal or moral conduct, including but not necessarily limited to highly offensive and/or aggressive acts, discrimination, boundary violations and invasions of privacy.
36. **ELECTRIC BICYCLE:** A two- or three-wheeled MOTOR VEHICLE that has fully operable pedals for human-driven propulsion, and an electric motor of no more than 750 watts capable of propelling the bicycle at no more than 28 miles per hour.
37. **ELIGIBILITY:** Satisfying the conditions each MUTUAL has established for qualifying to reside within their respective MUTUAL.
38. **EMOTIONAL SUPPORT ANIMAL:** Animals that do not qualify as SERVICE ANIMALS but that provide a sense of safety, companionship, and comfort to those with psychiatric or emotional disabilities or conditions.
39. **EMPLOYEE:** A person who is directly employed by the GRF, either on a full-time, part-time, or temporary basis.

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40. **ESCROW:** Process under which something such as a DEED or money is put in the custody of a neutral third party until prescribed conditions are met.
41. **EXCLUSIVE USE COMMON AREA:**
- 41.1. COMMON AREA in the MUTUALS or TRUST PROPERTY designated for the particular use of one or more, but fewer than all MEMBERS.
- 41.2. That portion of TRUST PROPERTY leased by GRF to a CONTRACTOR or GRF-recognized CLUB.
42. **EXECUTIVE DIRECTOR:** The professional manager appointed by and reporting to the GRF BOARD OF DIRECTORS, who is responsible for GRF's day-to-day operations and business strategy.
43. **FEE:** A charge or payment for services, or use of a privilege.
44. **GOLDEN RAIN FOUNDATION (GRF):** A non-profit corporation that holds in trust, operates, and maintains TRUST PROPERTY facilities, STREETS, AMENITIES, and certain other improvements within the geographic area identified as LEISURE WORLD SEAL BEACH for the benefit of the MEMBERS. GRF, under a MANAGEMENT AGREEMENT, provides defined services such as administrative, financial, maintenance, and community patrol to the MUTUALS.
45. **GOLF CART:** A MOTOR VEHICLE having not less than three wheels in contact with the ground, having an unloaded weight of less than 1,300 pounds, and a maximum width of 48 inches. It is designed to be and cannot be operated at more than 20 mph.
46. **GOVERNING DOCUMENTS:** Articles of Incorporation, BYLAWS, OCCUPANCY AGREEMENT, Declaration of Trust, RULES, and any other documents that regulate the operation of GRF and the MUTUAL corporations.
47. **GUEST:** See Visitor.
48. **IDENTIFICATION CARD:** A card indicating current membership status issued by the GRF to an individual AUTHORIZED RESIDENT.
49. **IN LEISURE WORLD SEAL BEACH:** Any real property held in TRUST or managed by the GRF or owned by the MUTUAL Corporations.
50. **INOPEPARABLE VEHICLE:** A VEHICLE that lacks a functioning engine or transmission, wheels, tires, doors, windshield, or any other major part or equipment necessary to operate within its intended purpose.



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51. **INTERNAL DISPUTE RESOLUTION (IDR):** DUE PROCESS procedure offering an opportunity for both sides to meet and confer in good faith in an effort to resolve a dispute or reach a resolution concerning alleged violations of community RULES.
52. **LANDLORD TENANT RELATIONSHIP:**
- 52.1. Relationship between the COOPERATIVE MUTUAL corporations and their respective SHAREHOLDERS.
- 52.2. Relationship in which a MEMBER leases the UNIT in which they have a PROPERTY INTEREST to another authorized person.
53. **LEISURE WORLD:** A geographic location within Seal Beach, California.
54. **LESSOR MEMBER:** a GRF MEMBER who leases their UNIT to a person approved as an authorized resident by the MEMBER's MUTUAL. A LESSOR MEMBER who enters into a contract with a new RENTER/LESSEE after January 1, 2021, is subject to restrictions outlined in GRF RULE 35-3182-1, and relevant rules of their respective MUTUAL.
55. **LOW SPEED VEHICLE (LSV):** a MOTOR VEHICLE similar to and including a GEM car, which is designed to travel in excess of 20 MPH with a maximum speed of 25 MPH. LSVs wider than 48 inches are not permitted to travel on sidewalks IN LEISURE WORLD SEAL BEACH.
56. **MAINTENANCE VEHICLE:** A VEHICLE, including GOLF CARTS, LSVs or self-powered landscaping and earth-moving equipment, or trailers or carts employed to provide services to GRF, the MUTUALS and AUTHORIZED RESIDENTS.
57. **MANAGEMENT AGREEMENT:** A contract between GRF and a MUTUAL that specifies the administrative, maintenance and other services GRF supplies to the MUTUAL and the costs for those services.
58. **MEMBER:** A SHAREHOLDER in one of the COOPERATIVE MUTUALS or a Mutual 17 CONDOMINIUM OWNER in LEISURE WORLD SEAL BEACH.
59. **MEMBER/OWNER:** See Member.
60. **MEMBERSHIP CERTIFICATE:** A legal document affirming a COOPERATIVE MUTUAL SHAREHOLDER or Mutual 17 OWNER's right of access to community AMENITIES. A single certificate per unit is issued by GRF upon the individual's payment of their AMENITIES FEE, or upon the individual entering into an approved payment plan for same.



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61. **MOBILITY SCOOTER:** A three- or four-wheeled, electrically propelled conveyance no more than 27 inches wide at its widest point. It provides mobility aid equivalent to a wheelchair. Its maximum speed is no more than 15 MPH on level ground.
62. **MOTORCYCLE:** A two- or three-wheeled MOTOR VEHICLE propelled by a gasoline-fueled engine of more than 150 cubic centimeters, or by an electric motor of more than 4 brake horsepower. It must be registered with the Department of Motor Vehicles.
63. **MOTOR-DRIVEN CYCLE:** A two- or three-wheeled MOTOR VEHICLE propelled by a gasoline-fueled engine of 149 cubic centimeters or less, or by an electric motor of less than 4 brake horsepower. It must be registered with the Department of Motor Vehicles.
64. **MOTORIZED SCOOTER:** A powered two-wheeled MOTOR VEHICLE that has a platform on which the operator can stand while riding.
65. **MOTOR VEHICLE:** A means of conveyance that is self-propelled, including MOTOR-DRIVEN CYCLES, GOLF CARTS, LSVs, MOTORCYCLES, RECREATIONAL SCOOTERS, ELECTRIC BICYCLES, and self-balancing human-transporter-type vehicles.
66. **MUTUAL CORPORATION (MUTUAL):** One of the 16 independent corporations in LEISURE WORLD SEAL BEACH that owns, manages, and operates its respective COMMON INTEREST PROPERTY.
67. **NON-RESIDENT:** Any person who is not an AUTHORIZED RESIDENT within Leisure World.
68. **NON-RESIDENT CO-OWNER:** Any person whose name is listed on a UNIT's STOCK CERTIFICATE but who has not been authorized by their respective MUTUAL to legally reside within that UNIT. A NON-RESIDENT CO-OWNER has no rights of residency or access to AMENITIES but can initiate the TRUST review upon the SHAREHOLDER's death.
69. **NON-STANDARD ITEMS:** Those components within a UNIT that are defined by a COOPERATIVE MUTUAL's OCCUPANCY AGREEMENT or RULES as STANDARD ITEMS that were replaced on the initiative of a present or a previous SHAREHOLDER. Such components are no longer the MUTUAL's responsibility to maintain and/or replace.
70. **OCCUPANCY AGREEMENT:** The agreement between one of the COOPERATIVE MUTUALS and a UNIT's SHAREHOLDER(s), that details the terms under which the individual(s) is entitled to possession of their respective



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71. **OCCUPANCY:** The legal act, state, or condition of holding, possessing, or residing in a UNIT in LEISURE WORLD SEAL BEACH.
72. **OCCUPANT:** A person who has been authorized by their respective MUTUAL to reside in a UNIT in LEISURE WORLD SEAL BEACH.
73. **OPERATING FUND:** Monies set aside for operating expenses.
74. **ORANGE COUNTY USER FEE (OC USER FEE):** The payment for sewer services provided to each UNIT by the Orange County Sanitation District.
75. **ORIENTATION:** The required new RESIDENT's "in-person" meeting with one or more MUTUAL Board DIRECTORS and a GRF Physical Property Inspector, to:
- 75.1. Review MUTUAL RULES and expectations;
 - 75.2. Examine the UNIT's condition;
 - 75.3. Identify STANDARD ITEMS and NON-STANDARD ITEMS;
 - 75.4. Answer new AUTHORIZED RESIDENTS' questions.
76. **OWNER:** The person(s) named on the DEED of a MUTUAL 17 CONDOMINIUM.
77. **PEDESTRIAN:**
- 77.1. Any person who is a foot.
 - 77.2. Any person operating a manually- or self-propelled wheelchair, MOBILITY SCOOTER, or other conveyance designed to provide mobility equivalent to a wheelchair to persons with physical disabilities.
78. **PENALTY:** A monetary fine or disciplinary action.
79. **PERMITTED HEALTH CARE RESIDENT:** A temporary residency status an AUTHORIZED RESIDENT can request for a family member or other person providing substantial live-in, long-term, or terminal health care to the AUTHORIZED RESIDENT when the RESIDENT is absent from the unit due to hospitalization or other necessary care but is expected to return to the unit within 90 days. [Civil Code 51.3(7)] and [Civil Code 51.3(7)(i)]. (Also see CAREGIVER).
80. **PET:** A domesticated animal as approved and defined in each Mutual's Pet Policy.
81. **POLICIES, RULES AND REGULATIONS:** The principles and directives governing GRF, the respective MUTUAL corporations, and MEMBERS.
82. **PROCEDURE:** A series of steps to be followed to accomplish an end result.

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83. **PROHIBITED VEHICLE:** A conveyance, including all those listed below, that cannot be parked on TRUST PROPERTY or TRUST STREETS.
- 83.1. Aircraft.
 - 83.2. Boats, personal watercraft, snowmobiles, and similar recreational conveyances; and their trailers.
 - 83.3. INOPERABLE VEHICLE.
 - 83.4. Off-road vehicle (not street-licensed) other than GOLF CART.
 - 83.5. UNAUTHORIZED VEHICLE.
 - 83.6. UNREGISTERED VEHICLE: Any MOTOR VEHICLE that does not possess current registration required by the state of California.
 - 83.7. MOTOR VEHICLE designed to carry more than 12 passengers, with the exception of buses or limousines authorized by PATROL SERVICES or RECREATION Department to load or offload passengers.
84. **PROPERTY INTEREST:** In the COOPERATIVE MUTUALS, the STOCKHOLDER/SHAREHOLDER's ownership interest in the MUTUAL corporation that is accompanied with the right to occupy a designated UNIT within the MUTUAL.
85. **QUALIFYING RESIDENT:** A person whose age of 55 years or more permits them to apply for residency in a senior citizen housing development.
86. **QUALIFIED PERMANENT RESIDENT (QPR):** A residency status available to a person who meets all the criteria in one of the following categories:
- 86.1. Is 45 years of age or older, and residing with an AUTHORIZED RESIDENT prior to the AUTHORIZED RESIDENT's prolonged absence from the unit due to the RESIDENT's death or hospitalization, or dissolution of marriage with the AUTHORIZED RESIDENT; or
 - 86.2. Was a spouse, co-habitant, or person providing primary economic or physical support to an AUTHORIZED RESIDENT, and residing with the AUTHORIZED RESIDENT prior to the RESIDENT's prolonged absence from the unit due to the RESIDENT's death or hospitalization, or the dissolution of marriage with the AUTHORIZED RESIDENT; or
 - 86.3. Is an AUTHORIZED RESIDENT's disabled child or grandchild, whose disability, disabling illness or disabling injury requires the disabled person to live with the AUTHORIZED RESIDENT during the time of their disabling condition.
87. **RECREATIONAL SCOOTER:** A three- or four-wheeled, electrically propelled conveyance greater than 27 inches but less than 40 inches at its widest point. Its maximum speed is no more than 20 MPH on level ground. Such VEHICLES must observe all standards governing GOLF CARTS under the provisions of these RULES.



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- 88. RECREATIONAL VEHICLE (RV):** A MOTOR VEHICLE or trailer for dwelling purposes; or a vehicle designed and used to tow such;
- 88.1.** A motor home, camper van, travel trailer, truck camper, camping trailer, with or without motive power, designed for recreational purposes, emergency, or other occupancy.
 - 88.2.** Van-camper conversions, or vehicles designed to tow RVs or VUFRs without motive power, that display one or more of the following characteristics:
 - 88.2.1.** Is longer than 20 feet.
 - 88.2.2.** Measures more than 80 inches from the ground to the highest point of any permanently installed rack, storage container, appliance, machinery, or other extension to the vehicle's roof. A pop-up top will be measured with the extension closed.
 - 88.2.3.** Has a manufacturer's listed curb weight over 4,000 pounds and a Gross Vehicle Weight Rating over 8,000 pounds.
- 89. RENTER/LESSEE:** A person whom a MUTUAL has authorized to lease a UNIT IN LEISURE WORLD SEAL BEACH.
- 90. RESERVED PARKING:** A parking location GRF has set aside for use only by the designated user(s) and specified as such by a sign, or markings on curb or pavement.
- 91. RESERVES AND/OR RESERVE FUND:** Monies set aside and identified for future repairs, replacements, or additional components.
- 92. RESIDENT:** Any authorized OCCUPANT of a LEISURE WORLD residential unit, including a MEMBER occupying their unit, a RENTER/LESSEE, a QUALIFIED PERMANENT RESIDENT, or a CO-OCCUPANT authorized by their respective MUTUAL.
- 93. RESIDENTIAL PURPOSES:** To be used as a private dwelling and for no other purpose.
- 94. ROADWAY:** A paved way a MUTUAL maintains within its property that is intended for access to MUTUAL carports, curb-side MOTOR VEHICLE parking and/or the passage of vehicular traffic.
- 95. SERVICE ANIMAL:** A dog that is individually trained to perform tasks, such as recovering dropped items, minimal protection work, rescue work or pulling a wheelchair, for an individual with a disability. (See California Civil Code 54.1 and Penal Code Section 365.5).
- 96. SERVICE PROVIDER:** Any non-GRF EMPLOYEE contracted by a MEMBER or



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AUTHORIZED RESIDENT to assist with home health, cleaning, and/or residential maintenance and repair at their residential UNIT, (See CONTRACTOR).

97. **SHAREHOLDER/STOCKHOLDER:** A person named on a STOCK CERTIFICATE issued by the BOARD OF DIRECTORS of one of the COOPERATIVE MUTUALS in LEISURE WORLD SEAL BEACH.

98. **SPECIAL ASSESSMENT:** See ASSESSMENT.

99. **STANDARD ITEMS:** Structural elements, fixtures, flooring, and appliances within a UNIT that each COOPERATIVE MUTUAL's OCCUPANCY AGREEMENT or RULES define as the MUTUAL's responsibility to maintain and/or replace.

100. **STATE-REGISTERED MOTOR VEHICLE:** a MOTOR VEHICLE that California state law requires to be registered and licensed.

101. **STOCK CERTIFICATE:** Legal document evidencing ownership in a LEISURE WORLD SEAL BEACH COOPERATIVE MUTUAL corporation.

102. **STOCK COOPERATIVE:** A corporation such as MUTUALS 1-12 and MUTUALS 14-16 that are formed primarily for the purpose of holding title to real estate and offering the corporation's SHAREHOLDERS/STOCKHOLDERS the right of exclusive OCCUPANCY in a portion of the corporation's property.

103. **TITLE:** Legal document showing ownership rights in property (Mutual 17).

104. **TRANSFER:** The recording of any changes of an ownership interest to a COOPERATIVE MUTUAL STOCK CERTIFICATE or DEED of a Mutual 17 CONDOMINIUM.

105. **TRUST:** See GOLDEN RAIN FOUNDATION TRUST.

106. **TRUST PROPERTY:** Property held in common and administered by GRF for the use and benefit of the MEMBERS.

107. **TRUST PROPERTY USE FEE (TPUF):** FEE paid to GRF by the RENTER/LESSEE for use of LEISURE WORLD SEAL BEACH AMENITIES, for the duration of the lease.

108. **TRUST STREETS:** Streets within LEISURE WORLD-SEAL BEACH designated with names.

109. **TRUSTEE:** The person or administrative group whose legal duty is to hold and administer property for the benefit of a third party.

110. **UNASSIGNED PARKING:** A location GRF has designated as a legal parking space, but which has not been posted as assigned or reserved parking.



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111. **UNAUTHORIZED VEHICLE**: Any VEHICLE whose entry into the community was not authorized by GRF or a MUTUAL.
112. **UNIT OR DWELLING UNIT**: Residential units located within Leisure World Seal Beach.
113. **UNREGISTERED VEHICLE**: Any VEHICLE that does not possess current registration and license plate required by California state law.
114. **VEHICLE**: A thing used for transporting people or goods.
115. **VEHICLE USED FOR RECREATION (VUFR)**: Boats, watercraft, ALL-TERRAIN VEHICLES (ATVs) and snowmobiles; and trailers used to transport them.
116. **VENDOR**: A person or entity seeking to become a CONTRACTOR.
117. **VISITOR**: A person invited by an AUTHORIZED RESIDENT to visit their UNIT.

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