

NOVEMBER 2023

TO ALL MEMBERS OF THE GOLDEN RAIN FOUNDATION:

Enclosed please find the 2024 Annual Budget Report and Annual Policy Statement for the Golden Rain Foundation (GRF), a non-profit Mutual Benefit Corporation organized and created pursuant to the California Corporations Code. Per the Declaration of Trust recorded on July 10, 1962, and the Amendment to the Declaration of Trust recorded on February 26, 2014, GRF holds in trust, for the sixteen (16) collective Mutual Corporations (Mutuals), the common areas and properties such as the Trust streets, golf course, clubhouses and administration buildings, but not the common areas of the Mutual Corporations. Without the existence of the Trust, these facilities would be included as major components in the Mutual budgets.

GRF, under Management Agreements, provides services commonly associated with a property management company as directed and on behalf of the Mutuals and receives funding for its operations from the Corporations and their shareholders. California law requires GRF to report on its annual budget.

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

**Golden Rain Foundation  
P.O. Box 2069  
Seal Beach, CA 90740**

The minutes of each GRF Board meeting are provided on the GRF website ([www.lwsb.com](http://www.lwsb.com)) and available upon requests at the GRF Administration Offices. Copies can be obtained for a nominal fee from the Finance Department in the Administration building.

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

Sincerely,

Golden Rain Foundation  
Board of Directors

# **ANNUAL BUDGET REPORT<sup>1</sup>**

## **(Civil Code Section 5300)**

After thoughtful review and consideration, the Board of Directors has approved a budget for the fiscal year ending December 31, 2024, which it believes is reasonable and prudent to meet the funding needs of the Golden Rain Foundation (GRF). The assessments will be increased to \$213.25 per unit, per month effective January 1, 2024. A copy of the budget is enclosed for your review.

In accordance with Civil Code Sections 5550(b)(5) and 5560 the Board has adopted the budget along with the reserve funding plan as recommended in the Reserve Study performed by Association Reserves. The reserve study has been performed pursuant to Civil Code Section 5565 for the major capital components. GRF's reserves account will be funded through assessments for \$2,531,400 and from a portion of the Facilities and Amenities fee and Lessee Annual Amenities fee (Mutual Seventeen only) in accordance with governing document 40-5061-2. A summary of the reserve report is enclosed. Copies of the full reserve study plan are available upon request to GRF.

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

The Board of Directors has not deferred repairs or replacement of any major component with a remaining life of 30 years or less.

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

	2023	2024	Change	PAPM
Assessments	\$15,322,218.00	\$16,910,000.00	\$1,587,782.00	\$213.25
Other Cost Recovery	\$5,067,443.00	\$7,121,570.00	\$2,054,127.00	\$89.81
TOTAL	\$20,389,661.00	\$24,031,570.00	\$3,641,909.00	\$303.06

Human Resources	\$13,351,358.00	\$14,853,436.00	\$1,502,078.00	\$187.32
Administration	\$1,315,017.00	\$1,364,682.20	\$49,665.20	\$17.21
Members Services	\$391,643.00	\$515,900.00	\$124,257.00	\$6.51
Facilities	\$3,126,268.00	\$3,399,541.00	\$185,273.00	\$42.87
IT	\$458,144.00	\$492,000.00	\$33,856.00	\$6.20
Recreation	\$415,799.00	\$392,800.00	-\$22,999.00	\$4.95
Communications	\$318,100.00	\$231,900.00	-\$86,200.00	\$2.92
Contributions	\$950,000.00	\$2,781,400.00	\$1,831,400.00	\$35.08
TOTAL	\$20,326,329.00	\$24,031,659.20	\$3,617,330.20	\$303.06

## ASSESSMENTS & OTHER COST RECOVERY

Account	Description	2023 Budget	2024 Budget	Change
40-5330000-000	Assessments	\$15,322,218.00	\$16,910,000.00	\$1,587,782.00
43-5335000-000	Management Fee	\$0.00	\$0.00	\$0.00
43-5345000-000	Certificate Preparation Fee - Escrow	\$288,000.00	\$216,000.00	-\$72,000.00
43-5345001-000	Certificate Preparation Fee - Non-Escrow	\$36,000.00	\$48,000.00	\$12,000.00
43-5345002-000	Escrow Recovery Fees	\$0.00	\$171,720.00	\$171,720.00
43-5351100-000	Parking Fines	\$2,400.00	\$2,500.00	\$100.00
43-5351200-000	Violation Fines	\$0.00	\$0.00	\$0.00
43-5372501-000	Leadership Guide Income	\$3,800.00	\$4,000.00	\$200.00
43-5380310-000	Edison Pymt Processing	\$1,280.00	\$0.00	-\$1,280.00
43-5380320-000	Shipping & Processing Recovery	\$52,200.00	\$118,000.00	\$65,800.00
43-5380330-000	Access Pass Income	\$0.00	\$0.00	\$0.00
43-5380331-000	Copy Fee Income	\$19,000.00	\$19,000.00	\$0.00
43-5380332-000	Trust Processing Fee	\$39,600.00	\$49,000.00	\$9,400.00
43-5380333-000	Member ID Card Income	\$3,000.00	\$3,000.00	\$0.00
43-5380334-000	Map Sales Income	\$300.00	\$0.00	-\$300.00
43-5380335-000	Realtor's Service Pass	\$0.00	\$0.00	\$0.00
43-5380336-000	Lost Member ID Card	\$30,000.00	\$15,000.00	-\$15,000.00
43-5380337-000	Notary Fees	\$1,296.00	\$500.00	-\$796.00
43-5380338-000	Passport Photo Fees	\$480.00	\$500.00	\$20.00
43-5380350-000	Library Fine Income	\$300.00	\$800.00	\$500.00
43-5380355-000	Fax Services Income	\$1,200.00	\$1,200.00	\$0.00
43-5380450-000	Show Sponsorship Income	\$30,000.00	\$40,000.00	\$10,000.00
43-5380451-000	Movie Sponsorship Income	\$4,500.00	\$0.00	-\$4,500.00
43-5380455-000	Special Outside Events Income	\$25,000.00	\$25,000.00	\$0.00
43-5380490-000	Recovered Janitorial	\$1,800.00	\$1,800.00	\$0.00
43-5380700-000	Permit Income	\$144,000.00	\$170,000.00	\$26,000.00
43-5380701-000	Parking Spot Rental Income	\$96,209.00	\$113,000.00	\$16,791.00
43-5380702-000	Contractor Compliance Fee	\$0.00	\$11,000.00	\$11,000.00
43-5380710-000	EV Charging Income	\$0.00	\$3,000.00	\$3,000.00
	Recreation Event Sales in house	\$0.00	\$40,000.00	\$40,000.00
43-5385000-000	Other Income	\$24,701.00	\$6,500.00	-\$18,201.00
43-5385201-000	Cafe Commissions Income	\$2,688.00	\$3,000.00	\$312.00
43-5395000-000	Rental Income	\$1,377,431.00	\$1,498,000.00	\$120,569.00
43-5395005-000	Locker User Fees	\$1,500.00	\$500.00	-\$1,000.00
43-5396000-000	Taxable Other Income	\$0.00	\$0.00	\$0.00
43-5396100-000	Taxable Other Income - Superwire	\$0.00	\$0.00	\$0.00
43-5397100-000	Taxable Interest Income	\$219,560.00	\$507,000.00	\$287,440.00
43-5397600-000	Tax Exempt Interest Income	\$0.00	\$0.00	\$0.00
43-5398000-000	Interest Income Allocation	-\$180,939.00	-\$491,500.00	-\$310,561.00
43-5412100-000	Gain / Loss on Investments	\$0.00	\$0.00	\$0.00
43-5413100-000	Gain / Loss on Equipment	\$0.00	\$0.00	\$0.00
43-5540000-000	Discounts Earned	\$2,600.00	\$10,000.00	\$7,400.00
43-5541000-000	Sales Discounts Net 10	\$0.00	\$0.00	\$0.00
43-5611000-000	Late Charges	\$0.00	\$0.00	\$0.00



43-5611500-000	Late Interest	\$0.00	\$0.00	\$0.00
43-5731000-000	Classified Advertising	\$26,400.00	\$30,000.00	\$3,600.00
43-5731100-000	Insert Ad Income	\$18,000.00	\$25,000.00	\$7,000.00
43-5731500-000	Display Advertising	\$429,120.00	\$500,000.00	\$70,880.00
43-5732000-000	Navigator Book Income	\$0.00	\$0.00	\$0.00
43-5732100-000	Amphitheater Spotlight Ad Income	\$11,000.00	\$0.00	-\$11,000.00
43-5732200-000	Bus Cling/Wrap Ad Income	\$34,800.00	\$34,800.00	\$0.00
43-5732210-000	Profile Advertising	\$12,000.00	\$0.00	-\$12,000.00
43-5732400-000	Newspaper Front Page Income	\$17,280.00	\$25,000.00	\$7,720.00
43-5732500-000	Telephone Book Income	\$35,000.00	\$0.00	-\$35,000.00
43-5732501-000	Leadership Guide Income	\$3,800.00	\$4,000.00	\$200.00
43-5732545-000	Mini Bus Schedule Ad	\$10,200.00	\$0.00	-\$10,200.00
43-5732600-000	Map Advertising Income	\$0.00	\$0.00	\$0.00
43-5739000-000	News - Sales Discounts	\$0.00	-\$12,000.00	-\$12,000.00
43-5891000-000	SRO Labor Cost Recovery	\$1,441,937.00	\$1,349,250.00	-\$92,687.00
43-5892000-000	Replacement Recovery	\$0.00	\$0.00	\$0.00
	RFID		\$20,000.00	\$20,000.00
43-5990000-000	Materials Recovery	\$0.00	\$0.00	\$0.00
43-5999000-000	Amenities Fees	\$800,000.00	\$2,559,000.00	\$1,759,000.00
TOTAL WITHOUT ASSESSMENTS		\$5,067,443.00	\$7,121,570.00	\$2,054,127.00
TOTAL		\$20,389,661.00	\$24,031,570.00	\$3,641,909.00

# IT

Account	Description	2023 Budget	2024 Budget	Change
70-6410015-000	Computer Supplies	\$26,066.00	\$30,000.00	\$3,934.00
70-6422000-000	Telephone	\$137,002.00	\$117,000.00	-\$20,002.00
70-6438000-000	Other Professional Fees	\$133,885.00	\$165,000.00	\$31,115.00
70-6481000-000	Computer Maintenance & Software	\$161,191.00	\$180,000.00	\$18,809.00
TOTAL		\$458,144.00	\$492,000.00	\$33,856.00

## COMMUNICATIONS

Account	Description	2023 Budget	2024 Budget	Change
80-6483500-000	Newspaper Distribution	\$120,900.00	\$117,000.00	-\$3,900.00
80-6483505-000	Insert Distribution Labor	\$7,200.00	\$4,500.00	-\$2,700.00
80-6483515-000	Newspaper Printing	\$128,000.00	\$100,000.00	-\$28,000.00
80-6483520-000	Telephone Book Printing	\$25,000.00	\$0.00	-\$25,000.00
80-6483522-000	Leadership Guide	\$5,600.00	\$4,000.00	-\$1,600.00
80-6483530-000	Amphitheater Spotlight Printing	\$8,000.00	\$4,200.00	-\$3,800.00
80-6483531-000	Amphitheater Spotlight Distribution	\$2,400.00	\$2,200.00	-\$200.00
80-6483535-000	Calendar Printing & Distribution	\$14,000.00	\$0.00	-\$14,000.00
80-6483545-000	Mini Bus Schedule Printing	\$7,000.00	\$0.00	-\$7,000.00
TOTAL		\$318,100.00	\$231,900.00	-\$86,200.00

## FACILITIES

Account	Description	2023 Budget	2024 Budget	Change
65-6217000-000	Uniforms & Laundry	\$30,470.00	\$40,000.00	\$9,530.00
	Transportation Shop Supplies	\$0.00	\$10,000.00	\$10,000.00
	Pool Supplies		\$8,000.00	\$8,000.00
65-6410005-000	Building Supplies	\$29,062.00	\$30,000.00	\$938.00
65-6410020-000	Equipment Expense	\$46,806.00	\$60,000.00	\$13,194.00
65-6410021-000	Field Supplies	\$35,000.00	\$37,500.00	\$2,500.00
65-6410022-000	Tool Expense	\$16,800.00	\$30,000.00	\$13,200.00
65-6411000-000	Freight & Handling	\$3,000.00	\$5,000.00	\$2,000.00
65-6420100-000	Electricity	\$404,331.00	\$467,500.00	\$63,169.00
65-6424100-000	Trash	\$145,152.00	\$148,000.00	\$2,848.00
65-6425100-000	Natural Gas	\$32,836.00	\$70,000.00	\$37,164.00
65-6470000-000	Maintenance - Other	\$5,400.00	\$0.00	-\$5,400.00
65-6471000-000	Building Repair & Maintenance	\$49,375.00	\$50,000.00	\$625.00
65-6472000-000	Equipment Repair & Maintenance	\$75,462.00	\$75,000.00	-\$462.00
65-6472100-000	Equipment Repair & Maint - Minibus	\$15,000.00	\$10,000.00	-\$5,000.00
65-6473000-000	Hazardous Waste Disposal	\$5,500.00	\$15,000.00	\$9,500.00
65-6474100-000	Janitorial Services	\$1,702,704.00	\$1,760,741.00	\$58,037.00
65-6475100-000	Landscape Maint. - Contract	\$296,400.00	\$304,800.00	\$8,400.00
65-6475600-000	Landscape Maint. - Extras	\$33,372.00	\$33,000.00	-\$372.00
65-6475605-000	Landscape Maintenance - Tree	\$16,080.00	\$0.00	-\$16,080.00
65-6476000-000	Sewer Maintenance	\$49,096.00	\$50,000.00	\$904.00
65-6476500-000	Street Repair & Maintenance	\$30,000.00	\$25,000.00	-\$5,000.00
65-6477210-000	Pest Control	\$20,246.00	\$21,000.00	\$754.00
	Contracts			\$0.00
65-6483000-000	Propane	\$1,920.00	\$4,200.00	\$2,280.00
65-6483100-000	Propane - Minibus	\$19,500.00	\$15,000.00	-\$4,500.00
65-6483105-000	Gasoline	\$80,880.00	\$90,000.00	\$9,120.00
65-6483110-000	Diesel Fuel	\$396.00	\$800.00	\$404.00
65-6911500-000	Inventory Over / Short-Purchasing	\$2,000.00	\$0.00	-\$2,000.00
80-6484000-000	Permits & Licenses	\$39,012.00	\$39,000.00	-\$12.00
TOTAL		\$3,126,268.00	\$3,399,541.00	\$185,273.00

## RECREATION

Account	Description	2023 Budget	2024 Budget	Change
75-6410010-000	Hospitality	\$14,708.00	\$30,000.00	\$15,292.00
75-6410023-000	Curriculum Supplies	\$1,800.00	\$500.00	-\$1,300.00
75-6410024-000	Library Supplies	\$6,300.00	\$6,300.00	\$0.00
75-6410035-000	Refreshments	\$2,580.00	\$0.00	-\$2,580.00
75-6410040-000	Janitorial Supplies	\$40,000.00	\$40,000.00	\$0.00
75-6412000-000	Patron Books	\$31,500.00	\$30,000.00	-\$1,500.00
75-6412500-000	Patron Magazines Subscriptions	\$7,082.00	\$11,000.00	\$3,918.00
75-6481500-000	Community Entertainment	\$226,210.00	\$200,000.00	-\$26,210.00
75-6481505-000	Special Outside Events Expense	\$24,996.00	\$22,000.00	-\$2,996.00
75-6482000-000	Dues, Memberships & Books	\$23,003.00	\$15,000.00	-\$8,003.00
80-6485000-000	Production Expense - Amphitheater	\$37,620.00	\$38,000.00	\$380.00
TOTAL		\$415,799.00	\$392,800.00	-\$22,999.00

## MEMBER SERVICES

Account	Description	2023 Budget	2024 Budget	Change
60-6410032-000	Photo ID Printing	\$4,000.00	\$3,000.00	-\$1,000.00
60-6410033-000	Guest Pass Printing (RFID)	\$11,000.00	\$20,000.00	\$9,000.00
60-6411001-000	Inventory Price Variances	\$0.00	\$0.00	\$0.00
60-6415000-000	Materials Pass-Thru	\$0.00	\$0.00	\$0.00
60-6432100-000	Audit Fees	\$194,300.00	\$210,000.00	\$15,700.00
60-6434115-000	Legal Fees - Trust Review	\$29,500.00	\$49,000.00	\$19,500.00
60-6434120-000	Legal/Fair Housing	\$25,000.00	\$0.00	-\$25,000.00
60-6435100-000	Bank Service Fees	\$22,100.00	\$20,000.00	-\$2,100.00
60-6436100-000	By-Law Amendments	\$0.00	\$0.00	\$0.00
60-6437100-000	Reserve Study	\$9,900.00	\$9,900.00	\$0.00
60-6482500-000	Election Expense	\$42,223.00	\$65,000.00	\$22,777.00
60-6483201-000	Mailouts - Periodic	\$4,590.00	\$90,000.00	\$85,410.00
60-6483202-000	Mailouts - Pymt Coupons	\$7,050.00	\$7,000.00	-\$50.00
60-6484500-000	Postage	\$36,500.00	\$36,500.00	\$0.00
60-6485500-000	Record Retention	\$3,080.00	\$4,500.00	\$1,420.00
60-6491000-000	Miscellaneous Writeoffs	\$0.00	\$0.00	\$0.00
60-6710000-000	Property Taxes	\$0.00	\$0.00	\$0.00
60-6721000-000	State & Federal Taxes	\$0.00	\$0.00	\$0.00
60-6910000-000	Uncollectible Customer Receivables	\$2,400.00	\$1,000.00	-\$1,400.00

TOTAL

\$391,643.00

\$515,900.00

\$124,257.00

## ADMINISTRATION

Account	Description	2023 Budget	2024 Budget	Change
55-6214000-000	Meals & Special Events	\$46,738.00	\$30,000.00	-\$16,738.00
55-6214500-000	Gifts	\$5,600.00	\$3,500.00	-\$2,100.00
55-6215000-000	Mileage	\$10,075.00	\$8,000.00	-\$2,075.00
55-6410000-000	Office Supplies	\$56,290.00	\$60,000.00	\$3,710.00
55-6410003-000	Board Office Supplies	\$1,000.00	\$4,000.00	\$3,000.00
55-6410025-000	Lunch Room Supplies	\$1,980.00	\$3,000.00	\$1,020.00
55-6410030-000	Printer / Copier Supplies	\$46,310.00	\$35,000.00	-\$11,310.00
55-6434100-000	Legal Fees - General Counsel	\$62,000.00	\$77,500.00	\$15,500.00
55-6434105-000	Legal Fees - Litigation	\$50,000.00	\$25,000.00	-\$25,000.00
55-6710001-000	OC User Fees	\$49,083.00	\$49,000.00	-\$83.00
55-6731000-000	Property & Liability Insurance	\$848,802.00	\$933,682.20	\$84,880.20
55-6731001-000	Key Person Life Insurance	\$1,510.00	\$0.00	-\$1,510.00
65-6444000-000	Equipment Rental	\$74,598.00	\$84,000.00	\$9,402.00
65-6478000-000	Service Contracts	\$61,031.00	\$52,000.00	-\$9,031.00
TOTAL		\$1,315,017.00	\$1,364,682.20	\$49,665.20

## HUMAN RESOURCES

Account	Description	2023 Budget	2024 Budget	Change
50-6100000-000	Salaries & Wages	\$9,974,655.00	\$11,070,950.00	\$1,096,295.00
50-6101000-000	Commissions	\$37,800.00	\$37,800.00	\$0.00
50-6140000-000	Employment Taxes	\$780,598.00	\$861,994.00	\$81,396.00
50-6142000-000	Workers' Compensation	\$360,029.00	\$383,110.00	\$23,081.00
50-6143000-000	Group Insurance - Medical	\$1,190,100.00	\$1,250,000.00	\$59,900.00
50-6143001-000	Group - Medical Reimb	\$0.00	\$0.00	\$0.00
50-6143300-000	Group Insurance - Dental	\$20,016.00	\$16,793.00	-\$3,223.00
50-6143500-000	Group Insurance - Vision	\$12,156.00	\$8,352.00	-\$3,804.00
50-6144000-000	401(k) Match	\$311,238.00	\$265,095.00	-\$46,143.00
50-6145000-000	Group Insurance - Life	\$42,624.00	\$41,071.00	-\$1,553.00
50-6146000-000	Long Term Disability Insurance	\$49,752.00	\$54,762.00	\$5,010.00
50-6210005-000	Payroll Processing Fees	\$39,584.00	\$39,584.00	\$0.00
50-6210006-000	FSA Administration Fees	\$2,995.00	\$2,000.00	-\$995.00
50-6210007-000	Benefits Processing	\$3,075.00	\$4,500.00	\$1,425.00
50-6210010-000	Fraud Hotline	\$640.00	\$765.00	\$125.00
50-6211000-000	Continuing Education	\$48,380.00	\$55,000.00	\$6,620.00
50-6211100-000	Employee Incentives	\$21,250.00	\$32,000.00	\$10,750.00
50-6212000-000	Employee Exams	\$1,596.00	\$1,400.00	-\$196.00
50-6212005-000	Employee Drivers License Inquiry	\$360.00	\$360.00	\$0.00
50-6213000-000	Employee Recruitment	\$18,400.00	\$18,400.00	\$0.00
50-6213005-000	Employment Screening	\$6,360.00	\$6,500.00	\$140.00
	Temporary Agency Fees		\$0.00	\$0.00
50-6213100-000	ODO Contracted Hours	\$405,000.00	\$675,000.00	\$270,000.00
50-6410045-000	Emergency Supplies	\$4,200.00	\$5,000.00	\$800.00
50-6410046-000	COVID-19 Supplies	\$150.00	\$0.00	-\$150.00
50-6434110-000	Legal Fees - HR	\$20,400.00	\$23,000.00	\$2,600.00
60-6100001-000	Vacation Accrual Expense	\$0.00	\$0.00	\$0.00
TOTAL		\$13,351,358.00	\$14,853,436.00	\$1,502,078.00



**CONTRIBUTIONS**

Account	Description	2023 Budget	2024 Budget	Change
80-8162000-000	Capital Rsv Contributions	\$0.00	\$250,000.00	\$250,000.00
85-8161000-000	Replacement Rsv Contributions	\$950,000.00	\$2,531,400.00	\$1,581,400.00
TOTAL		\$950,000.00	\$2,781,400.00	\$1,831,400.00

## Assessment and Reserve Funding Disclosure Summary

### Golden Rain Foundation, Seal Beach

For Fiscal Year Beginning: 1/1/2024

# of units: 6608

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Contributions:	\$231,783.33	\$35.08
Total Assessment Income:	\$1,409,166.66	\$213.25

per: Month

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

Year	Total Amount Per Unit*	Purpose
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Total: \$0.00

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

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

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

Total: \$0.00

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

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2024
Fully Funded Balance (based on formula defined in 5570(b)4):	\$15,318,803
Projected Reserve Fund Balance:	\$0
Percent Funded:	65.4 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$2,318

From the 9/18/2023 Reserve Study by Association Reserves and any minor changes since that date.

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

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

**Prepared by:**

**Date: 9/25/2023**

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

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

26608-6

Fiscal Year Start: 1/1/2024					Interest: 3.00 %		Inflation: 3.00 %	
Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes			
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	\$10,016,850	\$15,318,803	65.4 %	Medium	\$2,781,400	\$0	\$267,006	\$5,258,150
2025	\$7,807,105	\$13,139,023	59.4 %		\$3,059,540	\$0	\$220,178	\$4,195,963
2026	\$6,890,861	\$12,071,198	57.1 %		\$3,365,494	\$0	\$221,423	\$2,587,535
2027	\$7,890,243	\$12,715,563	62.1 %		\$3,432,804	\$0	\$266,799	\$1,669,960
2028	\$9,919,885	\$14,420,661	68.8 %		\$3,501,460	\$0	\$317,788	\$2,445,112
2029	\$11,294,021	\$15,469,817	73.0 %	Low	\$3,571,489	\$0	\$353,981	\$2,883,520
2030	\$12,335,971	\$16,192,937	76.2 %		\$3,642,919	\$0	\$387,394	\$2,841,785
2031	\$13,524,499	\$16,911,576	80.0 %		\$3,715,777	\$0	\$445,786	\$1,452,112
2032	\$16,233,951	\$19,177,934	84.6 %		\$3,790,093	\$0	\$506,937	\$2,924,402
2033	\$17,606,578	\$20,093,465	87.6 %		\$3,865,895	\$0	\$552,689	\$2,737,023
2034	\$19,288,139	\$21,330,033	90.4 %		\$3,943,213	\$0	\$592,801	\$3,539,876
2035	\$20,284,277	\$21,880,345	92.7 %		\$4,022,077	\$0	\$631,100	\$3,092,655
2036	\$21,844,799	\$23,014,499	94.9 %		\$4,102,518	\$0	\$694,824	\$2,103,995
2037	\$24,538,146	\$25,228,140	97.3 %		\$4,184,569	\$0	\$775,452	\$2,271,014
2038	\$27,227,153	\$27,519,929	98.9 %		\$4,268,260	\$0	\$838,257	\$3,602,989
2039	\$28,730,682	\$28,624,761	100.4 %		\$4,353,625	\$0	\$890,162	\$3,282,404
2040	\$30,692,066	\$30,212,649	101.6 %		\$4,440,698	\$0	\$929,546	\$4,702,592
2041	\$31,359,717	\$30,508,681	102.8 %		\$4,529,512	\$0	\$948,998	\$4,847,637
2042	\$31,990,589	\$30,791,197	103.9 %		\$4,620,102	\$0	\$964,805	\$5,160,585
2043	\$32,414,911	\$30,890,661	104.9 %		\$4,712,504	\$0	\$958,444	\$6,519,886
2044	\$31,565,973	\$29,727,763	106.2 %		\$4,806,754	\$0	\$915,848	\$7,717,152
2045	\$29,571,423	\$27,435,571	107.8 %		\$4,902,889	\$0	\$892,097	\$5,385,925
2046	\$29,980,484	\$27,618,716	108.6 %		\$5,000,947	\$0	\$934,293	\$3,527,546
2047	\$32,388,177	\$29,868,712	108.4 %		\$5,100,966	\$0	\$933,861	\$8,471,324
2048	\$29,951,680	\$27,245,762	109.9 %		\$5,202,985	\$0	\$903,063	\$5,725,466
2049	\$30,332,262	\$27,528,550	110.2 %		\$5,307,045	\$0	\$933,686	\$4,577,103
2050	\$31,995,890	\$29,163,515	109.7 %		\$5,413,186	\$0	\$967,925	\$5,759,069
2051	\$32,617,932	\$29,795,811	109.5 %		\$5,521,450	\$0	\$1,021,029	\$3,619,590
2052	\$35,540,820	\$32,821,414	108.3 %		\$5,521,450	\$0	\$1,094,639	\$4,625,160
2053	\$37,531,748	\$35,077,847	107.0 %		\$5,521,450	\$0	\$1,115,635	\$7,226,408



**Golden Rain Foundation**

Seal Beach, CA

Level of Service: **Update "With-Site-Visit"**

Report #: **26608-6**

# of Units: 6,608

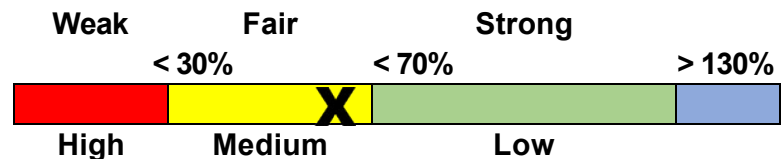
**January 1, 2024 through December 31, 2024**

## Findings & Recommendations

as of January 1, 2024

Projected Starting Reserve Balance .....	\$10,016,850
Current Full Funding Reserve Balance .....	\$15,861,951
Average Reserve Deficit (Surplus) Per Unit .....	\$885
Percent Funded .....	63.2 %
Recommended 2024 "Monthly Full Funding Contributions" .....	\$229,000
Alternate minimum contributions to keep Reserve above \$0 .....	\$189,000
Most Recent Reserve Contribution Rate .....	\$194,050
Annual Deterioration Rate .....	\$3,306,379

**Reserve Fund Strength: 63.2%**



**Risk of Special Assessment:**

## Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves ..... **2.00 %**

Annual Inflation Rate ..... **3.00 %**

This is an Update "With-Site-Visit", and is based on a prior Report prepared by Association Reserves for your 2023 Fiscal Year. We performed the site inspection on 6/20/2023.

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

The Reserve Fund is between the 30% funded level and the 70% funded level at **63.2 %** Funded, which is a fair position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$3,306,379.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to **\$229,000**.

\*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is **\$189,000**.

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



## Executive Summary Table

Report # 26608-6  
With-Site-Visit

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>Combined Assets</b>				
2520	Wood Surfaces - Repair Materials	5	0	\$4,000
2580	Metal Handrailing - Repair/Replace	30	27	\$21,000
2600	Exterior Doors - Replace	1	0	\$37,500
2725	Building Signage - Replace	15	8	\$34,000
2740	Windows - Repair/Replace	1	0	\$100,000
3255	Pianos - Replace	5	3	\$6,000
3270	Outdoor Furnishings - Replace	10	8	\$20,000
3270	Patio Furniture - Replace	10	4	\$35,000
3355	Ice makers- Replace	12	6	\$14,250
4250	Technology Equipment - Replace	1	0	\$450,000
4290	Cameras & Recording Equip - Replace	10	0	\$295,000
4570	Water Heaters - Replace	1	0	\$12,500
4580	Water District Main Valves - Replac	1	0	\$18,500
4590	Plumbing - Replace	40	11	\$220,000
4592	Admin Bldg Dist. Piping - Re-pipe	40	16	\$16,000
4592	Amphitheater Dist. Piping - Re-pipe	40	11	\$64,500
4592	Library Dist. Piping - Re-pipe	40	11	\$12,500
4592	Resale Office Dist.Piping - Re-pipe	40	21	\$9,200
4592	Security Dist. Piping - Re-pipe	40	11	\$17,000
4600	HVAC Systems - Replace	1	0	\$91,000
4607	Exhaust Fans - Replace	5	8	\$35,000
4800	Fire Alarm Systems - Replace	20	6	\$75,000
4850	AED Defibrillators - Replace	10	0	\$5,250
5010	Walkway Pole Lights - Replace	8	1	\$32,000
6160	Drinking Fountains - Replace	20	0	\$50,600
6207	Space Heater - Replace	24	1	\$6,350
8010	EV Charging Stations - Replace	10	9	\$45,500
<b>Administration Building</b>				
2300	Stucco - Repaint	10	0	\$13,200
2310	Wood Surfaces - Repaint	5	0	\$6,050
2330	Interior Surfaces - Repaint	10	3	\$31,500
2420	5-Ply Built-up Roof - Replace	15	11	\$150,000
2455	Mansard Steel Shingles - Replace	50	46	\$205,000
2500	Stair Elastomeric - Resurface	20	2	\$13,500
3002	2nd Floor Kitchen	10	5	\$12,000
3002	Admin Small Conference Rooms	15	5	\$9,500
3002	Administration Remodel Projects	15	0	\$52,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
3002	GRF Board Room - Remodel	15	0	\$19,500
3002	Stock Transfer Kitchenette	15	6	\$10,450
3004	Furnishings & Work Stations - Repl	15	12	\$168,000
3004	Lobby Furnishings	15	0	\$7,000
3020	Carpet - Replace	8	1	\$52,000
3040	Tile Floor (Lobbies) - Replace	30	0	\$17,500
3050	Linoleum/Vinyl Floor - Replace	24	1	\$7,600
4500	Elevator - Modernize	25	19	\$125,000
4505	Elevator Door Operator - Replace	15	9	\$35,000
4530	Elevator Cab - Remodel	12	11	\$35,000
4660	Admin Bldg Generator - Replace	20	19	\$30,000
5382	FOB Access System - Replace	10	9	\$90,000
5700	Restrooms - Major Refurbish	20	0	\$95,500
<b>Clubhouse #1</b>				
2300	Stucco - Repaint	10	0	\$13,000
2310	Wood Surfaces - Repaint	5	0	\$12,500
2330	Interior Surfaces - Repaint	10	0	\$56,500
2450	Comp Shingle Roof - Replace	25	16	\$256,000
2480	Gutter System - Replace	30	16	\$8,400
2520	Wood Surfaces - Repair	30	0	\$8,950
2525	Wood Siding - Repair/Replace	30	5	\$75,500
3020	Carpet - Replace	10	4	\$27,000
3050	Kitchen Floor - Replace	20	19	\$15,000
3050	Linoleum/Vinyl Floor - Replace	20	4	\$82,000
3200	Ballroom Furnishing - Replace	15	6	\$38,000
3200	Lobby Furniture - Replace	15	4	\$19,400
3248	Billiard Rooms - Remodel	10	9	\$25,600
3250	Billiard Tables - Replace/Re-cover	15	8	\$21,500
3257	Woodshop Equipment - Replace	10	8	\$35,800
3320	Commercial Appliances - Replace	20	4	\$90,000
5050	Interior Lights - Replace	20	19	\$75,000
5700	Restrooms - Major Refurbish	20	4	\$58,000
6215	Gas BBQ Free Standing - Replace	10	9	\$2,600
<b>CH 1, Shuffleboard Building'</b>				
2300	Exterior Surfaces - Repaint	10	0	\$4,350
2330	Interior Surfaces - Repaint	10	0	\$11,700
2450	Comp Shingle Roof - Replace	25	5	\$63,000
2485	Skylights - Replace	25	5	\$18,000
6543	Shuffleboard Equipment - Replace	15	14	\$13,200
<b>Clubhouse #2</b>				
2300	Stucco - Repaint	10	0	\$13,250
2310	Wood Surfaces - Repaint	5	0	\$15,900

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
2330	Interior Surfaces - Repaint	10	8	\$30,300
2450	Comp Shingle Roof - Replace	25	2	\$230,000
2480	Gutter System - Replace	30	0	\$19,500
2520	Wood Surfaces - Repair	5	0	\$9,000
2525	Wood Siding - Repair/Replace	30	0	\$31,000
2710	Entry Canopy - Replace	10	0	\$6,200
3020	Carpet - Replace	10	8	\$19,500
3020	Game Room Carpet - Replace	10	8	\$6,800
3040	Kitchen Tile Floor - Replace	25	4	\$31,600
3050	Billiard Vinyl Floor - Replace	20	17	\$19,600
3050	Linoleum/Vinyl Floor - Replace	20	4	\$125,000
3075	Stage Hardwood Floor - Refurbish	5	4	\$3,800
3200	Billiard Rm Furniture - Replace	15	12	\$11,000
3205	CH2 Ballroom Furnishings - Replace	15	0	\$38,000
3205	CH2 Lobby Refurb & Furnishings	15	13	\$138,000
3245	Billiard -Cabinet/Counter - Replace	25	22	\$5,000
3250	Billiard Table - Replace/Re-cover	15	12	\$37,000
3251	Arcade & Game Tables - Repl	10	7	\$17,000
3320	Kitchen Appliances - Replace	20	8	\$109,000
4211	Theater Equipment - Replace	10	0	\$12,000
4580	Sewer Ejection System - Replace	15	7	\$185,000
4581	Sewer Lit Stn Generator - Replace	10	9	\$15,000
5050	Large Interior Lights - Replace	20	18	\$75,000
5700	Main Restrooms - Major Refurbish	20	0	\$58,000
5700	Stage Restrooms - Major Refurbish	20	2	\$15,000
<b>Clubhouse #3</b>				
2300	Stucco - Repaint	10	5	\$6,600
2310	Wood Surfaces - Repaint	5	0	\$22,000
2330	Interior Surfaces - Repaint	10	0	\$43,400
2450	Comp Shingle Roof - Replace	25	0	\$267,000
2460	Flat Roof System (SPF) - Replace	30	14	\$8,150
2462	Flat Roof - Seal/Re-coat	10	4	\$3,750
2480	Gutter System - Replace	30	0	\$13,000
2485	Skylights - Replace	25	0	\$3,900
2525	Wood Siding - Repair/Replace	30	10	\$110,000
3000	Sewing Room - Remodel	10	8	\$21,500
3001	Sewing Equipment - Replace	10	8	\$30,500
3050	Flooring - Replace	20	0	\$220,000
3150	Window Treatments - Replace	10	5	\$9,850
3200	Auditorium Furniture - Replace	15	6	\$54,000
3230	Meeting Rooms Furniture - Replace	15	6	\$54,000
3300	Kitchens of Rooms 1-8, Remodel	25	24	\$123,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
5050	Interior Lights - Replace	20	16	\$75,000
5700	Restrooms - Major Refurbish	20	10	\$120,000
<b>Knowledge &amp; Learning Center (CH-3)</b>				
3040	Carpet Floor - Replace	30	27	\$12,000
3160	Acoustic Wall Panels - Replace	15	6	\$5,100
3200	Furniture/Furnishings - Replace	10	6	\$62,000
3225	Stack Chairs - Replace	10	6	\$7,700
3310	Kitchen Cabinetry - Replace	30	26	\$33,000
4201	Hearing Loop Electronics - Replace	15	5	\$8,000
<b>Clubhouse #4</b>				
2300	Stucco - Repaint	10	6	\$12,000
2330	Interior Surfaces - Repaint	10	2	\$37,700
2450	Comp Shingle Roof - Replace	25	1	\$125,000
2460	Flat Roof System (SPF) - Replace	10	0	\$21,000
2460	Flat Roof System (SPF) - Replace	40	5	\$45,500
2480	Gutter System - Replace	30	0	\$8,400
2520	Wood Surfaces - Repair	5	1	\$9,200
3050	Linoleum/Vinyl Floor - Replace	20	16	\$44,100
3060	Laminate Flooring - Replace	20	16	\$71,000
3120	Acoustic Room Dividers - Replace	20	16	\$8,300
3230	Furniture/Furnishings - Replace	20	16	\$130,000
3245	Built-in Cabinets & Lockers	20	16	\$26,000
3246	Art/Lapidary Cabinetry - Replace	20	16	\$43,000
3247	Kilns - Replace	15	8	\$14,000
3247	Lapidary Rm Equip - Replace	20	16	\$46,500
3320	Commercial Appliances - Replace	20	1	\$64,000
4206	DAIS Audio Visual Equipment - Repla	5	4	\$145,000
4206	Live Streaming System - Replace	5	1	\$17,000
4525	Stage Hydraulic Lift - Replace	20	1	\$41,500
5050	LED Interior Lights - Replace	20	14	\$10,800
5700	Restrooms - Major Refurbish	20	0	\$110,000
<b>Clubhouse #5</b>				
2310	Exterior Surfaces - Repaint	5	4	\$8,800
2330	Interior Surfaces - Repaint	10	9	\$14,600
2420	Flat Roof - Replace	20	1	\$7,750
2450	Comp Shingle Roof - Replace	25	1	\$60,000
2480	Gutter System - Replace	30	1	\$7,150
2500	Walkway Decks - Resurface	20	18	\$14,500
2525	Wood Siding - Repair	30	11	\$21,000
2585	Wood Stairways - Repair	20	18	\$7,750
2710	Fabric Awning - Replace	8	6	\$3,800
3020	Carpet - Replace	10	8	\$32,500



#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
3050	Linoleum/Vinyl Floor - Replace	20	18	\$8,600
3060	Laminate Flooring - Replace	20	18	\$7,250
3200	Cafe Furniture - Replace	10	5	\$9,700
3230	Office Furniture - Replace	15	8	\$27,000
3231	1st Floor Rec Offices Furn - Replac	10	3	\$7,500
3232	Distribution Office Furnishings	10	5	\$19,000
3235	Office Cabinet/Counter - Replace	25	2	\$20,400
3237	Clubhouse #5 - Refurbish	15	14	\$20,000
3237	Coin Counting Machine - Replace	10	0	\$8,450
3237	Plotter Printer - Replace	5	3	\$3,450
3237	Tri-Fold Machine - Replace	10	9	\$3,400
3310	Kitchen Cabinetry - Replace	25	5	\$20,700
4500	Elevator - Modernize	25	22	\$125,000
4505	Elevator Door Operator - Replace	15	10	\$35,000
4530	Elevator Cab - Remodel	15	3	\$40,000
5555	Wood Railings - Repair/Replace	20	18	\$10,400
5700	Restrooms - Major Refurbish	20	1	\$25,000
<b>Clubhouse #6</b>				
2300	Stucco - Repaint	10	3	\$27,000
2330	Interior Surfaces - Repaint	10	6	\$16,600
2420	Flat Roof - Replace	20	2	\$85,000
3050	Linoleum/Vinyl Floor - Replace	20	16	\$110,400
3055	Rubberized Flooring - Replace	30	16	\$8,450
3060	Laminate Flooring - Replace	20	17	\$72,500
3075	Hardwood Floor - Refurbish	5	2	\$22,500
3251	Ping Pong Tables - Replace	10	9	\$12,000
3300	Kitchen - Remodel	25	17	\$8,150
3525	Gym Equipment - Replace	15	11	\$380,000
4500	Elevator - Modernize	25	5	\$125,000
4505	Elevator Door Operator - Replace	15	5	\$35,000
4530	Elevator Cab - Remodel	25	5	\$35,000
5700	Restrooms - Major Refurbish	20	6	\$110,000
5711	Restroom Door Operators - Replace	10	8	\$13,000
<b>Amphitheater</b>				
2300	Exterior Flatwork - Repaint	10	1	\$24,000
2310	Wood Surfaces - Repaint	5	1	\$11,000
2330	Interior Surfaces - Repaint	10	1	\$17,000
2340	Metal Surfaces - Repaint	5	1	\$8,300
2420	Built-up Roof - Replace	25	21	\$300,000
2690	Blast Door - Replace	20	1	\$118,000
3000	2nd Floor Furnishings	15	14	\$20,000
3000	News Room - Remodel	12	2	\$14,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
3020	Loft Carpet - Replace	8	5	\$7,500
3050	2nd Floor Vinyl Floors - Replace	30	29	\$8,000
3050	Linoleum/Vinyl Floor - Replace	30	5	\$9,200
3070	Stage Hardwood Floor - Replace	30	21	\$73,000
3075	Hardwood Floor - Refurbish	5	1	\$16,000
3230	News Room Furnishings - Replace	20	13	\$20,000
4200	Main Server - Replace	7	1	\$119,000
4202	Hard Drive Storage - Replace	5	2	\$4,100
4580	Sewage Ejection Pump - Replace	15	2	\$25,000
4585	Storm Pumps - Replace	10	2	\$25,000
5005	Large Pole Lights - Replace	25	13	\$12,000
5525	3' Iron Railing - Replace	30	9	\$38,500
5535	Pipe Railing - Repair/Replace	30	9	\$50,000
5700	Restrooms - Major Refurbish	20	1	\$130,000
6565	Theater Bleachers - Replace	20	14	\$560,000
6573	Theater Lighting - Replace	30	0	\$110,000
6574	Theater Rigging - Replace	30	21	\$34,500
6575	Stage/Theater Curtains - Replace	10	4	\$58,000
6577	AV/Production Room Facility	15	6	\$59,000
6577	Projector/DVD Player - Replace	10	0	\$30,000
6577	Theater Sound System - Replace	20	14	\$140,000
<b>Library</b>				
2300	Stucco - Repaint	10	4	\$9,200
2310	Wood Surfaces - Repaint	5	0	\$3,700
2330	Interior Surfaces - Repaint	10	9	\$8,200
2450	Comp Shingle Roof - Replace	25	1	\$52,000
2460	Cap Sheet Roof - Replace	40	1	\$22,000
3020	Carpet - Replace	10	0	\$35,000
3040	Tile Floor - Replace	30	0	\$27,000
3200	Furnishings - Replace	15	8	\$140,000
4801	Patron Management System	10	0	\$8,450
5700	Friend of Library Restrm - Refurb	20	8	\$4,500
5700	Restrooms - Major Refurbish	20	1	\$20,000
<b>Pool Area &amp; Golf Starter Facility</b>				
2360	Block/Stucco Walls - Repaint	10	8	\$16,500
3530	Lockers - Replace	20	18	\$13,000
3740	Swimsuit Water Extractor - Replace	10	8	\$2,500
5520	Pool Iron Fence - Replace	25	23	\$3,100
5700	Golf Shack Restrooms - Major Refurb	20	18	\$18,500
5700	Pool Restrms/Locker - Major Refurb	20	18	\$45,000
5710	Restrooms - Minor Refurbish	20	8	\$15,000
5750	Outdoor Pool Showers - Re-tile	20	18	\$11,500

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
5800	Pool Deck Concrete - Repair/Replace	25	18	\$174,000
5810	Pool - Resurface & Re-tile	12	10	\$40,000
5812	Pool Filters - Replace	10	8	\$17,000
5815	Pool Heater - Replace	12	10	\$26,000
5820	Spa - Resurface & Re-tile	8	6	\$11,500
5822	Spa Filter - Replace	10	8	\$9,000
5825	Spa Heater - Replace	10	8	\$13,500
5840	Pool & Spa Pumps & Motors - Replace	5	3	\$6,500
5848	Chemical Controllers - Replace	10	8	\$3,500
5900	ADA Pool Lift - Replace	15	13	\$14,000
5910	Swim Lane Markers - Replace	5	3	\$3,800
5950	Pool Area Mastic - Replace	4	2	\$3,400
5990	Pool Furniture - Replace	10	8	\$28,000
6315	Fabric Shade Structure - Replace	10	8	\$3,500
<b>Golf Course</b>				
2330	Interior Surfaces - Repaint	5	3	\$3,000
3020	Golf Shack Carpet - Replace	5	3	\$3,000
3245	Built-in Cabinets - Replace	35	33	\$8,000
5570	Chain Link Fences - Replace	30	6	\$18,000
6030	Cart Path Rubber Surface - Replace	15	0	\$10,900
6305	Vinyl Shade Structures - Replace	20	17	\$23,000
6600	Bridge - Repair/Replace	30	15	\$32,000
6675	Lake Aerator System - Replace	5	0	\$6,250
7013	Golf Course Greens - Refurbish	2	0	\$32,000
7014	Golf Course T-Boxes - Refurbish	10	6	\$80,000
<b>Mission Park</b>				
5010	Bell Pole Lights - Replace	20	14	\$10,800
5090	Tennis Court Lights - Replace	20	14	\$28,500
5560	Vinyl Fencing - Replace	30	24	\$7,500
5570	Chain Link Fence - Replace	30	24	\$28,100
6105	Park Benches - Replace	20	10	\$24,000
6325	Aluminum Shade Structure - Repair	30	14	\$21,500
6505	Pickleball Courts - Resurface	6	1	\$37,500
6515	Court Windscreens - Replace	6	1	\$5,200
6530	Basketball Backboard - Replace	20	14	\$1,800
6540	Bocce Ball Court - Refurbish	10	4	\$6,200
6805	Monument - Replace/Refurbish	10	4	\$2,300
<b>Veterans Plaza</b>				
6305	Vinyl Shade Structure -Replace	30	25	\$11,450
6315	Fabric Shade Structure - Replace	10	6	\$5,700
6805	Veterans Memorial - Refurbish	30	24	\$95,500
<b>Maintenance Yard</b>				

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
2470	Metal Seamed Roof - Repair/Replace	40	9	\$72,000
2480	Gutter System - Replace	25	19	\$19,000
2535	Corrugated Metal Siding - Replace	50	4	\$102,000
3011	Miscellaneous Building Replacement	20	1	\$52,000
3020	Carpet - Replace	10	1	\$4,300
3060	Laminate Flooring - Replace	25	17	\$9,550
3227	Work Stations - Replace	20	17	\$3,000
3230	Office/Warehouse Furnishings	15	6	\$48,500
3231	Purchasing Office Furnishings	10	3	\$13,000
3231	Purchasing Warehouse Facility	15	10	\$13,000
3232	Storage/Wk Area Furnishings	10	3	\$15,000
3300	Kitchen - Remodel	25	15	\$12,500
3820	Carpenter Shop Equipment - Replace	20	5	\$81,000
3821	Welding Shop Equipment	20	5	\$54,000
3835	Hydraulic Lift - Replace	20	5	\$80,000
3840	Fuel Leak Detection System- Replace	30	20	\$101,500
3842	Waste Oil Storage Tank	30	20	\$28,000
3843	Underground Tank - Replace	50	10	\$210,000
3844	Waste Oil Tank - Replace	50	10	\$43,000
<b>Service Maintenance</b>				
507	Entry Iron Gate - Replace	30	27	\$23,000
832	Roll-Up Doors - Replace	25	3	\$46,500
951	Bathrooms/Locker Rm - Refurbish	20	15	\$76,000
1008	Barreto Micro Trencher - Replace	20	16	\$11,000
1110	Interior Surfaces - Repaint	10	1	\$3,400
1115	Exterior Surfaces- Repaint	10	6	\$14,000
3730	Washers & Dryers - Replace	10	9	\$4,000
<b>Resale Office</b>				
2310	Wood Surfaces - Repaint	5	0	\$4,300
2330	Interior Surfaces - Repaint	10	0	\$4,850
2450	Comp Shingle Roof - Replace	25	14	\$35,000
3020	Carpet - Replace	10	0	\$16,000
3300	Kitchen - Remodel	20	0	\$8,000
5700	Restrooms - Major Refurbish	20	10	\$10,600
6830	Signage - Replace/Refurbish	10	6	\$3,000
<b>Security Office &amp; Gatehouses</b>				
1000	Main Gate Reno Design Work	1	0	\$80,000
1990	Main Gate/Security Office - Reno	20	0	\$925,000
1990	North Gatehouse - Remodel	20	0	\$250,000
1990	South Gatehouse - Remodel	20	0	\$250,000
2300	Stucco - Repaint	10	10	\$11,500
2330	Interior Surfaces - Repaint	10	10	\$10,100

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
2450	Comp Shingle Roof - Replace	25	25	\$58,000
2480	Gutter System - Replace	25	25	\$4,100
3020	Carpet - Replace	5	5	\$42,500
3050	Linoleum/Vinyl Floor - Replace	20	20	\$7,300
3230	Furniture/Furnishings - Replace	20	11	\$31,000
3300	Kitchen - Remodel	20	20	\$6,500
4660	Security Bldg. Generator - Replace	25	25	\$15,000
5700	Restrooms - Major Refurbish	20	20	\$60,000
<b>Infrastructure</b>				
2220	(2025) Parking Lots - Resurface	28	1	\$980,000
2220	(2041) Asphalt (Phase 1), Resurface	25	17	\$720,000
2220	(2042) Asphalt (Phase 2), Resurface	25	18	\$870,000
2220	(2043) Asphalt (Phase 3), Resurface	25	19	\$1,150,000
2220	(2045) Asphalt (Phase 4), Resurface	25	21	\$530,000
2220	(2047) Asphalt (Phase 5), Resurface	25	23	\$1,970,000
2220	(2048) Asphalt (Phase 6), Resurface	25	24	\$674,000
2230	(2024) Asphalt (Phs 3), Repair/Seal	5	0	\$190,000
2230	(2024) Parking (Phs 1), Repair/Seal	4	0	\$94,500
2230	(2025) Asphalt (Phs 4), Repair/Seal	5	1	\$190,000
2230	(2025) Parking (Phs 3), Repair/Seal	4	1	\$38,000
2230	(2026) Asphalt (Phs 5), Repair/Seal	50	2	\$190,000
2230	(2026) Parking (Phs 2), Repair/Seal	4	2	\$40,500
2230	(2027) Asphalt (Phs 1), Repair/Seal	5	3	\$260,000
2230	(2028) Asphalt (Phs 2), Repair/Seal	5	4	\$190,000
2300	HC Bldg Exterior Flatwork - Repaint	10	5	\$25,000
2310	HC Bldg. Wood Surfaces - Repaint	5	0	\$10,900
2340	Metal Surfaces - Repaint	5	0	\$6,200
4200	Gate Server Equip - Replace	4	0	\$4,400
4595	Sewer System - Repair/Replace	1	0	\$570,000
4690	Storm Drain Screens - Replace	25	23	\$620,000
5008	Street Pole Light Fixtures - Repl	25	19	\$71,500
5330	Gate Operators - Replace	4	2	\$7,500
5332	Barrier Arm Operators - Replace	10	0	\$18,000
5348	Crosswalk Activation & Lights	20	11	\$109,500
5348	Street Lights Backup Battery - Repl	10	4	\$19,000
5349	Traffic Light Poles - Replace	30	23	\$45,500
5380	Visitor Access System - Replace	10	9	\$64,200
5501	Block Walls - Add/Repair/Replace	40	5	\$400,000
5510	Main Entry Vehicle Gates - Replace	30	26	\$3,600
5510	North Entry Vehicle Gates - Replace	25	4	\$11,000
5510	South Entry Vehicle Gates - Replace	25	4	\$20,000
5515	Metal Pedestrian Gates - Replace	25	19	\$37,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
5570	Chain Link Fence Project, 2023-2030	1	0	\$135,000
6631	Waterscape Shoreline - Clean/Repair	50	1	\$150,000
6807	Lighted Marquee - Replace	20	18	\$31,000
6900	Irrigation Controllers - Replace	5	2	\$31,000
7010	Landscape - Renovations	1	0	\$100,000
8010	EV Charging Station - Replace	10	8	\$80,000
<b>Miscellaneous Components</b>				
3263	Christmas Trees/Decorations - Repl	6	5	\$18,000
4200	2-Way Radios & Microphones - Replac	5	2	\$8,000
4220	Audio Sound System - Replace	10	0	\$110,000
4515	Elevator Cylinders - Replace	50	25	\$110,000
4780	Phone System - Replace	10	9	\$100,000
5510	RV Lot Iron Vehicle Gates - Replace	25	27	\$40,000
6383	RV Lot Office Trailer - Replace	30	23	\$22,500
6391	Globe Surfaces - Repaint	10	2	\$66,000
6392	Globe Lighting - Replace	20	14	\$32,000
6805	Monument - Replace/Refurbish	20	18	\$31,000
6850	Street Name Signs - Replace	20	3	\$67,500
7980	Bus Stop Shelters - Replace	10	6	\$80,500
<b>Fleet Maintenance</b>				
1900	(2024) Cushmans - Replace	15	0	\$320,000
1900	(2025) Cushmans - Replace	15	1	\$320,000
1900	(2026) Cushmans - Replace	15	2	\$320,000
1902	Forklift - Replace	20	17	\$30,000
1902	Front Loader/Backhoe - Replace	25	16	\$46,000
1902	Tractors - Replace	30	1	\$66,000
1903	(2024) Automobiles - Replace	15	0	\$100,000
1903	Elect Club Car Vehicles - Replace	10	6	\$257,000
1903	Elect Gem Vehicles - Replace	10	2	\$75,000
1904	(2024) Van - Replace	15	0	\$45,000
1904	(2033) Chevy Trucks - Replace	10	9	\$156,000
1905	(2025) #5-#8, Buses - Replace	18	1	\$350,000
1905	(2032) #9, Freedom Bus - Replace	18	8	\$130,000
1905	(2041) #1-#4, Buses - Replace	18	17	\$620,000
1906	(2025) Radar Trailer - Replace	10	1	\$16,000
1906	(2032) Radar Trailers - Replace	10	9	\$32,000
1906	Emergency Equip Trailer- Replace	10	6	\$10,450
1906	Trailer for Backhoe - Replace	25	19	\$3,400
1906	Trailers - Replace	30	7	\$10,900
1910	Golf Cart - Replace	20	18	\$12,500

### 391 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

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

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

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

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

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

The coverage provided by these policies exceeds the levels required by law. Claims in excess of this coverage will not result in any direct individual liability by any member. However, there could be a

proportionate assessment levied to pay the amount of any judgment in excess of the corporate coverage limits. Earthquake insurance is not provided due to cost and coverage prohibitions.

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



## **ANNUAL POLICY STATEMENT<sup>2</sup>**

**(Civil Code Section 5310)**

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

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

2. MULTIPLE ADDRESSES. Members may submit a written request to GRF's Contact Person identified in Section 1 above to add or remove a second address for delivery of the following notices according to subdivision (b) of Section 4040 of the Civil Code:
  - a. Annual Budget Report and Annual Policy Statement, as well as the Year-End Report (Article 7 of the Civil Code, commencing with Section 5300 of Chapter 6);
  - b. Notices regarding assessment payments and delinquencies (Article 2 of the Civil Code, commencing with Section 5650 of Chapter 8); and
  - c. Notices regarding a trustee's sale pursuant to Civil Code Section 5710.
3. NOTICE LOCATION. The location designated for posting of a general notice for the Golden Rain Foundation, pursuant to paragraph (3) of subdivision (a) of Section 4045 of the Civil Code shall be:

**GRF Website [www.lwsb.com](http://www.lwsb.com) and/or the Administration Building**

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

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

5. RIGHT TO RECEIVE COPIES OF MINUTES. Members have the right to obtain copies of board meeting minutes, pursuant to subdivision (b) of Section 4950 of the Civil Code, by contacting GRF's Contact Person and/or stopping by the GRF Administration offices during posted business hours. The minutes of each Golden Rain Foundation Board meeting are *posted on GRF's website* ([www.lwsb.com](http://www.lwsb.com)). Copies of all minutes (except minutes of meetings in executive session), proposed minutes or summary minutes, as well as agendas for all open or executive session meetings can be obtained for a nominal fee from the Accounting Department in the Administration building.
6. RULES ENFORCEMENT POLICY: (pursuant to Section 5850 of the Civil Code)
  - a. If GRF adopts or has adopted a policy imposing any monetary penalty, including any fee, on any GRF member for a violation of the governing documents, including any monetary penalty relating to the activities of a guest or tenant of the member, the board shall adopt and distribute to each member, in the annual policy statement prepared pursuant to Section 5310, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents.
  - b. Any new or revised monetary penalty that is adopted after complying with subdivision (a) may be included in a supplement that is delivered to the members individually, pursuant to Section 4040.
  - c. A monetary penalty for a violation of the governing documents shall not exceed the monetary penalty stated in the schedule of monetary penalties or supplement that is in effect at the time of the violation.
  - d. GRF shall provide a copy of the most recently distributed schedule of monetary penalties, along with any applicable supplements to that schedule, to any member upon request.
7. FINE SCHEDULE: A schedule for fines relating to rule violations is included in governing document 30-5093-2 and 80-1927-2. Pursuant to Civil Code Section 5850, additional documents will be distributed if and when other fine schedules may be prepared and duly adopted by the Board.
8. PROCEDURES FOR REMODELING: The following is a summary of requirements for GRF approval of a physical change to property, pursuant to Section 4765 of the Civil Code:

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

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest. This common interest development (Mutual Seventeen) is a condominium project. The association of this common interest development is not certified by the Federal Housing Administration.

Certification by the Federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest. This common interest development (Mutual Seventeen) is a condominium project. The association of this common interest development is not certified by the Federal Department of Veterans Affairs.

## **BILLING AND COLLECTION PROCEDURES FOR THE MUTUAL CORPORATIONS OF SEAL BEACH LEISURE WORLD**

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

1. It is your responsibility to pay your monthly payment (consisting of the regular assessment, property tax, special assessment(s) and voluntary charges) on or before the due date. The due date is the first of the month, unless otherwise stated on the payment coupon.
2. If a payment is not made within the Mutual's grace period (15 days past the due date) or paid short of the total amount due, the account will be deemed delinquent and a late charge will be assessed. The late charge varies by Mutual and by the date of the Occupancy Agreement. It can range from a low of \$2.00 to a high of \$10.00 or 10% of the delinquent balance, whichever is greater. The late charge will be assessed for each monthly payment, or portion thereof, that is (are) delinquent. If your Occupancy Agreement specifies a lower late fee, the lower fee will apply.
3. The first past due notice will be mailed 30 days after the due date of the unpaid and now delinquent payment. After 30 days, the past due amount will be charged an interest rate not to exceed 12% per annum on the total amount due. Late charges and collection costs are added to the delinquent monthly payment (consisting of the regular assessment, property tax, special assessment(s) and voluntary charges), and become part of the total amount due.
4. Partial payments of amounts due will be applied in the following order: property taxes, special assessments and regular assessments, voluntary charges, late charges, collection costs and interest. Collection costs will include attorney fees. Any unpaid amounts will be charged the late charge and will accrue interest.
5. Amounts due are your personal obligations and are liens against your unit. All late charges, interest, attorney's fees, and collection costs incurred by the Mutual will be added to the Owner's account and will become the liability of the Owner.
6. A second past due notice will be sent 60 days after the initial due date of the delinquent payment. The Mutual CFO receives a list of delinquent accounts on a monthly basis.
7. Formal collection procedures will begin upon the request of your Mutual Board of Directors, which may include eviction and forced sale of your share of stock.
8. The Mutual Board of Directors may, at any time, authorize legal action, regardless of the delinquent amount.
9. When the Board is to meet to consider or impose a monetary charge as a means of reimbursing GRF for costs incurred in the repair of damage to Common Area and facilities caused by a member or the member's guest or tenant, the Board shall notify the member in writing, by either personal delivery or individual delivery pursuant to Section 4040, at least ten (10) days prior to the meeting. (Civil Code Section 5855(a).) The notification shall contain, at a minimum, the date, time, and place of the meeting,

the nature of the damage to the Common Area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the Board at the meeting. (Civil Code Section 5855(b).) The Board shall meet in executive session if requested by the member. (Civil Code Section 5855(b).)

10. The physical address for making payments is the Golden Rain Foundation, 13531 St. Andrews Drive, Seal Beach, CA 90740. The mailing address is the Golden Rain Foundation, P.O. Box 2069, Seal Beach, CA 90740. The Golden Rain Foundation is the trustee and/or managing agent for the Mutual Corporations.

## **NOTICE**

### **ASSESSMENTS AND FORECLOSURE**

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

### **ASSESSMENTS AND FORECLOSURE**

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

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

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

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

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

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

## **PAYMENTS**

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

Seal Beach Mutual {your Mutual number}  
P.O. Box 60017  
City of Industry, CA 91716-0041

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

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

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

## **MEETINGS AND PAYMENT PLANS**

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

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

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

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

**INTERNAL DISPUTE RESOLUTION PROCEDURE**

1. The Internal Dispute Resolution Procedure (IDR) is set forth commencing with Civil Code Section 5915 and requires the association to provide an expeditious procedure for the determination of disputes between the association and any resident. The sections therein require the following: (a) any party may submit a written request to "meet and confer" in an effort to resolve the dispute, (b) a member of an association may refuse a request to meet and confer; the association may not refuse a request to meet and confer, (c) the board shall designate a member of the board to meet and confer, (d) the parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute, and (e) a resolution of the dispute agreed to by the parties shall be put in writing and signed by the parties, including the board designee on behalf of the association.
2. An agreement reached under this procedure binds the parties and is judicially enforceable if both of the following conditions are satisfied: a) The agreement is not in conflict with law or the governing documents of the common interest development or the association, and b) the agreement is consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors. A member of the association may not be charged a fee to participate in the process.
3. As required by Civil Code Section 5920, Mutuals that have adopted their own IDR process pursuant to California Civil Code Section 5910 shall include a description of said IDR process in their individual budget reports.

**ALTERNATIVE DISPUTE RESOLUTION**

1. Prior to filing a civil action either by Golden Rain Foundation, a Mutual or by an owner of a Mutual share, which action is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure, Civil Code Section 5930 requires that the parties shall endeavor to submit their dispute to Alternative Dispute Resolution (ADR), such as mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. This section does not apply to a small claims action or, except as otherwise provided by law, to an assessment dispute.
2. The form of alternative dispute resolution may be binding or non-binding at the option of the parties. Any party to such dispute may initiate the process by serving upon all other parties to the dispute a "REQUEST FOR RESOLUTION." The Request for Resolution shall include all of the following: (a) A brief description of the dispute between the parties; (b) A Request for Alternative Dispute Resolution; (c) A notice that the party receiving the Request for Resolution is required to respond thereto within



thirty (30) days of receipt or the request will be deemed rejected; and (d) If the party on whom the request is served is the owner of a separate interest, a copy of Civil Code 5925 et seq. shall be provided.

3. The service of the Request for Resolution shall be either by personal delivery, first class mail, express mail, facsimile transmission or other means reasonably calculated to provide actual notice to the party on whom the request is served.
4. The party receiving the Request for Resolution shall have thirty (30) days to accept or reject the request. In the event no such response is received, the Request is deemed "rejected."
5. If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within ninety (90) days after receipt of the acceptance by the party initiating the request, unless this period is extended by written stipulation signed by both parties.
6. The costs of the alternative dispute resolution shall be borne by the parties.
7. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action (as defined by Civil Code §5925(b)) the time limitation is tolled during the following periods: (a) The period provided in Section 5935 for response to a Request for Resolution, (b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated by the parties pursuant to Section 5940.
8. At the time of commencement of an enforcement action (as defined in Civil Code §5925(b)), the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) Alternative dispute resolution has been completed in compliance with this article; (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution; (3) Preliminary or temporary injunctive relief is necessary.

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

9. After an enforcement action (as defined in Civil Code §5925) is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code. The costs of the alternative dispute resolution shall be borne by the parties.
10. In an enforcement action (as defined by Civil Code 5925(b)) in which fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.
11. Except on agreement by the parties to the contrary, anything said or admissions made in the course of alternative dispute resolution shall not be admissible into evidence in a trial. Documents prepared in preparation for or during the course of alternative dispute resolution shall not be admissible into evidence and disclosure of those documents may not be compelled in a civil action.
12. Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.