

**MANAGEMENT AGREEMENT
SEAL BEACH MUTUAL NO. FOURTEEN**

Agreement made this 24th day of August, 2022, by and between GOLDEN RAIN FOUNDATION, a California nonprofit corporation, having its principal office at Seal Beach, California, hereinafter called "GRF" and Seal Beach Mutual No. Fourteen, a California corporation, whose offices are listed in Article VIII of this Agreement entitled Delivery of Notices, hereinafter called the "Mutual". GRF and Mutual are sometimes referred to individually as the "Party" or collectively as the "Parties." GRF and Mutual enter into this Management Agreement ("Agreement") and agree as follows:

I APPOINTMENT OF GRF

(a) Mutual hereby appoints GRF, and GRF hereby accepts said appointment, as the exclusive managing agent for Mutual. This Agreement will refer to Mutual's property as the "Property".

(b) GRF's management responsibility for the Property under this Agreement is separate and distinguished from any responsibility of GRF as Trustee of the Trust Property under that certain Declaration of Trust recorded in the Official Records of Orange County as Document Number 6402, in Book 6172, Page 617, on July 10, 1962 and amended by that certain Amendment of Trust recorded in the Official Records of Orange County as Document Number 2014000074212 on February 26, 2014, and that certain Declaration of Trust recorded in the Official Records of Orange County as Document Number 21718, in Book 14326, Pages 118-137, on December 16, 1981 and amended by that certain Amendment of Trust recorded in the Official Records of Orange County as Document Number 2014000074213 on February 26, 2014 (collectively referred to as the "Declaration of Trust").

(c) GRF, as Trustee of the Trust Property, shall perform services to Mutual under the Declaration of Trust, for compensation pursuant to GRF's approved budget, irrespective of GRF serving as managing agent for Mutual under this or any other Agreement.

(d) GRF fully understands that Mutual is a cooperative housing corporation providing housing in the community identified as Seal Beach Leisure World ("Development") on a not for profit basis, principally for residential use by the Mutual's stockholders, hereinafter referred to as "Shareholders".

(e) GRF shall hire in its own name all personnel necessary for the efficient discharge of the duties of GRF hereunder. Compensation for the services of such employees shall be the sole responsibility of GRF. Those employees of GRF who handle or are responsible for the handling of Mutual's monies shall be bonded by a fidelity bond as required by Civil Code Section 5806.

(f) The parties understand, acknowledge and agree that GRF's appointment under and pursuant to this Agreement and all acts performed by GRF for Mutual hereunder shall be in the capacity of an independent contractor and not as an employee, partner, or other business affiliation with Mutual.

II TERM AND TERMINATION OF THE AGREEMENT

(a) This Agreement shall be in effect from the first date signed below, to June 30, 2023, and automatically renews for successive one-year terms, unless terminated as set forth below.

(b) Notwithstanding anything to the contrary, this Agreement may be terminated at any time by either Party by providing the non-terminating Party with no less than sixty (60) day's written notice of termination. Unless otherwise agreed by the Parties, in writing, said termination shall occur at 11:59 PM on the sixtieth (60th) day.

(c) Upon termination the Parties shall account to each other with respect to all matters outstanding as of the date of termination, and Mutual shall furnish GRF reasonable security against any outstanding obligations or liabilities which GRF may have incurred on behalf of Mutual pursuant to this Agreement.

III GRF SERVICES & INSURANCE

(a) GRF Services. GRF shall assist Mutual, through its Board of Directors ("Board"), in the management of the Mutual as

set forth in this Agreement. GRF shall perform those services required to be performed to fulfill Mutual's obligations under its approved budget, and as reflected in Exhibit "A". GRF agrees to confer with Mutual, through its Board, in the performance of its duties and shall facilitate administration and fiscal management at the direction of the Board of Directors. Every action taken by GRF under the terms of this Agreement shall be on behalf of Mutual.

(b) GRF's Services as Trustee. GRF performs services for Mutual, as Trustee of the Declaration of Trust and Trust Property, outside the scope of this Agreement. GRF's services, and Mutual's payment for such services, are identified in GRF's approved budget and paid by Mutual irrespective of Mutual terminating this Agreement.

(c) Modifying Services. Mutual, through its Board of Directors, by taking action in a duly noticed meeting, reflected in meeting minutes, may request a change in the services performed by GRF upon sixty (60) days prior written notice to GRF; if approved by GRF, such approval will be in writing, within thirty (30) to ninety (90) days from receipt of Mutual's request.

(d) Emergency Services. Notwithstanding anything herein to the contrary, GRF may, without Mutual's prior approval, perform those services necessary to prevent or address danger to life or property occurring or originating within the Mutual, or when necessary for the preservation and safety of property, belonging to Mutual.

(e) Insurance. GRF shall, at all times while this Agreement is in effect, maintain at least the following insurance, having no less than the following coverages, and shall provide Mutual with certificates evidencing the following coverages upon request:

(1) Liability insurance on its own behalf in the amount of One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000) aggregate,

(2) Errors and omissions insurance in an amount of not less than Two Million Dollars (\$2,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate,

(3) Workers' compensation insurance for its employees in accordance with California law,

(4) A fidelity bond with a minimum limit of Two Million Dollars (\$2,000,000), and

(5) Employer's liability in an amount not less than One Million Dollars (\$1,000,000).

IV COMPENSATION

GRF shall be compensated by Mutual for all services provided in Article III(a) of this Agreement and Exhibit "A", at a starting monthly rate of \$172.03, per unit, and shall be adjusted annually based on the finalized GRF budget.

The foregoing compensation is exclusive of the billable services, as reflected in Exhibit "A", and Service Request Orders (SROs) that Mutual may, from time to time, request (which are billed at the then hourly rate, as set by GRF). To the extent approved by Mutual and GRF, Mutual agrees to pay GRF the hourly rates reflected in Exhibit "B" for those billable services listed in Exhibit "A"; such rates are subject to annual increases upon no less than sixty (60) days written notice to Mutual.

Exhibits "A" & "B" are attached hereto and incorporated into the Agreement by this reference.

V INDEMNIFICATION

Mutual shall indemnify and hold harmless GRF, its directors, officers, agents and employees, from any and all claims for damages or liability resulting from claims of bodily injury, damage or destruction of property, including the loss or use thereof, and any other claim based upon acts performed by GRF in the normal course of performing those services listed in Exhibit "A", including any cause or claim arising directly or indirectly from the terms of this Agreement or from any error, omission, judgment or mistake of fact or law, or for anything which it may do or refrain from doing hereunder, except in cases of criminal acts, fraud, willful misconduct, gross negligence and/or sole negligence by GRF, its directors, officers, agents or employees, or any action that is materially outside the course and scope of the agency relationship contemplated by this Agreement. For clarity, this indemnity requirement shall extend only to actions performed by GRF in

fulfillment of those services identified as "GRF Mutual Administration" or "Finance Department" on Exhibit "A". Mutual shall name GRF as an additional insured on all of Mutual's applicable insurance policies, including, but not limited to, liability, fidelity, directors' and officers', and worker's compensation, to the extent reasonably possible.

GRF shall indemnify and hold harmless Mutual, its directors, officers, agents and employees, from any and all claims for damages or liability resulting from claims of bodily injury, damage or destruction of property, including the loss of use thereof, and any other claims or proceedings asserted or brought against Mutual, its directors, officers, agents or employees, by any third party arising from GRF, its directors', officers' agents' or employee's criminal acts, fraud, willful misconduct, gross negligence and/or sole negligence, or any action that is outside of the course and scope of the agency relationship with Mutual as contemplated under this Agreement.

VI ARBITRATION

Any controversy or claim arising out of, or related to, this Agreement shall be settled by binding arbitration in the County of Orange, State of California. The Parties shall select a mutually agreeable arbitrator. If the Parties cannot agree on an arbitrator within sixty (60) days of the initial request for arbitration by a Party, the dispute shall be submitted to JAMS, Orange County, and an arbitrator shall be designated by JAMS. Judgment on the arbitration award may be entered in any court having competent jurisdiction over the subject matter in the controversy. The prevailing Party shall be awarded reasonable attorney's fees and costs.

Notwithstanding the above, if any controversy or claim arises out of or relates to this Agreement, including, but not limited to, interpretation of this Agreement, obligations of either Party under this Agreement, compensation due to GRF and/or services provided by GRF pursuant to this Agreement, the Parties agree to first attempt in good faith to settle the dispute by mediation administered by a mutually agreed upon mediation provider, prior to the commencement of arbitration. The mediation shall be held in the County of Orange, State of California, with all expenses being shared equally by the Parties. This mediation clause, however, will not deprive the

Parties of any right they may otherwise have to seek provisional injunctive relief through arbitration; the pursuit of, or opposition to, any such relief does not waive the right of the Mutual or GRF to mediation pursuant to this Agreement.

VII GENERAL TERMS

(a) Entire Agreement. The Parties intend this writing as a full expression of their agreement and all negotiations and representations between the parties having been incorporated in this Agreement and supersede any and all prior and existing agreements. No variation, modification, or changes of this Agreement shall be binding or effective unless made in writing and executed by both parties hereto.

(b) Governing Law. This Agreement shall be constructed and interpreted in accordance with the laws of the State of California.

(c) Severability. Each paragraph of this Agreement shall be considered as separate and divisible. In the event any paragraph of this Agreement is held to be invalid, void, or unenforceable by a court of competent jurisdiction, the remaining paragraphs shall continue in full force and effect without being impaired or otherwise invalidated.

(d) Counterparts. This agreement may be executed in counterparts.

(e) No Assignment. GRF shall not assign or transfer any of its interest, rights or obligations under this Agreement, without the express written consent of both Parties to the Agreement; however, GRF may assignment its obligation to perform services under this Agreement to a third party so long as any such assignment does not increase costs to Mutual or result in a decline in service, either quantity or quality.

(f) Legal Advice. Each Party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The Parties acknowledge and agree that all of the terms and provisions of this Agreement have been expressly negotiated and agreed to at arm's length by parties of relatively equal bargaining power, and that the provisions of this Agreement shall be construed as to the fair meaning and not for or against

any Party based upon any attribution of such Party as the sole source or drafter of the language in question.

(g) Time of the Essence. Time shall be of the essence as to all dates and times of performance.

(h) Remedies Cumulative. All remedies, rights, undertakings, obligations, and agreements contained in this Agreement shall be cumulative, and none of them shall be in limitation of any other remedy, right, undertaking, obligation or agreement of either Party.

VIII DELIVERY OF NOTICES

Notices under this Agreement shall be delivered by certified mail as follows:

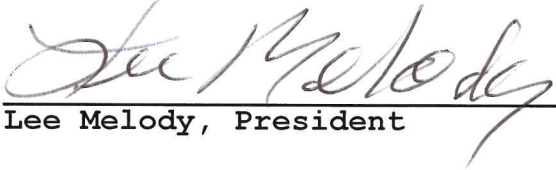
GOLDEN RAIN FOUNDATION, a California mutual benefit corporation
PO Box 2069, Seal Beach, CA 90740

SEAL BEACH MUTUAL NO. FOURTEEN, a California non-profit corporation
13531 St. Andrews Drive, Seal Beach, CA 90740


Located in the County of Orange, State of California, and consisting of 328 dwelling units, which property is also designated as FHA Project Nos. 122-30207-M and 122-30288-M through 122-30291-M

IN WITNESS THEREOF, the Parties to this Agreement do hereby agree to the aforementioned conditions and agreements as stated and acknowledge said Agreement by setting forth their signatures below.


SEAL BEACH MUTUAL NO. FOURTEEN

By 
Lee Melody, President

GOLDEN RAIN FOUNDATION

By 
Marsha Gerber, President

Signatures Witnessed on August 24, 2022,

By 
Bob Stefun, Vice President
Seal Beach Mutual No. Fourteen