A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL THREE
March 12, 2021
Meeting begins at 9:00 a.m.
Zoom Video and Call Conference Meeting

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. SHAREHOLDER COMMENTS **(2-3 minutes per shareholder)**

3. ROLL CALL

4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):

   Ms. Stone, GRF Representative
   Ms. Miller, Director of Finance
   Ms. Hopkins, Mutual Administration Director
   Mr. Van Horn, Building Inspector
   Ms. Barua, Portfolio Specialist

5. GUEST SPEAKER Ms. Miller
   a. Discuss and vote to accept the 2020 drafted audited financial statements **(pp. 4-24)**

6. APPROVAL OF MINUTES:
   a. **Regular Monthly Meeting Minutes of February 12, 2021**

7. BUILDING INSPECTOR'S REPORT Mr. Van Horn
   Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests **(pp. 25-27)**
   a. Discuss and vote to approve MJ Jurardo proposal to replace concrete in carport parking areas **(pp. 28-29)**

8. GRF REPRESENTATIVE Ms. Stone

9. CONSENT CALENDAR
   a. Discuss and vote to authorize transfers of funds for Mutual Three **(p. 30)**

10. **UNFINISHED BUSINESS**
   a. Discuss and vote to award the Howard Roofing Contract for Building 5, 17, 18, and 21 **(p.31)**
   b. Discuss and vote to adopt the Mutual Three Rules and Regulations **(pp. 32-112)**
   c. Discuss and vote to rescind Policy 7401-Contractor License, 7401.1-Licensed and Insured Contractors List, 7403-Building Alterations or Additions, 7403.2-Installation of Bathtubs, 7403.3-Skylights & Sola Tubes, 7403.6-Microwave Ovens, 7403.7- Ceiling Fans, 7403.8-Building Permit Signature, 7404-Notification of Remodeling, 7407.3- Washers and Dryers in Units, 7408.3-Contractors/Vendors Liability for Damages, 7410-Apartment Fire/Safety Inspection 7413.3- Walk-in Therapeutic/Jacuzzi-Type Bathtubs, 7415.3-Patio Regulations, 7425.3-Garden Areas, Trees, Shrubs, 7427.G-Barbeques – Usage and General Safety Precautions, 7490-Standard Plans and Specifications – Remodeling, 7490.1-Standard Contract – Building Alterations, 7490.pb.03-Payment and Performance Bond, 7491-Roof Extensions, 7491.1-Roof Leak Procedure, 7493-Patio Roof Covers, 7494- Filled Concrete Block and Footings, 7494.1- Liners for Decorative Block Walls, 7496.3-Common Entry Walkways, 7499.3 - Air Conditioning/HVAC/Heat Pump Units, 7501-Pet Ownership, 7502.3-Carport Regulations, 7506- Sidewalk Traffic Restriction, 7506.1-Roller Skates, Roller Blades, Skateboards, Bicycles, Tricycles, and Scooters, 7508-Patio/Estate Sales, 7508.3-Patio/Estate Sales, 7549.03-Lockout Procedures, 7551.G-Unsanitary Premises and Fire Loading Conditions, 7555- Visitors, 7570-Sign Resolution, 7572 R-Flag Poles Regulation, 7572.3-Flag Poles, 7574.3-Satellite Dish Installation, 7575-Laundry Room Use, 7580-Traffic Control Regulations, 7581- Enforcement of Community Traffic Regulations, 7582.03-Towing Vehicles, 7590.G-Feeding Wildlife, 7707-Apartment Pre-Sale Cleanup, 03-7560-1 Leasing Rules and Regulations, and 03-7585-1 Governing Documents Compliance Corrective Measures and Monetary Penalties **(pp. 113-226)**

11. **NEW BUSINESS**
   b. Approval of Mutual Monthly Finances **(p. 227)**
   c. Shareholder's Intent to Vote Cumulatively **(p. 228)**
   d. Discuss and vote to cancel the monthly meeting on June 11, 2021 due to Annual Shareholder's Meeting **(p. 229)**
   e. Discuss and vote to appoint Accurate Voting Services as Mutual Three's Inspectors of Election **(p. 230)**
   f. Discuss and vote to approve Total Landscape proposal for the removal of the Fire Stick plants **(pp. 231-232)**
   g. Discuss and vote to approve Total Landscape proposal to put plants in the space created when dead Pine Tree was removed **(pp. 233-234)**
   h. Discuss and vote to approve work at Carport 43 & 44 for termite & dry rot repair **(handout) (pp. 235)**

STAFF BREAK BY 11:00 a.m.

(3/4/21 RB)

12. SECRETARY / CORRESPONDENCE Ms. Hart

13. CHIEF FINANCIAL OFFICER'S REPORT Ms. Ledbetter

14. PORTFOLIO SPECIALIST Ms. Barua

15. ANNOUNCEMENTS

    a. **MONTHLY MEETING: Friday, April 9, 2021 9:00 a.m., Zoom Video and Call Conference**

    b. **Mutual Three Board Election Application Deadline: March 22, 2021 in Stock Transfer**

    c. **GRF Board Election Application Deadline: April 2, 2021 in Stock Transfer**

16. COMMITTEE REPORTS

17. DIRECTORS' COMMENTS

18. SHAREHOLDERS' COMMENTS **(2-3 minutes)**

19. ADJOURNMENT

20. EXECUTIVE SESSION

STAFF WILL LEAVE THE MEETING BY 12:00 p.m.

(3/4/21 RB)

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO ACCEPT THE 2020 DRAFTED AUDITED FINANCIAL STATEMENTS (GUEST SPEAKER, ITEM A)
DATE: MARCH 12, 2021
CC: FILE

I move to accept that the Board of Directors of Seal Beach Mutual Three, upon a presentation of the Financial Statements as of December 31, 2020, 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.

SEAL BEACH MUTUAL NO. THREE
Financial Statements
December 31, 2020

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Seal Beach Mutual No. Three (the "Mutual"), which comprise the balance sheet as of December 31, 2020, and the related statements of operations, stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seal Beach Mutual No. Three as of December 31, 2020, 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.

Report on Supplementary Information

Our audit was performed 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 14, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information 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 recording 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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 15 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 and Statement of Direct Operating Expenses

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.

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CliftonLarsonAllen LLP
Los Angeles, California
March xx, 2021

SEAL BEACH MUTUAL NO. THREE
BALANCE SHEET
December 31, 2020

ASSETS

CURRENT ASSETS			
Cash in bank and unrestricted deposits:			
1111000 Cash and cash equivalents		$ 20,664	(A)
1122000 Deposits in banks and other financial institutions (Note 2)		90,068	
		110,732	
Receivables:			
1130500 Members		26,793	
		26,793	
Other current assets:			
1170000 Undivided beneficiary future interest in community trust funds		1,001,937	106,010 ↑
1150000 Prepaid expenses		50,256	
		1,052,193	
	TOTAL CURRENT ASSETS	1,189,718	
IMPOUND ACCOUNTS (Note 2)			
1152500 Property tax fund		160,491	
	TOTAL IMPOUND ACCOUNTS	160,491	
DESIGNATED DEPOSITS (Note 2)		1,727,517	
	TOTAL DESIGNATED DEPOSITS	1,727,517	
FIXED ASSETS			
1501000 Land		686,332	
1502000 Residences		6,928,066	
1518000 Undivided beneficiary future interest in community facilities trust		2,486,973	91,624 ↑
		10,101,371	
1519000 Accumulated depreciation		(5,670,140)	8,035 ↓
	NET FIXED ASSETS	4,431,231	
OTHER ASSETS			
1650000 Repair & tax deposits (Note 2)		70,269	
	TOTAL OTHER ASSETS	70,269	
	TOTAL ASSETS	$ 7,579,226	

(continued)

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

SEAL BEACH MUTUAL NO. THREE
BALANCE SHEET
December 31, 2020

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
2111000 Payable to Golden Rain Foundation (Note 3)	$	21,803
2111700 Project Commitments - Reserves (Note 1)		75,150
2120000 Prepaid monthly dues		15,415
2132100 Other liabilities		42,111
2153500 Property tax accrual		30,837
2180000 Repair and tax deposit liability		60,226
TOTAL CURRENT LIABILITIES		245,542
TOTAL LIABILITIES		245,542
STOCKHOLDERS' EQUITY (Note 4)		
Capital Stock:		
3120000 Common stock of par value ranging from $323 to $390; authorized, issued and outstanding 432 shares		152,483
3510000 Additional paid-in capital		4,927,300
Additional paid-in capital appropriated and transferred to:		
3320000 Appliance reserve		69,135
3330000 Project reserve		1,268,012
3365000 Contingency Operating reserve		251,152
3376000 Emergency reserve		32,964
3394000 Capital Improvement		31,104
TOTAL APPROPRIATED ADDITIONAL PAID-IN CAPITAL		1,652,367
TOTAL APPROPRIATED AND ADDITIONAL PAID-IN CAPITAL		6,579,667
3448000 Equity in additions to community facilities and trust funds		2,961,399
3449000 Equity in additions to land & residences improvements		3,076,629
Excess income before depreciation and amortization:		
3515000 Prior years		376,884
Current year		41,077
		417,961
3649500 Depreciation and amortization		
Prior years		(5,740,196)
Current year- Write-off		60,168
Current year- Expense		(174,427)
Total depreciation and amortization		(5,854,455)
TOTAL STOCKHOLDERS' EQUITY		7,333,684
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	7,579,226

197,634

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See accompanying independent auditors' report.
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SEAL BEACH MUTUAL NO. THREE
STATEMENT OF OPERATIONS
(with comparative budget figures)
For the Year Ended December 31, 2020

	Actual	(Unaudited) Budget	Δ
OCCUPANCY INCOME			
Dwelling units (gross)	$ 1,982,102	$ 1,982,109	(7)
LESS TRANSFERS TO EQUITY FOR			
Appliance reserve	47,920	47,920	
Project reserve	483,091	483,091	
Contingency Operating reserve	49,500	49,500	
Emergency reserve	10,368	10,368	
Capital Improvement	7,776	7,776	
TOTAL TRANSFERS TO EQUITY	598,655	598,655	
NET OCCUPANCY INCOME AVAILABLE FOR OPERATIONS	1,383,447	1,383,454	
NON OCCUPANCY INCOME			
Laundry facilities	18,982	23,121	(4,139)
Interest	3,331	12,649	(9,318)
Inspection fees	37,250	24,987	12,263
Miscellaneous Recovered legal expenses	22,249	5,391	16,858
TOTAL NON OCCUPANCY INCOME	81,812	66,148	15,664
TOTAL AVAILABLE FOR OPERATIONS	1,465,259	1,449,602	
DIRECT OPERATING EXPENSES (see Supplementary Information)	1,424,182	1,449,602	25,420
EXCESS OF INCOME AND TRANSFERS OVER DIRECT OPERATING EXPENSES	41,077	$ -	41,077
DEPRECIATION	174,427		
EXCESS OF DIRECT OPERATING EXPENSES AND DEPRECIATION OVER INCOME AND TRANSFERS	$ (133,350) (B)		

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

SEAL BEACH MUTUAL NO. THREE
STATEMENT OF STOCKHOLDERS' EQUITY
For the Year Ended December 31, 2020

	Capital Stock	Additional Paid-in Capital	Appropriated Paid-in Capital Reserved For					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
			Appliance	Project	Contingency	Emergency	Capital					
BALANCE AT JANUARY 1, 2020	$ 152,483	$ 4,927,300	$ 55,191	$ 898,130	$ 201,652	$ 27,596	$ 23,328	$ 2,763,765	$ 3,007,669	$ 376,884	$ (5,740,196)	$ 6,693,802
Funding of equity reserves	-	-	47,920	483,091	49,500	10,368	7,776	-	-	-	-	598,655
Expenditures from equity reserves	-	-	(33,976)	(113,209)	-	(5,000)	-	-	-	-	-	(152,185)
Equity in additions to community facilities trust	-	-	-	-	-	-	-	197,634	-	-	-	197,634
Equity in additions to land & residences improvements	-	-	-	-	-	-	-	-	68,960	-	-	68,960
Excess of income and transfers over direct operating expense	-	-	-	-	-	-	-	-	-	41,077	-	41,077
Depreciation and amortization- Write-off	-	-	-	-	-	-	-	-	-	-	60,168	60,168
Depreciation- Expense	-	-	-	-	-	-	-	-	-	-	(174,427)	(174,427)
BALANCE AT DECEMBER 31, 2020	$ 152,483	$ 4,927,300	$ 69,135	$ 1,268,012	$ 251,152	$ 32,964	$ 31,104	$ 2,961,399	$ 3,076,629	$ 417,961	$ (5,854,455)	$ 7,333,684

13,944 369,882 49,500 5,368

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

SEAL BEACH MUTUAL NO. THREE
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of direct operating expenses and depreciation over income and transfers	$	(133,350)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		174,427
(Increase) in other receivables		(10,937)
(Increase) in prepaid expenses		(5,735)
Decrease in other assets		316
(Decrease) in payable to Golden Rain Foundation		(10,595)
Increase in prepaid monthly dues		1,830
Increase in other liabilities		18,647
Increase in property tax accrual		4,308
(Decrease) in repair and tax deposit liability		(9,630)
TOTAL ADJUSTMENTS		162,631
NET CASH PROVIDED BY OPERATING ACTIVITIES		29,281
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) of residences and construction-in-progress		(68,960)
(Increase) in designated deposits		(366,674)
(Increase) in deposits and impounds		(26,129)
NET CASH (USED IN) INVESTING ACTIVITIES		(461,763)
CASH FLOWS FROM FINANCING ACTIVITIES		
Funding of equity reserves		598,655
Release from reserve funds		(163,020)
NET CASH PROVIDED BY FINANCING ACTIVITIES		435,635
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,153
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		17,511
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	20,664
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for income taxes	$	3,950

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

SEAL BEACH MUTUAL NO. THREE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Seal Beach Mutual No. Three (the "Mutual"), located in Seal Beach, California, is one of 16 similar corporations which own land, buildings and an undivided beneficiary future interest in community facilities held in trust by Golden Rain Foundation (the "Foundation") within a housing project consisting of 6,482 cooperative housing units and 126 condominium units known as Seal Beach Leisure World.

The stockholders of the Mutual are also members of the Foundation, a nonprofit corporation that operates and maintains the community facilities within the project for the benefit of all residents of Seal Beach Leisure World. The beneficiary future interest of the Mutual in the community facilities of the Foundation and Trust reserve funds, before deduction of accumulated depreciation, totals $3,488,910, consisting of interest in Trust funds of $1,001,937 and interest in community facilities of $2,486,973.

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") effective January 2019, 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.
- 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.

Operating Expenses: Included in the Mutual's operating expenses are trust administration cost 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 432 units controlled by Mutual Three were $835,961 for 2020.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reserves: Reserves are established by monthly billings to residents and by appropriations either from prior years' excess income before depreciation and amortization or from unappropriated additional paid-in capital. Amounts transferred to reserves are recorded as a reduction of occupancy income whereas appropriations are recorded as a direct reduction of prior years' excess income before depreciation and amortization or unappropriated additional paid-in capital. When reserves are established, the related monies are segregated and recorded as restricted deposits. Expenditures from the replacement fund are recorded as direct operating expenses offset by a transfer from the related reserve. Expenditures from the other restricted reserves are recorded as reductions of the related reserves and restricted deposits and are not included in direct operating expenses.

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, 2020, the balance of Project Commitments - Reserves is $75,150.

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. Net cash used in operating activities in 2020 includes income taxes paid of $3,950. No interest expense was incurred. During 2020, 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 $197,634.

Concentration of Credit Risk: The Mutual's cash is maintained in one commercial bank. Cash maintained in U.S. Bank consists of demand deposits and money market accounts. U.S. Bank has a "Secured Deposit" program that provides insurance in excess of the Federal Deposit Insurance Corporation (FDIC) limit of $250,000. The Mutual's accounts are fully covered by this program.

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, 2020.

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 2020 tax expense or liability.

The Mutual adopted the provisions of FASB ASC Number 740-10, "Accounting for Uncertainty in Income Taxes." FASB ASC Number 740-10 changes the accounting for uncertainty in income taxes by creating a new framework for how organizations should recognize, measure, present and disclose uncertain tax positions in their financial statements. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax positions will more likely than not (>50%) be sustained upon the technical merits of the position. In accordance with FASB ASC 740-10, the Mutual adopted a policy to recognize penalties and interest resulting from those uncertainties in the period in which they are incurred as operating expenses. The Mutual has analyzed tax positions taken for filing with the Internal Revenue Service and the California Franchise Tax Board. The Mutual believes that income tax filing positions will be sustained upon examination, and does not anticipate any adjustments that would result in a material adverse affect on the Mutual's financial condition, results of operations, or cash flows. Accordingly, the Mutual has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2020.

Subsequent Events: Date of Management's Review - Subsequent events have been evaluated through March xx, 2021, the date that these financial statements were available to be issued.

NOTE 2 - DESIGNATED DEPOSITS AND INVESTMENTS

Deposits and investments are presented on the balance sheet at December 31, 2020 as follows:

Deposits in banks and other financial institutions	$	90,068
Designated deposits and investments		1,958,277
	$	2,048,345

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NOTE 2 - DESIGNATED DEPOSITS AND INVESTMENTS (Continued)

A summary of designated deposits and investments at December 31, 2020 follows:

Property Tax Fund: Designated for the payment of property taxes	$	160,491
Appliance Fund: Designated for replacement of appliances, fixtures and other property components		69,135
Painting Fund: Designated for painting of residences and other facilities		339,647
Contingency Operating Fund: Designated for deficiencies resulting from delinquent accounts and other contingencies		251,152
Roofing Fund: Designated for replacement of roofs		738,832
Emergency Fund: Designated for disasters and unanticipated liabilities		32,964
Infrastructure Fund: Designated for replacement of infrastructure		264,683
Capital Fund: Designated for future capital improvements		31,104
Repair & Tax Deposits: Designated for repairs of sold units and for pending tax liabilities of the sellers		70,269
Total designated deposits and investments	$	1,958,277

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 $21,803 at December 31, 2020 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 2020.

NOTE 4 - 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 5 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Mutual's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate $1,343,162 at December 31, 2020, 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 performed in the community.

The Mutual is funding such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the 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.

NOTE 6 - ADOPTION OF ASC 606

The Mutual has adopted ASC 606. The adoption of this standard has not had a significant impact to the Mutual's revenue recognition, operations or beginning equity.

Net occupancy income, which represents fees assessed on a monthly basis to the shareholders, are fixed and determinable based on the Mutual's operating budget approved by the Board. Net occupancy income is earned as the Mutual satisfies its performance obligation by transferring the promised services or deliverables to the shareholders. A service or deliverable is transferred to the shareholders when, or as, the shareholders obtain control of that service or deliverable. In the case of occupancy income, the shareholders obtain control of the Mutual's bundle of services provided on a monthly basis as the Mutual operates and maintains the Mutual's facilities. The Mutual does not have remaining performance obligations related to occupancy income or does not incur costs to obtain or fulfill its contractual obligations with the shareholders.

The Mutual typically does not have obligations for returns or refunds, or has negligible obligations associated with warranties. The timing of the Mutual's revenue recognition may differ from the timing of payment by its customers. The Mutual records a receivable when revenue is recognized prior to receipt of fees and the Mutual has an unconditional right to payment. Alternatively, when payment precedes the provision of the related services, the Mutual records prepaid monthly dues revenue until the performance obligations are satisfied.

Adoption of ASC 606 does not impact the Mutual's revenue recognition for Other non occupancy income.

DRAFT

17

NOTE 7 - COVID-19 IMPACT

In December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. There have been mandates from Federal, State, and local authorities requiring forced closures of non-essential businesses and limited person-to-person contact. Management of the Foundation and the Mutual's Board of Directors continuously evaluate the impact of this outbreak on their daily operations and their community, noting that services they provide are generally not impacted. The Board of Directors has taken steps in response to COVID-19 events.

All board, committee and other types of meetings have been held virtually, allowing attendees to participate or observe the meetings in a safe environment. Paper copies of the monthly board meeting minutes are no longer distributed to each unit but made available via the website and posted in each laundry room. The Mutual has halted all routine fire inspections and perform only special notice inspections when necessary.

The Mutual will continue to monitor the fluid situation and make further changes as the need arises.

SEAL BEACH MUTUAL NO. THREE
SUPPLEMENTARY INFORMATION
STATEMENT OF DIRECT OPERATING EXPENSES
(with comparative budget figures)
For the Year Ended December 31, 2020

	Actual	(Unaudited) Budget	Δ
COMMUNITY FACILITIES AND ASSOCIATION EXPENSES			
Trust administration cost	$ 835,961	$ 845,562	9,601
TOTAL COMMUNITY FACILITIES AND ASSOCIATION EXPENSES	835,961	845,562	
ADMINISTRATIVE EXPENSES			
Management fee	2,903	2,903	
Legal fees	30,619	41,161	10,542
TOTAL ADMINISTRATIVE EXPENSES	33,522	44,064	
OPERATING EXPENSES			
Electricity	24,380	23,484	(896)
Water	77,157	82,944	5,787
Rubbish removal	46,656	46,086	(570)
Janitorial services	3,540	3,214	(326)
TOTAL OPERATING EXPENSES	151,733	155,728	3,995
MAINTENANCE AND REPAIR EXPENSES			
Outside replacements and maintenance	44,642	41,835	(2,807)
Outside grounds maintenance	198,597	194,711	(3,886)
Service maintenance - standard	46,714	42,664	(4,050)
Service maintenance - replacement	33,976	-	
Transfers from replacement reserve	(33,976)	-	
TOTAL MAINTENANCE AND REPAIR EXPENSES	289,953	279,210	(10,743)
TAXES AND INSURANCE EXPENSES			
Income taxes (Note 1)	2,470	3,992	1,552
Hazard insurance	110,543	121,046	10,503
TOTAL TAXES AND INSURANCE EXPENSES	113,013	125,038	12,025
TOTAL DIRECT OPERATING EXPENSES	$ 1,424,182	$ 1,449,602	25,420

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See accompanying independent auditors' report.

SEAL BEACH MUTUAL NO. THREE
SUPPLEMENTARY INFORMATION REGARDING FUNDS FOR FUTURE REPAIRS
(Unaudited)
December 31, 2020

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 Required	Reserve Balance Est. Beg Bal	Annual Contribution	Per Unit Per Month	
Appliance		$ 95,884	$ 95,884	$ 47,964	$ 47,920		Note (1)
	Monthly contribution to the Appliance fund					$ 9.24	
Painting	2	519,000	385,200	285,597	56,250		Note (2)
Roofing	0 - 29	3,780,000	2,443,500	589,838	199,500		Note (3)
Infrastructure	0 - 24	583,100	469,153	96,469	227,341		Note (4)
	Contribution to Replacement Reserves		3,297,853	971,904	483,091	93.19	
Contingency				201,652	49,500	9.55	Note (5)
Emergency				26,953	10,368	2.00	Note (6)
Capital Fund				23,328	7,776	1.50	Note (7)
		Total for budget		$ 1,271,800	$ 598,655	$ 115.48	

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 it is the estimated current replacements adjusted for estimated expenditures for the year. Current installed replacement cost for this calculation is $108,668 less an adjustment of $12,784 for a total requirement of $95,884. The board decided to fund the appliance reserve for $47,920 in 2020.

Note 2. The board decided to fund the painting reserve for $56,250 in 2020.

Note 3. The board decided to fund the roofing reserve for $199,500 in 2020.

Note 4. The infrastructure reserve sets aside an allowance for the emergency repairs of water distribution lines and sewer lines. Various items were added to the infrastructure components based on the reserve study results. For 2020, the board decided to fund this for $227,341.

Note 5. The board decided to fund the contingency reserve for $49,500 in 2020.

Note 6. The board decided to fund emergency reserve for $10,368 in 2020.

Note 7. The board decided to establish a Capital Fund in 2016 for the purpose of purchasing new capital. For 2020, the board decided to contribute $7,776 to the Capital Fund.

See accompanying independent auditors' report.

March 12, 2021

CliftonLarsonAllen LLP
1925 Century Park East, 16th Floor
Los Angeles, CA 90067

This representation letter is provided in connection with your audit of the financial statements of Seal Beach Mutual No. Three, which comprise the balance sheet as of December 31, 2020, and the related statements of operations, stockholders' equity, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 12, 2021, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 14, 2020, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

2. We acknowledge and have fulfilled our responsibility 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.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. No events have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

9. Transfers and designations of fund balance and interfund borrowings were properly authorized and approved and have been properly reflected in the financial statements and disclosed to you.

10. Material concentrations have been properly disclosed in accordance with U.S. GAAP.

11. Guarantees, whether written or oral, under which the Mutual is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

12. Receivables recorded in the financial statements represent valid claims against debtors for assessments or other charges arising on or before the balance sheet date and have been reduced to their estimated net realizable value.

Information Provided

1. We have provided you with:

    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

    d. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

    a. Management;

    b. Employees who have significant roles in internal control; or

c. Others when the fraud could have a material effect on the financial statements.

5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

9. We have disclosed to you the identity of the Mutual's related parties and all the related party relationships and transactions of which we are aware.

10. The Mutual has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.

11. The Board of Directors is collecting funds for future major repairs and replacements in conformity with the Mutual’s policy to fund for those needs based on a study disclosed in the supplementary information to the financial statements. The Board of Directors believes the funds will adequately provide for future major repairs and replacements.

12. The Mutual’s allocation of expenses against membership and non-membership income conforms with IRS rules, which require that the allocation be made “on a reasonable and consistently applied basis.” We have adequately documented such allocation.

13. We understand that management is responsible for the Mutual’s choice of filing Form 1120 and the consequences thereof.

14. We acknowledge our responsibility for presenting the required supplementary information (RSI) about future major repairs and replacements required by the Financial Accounting Standards Board (FASB). The RSI is measured and presented within prescribed guidelines, and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

15. We acknowledge our responsibility for presenting the Supplementary Information regarding Funds for Future Repairs and the Comparative Information on Budget Figures in accordance with U.S. GAAP, and we believe the supplementary and comparative information regarding funds for future repairs, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary and comparative information regarding funds for future repairs have not changed from those used in the prior

period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

16. We acknowledge our responsibility for presenting the Supplementary Information related to the Schedule of Direct Expenses, including its form and content, in accordance with U.S. GAAP. The methods of measurement and presentation of Schedule of Direct Expenses have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of this information.

17. In regards to the preparation of the federal and state income tax returns and preparation of adjusting journal entries services performed by you, we have:

    a. Made all management judgments and decisions and assumed all management responsibilities.

    b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.

    c. Evaluated the adequacy and results of the services performed.

    d. Accepted responsibility for the results of the services.

    e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.

Signature: _____ Title: President, Seal Beach Mutual No. Three
Carol Ginthner

Signature: _____ Title: Executive Director, Golden Rain Foundation
Randy Ankeny

Signature: _____ Title: Director of Finance, Golden Rain Foundation
Carolyn Miller

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (03) THREE **INSPECTOR:** Dave Van Horn

MUTUAL BOARD MEETING DATE: MARCH 12,2021

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
28 L	FULL REMODEL	BOTH	11/16/20	03/31/21	NO	NA	GAMBOA CON.
16 G	WASHER/DRYER	BOTH	01/15/21	03/15/21	NO	SIGNED OFF	LOS AL 1/14/21
25 E	ENRTY DOOR	GRF	01/30/21	03/01/21	NO	SIGNED OFF	ALPHA MASTER 2/12/21
19 C	HEAT PUMP	BOTH	02/09/21	05/09/21	NO	NA	GREENWOOD
32 I	REMODEL	BOTH	01/18/21	04/30/21	NO	DRY WALL	ROBERTS 2/18/21
2 G	HEAT PUMP	BOTH	01/18/21	04/18/21	NO	SIGNED OFF	GREENWOOD 2/17/21
8 F	WINDOWS	BOTH	03/01/21	06/30/21	NO	NA	ALPHA MASTER
26 G	ELECTRICAL @ CART PAD	BOTH	02/17/21	02/26/21	NO	SIGNED OFF	OGAN 2/26/21
29 J	C/P CABINET	GRF	01/14/21	01/21/21	NO	NA	HANDYMAN
21 C	DISH WASHER	BOTH	02/18/21	03/12/21	NO	NA	JC KRESS
20 L	HEAT PUMP	BOTH	01/19/21	04/19/21	NO	NA	GREENWOOD
23 A	DISH WASHER	BOTH	04/01/21	06/01/21	NO	NA	BERGVKIST
2 G	HEAT PUMP	BOTH	01/12/21	04/12/21	NO	NA	GREENWOOD
26 G	C/P CABINET	GRF	02/20/21	03/20/21	NO	SIGNED OFF	J&J HANDYMAN 3/3/21
16 F	ADA CUT DOWN	BOTH	02/02/21	03/02/21	NO	SIGNED OFF	NUKOTE 3/2/21
34 F	REMODEL KIT/BTH	BOTH	01/27/21	04/01/21	NO	NA	CAL CUSTOM INT.
6 L	C/P CABINET 42-25	GRF	03/15/21	03/30/21	NO	NA	IMAGINATION UNLIMITED
6 L	HEAT PUMP	BOTH	03/03/21	04/03/21	NO	NA	ALPINE
9 C	C/P CABINET	GRF	03/01/21	03/30/21	NO	NA	J&J HANDYMAN
25 J	UNIT REMODEL	BOTH	03/01/21	05/01/21	NO	NA	LOS AL
13 I	HEAT PUMP	BOTH	01/25/21	02/12/21	YES	SIGNED OFF	HEAT WAVE 2/26/21

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
8 J		10/01/20					
12 L		12/03/20	02/16/21	02/17/21	03/03/21		
7 B	2/23/2021						
7 K		09/29/20	02/18/21	02/18/21	03/02/21		
22 A		12/01/20					
16 A		02/04/21					
23 H		10/13/20	12/04/20				
26 C		08/23/19					

31 I		01/25/21		02/08/21	02/22/21		
17 J		11/04/20					
22 D		11/03/20	02/26/21				

NMI = New Member Inspection **PLI** = Pre-Listing Inspection **NBO** = New Buyer Orientation
FI = Final Inspection **FCOEI** = Final COE Inspection **ROF** = Release of Funds

CONTRACTS

CONTRACTOR	PROJECT
TOTAL LANDSCAPE MAINTENANCE	SIGNED 11/1/18 - 10/31/21
FENN TERMITE & PEST CONTROL	SIGNED 3 YEAR CONTRACT - 2020 WITH CHANGE ORDER START IN JUNE 2020

SITE VISITS

UNIT NUMBER	UNIT NUMBER
10 G WITH CONTRACTOR & SHAREHOLDER 3/3/21	
10 D, DROPPED OFF CONTRACTORS LIST 3/3/21	
7 A - L CHECKED BUILING FOR OPENINGS W.O. TO S.M.	3/2/2021
C/P 46 SP 10 REMOVED LOCKS 3/2/21	

12 L CHECKED SHOWER FOR MILDEW W.O. TO S.M. 3/1	
31 I CEHCKED UNIT FOR ESCROW ITEMS NOT DONE	WITH AGENT W.O. TO KAREN & S.M. 2/25/21
20 J CHECKED PATIO FOR TERMITES W.O. TO S.M. 2/24	
31 I OPEN DOOR FOR PAINTER (ESCROW) 2/23/21	
C/P WITH DIRECTOR RE: CONCRETE BID PROPOSAL	FROM JURADO 2/22/21 ATTACHED
ZOOM MEETING FOR ROOFING BIDS 2/19/21	

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE MJ JURARDO PROPOSAL TO REPLACE CONCRETE IN CARPORT PARKING AREAS (BUILDING INSPECTOR'S REPORT, ITEM A)
DATE: MARCH 12, 2021
CC: FILE

I move to approve the MJ Jurado proposal to remove and replace _____ carport spaces at $14,094.00 per section at a total cost not to exceed $_____. Funds to come from Infrastructure and authorize the President to sign the proposal.

№ 2072

MJ JURADO INC.

General Engineering Contractor
Lic#950958 CL#A

8131 Electric Ave. • Stanton, CA 90680
Tel: 714-397-0143 • Fax: 714-827-2110
State Contractor's License #987670 - A

BID PROPOSAL and CONTRACT

Job# ______

Date FEB. 24, 2021

Bid to MUTUAL 3
INSPECTOR: DAVE VAN HORN

MIKE TURIS

Location MUTUAL 3 CARPORT PARKING GARAGES

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	
CARPORT 43	1044 ⌀	REMOVE CONCRETE PLACE 2" SAND	$13.	50	$14094	—
		OVER VISQUEEN AND 4½" CONCRETE				
		WITH NO #3 REBAR 3' O/C				
		HAUL OF 2½" DIRT				

FOR 6 STALLS ONLY

PRICES BASED ON SACK TYPE CONCRETE VALID TO

TOTAL	$14094	—

ACCEPTED:

______ Buyer

______ Date

By JAMES JURADO FEB. 24, 21

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO AUTHORIZE TRANSFERS OF FUNDS FOR MUTUAL THREE (CONSENT CALENDAR, ITEM A)
DATE: MARCH 12, 2021
CC: MUTUAL FILE

I move that the board authorizes the following transfers of funds per detailed resolutions.

Transfer/ Invoice Date	Amount	Originating/Destination Accounts or Payee
01/21/21	$16,833.25	Invoice #: 03-35 for Greco Design & Development
01/23/21-02/01/21	$18,328.00	Invoice #: 7268 & 7276 for Total Landscape Maintenance
02/05/21	$103,051.85	US Bank Checking to GRF-US Bank Checking
02/05/21	$174,452.87	ACH-Direct debit from multiple Shareholders to US Bank Checking
02/08/21	$65,234.60	US Bank Checking to US Bank Impound
02/08/21	$18,308.16	US Bank Restricted Money Mkt. to US Bank Non-Restricted Money Mkt.
02/16/21	$43,562.34	US Bank Checking to US Bank Restricted Money Mkt.
02/17/21	$15,000.00	US Bank Non-Restricted Money Mkt to US Bank Checking
03/01/21	$14,872.00	Invoice #: 7308 for Total Landscape Maintenance
03/02/21	$13,000.00	Sale of 31I; Castlehead, Inc. Escrows.

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO AWARD THE HOWARD ROOFING CONTRACT FOR BUILDING 5, 17, 18, AND 21 (UNFINISHED BUSINESS, ITEM A)
DATE: MARCH 12, 2021
CC: MUTUAL FILE

I move to award the roofing contract to Howard Roofing for Buildings 5, 17, 18, and 21 at a cost not to exceed $470,000.00 subject to change with market changes. Funds to come from Roofing Reserves and authorize the President to sign the contract.

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO ADOPT THE MUTUAL THREE RULES AND REGULATIONS (UNFINISHED BUSINESS, ITEM B)
DATE: MARCH 12, 2021
CC: MUTUAL FILE

I move to adopt the Mutual Three Rules and Regulations on a preliminary basis until the 28-day posting period has been completed. The Mutual Three Rules and regulations will be ratified at the next scheduled meeting and take effect if the Board receives no comments.

SEAL BEACH MUTUAL NO. THREE

RULES AND REGULATIONS

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Article I – Governance and Corporate Structure

Section 1.1 – Governance.

Seal Beach Mutual No. Three (3) is a stock cooperative housing corporation organized under the California Corporation Law ("Mutual") and is a General California Corporation providing housing on a non-profit basis. The Mutual is comprised of four hundred thirty-two (432) shares of stock. The Golden Rain Foundation is not a housing corporation, but a corporation that manages the shared community facilities. Each owner of a share of stock in the Mutual (hereinafter "Shareholder") is a shareholder of the mutual as well as a member of the Golden Rain Foundation. The Mutual has its own set of governing documents, filed with the Secretary of State and transferred to each shareholder through escrow.

Section 1.2 – Senior Housing Development.

According to California Civil Code Section 51.3, in order to reside in a senior housing development at least one occupant must be 55 years of age or older; all other persons who reside must be at least 55 years of age, unless the other occupant is: (1) a spouse or registered domestic partner; or (2) a primary provider of physical health care. Any person wishing to reside in the community must meet the above qualifications and obtain prior approval from the Board of Directors.

Section 1.3 – Governing Documents.

The Mutual's governing documents include these Rules and Regulations, the Articles of Incorporation, Bylaws, and an Occupancy Agreement between the Mutual and each Qualifying Resident (hereinafter collectively the "Governing Documents"). The Mutual leadership consists of a seven (7) member Board of Directors (hereinafter "Mutual Board"), elected by the shareholders of the Mutual.

Section 1.4 – Golden Rain Foundation.

The purpose of the Golden Rain Foundation ("GRF") is to develop and maintain facilities and services, acting as Trustee of the Golden Rain Foundation. This includes recreational facilities, security gates, bus transportation system, and community center. One shareholder from the Mutual is elected to serve on the Board of Directors of the GRF.

Section 1.5 – Additional Definitions.

As used herein, the following terms shall have the meanings prescribed below.

1.5.1 Qualifying Resident – "Qualifying Resident" shall mean any person who: (1) meets the age requirements as set forth in California Civil Code Section 51.3 et seq.; (2) has been approved by the Mutual Board for occupancy of a Unit, pursuant to the terms of the Governing Documents; (3) is a Shareholder of the Mutual; and (4) resides in a Unit.

1.5.2 Unit – "Unit" shall mean a dwelling unit owned by the Mutual, which a Qualifying Resident has the exclusive right to occupy pursuant to the Occupancy Agreement between the Mutual and Qualifying Resident.

1.5.3 Qualified Permanent Resident: Any person who meets the requirements as set forth in California Civil Code Section 51.3, et. seq.

Article II – Architectural Guidelines

Section 2.1 – Contractor's License.

No Shareholder shall hire any unlicensed individual to perform repairs, alterations and/or other such work in or to the Shareholder's Unit which will cost more than five hundred dollars ($500.00). All repairs, alterations and/or other such work that will cost more than five hundred dollars ($500.00) must be completed by a contractor licensed by the State of California and carrying the proper insurance, as required by the Board.

Section 2.2 – GRF Permit for Building Alterations/Additions.

No Shareholder shall make any structural alterations in the Unit or Mutual premises, or in the water, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements or fixtures from the Unit or Mutual premises, without the prior written consent of the Mutual and GRF, and City of Seal Beach permits, as required. In order to conduct any construction for the alterations and/or additions in the Shareholder's Unit within the Mutual buildings, the Shareholder must submit an application for issuance of a building permit to the Physical Property Department and obtain a GRF Permit for the alterations and/or additions. The Shareholder must provide the Physical Property Department with a written, signed proposal and contract between the Shareholder and the contractor performing the work, which describes the work to be done by the contractor, the fees to be paid, and the commencement and completion dates of the work. Such contract must be in the form of the appropriate Standard Form Contract provided by GRF and must be properly completed and signed by the Shareholder and contractor proposing to do the work.

The Standard Form Contract will contain a per day penalty for every calendar day that exceeds the completion date set forth in the Contract. Said penalty to be paid by the Contractor to the Shareholder. The Mutual Board, or its designee, may make an exception to the completion date and award an extension to the contractor without penalty due to unforeseen delays or problems.

Mutual requires the signature of a Mutual Board Officer on any building permit, building plans, and change orders issued for Unit remodeling and approved by GRF.

No Shareholder shall make any structural alterations in the Unit or Mutual premises, or in the water, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements or fixtures from the Unit or Mutual premises, without the prior written consent of the Mutual and GRF.

Section 2.3 – Mutual Not Responsible for Damage.

The Mutual is not responsible to any Shareholder, or any successor Shareholder, for any damage to any Unit, regardless of date of installation or cause of damage or failure.

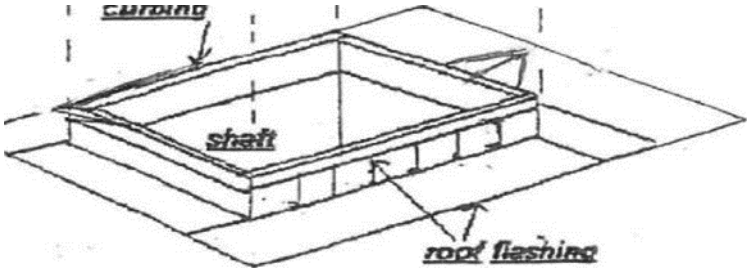
Section 2.4 – Installation of Showers/Bathtubs.
Shareholders may install a bathtub within the Shareholder's Unit at the Shareholder's own expense, so long as the bathtub meets the requirements set forth in this section. The bathtub must have a minimum inside width of nineteen (19) inches. A Shareholder may install a shower door (piano hinge) within the Shareholder's Unit, when shower cut-downs are performed in the Shareholder's Unit, at the Shareholder's own expense.

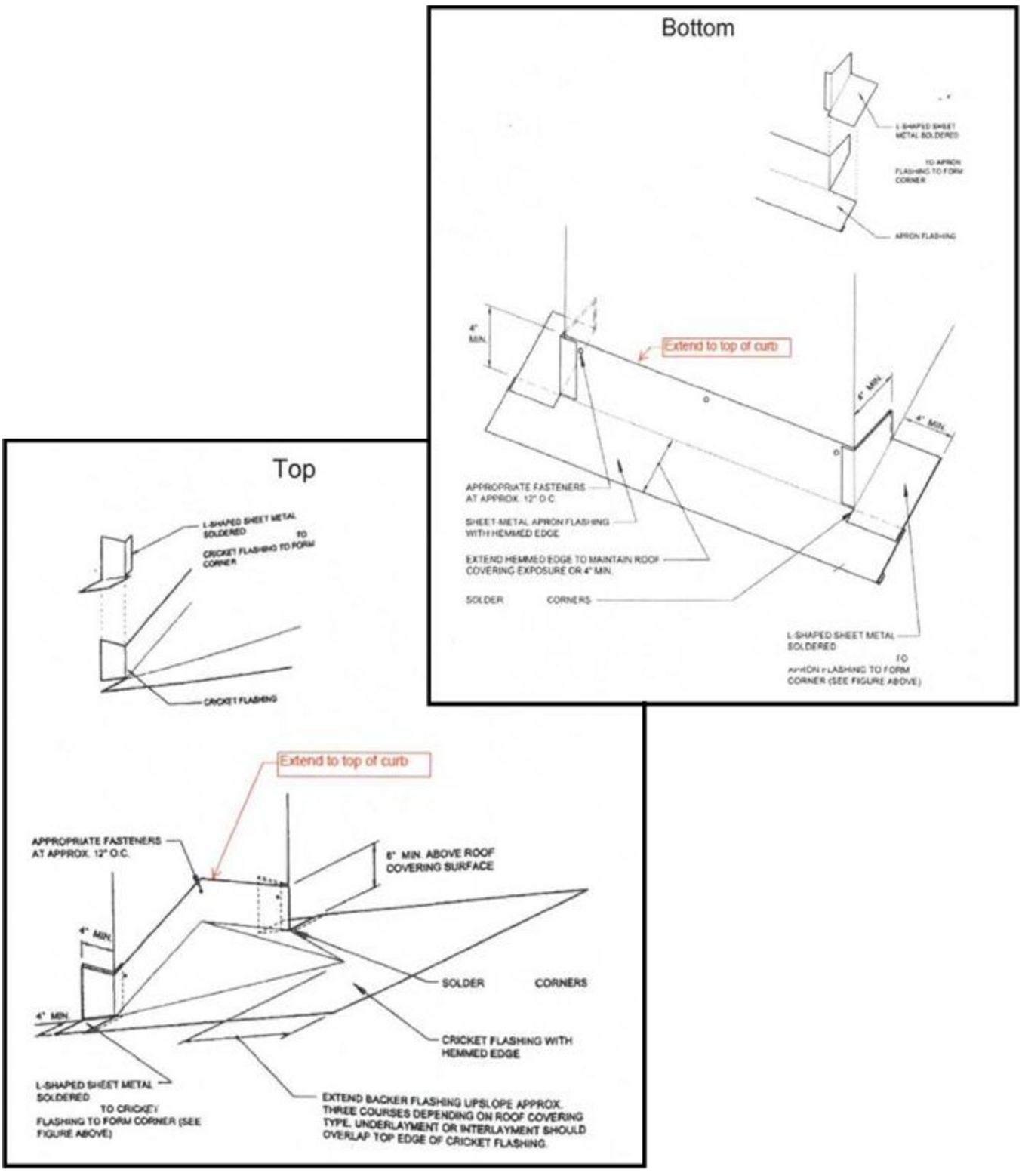
Section 2.5 – Skylights/Sola Tubes.
Shareholder may install skylight(s) and Sola Tubes so long as Shareholder obtains a permit from the GRF Physical Property Department and enters into an indemnity and maintenance agreement with the Mutual. The diagram below shows a typical skylight installation, consisting of a dome to admit light, a wood shaft that extends from the dome down to the interior ceiling in the room, wood curbing for mounting the dome, and steel flashing to make the installation watertight. Only curb-mounted skylights shall be allowed in the Mutual. Self-flashing skylights are prohibited. Sola Tubes shall be installed in accordance with manufacture specification.

The Shareholder agrees to include the following in the Shareholder's agreement with the contractor: The contractor must include at least a one (1) year warranty period. During the warranty period, the contractor is responsible for the entire skylight and Sola Tubes installation.

Once the skylight and/or Sola Tubes is/are installed and the contractor's warranty period has expired, the Shareholder agrees to be responsible for the maintenance, repair and replacement of the following: (1) skylight dome; (2) the skylight operating mechanism; (3) the shaft, including without limitation, the painting); (4) the ceiling grid; and (5) Sola Tubes domes and shaft. The Shareholder agrees that the skylight curbing shall consist of 2" x 6" framing with a minimum 4" rise above roof sheathing and flashing.

The Mutual shall be responsible for the curbing and flashing.





Section 2.6 – Microwave Ovens.

A Shareholder may install a special model microwave in the kitchen of the Shareholder's Unit, at the Shareholder's own expense, in place of the stove hood. The installed microwave will be a

permanent installation to be maintained by the Shareholder and on resale of the Mutual Share related to the Unit, the new Shareholder will assume responsibility for the maintenance.

Section 2.7 – Ceiling Fans.
Ceiling fans may be installed in any location/ the kitchen provided that they meet the City of Seal Beach's specifications of a six (6) feet, eight (8) inches clearance from blades to floor. Ceiling fans are permitted in any location in a Unit provided ceiling heat in said room has been disabled and an approved alternate heat source has been installed and is operational.

Section 2.8 – Notification of Remodeling.
The Physical Property Department is instructed to notify the Qualifying Residents of all adjacent Units that share common entryways of the intent and scope of all proposed remodeling work. Any adjacent Qualifying Resident who is unable to be notified in person will have a letter mailed to them indicating the intent and scope of remodeling work to be performed. A record of all notifications must be maintained in the Physical Property Department.

Section 2.9 – Washers and Dryers in Unit.
Any washer and dryer in a Shareholder's Unit, of any make or model, whether side by side or stackable, shall be cleaned annually, so that all dryer vent areas are thoroughly cleaned and free of lint for clear passage of air flow from machine to roof top areas. A sticker with the date of cleaning must be affixed to the cleanout cover every time a cleaning is performed by Service Maintenance or an outside vendor.

In addition, all washing machine hoses and fittings must be checked annually for any leakage or hardening and/or cracking of the hoses and a date sticker must be affixed. Moving the washer/dryer is not a requirement. If any of these conditions are found, the hoses are to be replaced with a follow- up by the GRF Building Inspector to verify completion. In all closes of escrow and changes of stock, all hoses must be changed prior to closing. The maintenance fee for this work shall be borne by the Shareholder. Further, during the fire inspections conducted every year, the GRF Building Inspector will compile a list of all units containing a washer and dryer.

New washers and dryer installations shall be submitted to the Physical Property Department with a plan describing the proposed connection to the sewer. All washers shall be installed with a battery powered water alarm behind the washing machine unit at the floor. Only braided metal supply hoses are allowed for the appliance. Dryer vents must go to the roof and have a clean out accessible within the Unit. All venting must be galvanized pipe with a short flex line used for the connection to the appliance. This ensures that the appliance may be pulled out and serviced without breaking the vent seal. The contractor may cut a hole for the vent from within the attic but may not have access to the roof of the Mutual building. The contractor must then contact the Mutual roofer to have it flashed with the approved damper cap. An insulation inspection must occur to verify the presence of the soundproofing before the GRF Building Inspector will sign off on the project. The Shareholder and/or Qualifying Resident assumes full responsibility

for any damage incurred as a result of the installation and/or use of a personal washer and/or dryer in their Unit.

Section 2.10 – Walk-In Therapeutic/Jacuzzi-Type Bathtubs.
A Shareholder may install a walk-in therapeutic bathtub or Jacuzzi and the related equipment/ appurtenances, at the Shareholder's expense, within the Shareholder's 's Unit. The Shareholder shall assume financial responsibility in case the licensed installation company fails to comply with all provisions of the permit and all GRF and Mutual Rules and Regulations and agrees to return the Mutual property to its original condition or satisfactorily complete the installation upon demand by the Mutual. To cover any damage resulting from the use or operation of the bathtub/Jacuzzi to Mutual property, or to any property in adjacent units, the Shareholder agrees to maintain a liability insurance policy with a minimum of three hundred thousand dollars ($300,000.00) in coverage. The Shareholder is financially responsible for any damages resulting from having the bathtub/Jacuzzi in their Unit.

Any damage which may occur to the building and/or appurtenances thereto during and/or after installation of bathtub/Jacuzzi and related equipment/ appurtenances is the responsibility of the Shareholder and any repairs shall be paid for by the Shareholder. Further, the Shareholder, at their expense, shall be responsible for any removal/re-installation of the bathtub/Jacuzzi deemed necessary by the Mutual for the purpose of repairs and/or maintenance work to the building and/or appurtenances thereto. The bathtub/Jacuzzi and related equipment/appurtenances must be removed and replaced with a standard shower and appurtenances upon sale or transfer of the unit, at the Shareholder's expense, unless the buyers/transferees sign a supplemental agreement accepting responsibility for the bathtub/Jacuzzi and related equipment/appurtenances and agree to the provisions of this Section. The Mutual has the authority and authorization to remove the bathtub/Jacuzzi and related equipment/appurtenances and return the shower/tub area to its original condition at the Shareholder's expense if the installation does not comply with the provisions of this Section.

The walk-in therapeutic bathtub/Jacuzzi shall have: (i) a Sound insulation board applied to all surrounding walls, floor to ceiling, with drywall mud and tape; (ii) the shower trap shall be replaced using an all-glue ABS trap and a 2" trap with accessible clean out shall be maintained; (iii) all new water piping shall be copper pipe. Water tie-ins shall be in the attic with ball valve shut offs; (iv) A 22" x 30" attic access shall be provided in the bathroom for access to the shut off valves. The attic access cover shall be a combination of plywood laminated to a 5/8- inch type X drywall with the drywall facing the attic side; (v) The bathtub/Jacuzzi faucets shall have quarter turn shut offs that are accessible. The discharge of water shall be by gravity drain. A pump may only be used if the discharge rate does not exceed 7 gpm. Air injection jets may only be installed if they do not exceed a 44-decibel sound level. If they are an integral part of the bathtub/Jacuzzi, they must be disabled if they do not meet this sound level; (vi) A non-standard 50-gallon water heater shall be installed with a re-circulating pump for the bathtub/Jacuzzi unless an alternate source for maintaining adequate hot water temperature at the bathtub/Jacuzzi is provided such

as a tank-less booster water heater at the bathtub/Jacuzzi. The installation and maintenance shall be at Shareholder's expense; and (vii) The main electrical panel must be upgraded to a 125-amp square D electrical panel with a 100-amp main breaker, if necessary, to provide sufficient circuit breakers. A sub-panel is not permitted.

Shareholder agrees that the bathtub/Jacuzzi and related equipment/appurtenances shall be maintained in good working condition. If the bathtub/Jacuzzi and/or related equipment/ appurtenances are not maintained in good operating condition by the Shareholder, the bathtub/Jacuzzi and related equipment/appurtenances shall be removed, repaired, and/or replaced at the Shareholder's expense independent of Service Maintenance.

Section 2.11 – Pre-Demolition.
The Shareholder's Contractor shall notify all surrounding units four (4) days prior to demolition of any kind. Contractor may petition the GRF Building Inspector to designate one parking space to be coned off overnight Monday through Thursday, only during the initial phases of construction. The Mutual reserves the right to revoke any such designated parking space at any time.

Contractors shall block off their site with an approved orange netting at all times until final inspection occurs. They may use the grass areas in front of the unit during the day when marked off by the orange netting. All work tools must be removed from the grass area overnight and on weekends. The Mutual is not responsible for any damage, loss and/or theft of the contractor's tools.

Section 2.12 – Demolition.
The contractor must, at all times, have an approved, fully charged and visible fire extinguisher on-site. Demolition must be tarped off so that no dust can enter the common attic space or affect neighboring units. If possible, the contractor is to lightly spray the demo area to keep dust down. Contractors may not use Mutual trash dumpsters to dispose of material. All trash must be hauled off site daily. The contractor must ensure that the work area is visibly blocked off from any access. The Shareholder and contractor will be responsible for any damage or injury caused to any Shareholder, Qualifying Resident, guest or invitee who is injured due to the contractor's failure to safely secure the work area. The Shareholder and contractor will be responsible for any damage caused to any Mutual property or property of any other Shareholder, Qualifying Resident, guest or invitee caused by the contractor.

Section 2.13 – Concrete.
Any new concrete work being done at a Unit must include a 12" concrete apron along the front of the garden. With the apron, the hose bib line will need to be changed to copper type L with an approved hose bib. The copper line must pass through the concrete with a sleeve of ABS larger than the copper pipe. All new concrete defined as foundations, patios, aprons, and walkways shall be doweled into existing slabs a minimum of 24-inch on center with a #4 rebar and at least a 6-inch embedment.

Section 2.14 – Framing.
At framing inspection, the contractor shall treat the exposed framing for termite resistance with a product such as Tim-bor. Tim-bor must be applied by brush or spray as follows: two applications of a 10% solution when drier than normal; one application of 15% solution when normal moisture.

When a Unit is remodeled, the architect, engineer, and/or contractor shall design and construct all the ceiling systems in such a way that allows for a minimum of 1" unobstructed flow of air from the eave vents up to the ridge vent. No framing material or insulation shall obstruct this air flow. If the insulation is going to close this 1" space, then a plastic baffle shall be installed to maintain it. No wood trim or coverings will be allowed on the exterior. Only termite resistant products shall be allowed on the exterior finish. Cement fiber trim and hard panel siding are standard. However, composites may be reviewed by the Mutual Board for approval. The only wood to remain for an exterior remodel is the original roof overhang that includes vent blocks, rafters, fascia, and plywood. If these are damaged or repaired by the contractor, the contractor shall replace wood to match existing and paint to match. Wood must be primed and painted with the approved paint. The Mutual will maintain the maintenance responsibility for the exterior wood members upon completion and approval of the work.

Section 2.15 – Drywall.
All drywall at common walls, ceilings, skylight shafts shall be type x 5/8.

Section 2.16 – Plumbing.
The Shareholder shall ensure that if any work is to be done on exposed original plumbing, (water/sewer) that the plumbing shall be changed to either copper type L with sweat joints or ABS with no hub connections. Full remodels shall have a brass ball valve main shut off installed for the cold water entering the unit. From this location, all cold-water systems shall be in copper type L and be directed to the kitchen and bathrooms.

If localized remodels occur for the kitchen or bath, a valve shall be used for the cold water servicing these locations. All valves shall be easily accessible. The shut off valve for the hot water shall be at the cold-water supply to the water heater and easily accessible through a panel. The water heater shall be easily accessible for service and have a drip pan and water alarm installed by the contractor for any plumbing remodel. Only metal braided supply lines with ¼ metal angle stops are allowed for all plumbing fixtures. Toilet supply lines shall have metal nuts.

Section 2.17 – Electrical.
If a new circuit is required and space cannot be found within the existing panel, then a new panel will be necessary and shall only be Square D Q0124L125A 24 spaces/24 circuits with 125-amp main shut off. No sub panels when remodeling. All electrical boxes in the common walls shall be metal, not plastic. All remodels shall require high efficiency lighting such as LED, Gu24, or fluorescent tube. No screw in bulbs will be permitted. All costs will be the responsibility of the Shareholder.

Section 2.18 – Draftstopping/Fireblocking.
Draftstopping/fireblocking will be required within the attic space along the sides of the unit, but not at the attic corridor under the ridge. Draftstopping/fireblocking may be a minimum of 5/8 OSB, plywood, or type X drywall from the top plate and extend to the underside of the roof sheeting. Draftstopping/fireblocking need only be installed in such a manner as to remain in place with minimal framing/backing required.

Section 2.19 – Insulation/Sound Proofing/Fireproofing.
All common walls shall be insulated for soundproofing and fireproofing. The common walls, when open in a remodel, shall be filled with a mineral wool such as Roxul Safe 'n Sound. Any penetrations for plumbing or electrical shall be sealed with approved fireproof sealant or spray foam. All electrical boxes in common walls shall be metal.

Section 2.20 – Flooring.
Shareholders may replace flooring within their Units. Kitchen and bathroom flooring must be of a waterproof material. Patio/porch flooring must be installed of code complaint materials and requires a GRF and City of Seal Beach permits. Any replaced flooring must be tested or disposed of properly at Shareholder's expense. Outside patios/porches require a crack isolation barrier. Patio flooring transition to entry walks are Shareholder's responsibility and must be made flush by raising concrete entry walk.

Section 2.21 – Dishwashers.
Shareholders may have any make or model built-in dishwasher installed in their Units at their own expense by a licensed contractor approved by the GRF Physical Property Department after securing the necessary permits from the GRF Physical Property Department and City of Seal Beach, if required, prior to beginning work. The dishwasher requires a separate electrical circuit. The Shareholder assumes full responsibility for any damage incurred as a result of a dishwasher, whether built-in or portable in their unit.

Section 2.22 – Appliances.
A Qualifying Resident that has lived in his/her Unit for twelve (12) months or less, and received new appliances from the Mutual, may not remove the appliances in a remodel unless they refund the Mutual the full value of the appliances at the time of installation.

No appliance which is Mutual property may be sold, given away, or disposed of by the Qualifying Resident and/or the contractor. The Qualifying Resident or contractor must notify a director on the Mutual Board or the GRF Building Inspector to confirm what options are authorized. This notification must be made at least seven (7) days prior to the removal of the appliances. If any appliance is stored in the Unit, it must continue to be cleaned and left undamaged until the Mutual picks up the appliance. Mutual appliances are defined as: stoves, ovens, hoods, refrigerators, garbage disposals, water heaters, sinks, faucets, lighting fixtures and ceiling heater/vent/light units.

All expansions or permanent fixtures and appliances to the unit become Mutual property when attached to the building. The Mutual and/or GRF will not be responsible for any reimbursement of any expansions or fixtures which become Mutual property.

Shareholder will bear the full cost of new appliances required to replace those removed for any reason without Mutual authorization.

Section 2.23 – Exterior Coverings and Blinds.
Plans for all exterior coverings and/or blinds on windows, doors, doorways, and entry or exit areas must be submitted to and approved by the Mutual Board and meet the standards and approval of the Physical Property Department prior to installation. Exterior coverings, including but not limited to solar blinds, mini blinds, vertical blinds, or roll- up bamboo blinds, are permitted only within the inside of each Qualifying Resident's patio/porch or Unit, and may not be attached to the Mutual's building outside of the patio/porch, or interior window header when the unit has been extended. The Mutual prohibits exterior coverings to be attached to the building outside of the patio/porch header or attached to rafter tails or building fascia.

Section 2.24 – Gutters.
A patch to a gutter is not permitted in any remodel which alters the gutter or moves a downspout. A contractor may reuse and modify the downspout. Full lengths of gutter without patches must be installed by the contractor. A contractor must contact the Mutual-approved roofer and have the roofer install full lengths of gutter without patches on new roofs that have gutters with one seam at the middle of the building. The install will be at least one half the entire length of the building without patches. Downspouts may be reused but will only be located as per the GRF Building Inspector's direction.

Section 2.25 – Equipment Standards.
The Mutual has approved a revised standardization of appliances list. This list may be updated by the Purchasing Department from time to time as manufacturers improve, modify or replace models, thereby altering the current applicable model numbers. The revised list will be published annually by the GRF.

Section 2.26 – Smoke Detectors.
When all or any remodel work is done to a Unit, ALL smoke detectors/alarms must be replaced with a Kidde i9010 Tamperproof 10-Year Sealed Lithium Battery-Operated Smoke Alarm and/or Kidde 12010S Worry-Free Hardwired Interconnected Smoke Alarm Sealed Lithium Battery Backup, where applicable, or an equal and equivalent device approved by the Mutual Board.

Section 2.27 – Performance Bonds for Construction Work over Ten Thousand Dollars.
Permits for any construction work performed in the Mutual valued at more than $10,000 shall require a Performance Bond. The bond shall provide sufficient funds in the event the work is not completed on time, in accordance to approved plans, and/or to the satisfaction of the Mutual, for any reason. Exceptions to this bond requirement are as follows: (1) The contractor is listed on the Physical Property list of approved contractors; and, (2) The contractor has completed more

than one-hundred thousand dollars ($100,000.00) per year in contracts in Leisure World for the last three (3) years.

Section 2.28 – Roof Extensions not Permitted.
A Shareholder may not extend the roof structure to cover the existing patio area adjacent to the Shareholder's Unit.

Section 2.29 – Roof Leaks.
When a roof leak occurs in a Mutual building, and if a roofing contractor fails to effect warranty repairs within fifteen (15) working days from notification by the Physical Property Department, the Service Maintenance Department will make such repairs.

A Qualifying Resident should report any known or suspected roof leaks to the Mutual Board and/or the Service Maintenance Department. The leak will then be recorded in the Roof Leaks Log by the Physical Property Department. The Physical Property Department Secretary will report the leak to the appropriate GRF Building Inspector, and the GRF Building Inspector will initiate a Roof Leak Report. The GRF Building Inspector will determine whether the leak is under warranty and, if not, whether it is the responsibility of the Mutual or the Qualifying Resident to repair.

If the leak is under warranty, the GRF Building Inspector will provide written notice to the contractor holding the warranty. The contractor is given a period of fifteen (15) working days to repair the leak.

If the leak is not repaired within fifteen (15) working days by the contractor holding the warranty, the Inspector must notify the Service Maintenance Department to perform the work. Upon completion, the Service Maintenance Department will prepare a monthly status report on assigned roofs and will issue a copy to the Mutual and Physical Property Department and forward a service repair order to accounting to invoice the contractor. The Inspector will notify the Physical Property Department Secretary to record the job as complete in the Roof Leaks Log.

If the leak is not under warranty and is the responsibility of the Mutual, the GRF Building Inspector must report the leak to the Service Maintenance Department. The Service Maintenance Department will perform the work and prepare a monthly status report on assigned roofs and will issue a copy to the Mutual and Physical Property Department. The Service Maintenance Department will generate a service repair order and invoice. The GRF Building Inspector will notify the Physical Property Department Secretary to record the job as complete in the Roof Leaks Log.

Section 2.30 – Roof and Attic Access.
No person shall access the roof or attic areas of any building in the Mutual without the express permission and approval of the GRF Physical Property Department. The only person within this Physical Property Department who may give such permission or approval is the GRF Building Inspector or the GRF Physical Property Facilities Director, or their specific and assigned designees.

This prohibition includes: (i) Any Shareholder, even if such Shareholder is an occupant of the building whose roof or attic is being accessed; (ii) Any other person related to, or associated with, any other resident or Shareholder such as a caregiver, a relative, or guest, and including any director sitting on the Mutual Board, including any two or more such directors in concert; (iii) Any contractor of any sort for whom access had been requested or granted for an existing contract, any prior contract, or for the purpose of bidding on a future contract; and (iv) Any public official such as an inspector or other legal authority without proper, documented permission. Emergency circumstance to protect persons or property, of course, preempt any and all such restrictions and limitations.

Section 2.31 – Filled Concrete Block and Footings.

A Shareholder may apply to GRF to obtain a permit for the use of the "filled type" decorative blocks in enclosing patios/porches. A Shareholder must acknowledge that sufficient footings will be placed under the edge of the slab where said blocks are to be installed, in order to adequately provide for the added weight on the slab.

Section 2.32 – Liners for Decorative Block Walls.

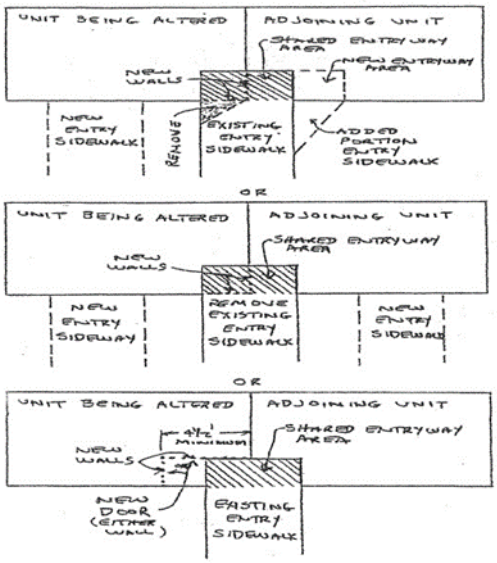
A Shareholder is not permitted to use organic materials, such as plywood, to line decorative block walls.

Section 2.33 – Bay Windows.

All corbels, siding, framing, and decorative trim enclosing or complementing a bay window that are made of wood or any wood product, and that become infested with termites or dry rot, shall be removed and replaced with stucco, cement siding, masonry, or other non-wood products. The materials used for this repair will need to be pre-approved by the Mutual and the GRF Physical Property Department. All repair expenses described above, as well as any damages caused by water penetration due to the failure of the wood products or wood components described above, shall be at the expense of the Shareholder. All remodels, bay windows, and/or exterior siding shall be constructed with stucco, cement siding, masonry, or other non-wood products, and shall be pre-approved by the Mutual and the GRF Physical Property Department.

Section 2.34 – Common Entry Walkways.

When two units are side-by-side and share a common entrance walkway and one Shareholder wants to relocate their entry walkway, that Shareholder must obtain permission, in writing, from the Shareholder of the other affected adjacent unit. The entrance for the adjacent unit shall be relocated at the sole expense of the Shareholder whose unit is being altered to provide the minimum/maximum four feet six inches (4', 6"). The total width will include three-inch (3") buffers on each side if decorative stone is being used.



Section 2.35 – HVAC.

A Qualifying Resident may apply to install an air conditioning system within the Qualifying Resident's Unit, at the Qualifying Resident's expense. A Qualifying Resident must apply to the Physical Property Department for a permit to install the air conditioning system through the lower windows. A Qualifying Resident's applying to for approval to install an air conditioning system must comply with the following requirements:

2.35.1 All heat pump systems must: (i) be ductless; (ii) meet requirements for energy usage to qualify for a rebate when Southern California Edison rebates are available; (iii) meet requirements for acceptable sound levels; and (iv) not disturb the present ceiling heat system so it can be reactivated, if required.

2.35.2 A duct heating and cooling system is part of a complete Unit remodel if: (i) Installation of HVAC (Heating, Ventilating and Air Conditioning) units to be installed with the outside Unit located inside the drip line and as close to the center of the Unit as practical, or near the deco or stucco at the end of the Unit near the storage area. Corner Units may select which side they want. End Units may choose to install them on the side. The exposed lines should be attached to the deco, stucco or wooden post, the location to be approved by the Mutual Board. Repair and maintenance to be the responsibility of the Qualifying Resident.; (ii) The compressor is to be installed on a 4-inch cement slab when remodeling outside walls or on 2" to 3" plastic slab when not remodeling outside walls (cement slab preferred); (iii) ground must be tamped (compressed) firmly so that the unit will not shift.

2.35.3 The concrete pad for split duct systems (heating/air) shall be a total of 6½ inches thick: either 3 inches below grade and 3½ inches above grade or 3½ inches level with the grade; and the fiberglass pad supplied by the manufacturer, anchored to the concrete pad, shall be used in a proper fashion.

2.35.4 Exposed areas: All exposed refrigerant lines on the exterior walls or ceiling of the building shall be covered by a sheet metal cover. All exposed lines (beginning and end) must be covered with either sheet metal and/or expandable foam so these areas are flame proof, insect and vermin proof, and rot resistant.

2.35.5 The compressor is not to exceed 54 decibels and the air handler unit in the attic cannot exceed 44-decibel sound level, per City of Seal Beach Building Code. If the noise level exceeds either of these decibel sound levels, the Qualifying Resident is responsible to have the HVAC unit or units repaired immediately. If the Qualifying Resident does not have the HVAC unit or units repaired, the Qualifying Resident may not use his/her HVAC unit(s). If the Mutual has to repair the HVAC unit, due to the failure of the Qualifying Resident to repair the unit, the Qualifying Resident will be billed for all expenses incurred with such repair, including without limitation, attorneys' fees. If the heating part does not work, the Qualifying Resident is responsible for providing alternate heat, if a Qualifying Resident of that Unit has had the Mutual ceiling heat made inoperable.

2.35.6 Attic access. There must be inside locking attic access from the inside of the Qualifying Resident's Unit or from the outside (for end Units only), so the HVAC unit may be serviced and maintained (as it is the responsibility of the Qualifying Resident to maintain it). Condensate line in the attic must be rodent-proof. If the attic access has to be cut in, the attic access cover shall be a combination of plywood laminated to a 5/8-inch type X drywall; the drywall facing the attic side.

2.35.7 Exterior heat pumps (permit required) shall be placed in front of a Unit, unless the Mutual Board grants an exception. All new installations of air conditioners and heat pumps shall be mounted on a 4-inch concrete slab and have a 6-inch wide, 6-inch deep footing installed under the front side of the slab.

2.35.8 On the occasion of change of ownership and with a charge against escrow, existing heat pumps not currently on a concrete base with a footing as described above shall be corrected by installing a manufactured fiberglass base over a concrete footing which is 6 inches wide and 6 inches deep across the full front edge of the fiberglass base. Central air conditioning and forced air units still require an 8-inch concrete footing.

2.35.9 Permits are required for wall heaters. In all construction work where wall heaters replace the original heating source, metal conduit or armored cable shall be used for the last six feet of line running from the breaker box to the wall heater(s).

Section 2.36 – Unsanitary Premises and Fire Loading Conditions.
Chapter 10 of the 1997 Uniform Housing Code, Section 1001.11, defines in part, hazardous or unsanitary premises as the accumulation of weeds, vegetation, junk, offal (decaying meat products), dead organic matter, debris, garbage, rat harborages, stagnant water, combustible materials, similar materials or conditions on the premises of the unit, or storage inside of the oven or on the stovetop or inside a microwave oven, which may constitute fire, health, or safety issues.

For purposes of this Section 2.36, unsanitary or rodent and insect inviting conditions or fire-loading conditions are described as the excessive acquisition and collection of large amounts of objects. Such collections of objects may include, but are not limited to: stacked paper goods, newspapers, books, magazines, mail, trash, stored cardboard boxes, plastic trash bags, food stuffs, cleaning aids, clothing and collectables, pet waste or unclean pet cages, and a lack of ingress and egress at windows and doors.

Qualifying Residents shall not create an unsanitary or rodent and insect inviting condition or fire-loading conditions, as defined in this Section 2.39 or in Section 1001.11 of the 1997 Uniform Housing Code referenced above. Further, a Qualifying Resident shall not store within their Unit, or on their patio/porch, any large amounts of incendiary items such as grease, oil, gasoline, paint or paint thinner, or any other liquids or substances noted to be flammable, or any large amount of hobby materials. Working on hobbies in Unit or patio/porch will be permitted by the Board on a case-by-case basis, considering the health, safety, welfare, and aesthetics of all residents affected. Storage of construction materials, including but not limited to, stacked wood, siding, metal pieces, welding tools, or any items in support of conducting or practicing a business upon the premises, is also prohibited.

Section 2.37 – Unit Fire Inspections and Special Unit Inspections.
Each Unit will be inspected at the regular annual Mutual fire/safety inspection conducted by the Physical Property Department or any special inspection as ordered by the Mutual Board, with a duly posted 72-hour notification to the Qualifying Resident. Any infractions will be indicated, and the Qualifying Resident will be informed by mail to cure the infraction within thirty-two (32) days of the date of the letter. A follow-up inspection of the premises will be conducted to assure compliance.

Section 2.38 – Temporary Relocation During Repair and Maintenance.
The Mutual shall not assume responsibility for relocating and/or housing Shareholders during the repair and maintenance of Common Area.

Article III – Porches/Golf Cart Pads

Definition of Terms:

a. A porch is the space under the roof of the structure open to the outside or enclosed from the weather.

b. A patio is any surface other than garden material that is attached or adjacent to the outside wall structure of the Unit's structure, open to the sky.

Section 3.1 – Patios.

If the Mutual's Bylaws provide for it, a Shareholder may submit an application to construct a patio. The Shareholder's plans and specifications must be in accordance with the Mutual's requirements as set forth in these Rules and Regulations. Pursuant to Section 2.1 of these Rules, all construction work related to the construction of patios must be done by a contractor licensed and insured in the State of California.

Section 3.2 – Use of Patios/Porches.

3.2.1 Maintenance. The maintenance, repair and replacement of any components of the patio will be the responsibility of the Shareholder. The maintenance, repair and replacement of the components of the porch, except for the roof, will be the responsibility of the Shareholder. The Mutual will maintain, repair and replace the roof components of the porch.

3.2.2 Emergency Egress – Windows and Walkways. All patio/porch window spaces, both inside and outside, must be kept clear for emergency exit and entrance. A clear path of at least four (4) feet must be maintained from the entrance of the patio/porch to the entry door of the unit. Walkway must have a clean, unobstructed pathway, free of potted plants or other items.

3.2.3 Emergency Egress – Doors. No patio/porch addition may have a door that locks. Only doors with direct entry into the Unit may have locks (i.e., front door or sliding glass door leading directly into the Unit from the patio/porch). A door outside in the patio/porch without direct access into the Unit is not considered an entry door. To clarify, there can be no door locked before arriving to the front door of the Unit. Any lock on a patio/porch door must be removed or the Mutual will remove it at the Shareholder's expense. Any object which contributes to uncleanliness or impeded passage for emergency personnel and equipment, and/or which may lead to unhealthy or dangerous conditions to Shareholders, must be corrected by the Shareholder. If such items are not removed, the Mutual will do so at the Shareholder's expense.

3.2.4 Inspection. Patios and porches will be periodically inspected by a GRF Building Inspector assigned by the GRF Physical Property Department.

3.2.5 Storage – Open Patios/Porches. After the initial 30-day move-in period, the following items may not be stored or placed on open patios/porches: (i) Any type of food, including birdseed, dog or cat food except in airtight containers; Do not leave pet dishes with food on the patio/porch; (ii) Cardboard boxes; (iii) Old newspapers, magazines, etc. (unless stored in approved containers); (iv) Laundry hung for airing or drying; Clothing or other items may not be hung on shareholders' patios/porches; (v) Non-working refrigerators or freezers; (vi) Unattended pets or pets in permanent outdoor kennels or caged (including birds); (vii) Spas or hot tubs, indoor upholstered furniture.

Charcoal or highly flammable items, gasoline-operated equipment, gas cans and flammable chemicals are not allowed at any time.

3.2.6 Patio/Porch Décor. Screens, panels, or drapes to block the sun must be of outdoor fire-retardant fabric and must be maintained. Patio/porch décor must be in good taste, and obscene or offensive objects can be prohibited in the discretion of the Mutual Board. Shareholder shall be responsible for any damage caused by the installation or maintenance of personal items and shall be required to remove any mounted items upon Mutual demand to facilitate Mutual maintenance.

3.2.6.1 Hanging Plants. Shareholders may hang potted/basket plants from the horizontal header beam of a Patio/porch. A hanging potted/basket plant cannot be hung from the rafters, roof or ceiling of the Patio cover. Shareholders may hang one (1) plant per three (3) feet of open space between vertical posts. The pot/basket plant cannot be larger than 12-inches in diameter. All hanging pots/baskets must have live plants planted within. Any dead plant must be removed and replaced with a live plant or the hanging pot/basket must be removed. Shareholders shall be responsible for any damage caused by the installation or maintenance of hanging pots/basket plants, including without limitation, any and all water damage, and shall be required to remove any hanging pots/basket plants upon Mutual demand to facilitate Mutual maintenance.

3.2.7 Prohibited Activities. Any workshop causing noise, odor, unsightliness, and/or unhealthy conditions is prohibited within the Mutual. Be guided by the "occasional hobby-oriented" activity rather than an ongoing business or any activity considered to be a nuisance to neighbors. Contact the Mutual Board by sending a letter to the Secretary for further information and guidance. Converting an open patio/porch into a storeroom is prohibited.

3.2.8 Patio/Porch Size. Mutual building permits are required for any alteration to patios/porches. A patio/porch may not be increased by expanding outwards into the garden/common area. Porches may be reduced in size by: (i) Constructing porch closets, which requires a GRF building permit; (ii) Adding pre-assembled cabinets/sheds; or (iii) Expanding the interior rooms of the unit outward into the porch space. Patios may not be reduced in size by adding cabinets/sheds.

3.2.9 Patio/Porch Floor. Outdoor carpeting is permitted. Any permanent resurfacing of the patio/porch floor requires a GRF building permit. Flooring installed without a permit may be removed by the Mutual at the Shareholder's expense.

3.2.10 Enclosed Porches. A permit from the Physical Property Department and, if required, the City of Seal Beach is required for any construction to a porch. An enclosed porch may not function as a bedroom, kitchen, or storage closet. Any item not appropriate to a porch will be removed by the Shareholder or by the Mutual at the Shareholder's expense. An enclosed porch may not have windows or any items that would impede direct ingress or egress to the Unit.

3.2.11 Enclosed Porches Acceptable Items. Acceptable items on enclosed porches include: (i) Refrigerator or freezer in working condition plugged directly into wall socket only; or (ii) A washer or a dryer or stacking washer and dryer installed inside a porch storage cabinet. A GRF building permit must be obtained for the installation of these appliances, and all codes relating to electrical and, if applicable, plumbing and ventilation must be adhered to.

Section 3.3 – Golf Cart Pads.

Shareholders must obtain approval and follow established guidelines for the installation and use of any electric cart or scooter and any necessary pad used for parking and recharging of carts and scooters. Such pads shall not be considered a permanent change to the Unit but shall remain a "non-standard" change. Any parking or charging pad shall be removed upon the resale or transfer of the applicable share of stock at the seller's expense, unless the buyer wants the pad to remain and agrees to such in writing, including an agreement that the buyer will have a golf cart within 30 days. The Shareholder constructing a golf cart pad must contact the Physical Property Department to obtain a permit which must be obtained prior to the start of any construction. Minimum width will be five feet (5') and maximum width of any cart pad will be six feet (6').

Materials allowed: concrete, decorative pavers and decorative stone. Decorative pavers and stone must have a three-inch (3") concrete buffer on each side incorporated into the maximum width of six feet (6') for the cart pad.

By obtaining a permit for the cart pad, the Mutual Board is giving the Shareholder a temporary easement for the exclusive use of a portion of the common area. A cart pad is for parking and charging of electric golf carts. The area cannot be utilized for any use other than charging and parking a golf cart or scooter. If there is no golf cart, the property is to be returned to a grassy area, at the expense of the shareholder, within thirty (30) days of the disposal of the golf cart. The cart pad may not be used as an outdoor patio/porch. There will be no plants, furniture or decorations of any kind on the pad. Notices of violations will be given for any infraction. After three (3) violations, the temporary variance will be revoked. At the shareholder's expense, the cart pad will be removed and returned to common area.

Before obtaining the permit, the shareholder will sign a recordable agreement agreeing to all the terms and conditions required to obtain said permit.

All costs related to this installation shall be borne by the Shareholder, including any modifications to the existing sprinkler system which work must be performed by the Mutual's contracted landscaper or other Mutual-approved contractor prior to the construction of the pad.

Article IV – Landscape Maintenance Manual

Section 4.1 – Purpose of Landscape Maintenance Manual.

This Article IV is included to enhance the enjoyment of the Mutual living style by setting and enforcing standards for Mutual landscaping. This Article IV outlines the shared responsibilities

of the Mutual and its Shareholders. The Landscape Committee is entrusted with the management of landscaping including the responsibility for inspections and enforcement of this Article IV. If all Shareholders follow the policy as outlined below, the landscape areas will display what most Shareholders would consider an appealing appearance of the Mutual, a benefit for all as an attractive place to live and an enhancement of property values in the event of resale.

Section 4.2 – Resident Garden Areas.
The area extending 36 inches from the exterior wall of the Unit is set aside for the Shareholder's garden. The sides of the corner Units shall have a 48-inch limit. At the time of sale or transfer of stock, the Mutual Board will review the area and decide whether those areas which have been extended beyond these limits will be returned to the 36 or 48 inches, at the selling Shareholder's expense.

Section 4.3 – Trees within Garden Areas.
Trees may not be planted in garden areas, nor can they be planted in tubs and/or pots. Trees existing in the garden space prior to the date of the enactment of these Rules will be removed at the time of sale and/or transfer of the Unit at the seller's expense. Trees with roots which are deemed invasive or are causing damage to any part of the structure will be removed immediately at Shareholders expense. Any repairs to the structure as a result of root damage will be at Shareholders expense.

Section 4.4 – Plants within Garden Areas.
Shareholders may plant greenery of their choice from the list of Mutual-approved plants within the Shareholder garden area. Plants with invasive root growth that could potentially damage the Mutual structures and walkways are prohibited. Vines are not permitted to climb on any structures. If a trellis is used, it must be free-standing and be kept eighteen (18) inches below the eaves and twelve (12) inches from the building. All plants must be trimmed back six (6) inches from building walls and twelve (12) inches below the eaves. Shrubs shall not block windows, electric meters, or neighbors' views. Plants may not extend over the garden line, and removal of the offending growth may be done by the Mutual at Shareholder's expense.

Section 4.5 – Pest Control and Fertilization within Garden Areas.
Fertilization and plant pest control within the garden area are the responsibility of the Shareholder. Watering the garden area is also the responsibility of the Shareholder. At the Shareholder's expense, sprinklers may be added within the garden area, but must be designed and set to spray away from the building. Maintenance of sprinklers will be at the Shareholder's expense. All fertilization and plant pest control within the flower bed are the responsibility of Shareholders at their expense. Pesticide application requires careful attention to prevent endangerment to other shareholders and their pets, as well as to beneficial insects.

Section 4.6 – Potted Plants.
Potted plants are not permitted on entrance walkways; nor can they inhibit the 36-inch entry requirement. Further, potted plants are not permitted on top of, or hung from Padmount transformers, nor on telephone vaults or walk lights. Solid cement pavers must be under all pots

containing trees or large plants. Potted plants are not permitted in any common areas or tree wells. Plants cannot remain in nursery-type pots.

Section 4.7 – Maintenance of Garden Areas.
After cleaning garden areas or raking leaves, Shareholders should place the leaves or debris in the proper trash bins. At the time of escrow or transfer of stock to a new Shareholder, the Mutual Inspector and the Mutual Board will signify any plants, shrubs or trees that need to be removed. The cost of such removal will be the expense of the seller or transferee of ownership. Planting will be in accordance with the current Mutual Rules and Regulations. If the new Shareholder wishes to do the planting, it will be at his/her expense. Shareholders are expected to maintain their flower bed areas to enhance the Mutual and be aesthetically appealing to the appearance of the Mutual. If a Shareholder does not adhere to the requirements of this Article IV of the Rules, the Mutual will advise the Shareholder, in writing, of the problem to be corrected and may take disciplinary action.

Section 4.8 – Flower Bed in Garden Area.
Every Shareholder is allowed the privilege of a flower bed area in front of his/her Unit. Flower beds cannot exceed 36" in front; side gardens cannot exceed 48". Flower beds are cultivated, weeded, and trimmed by contracted landscapers every six (6) weeks. Shareholders who desire to do the work themselves may alert the landscapers by placing red flags within the flower bed. Flags are available from gardeners. Landscapers are instructed to do clearance trimming, to remove weeds from all flower bed areas, including Baby's Tears, wild mint, ivies, and plants of the spiderwort family, even if red flags are in place. These plants can spread onto the lawns or invading neighboring gardens.

Section 4.9 – Prohibited Uses of Garden Area.
Front and side gardens may not be used as storage areas. Items such as garden soil, empty pots, garden tools, potting tables, cabinets, scaffolding, shelving, bikes, kayaks and/or surf boards are prohibited in front and side gardens and may not block Unit windows. However, a box with earthquake material is allowed. Garden areas may not be used as patio/porch areas.

Section 4.10 – Plants may not Touch any Structure.
In no instance are plants of any sort permitted to become entwined, lay upon, or in any manner touch a roof, an exposed beam, or any portion of a structure, including gutters, as these conditions invite termites, rats and mice. Any plant materials in the flowerbed whose roots are damaging the building structure, walkways, lawn area, or retaining wall must be removed at the expense of the Shareholder and the damages repaired at the Shareholder's expense. Plants not already trimmed to acceptable standards of six inches (6") from the building and decorative blocks, twelve (12) inches from the eaves, will be cut back at Shareholder's expense.

Section 4.11 – Entrance Walkways.
Entrance walkways, from the sidewalk to the structure/porch, must be kept free always of potted plants and all other impediments, including electric carts. Nothing that will in any way impede

the full use of the 36" wide walkway and entry from the sidewalk to the entrance onto the porch is permitted to remain on the walkway. Plant materials must not extend outside the flower bed limits over scallop borders, walkways, turf areas, or into neighboring flower beds.

Section 4.12 – Stackable Gardens.
Shareholders are allowed to have "stackable gardens." However, any stackable garden must be constructed with materials designed specifically made for stackable gardens and shall not be constructed with cement blocks, plywood or any scrap materials. All stackable gardens must have approved plants and must be kept twelve (12) inches from the building wall and may not go above the decorative fence or be twenty-four (24) inches high from the ground. Stackable garden may not be placed on block walls.

Section 4.13 – Overgrown Flower Bed.
If a flower bed is deemed to be an eyesore by the Landscape Committee and provides hiding places for spiders and rodents, then the Shareholder will be asked, in writing, to clean it out. If the Shareholder does not clean out the "overgrown" flower bed and/or overabundance of potted plants, then the Mutual will do it at the Shareholder's expense. The Shareholder will not be reimbursed for any plants, pottery, containers or non-authorized "items" in the flower bed.

Section 4.14 – Approved Plants.
The list of approved plants attached to these Rules as Exhibit "A". The common name of the Approved Plants will be listed first and the botanical or Latin names will follow in parentheses, as set forth in Exhibit "A". If a plant does not appear on the approved list, the Shareholder needs to contact the Landscape/Garden Director for clarification and to obtain written approval from the Director prior to planting. If planted without prior written approval, the Mutual will remove, at its discretion, the offending plant(s) at the Shareholder's expense. Pots may not be placed on walkways, sidewalks, or anywhere that will impede emergency access. Pots containing trees may be placed on Shareholder's patio/porch. Any pot in the flower bed must be on a solid paver large enough to prevent roots from going into the ground. No fruits, vegetables, or trees shall be planted or placed within the flowerbed area.

Section 4.15 – Approved Drought Tolerant Plants and Succulents; Non-Approved Plants.
The flowers, plants or trees listed on Exhibit "B" hereto may not be planted in garden areas effective as of the date of adoption of these Rules. The common name of the Non-Approved Plants will be listed first, and the botanical or Latin names will follow in parentheses as set forth in Exhibit "B". However, excluding fruits and vegetables they may be planted in pots and placed on the patio/porch. Additional prohibited flowers or plants may, in the future, be added to this list by the Board of Directors. Any tree or plant will be removed if deemed by the gardener or GRF Building Inspector to have roots that will cause damage to the sewers or infrastructure. Clearances of six inches (6") from the structure and twelve inches (12") below the roof must be maintained.

Section 4.16 – Fruits and Vegetables.
Land in the 1.8-acre Mini Farms is set aside in Leisure World for vegetable planting. Call Community Facilities (ext. 398) for information and to be put on a waiting list. Fruits and vegetables are prohibited in garden and patio areas of the Mutual.

Section 4.17 – Donating Trees.
The Landscape Committee wants Shareholders to know that donations of trees to enhance our Mutual's appearance are greatly appreciated. Trees are one thing that all Shareholder's enjoy and want to maintain. They provide shade and improve and enrich our living spaces in the Mutual. The Landscape Committee welcomes all tree donations. If you would like to donate a tree, the procedure is very simple: Present a proposal to the Landscape Committee of what type of tree you want to donate, it's size and where you would like it planted. If your request meets the criteria set forth by the Landscape Committee, and with Physical Property approval, the proposal will be presented to the Mutual Board, and a vote will be taken at the monthly Board Meeting. Once approved by the Mutual Board, the tree can be ordered then planted by the Mutual.

Section 4.18 – Planting Tree Wells.
All Shareholders are prohibited from planting or placing any items or vegetation within the tree wells on their greenbelts or hanging any items from the trees.

Section 4.19 – Turf Areas.
Turf areas are described as the ground areas located outside the Unit's flowerbed area. The Mutual is responsible for the maintenance of this area. Shareholders are not permitted to install, maintain, remove, or relocate plants or any other materials, in the turf areas, around trees, irrigation corners on green belts, or around light poles. Any plants or other landscaping material that is placed in a turf area by a Shareholder may be removed at Shareholder's expense. The Mutual Board has the authority to authorize such removal. Shareholders are not permitted to install, relocate, or adjust turf area sprinklers. Shareholders are not permitted to hand-water turf areas except for areas inadequately irrigated by the sprinkler systems. The Mutual will not plant or replace trees in the Mutual turf areas unless there is an eight (8) foot clearance from the entrance walkway and an eight (8) foot clearance from the sidewalk, or an eight (8) foot radius. Temporary use of turf areas by Qualifying Residents requires prior written approval by a Director on the Mutual Board (examples could be a picnic, party, moving, construction material storage). No tents, tarps or canopies are allowed. Golf carts or scooters are not permitted on grass areas at any time. Any cart damaging a sprinkler will result in the Shareholder or Qualifying Resident being responsible for any damage.

Section 4.20 – Laundry Room Planters.
Laundry room planters are a part of the Mutual's landscape/lawn property – they are not for Shareholder's use. If a Shareholder infringes upon this area, the Mutual will ask the Shareholder to remove such infringements. If the Shareholder does not remove them, the Mutual will have the infringements removed with no compensation to the Shareholder.

Section 4.21 – Lamp Posts.
Lamp posts may not be decorated or have anything attached to them.

Article V – Traffic, Vehicle Operation and Parking

Section 5.1 – Applicability.
The following Traffic, Vehicle Operation and Parking Rules are strictly enforced and are applicable to all persons controlling or operating vehicles on any property owned and/or regulated by the Mutual. This also refers to the streets, sidewalks, parking areas, clubhouses, grounds, and other amenities overseen by GRF. Per the Occupancy Agreement, all Qualifying Residents are solely responsible for the actions of their guests and invitees; therefore, they are solely responsible for any fines and penalties incurred by their guests and invitees. GRF vehicles, such as maintenance vehicles, or security vehicles assisting first responders or providing emergency services to a Shareholders Unit, are exempt from these rules when appropriate.

Section 5.2 – Enforcement of California Vehicle Code.
In order to promote safety, all drivers and pedestrians shall follow the California Vehicle Code, except as specified otherwise herein.

Section 5.3 – Definitions Applicable to this Article.

(a) Alternative Dispute Resolution (ADR): A method of resolving disputes other than by litigation involving a neutral third party pursuant to Civil Code Sections 5925-5965.

(b) Assigned Parking: A defined parking location that has been designated for the use of a specific individual or group by the GRF.

(c) Bicycle/Tricycle: A device with 2 or 3 wheels, respectively, upon which any person can ride propelled exclusively by human power through a belt, chain or gears.

(d) Caregiver: A non-shareholder hired or identified by a Shareholder as providing part-time or full-time care. This person must be registered with Stock Transfer.

(e) Commercial Vehicles: A motor vehicle of a type required to be registered and used or maintained for the transportation of persons for hire, compensation, or profit or designed, used, or maintained primarily for the transportation of property. A Commercial Vehicle shall also mean any type of vehicle, which includes without limitation, a truck, van or trailer that has one or more of the following traits: (i) Larger than one (1) ton carry weight; (ii) Bares 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; (iii) Normally employed or designed for commercial business use, whether or not a business name or advertisement is displayed; (iv) Racks, materials, ladders, tool boxes and/or tools are visible on the exterior of the vehicle; (v) Used to haul any hazardous materials; and/or (vi) Designed to carry more than 15 (fifteen) passengers.

(f) Due Process: An established course for judicial proceedings or other governmental activities designed to safeguard the legal rights of the individual.

(g) Electric Bicycle: Two-wheeled vehicle supplemented with an electric motor. It may not be driven on sidewalks.

(h) 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, which is designated to be and is operated at no more than 20 mph, and has a maximum width of 48".

(i) Internal Dispute Resolution (IDR): An internal due process procedure offering an opportunity for both sides to meet and confer in good faith in an effort to resolve a dispute and reach a resolution of alleged violations of community rules.

(j) Low-Speed Vehicle (LSV): A motor vehicle which is designed to travel in excess of 20 MPH with a maximum speed of 25 MPH. LSV's less than 48" in width shall be driven in accordance with the rules and regulations established for Golf Carts. LSV's that are more than 48" in width are prohibited from all walkways and sidewalks.

(k) Mobility Scooter: A vehicle that is propelled by an electric motor with a battery pack on the vehicle. This vehicle is self-propelled.

(l) Motorcycle: A motorcycle has more than a 150cc engine size, and no more than three wheels and has to be registered with the Department of Motor Vehicles (DMV).

(m) Motor-Driven Cycle: A motor-driven cycle has 149cc or less engine size (CVC Section 405) and has to be registered.

(n) Non-Resident: A person without the right under the governing documents and applicable law to occupy a dwelling within a Mutual.

(o) Parking Permit Binder: A register maintained by the Security Department to document vehicles granted a limited exception to certain parking rules. (Examples of exceptions noted in Parking Permit Binder: Extended Qualifying Resident’s absence, overnight RV parking, late night calls for overnight guests without a parking permit.)

(p) Parking Rules Violation (PRV) Panel: The Mutual Board has established a committee consisting of a facilitator, three (3) Mutual directors and an alternate as may be designated from time to time by the Board and assigned to meet on a rotating schedule to hear Shareholder disputes regarding Parking Rules Violation notices issued by Security Department.

(q) Pedestrian: Any person who is afoot or who is using a means of conveyance propelled by human power other than a bicycle. This also includes any person operating a self-propelled wheelchair, motorized scooter, tricycle or quadricycle.

(r) Prohibited Vehicles:

a. Aircraft;

b. Boats, personal watercraft, and their trailers, except as specifically allowed by these Rules in limited circumstances;

c. Inoperable Vehicle: A vehicle that lacks a functioning engine or transmission, or non-functioning wheels, tires, doors, windshield, or any other major part or equipment necessary to operate safely on the highways;

d. Off-road vehicle (not street licensed) other than a Golf Cart or Golf Car;

e. Unregistered Vehicle: no current valid State registration;

f. Vehicle designed to carry 12 (twelve) or more passengers, except any buses or limousines to load or offload passengers with approval from the Security Department or Recreation Departments.

(s) Recreational Vehicle (RV): A motor vehicle or trailer for recreational dwelling purposes; a motor home or other vehicle with a motor home body style which has its own motor power or is towed by another vehicle. Recreational Vehicle shall not include van camper conversions, which are permitted within the Mutual.

(t) Reserved Parking: A parking location that is marked as such by a sign, or curb or pavement marking and is set-aside for use only by the designated user(s).

(u) Rules Violation Notice (Citation): A written notification of a violation of GRF parking policies placed on the violating vehicle. Citation information is forwarded to the Mutual President.

(v) Trust Property: All land operated by GRF on behalf of the Mutuals.

(w) Trust Streets: Streets with names.

(x) Unassigned Parking: Not an Assigned Parking space.

(y) Unauthorized Vehicle: A vehicle not permitted to be on Mutual or Trust Property.

(z) Vehicle Used for Recreation (VUFR): Boats, boat trailers, all-terrain vehicles (ATVs), trailers used to transport ATVs.

Section 5.4 – Prohibited Vehicles.

No Prohibited Vehicle shall be parked on Mutual or Trust Property. At no time, shall any vehicle be parked on Mutual Property if it is leaking any fluids other than clear water. Any Prohibited Vehicle parked within the Mutual is subject to immediate towing at the owner's expense.

Section 5.5 – Parking Permits.

Security shall not issue a Leisure World parking permit to any Qualifying Resident of Seal Beach Leisure World unless and until said Qualifying Resident shall have furnished the Security Office with the following: (1) California State car license number (or other State, if not in conflict with California requirements); (2) A valid State Operator's license number (California or other state) with the expiration date for each driver of the vehicle; and (3) Satisfactory proof of liability insurance coverage in the minimum limit pertaining to the operation of motor vehicles upon the roads of the state of California.

5.5.1 Temporary Parking Permits. All parking permits must be visibly displayed on the dashboard of a vehicle or on the king pin of a fifth wheel or the tongue of a trailer. The following parking permits are issued by Security Department: (i) Shareholders for use on rental or new vehicle; (ii) Guest of Shareholders; (iii) Overnight parking permit at request of Shareholder for guest.

Section 5.6 – General Parking Rules.

5.6.1 All Shareholders, Qualifying Residents, guests and invitees shall park safely. At no time may a vehicle be parked in a manner creating a traffic hazard.

5.6.2 No animal or child is allowed to be left alone in any parked vehicle on Mutual Property. Animal Control or Seal Beach Police will be called immediately in either circumstance.

5.6.3 Fire Hydrant – At no time may a vehicle be parked within 15 feet of a fire hydrant. Vehicles in violation are subject to immediate tow-away at owner's expense.

5.6.4 Sidewalk – No vehicle may be parked with any portion of it on a sidewalk.

5.6.5 Off Pavement – At no time may a vehicle be parked with any portion of it off pavement.

5.6.6 Curb or Parking Stall – Vehicles may park in a designated parking stall or along a curb or sidewalk, unless otherwise provided herein.

5.6.7 Vehicles on a two-way travel roadway must be parked with the passenger side wheels within 18 (eighteen) inches of the curb or sidewalk.

5.6.8 Vehicle must be parked completely within the marked boundaries of a parking space.

5.6.9 A vehicle may be parked in a location that is not a marked stall; however, at no time may it be parked in a manner that creates a traffic hazard, interferes with other vehicle access, Pedestrian traffic, or access to facilities or equipment.

5.6.10 Any vehicle without proof of current valid State registration may not be parked on Mutual Property at any time.

5.6.11 Any vehicles without a GRF decal on windshield or pass displayed on the dash may not be parked on Mutual Property.

5.6.12 Trailers not connected to a vehicle are not permitted to be parked on Mutual Property. Such trailers may be parked in the Permit section at Clubhouse 4 (four) only with a permit issued by the Security Department.

5.6.13 Pods, moving trailers or similar portable storage units are not permitted on Mutual Property without Security Department authorization.

5.6.14 Vehicles in violation are subject to immediate tow away at the vehicle owner's expense.

5.6.15 Parking in Mutual parking areas is limited to Mutual Qualifying Residents, guests and invitees. Required passes and permits must be displayed. Parking is not for overflow from other Mutuals or Clubhouse 2.

Section 5.7 – Parking Zones.

5.7.1 Red Zones – Vehicles parked in red zones are subject to immediate tow away at owner's expense.

5.7.2 Fire Hydrant or Fire Lane: No person shall park or leave standing any vehicle within 15 (fifteen) feet of a fire hydrant even if the curb is unpainted.

5.7.3 Non-Fire Lanes: A vehicle may not be left unattended.

5.7.4 Bus Stops: No person shall park or leave standing any vehicle within 30 (thirty) feet of a bus stop on bus stop side of the street to provide for loading and unloading of buses.

5.7.5 Drive-up Mailboxes: No person shall park or leave unattended any vehicle within 15 (fifteen) feet of the mailbox.

5.7.6 Blue Zone (Handicapped): Vehicles must display a valid, government-issued disabled (handicapped) license plate or placard.

5.7.7 Green Zone: Parking may not exceed time limit posted by sign or curb marking. Notwithstanding the foregoing, unlimited time parking in a Green Zone is permitted only when the vehicle is displaying a valid government-issued disabled (handicapped) license or placard.

5.7.8 White Zone: Passenger loading and unloading only. Vehicles may not be parked in white zones in excess of 30 (thirty) minutes.

5.7.9 Yellow Zone: Commercial vehicle loading and unloading only. Vehicles may not be parked in yellow zones in excess of 30 (thirty) minutes.

5.7.10 Unpainted: Parking is permitted up to 72 (seventy-two) hours, unless otherwise restricted.

Section 5.8 – Qualifying Resident Parking.
A Qualifying Resident's vehicle (except an RV or VUFR) may be parked for no more than 72 (seventy-two) hours in one location without first notifying the Security Department.

Section 5.9 – Non-Qualifying Resident Parking.
Non-Qualifying Resident vehicles are not eligible for extended parking privileges without a permit issued by the Security Department. Any violation of this section may result in vehicle being towed at the owner's expense.

Section 5.10 – Caregiver Parking.
A Caregiver may park on Mutual or Trust Property only when a Caregiver parking pass is displayed on the dashboard of the vehicle. To obtain Caregiver parking rights, the person must be registered with the GRF Stock Transfer office.

Section 5.11 – Contractor and Service Vehicle Parking.
Contractors' vehicles must comply with all rules set forth herein and must not obstruct or park on the sidewalk. Contractor and service vehicles, including personal vehicles driven by workers, shall not be parked on Mutual Property (Trust Streets included) overnight without a permit.

Section 5.12 – Overnight Parking Permits.

5.12.1 Resident overnight parking is prohibited without a Security Department-issued vehicle decal or Overnight Parking Permit.

5.12.2 Overnight parking by Commercial Vehicles, equipment, and materials utilized in authorized activities conducted for the Mutual or its Qualifying Residents is not permitted without an Overnight Parking Permit issued by the Security Department. This restriction shall not apply to Commercial Vehicles parked in assigned rental spaces in Allen's Alley by Clubhouse 2 (Two).

5.12.3 The Overnight Parking Permit must be displayed face-up on the driver side dashboard of the motor vehicle, or prominently affixed to the front of trailers or equipment.

5.12.4 The following vehicles and equipment are prohibited from parking on Trust or Mutual Streets at any time between the hours of 12:00 a.m. and 7:00 a.m., unless otherwise addressed in these Rules: (i) Vehicles not displaying a valid GRF decal or Overnight Parking Permit; (ii) Recreational Vehicles – except as provided below in Section 5.13, "Recreational Vehicles Restrictions"; and (iii) Commercial Vehicles, construction/maintenance equipment, storage and disposal units, building materials.

Section 5.13 – Recreational Vehicles (RV) or Vehicle Used for Recreation (VUFR) Restrictions.
An RV or VUFR may be parked on Mutual Property only when meeting all of the following conditions:

5.13.1 RV parked at any Mutual Property facility MUST have Security Department-issued decal or a parking permit.

5.13.2 RV or VUFR is parked up to 48 (forty-eight) hours for the purpose of loading or unloading.

5.13.3 Other activities, such as sleeping or resting in the RV or VUFR, and vehicle maintenance are not allowed.

5.13.4 RV or VUFR must be parked with engine and accessory equipment (e.g. exterior lights, air conditioner, audio and video equipment) shut off. The generator may ONLY be used between the hours of 8:00 a.m. and 8:00 p.m. while loading or unloading the vehicle.

5.13.5 Extensions such as slide-outs, tilt-outs, and awnings must be closed. Steps must not block the sidewalk.

5.13.6 RV or VUFR may not be attached to any external power supply.

5.13.7. Leveling jacks, if used, must include a base plate sufficient to prevent damage to pavement.

5.13.8 No animals or children are to be left unattended on or within any RV or VUFR at any time.

Section 5.14 – "For Sale" Signs.
"For Sale" signage shall not be displayed on any vehicle on Mutual Property.

Section 5.15 – Repairs.
Vehicles may not be rebuilt or rehabilitated, major service may not be performed, and fluids may not be changed on any Mutual Property.

Section 5.16 – Washing.
All washing of vehicles must be done at the car and RV washing areas behind Clubhouse 2 (Two). Vehicles must have a GRF decal. Non-Residents shall not be permitted to wash their vehicle anywhere on Mutual Property.

Section 5.17 – Trust Property Parking Areas.

5.17.1 Clubhouse One. Parking next to the Wood Shop is prohibited between 11:00 p.m. and 7:00 a.m. Parking is prohibited between 11:00 p.m. and 7:00 a.m. in the spaces on the west side of the clubhouse (Burning Tree). Parking is permitted up to 72 (seventy-two) hours in the lot across from the clubhouse next to the golf course.

5.17.2 Clubhouse Two. Parking next to the Wood Shop and car wash is prohibited between 11:00 p.m. and 7:00 a.m. Parking is prohibited between 11:00 p.m. and 7:00 a.m. in the spaces on the east side of the clubhouse (El Dorado). Parking is permitted up to 72 (seventy-two) hours in the lot between the clubhouse and the RV lot.

5.17.3 Clubhouse Three & Four. The three (3) approved locations within the Clubhouse 4 (four) parking lot are for temporary RV and VUFR use, subject to the terms and conditions noted

in this Section 4.17.3. Available permit parking is limited. Spaces are allotted on a "first come first served" basis. There is an exception for Radio Club Yellow Emergency Van Innovative Cleaning Service Vehicles.

5.17.3.1 Identification. All RVs and VUFRs must be registered with the Security Department and display a parking permit in order to park in the noted locations. If the RV or VUFR does not have a windshield, the identification must be placed on the king pin of a fifth wheel or the tongue of a trailer.

5.17.3.2 RVs and VUFRs. Shareholders, Qualifying Residents and guests may park a RV or VUFR temporarily in the noted locations for the purpose of loading and unloading and preparing the vehicle for travel or storage, subject to these Rules and Regulations and the Rules and Regulations of GRF. Shareholders, Qualifying Residents and Guests must notify Security Department immediately when entering the community with their RV or VUFR. This notification is required in order to park temporarily for a term as follows: Shareholders may temporarily park one (1) RV (and boat or trailer) or VUFR at a time in the approved location within the Clubhouse Four (4) parking lot for a maximum of twenty-one (21) days at no charge.
A second term will be allowed within twelve calendar months, provided that the RV or VUFR has been out of the community for no less than one hundred eighty (180) days. Guests may park one (1) RV (and boat or trailer) or VUFR at a time temporarily in the approved location within the Clubhouse Four (4) parking lot for a maximum of fourteen (14) days at no charge. An additional seven (7) days are available with a fee. See section below. A second term will be allowed within twelve calendar months provided that the RV or VUFR has been out of the community for no less than one hundred eighty (180) days. In the event of an unexpected medical and or mechanical emergency, the Security Chief, Deputy Security Chief, or Executive Director may grant a limited extension not to exceed seventy-two (72) hours. In the absence of the Security Chief or Executive Director, the Watch Commander or Deputy Chief may grant extensions until return of the Security Chief or Executive Director. The Security Chief must make a monthly report of all permitted vehicles to the Security Bus and Traffic Committee (SBT). Failure to comply may result in towing of the vehicle at the owner's expense.

5.17.3.3 Use of an RV or VUFR. Shareholders, Qualifying Residents and guests may live in an RV or VUFR parked in the community for a maximum of seven (7) days. This includes sleeping, cooking or any other activities not associated with preparation of the vehicle for travel or storage. No animal or child shall be left alone in a vehicle at any time.

5.17.4 Building Five, Clubhouse Six, Healthcare Center, Administration and Alley. No overnight parking is permitted, except that Security Vehicles, CARE ambulances, Pharmacy delivery vehicles, and Two (2) Healthcare Vehicles, 24 Hour Nurse, HCC Golf Cart, GRF Vehicles, and Innovative cleaning service vehicles may park overnight.

Section 5.18 – Amphitheater.
No Shareholder may park in any space marked for "Staff" or HCC between the hours of 7:00 a.m. to 6:00 p.m., Monday through Friday. The parking space designated for the HCC 24-Hour Nurse may never be used by anyone else except that employee and the HCC Golf Cart.

Section 5.19 – Bicycles/Tricycles.
Bicycles or Tricycles may not be parked in any manner as to interfere with foot or vehicle traffic. Bicycles must be parked utilizing parking racks where provided. The Mutual is not liable for damaged, lost or stolen property. Attended Bicycles or Tricycles may be parked off pavement, but only in such a manner as not to damage landscaping. Parking on a sidewalk is prohibited. Except for employees working in Leisure World, visitors residing outside Leisure World may ride bicycles or tricycles on Mutual sidewalks or streets only if accompanied by a Qualifying Resident.

Section 5.20 – Carport Use.
When a Shareholder moves in, they are assigned one carport space. If shareholders have more than one car or have a golf cart or scooter, they may rent or use another shareholder's carport space if both agree and they have signed the Carport Usage/Rental Agreement. The executed agreement must be recorded at the Stock Transfer Office to be valid. Unauthorized use of any empty carport space may result in the vehicle/golf cart/scooter being towed at the expense of the owner of the vehicle. Carport usage/rental agreements are restricted to Qualifying Residents of the Mutual only and vehicle must have current DMV and GRF decals as required.

Carports are to be used for parking of self-propelled land vehicles in operating condition. All passenger vehicles that can be operated on city streets MUST have a current DMV registration, license plate tags, and sufficient insurance as mandated by the State of California Vehicle Code (CVC) Section 22658. All vehicles, parked in the carport must have a Seal Beach Leisure World (SBLW) decal issued by the Security Department affixed and displayed on the lower left windshield; however, the Mutual Board may waive the requirement to display and affix the SBLW decal ONLY in unique and rare circumstances (contact the Mutual Board for consideration). DMV registration tags and GRF decal must always be visible. Any vehicle that is not compliant with these rules may be towed at the owner's expense and as specified in CVC Section 22658. Any stored items in the carports must be completely contained in the carport cabinets and no items may be hung from the walls or the ceiling of the carport. Current fire regulations prohibit the storage of fuel or any combustible material in the carport areas. When parked in the carports, all vehicles must be headed inwards. Mechanical repairs on vehicles are not permitted except for minor maintenance such as jumping of a battery, checking or adding oil or water, or changing wiper blades. Changing of oil is not permitted. No person shall park any vehicle in any carport not assigned to them without permission from the affected shareholder. Any vehicle leaking oil, anti-freeze, or any other hazardous material is prohibited from parking in a Mutual carport or on a Mutual street or driveway. It is the shareholder's responsibility to clean up any hazardous material spill or the Mutual will have them cleaned up. In such case, the shareholder will be billed for the cost. ALL hazardous waste materials, including kitty litter, must be disposed of at any

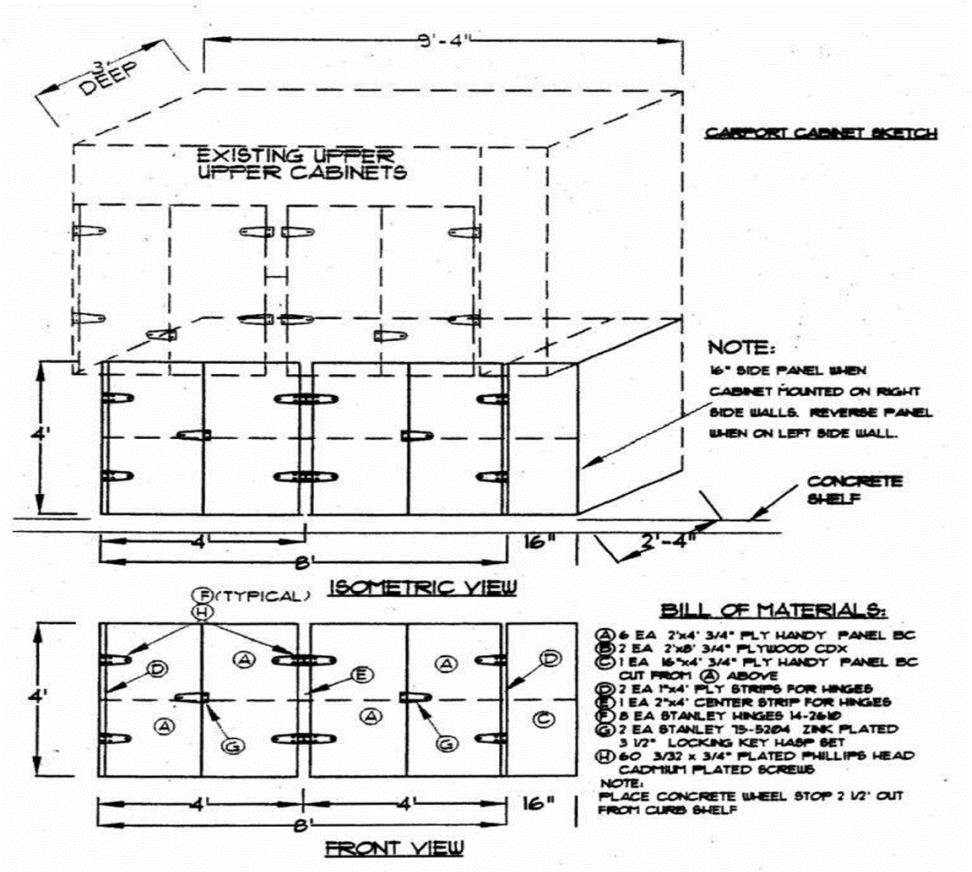
Orange County Approved Hazardous Waste Site. The carport floor space may NOT be used as a storage area, whether free-standing or in any type of container. Boats or trailers of any size or kind may not be parked in the carport. Any damage to the carport is the responsibility of the assigned shareholder, not any renter of a carport. Car covers may not be attached to the carport. Only a Bicycle, Tricycle, folding shopping cart, or ladder may be stored under the cabinet in the Shareholder's assigned or rented space. At each inspection of the carports by the Mutual Board representative, a notice will be given to the shareholder whose carport is in violation of this policy. Improperly stored material must be removed within ten (10) days or the material will be removed at the Shareholder's expense. In order to accommodate routine cleaning and property servicing, Shareholders may not store an inoperable vehicle in a carport space. No storage racks of any kind are permitted.

Section 5.21 – Carport Assignments.

Carport assignments are assigned to each Unit and a record of such assignments is kept in the Stock Transfer Office of GRF. Shareholders desiring to temporarily change carport assignments must negotiate the new arrangement on their own and obtain approval from the other Shareholder and record the temporary agreement in the Stock Transfer Office. Upon transfer of the Unit, all carport agreements will become null and void.

Section 5.22 – Secondary Carport Storage Cabinets.

Shareholders are permitted to have a secondary carport storage cabinet installed beneath the existing cabinet with approval of the Board of Directors and a permit from the GRF Physical Property Department. The cabinet shall be built per the dimensions and specifications shown in this Section. The paint and hardware must match the existing cabinet. The maintenance and damage to carport cabinets is the responsibility of the Shareholder. Carports that have secondary storage cabinets below the original cabinets may have ladders attached to the cabinets or walls. Any other construction which involves the Mutual's carports, walls, floors, beams or ceilings is not permitted.



Section 5.23 – Electric Carts & Golf Carts.

Shareholders who own oversized golf carts or LSVs (low speed vehicles) that are designed to carry more than four people must park these vehicles on the street or in the carport. Golf carts or scooters are not permitted on grass areas at any time. Any cart damaging a sprinkler will result in the owner being responsible for any damage. No charging of electric carts, cars or scooters is allowed in carports. Shareholders may park any electric vehicle, including automobiles in their assigned carport space.

Section 5.24 – Sidewalk Traffic Restriction.

5.24.1 Gasoline-Powered Vehicles. Gasoline-powered vehicles, including two-wheeled gasoline-powered vehicles, are prohibited from using sidewalks in the Mutual. Exceptions shall be limited to the following: (i) Emergency medical vehicles belonging to the Health Care Center; (ii) Service vehicles designated for sidewalk use belonging to GRF; (iii) Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with Qualifying Residents, Shareholders or corporations (such as newspaper carriers); (iv) Mopeds or motor scooters are not approved.

5.24.2 Roller Skates, Rollerblades, Skateboards, Scooters. Due to potential safety hazards, no person may use roller skates, roller blades or skateboards or scooters (motorized or other) on Mutual sidewalks or streets.

5.24.3 Golf Carts or LSVs. Shareholders may operate a golf cart or LSV less than 48" in width on a sidewalk only from the point of origin to the nearest driveway or place of exit to the street. Larger golf carts or LSVs are not permitted to be operated on sidewalks. Shareholders should never exceed five (5) miles per hour on any sidewalk regardless of the time of day. Unless an emergency exists, Shareholders driving golf carts, LSVs, or any other vehicle may not use a sound device to alert pedestrians of their presence. Passing a pedestrian on a sidewalk is acceptable ONLY if the pedestrian acknowledges the driver's presence and invites them to pass. Bells or bicycles horns are acceptable to alert pedestrians of the vehicle's presence. Pedestrians always have the right-of-way on sidewalks, followed by, in order of priority, non-powered wheelchairs, power wheelchairs, mobility scooters, Tricycles and Bicycles. Golf carts or LSVs cannot obstruct any portion of sidewalks.

5.24.4 Shareholder Responsible for Injury or Damage. Damage caused by a Shareholder or a Shareholder's caregiver, family member, guest, or vendor shall be the responsibility of the Shareholder.

5.24.5 Health Care Center and/or GRF Golf Carts or LSVs. Golf carts or LSVs that are designed for sidewalk use and belong to the Health Care Center (HCC), GRF, or contractors or vendors doing business with Shareholders of the Mutual may use Mutual sidewalks for business-related purposes. Damage caused by contractors or vendors must be reported immediately to the GRF Security Department and a Mutual Director or risk being permanently banned from the Mutual. Damage caused by contractors or vendors shall be their responsibility.

5.24.6 Newspaper Carrier Golf Carts or LSVs. Newspaper carriers and the like using golf carts or LSVs shall use Trust Streets and carport roadways whenever possible. Carriers shall adjust their routes of travel whenever noise complaints are lodged against the carrier. The Mutual reserves the right to restrict the use of motorized vehicle deliveries or newspapers prior to 8:00 a.m.

Section 5.25 – Towing.

Under the provisions of the California Vehicle Code, Section 22658, the Mutual has the authority to have a vehicle towed from its property. In every instance of infraction to this Article V, or any other applicable rules of the Mutual, the Mutual will seek an agreed-upon resolution, but with due consideration to the overriding interests of the entire Mutual, reserves its authority to have a vehicle towed from the premises pursuant to California Vehicle Code Section 22658. The Mutual will remove vehicles parked on Mutual property that are inoperable, abandoned, blocking a fire lane or are parked in such a manner as to constitute a hazard and/or that are in violation of Mutual Rules, and reserves the right to tow any vehicle parked in violation of these Rules pursuant to the provisions of California Vehicle Code Section 22658

5.25.1 Towing Signage. In conformance with Vehicle Code Section 22658, appropriate signage will be posted at all entrance gates warning all who enter Leisure World that it is private

property and unauthorized or illegally parked vehicles will be towed away at the vehicle owner's expense. The towing signage will also contain all information required by Vehicle Code Section 22658.

5.25.2 Immediate Towing. Security Department will advise the Mutual Board when vehicles are in violation and may require immediate action/removal: (1) Violation of Mutual Rules and Regulations related to safety/access/flammable materials; (2) Violation of the Fire Lane Regulation CVC 22953(b); (3) Violation of the Fire Hydrant Regulation. If approval is received from the Mutual, Security Department will notify the towing company to respond and meet the designated Mutual representative(s). A private property towing form will need to be signed by a Mutual representative authorizing the towing company to remove and store the vehicle.

5.25.3 Towing Procedure. If a parking violation does not require immediate action or removal, the Security Department will attach a 96-hour warning notice to the vehicle, informing the vehicle owner of the violation and intent to tow upon non-compliance. A copy of the 96-hour warning notice will be provided to the Mutual Administration Department for processing. After the 96-hour period, Security Department will check for compliance and report their findings back to the Mutual Administration Department. If the Mutual approval to remove the vehicle is received upon confirming non-compliance to the 96-hour tow notice and/or receipt of the registered letter, a tow truck will be appointed to remove and store the vehicle. Security Department will maintain a current log of all towing transactions to direct vehicle owners to the appropriate towing company. This Section 5.25.3 applies to all vehicles - automobiles, motorcycles, Vespa-type scooters, golf carts, scooters – any motor operated vehicle – whether parked in carports, on Mutual streets and/or in marked parking areas.

5.25.4 Violations of Article V. The Board will review the case of any Mutual Qualifying Resident whose record of violation is referred to the Board, and take one or more of the following actions: (1) Direct a letter of warning to the offender; (2) Appoint a Director or a Committee to confer with and warn the offender; (3) Summon the offender to a regular or special Board meeting for a conference/ warning; (4) Take Board action to find the offender in violation of the Occupancy Agreement and order eviction. Any one (1) violation can be immediately referred to the Board for action.

ARTICLE VI – USE OF LAUNDRY ROOMS

Section 6.1 – Use of Facilities.

Laundry room facilities are available for use solely by Shareholders of the Mutual, except that a caregiver, hired help, or family member of a Shareholder may use the laundry room facilities to do that Shareholder's laundry. Shareholders must oversee and instruct the caregiver, hired help, or family member when the Shareholder's laundry is being done. Caregivers, hired help, or family members may not wash their own laundry in the Mutual's laundry room. Shareholders are responsible for any damage to the laundry room facilities when Shareholder, their caregiver, their hired help, or their family member is doing the shareholder's laundry. Laundry room facilities are to be used for washing and/or drying only.

Section 6.2 – Dying/Tinting Fabrics Prohibited.
Clothing or fabrics may not be dyed or tinted in the washers or dried in the dryers.

Section 6.3 – Items with Metal Buttons/Clips.
Clothing or other items with metal buttons, clips, etc. must be placed in a small cloth bag or pinned inside a pillowcase when being washed or dried.

Section 6.4 – Out of Order Machines.
When a washer or dryer is out of order, place an "Out of Order" sign on the machine and notify the Director in charge of that laundry room and provide the number of the machine. Directors' names are posted in each laundry room. If the Director is unavailable, call another Director.

Section 6.5 – Hours of Operation.
Laundry room facilities are available for use between the hours of 7:00 a.m. and 9:00 p.m. only.

Section 6.6 – Prohibited Items.
The following items may not be washed in the washers or dried in the dryers: fiberglass curtains or drapes, sleeping bags, heavy blankets, quilts, comforters, car covers, carpet runners, and other oversized items. Athletic shoes may be washed in the washers, but not dried in the dryers. Any clothing or fabric that has been cleaned in a flammable liquid may not be washed in the washers or dried in the dryers. Bathmats or kitchen rugs that are 2.5' by 3.5' or smaller may be washed in the washers, but they may not be dried in the dryers (these rugs may be hung on the clothesline for drying). Hand-washed clothing or other items may not be placed in the dryers due to the excessive amount of water contained in them. Use the exterior clothesline for hand-washed items, if desired. No items soiled with human or pet waste can be washed or dried in the Mutual laundry rooms.

Section 6.7 – Safety.
The Shareholder is responsible for cleaning up after himself/herself. If the Shareholder feels a dangerous situation or safety problem presents itself in a laundry room that cannot be corrected by the Shareholder, the Shareholder may call their Mutual director. Smoking is prohibited in or around the laundry rooms and exterior clothes drying areas. Clean the dryer filter after each use and dispose of lint in the trash containers.

ARTICLE VII –SECURITY CAMERAS/DRONES/SATELLITE DISH

Section 7.1 – Installation of Security Cameras.
No Shareholder may install a surveillance camera or make any other alteration to the Mutual's property. Accordingly, no cameras may be installed on the exterior of a building or anywhere outside the boundaries of a unit. Shareholders may place cameras inside their unit windows, subject to the following restrictions:

7.1.1 No camera may be trained or focused on the interior of another Unit, on another Unit's front door, or anywhere else other Shareholders have a reasonable expectation of privacy.

Security cameras shall not encroach upon common areas of the Mutual or another Shareholder's Unit.

7.1.2 The use of cameras for surveillance or security proposes is done at the installing Shareholder's own risk and such Shareholders understand that cameras may serve as a deterrent but may not actually prevent crime.

7.1.3 Allowing Shareholders to install cameras within their own units, in no way implies any responsibility whatsoever on the part of the Mutual. The Mutual shall not be held liable, or otherwise responsible, for damaged property, illegal activity, and/or risk to life or limb, or any safety or security problem. All Qualifying Residents and their guests are encouraged to provide their own security measures and take safety precautions as necessary, subject to the limitations set forth in the Mutual's Governing Documents. Each Shareholder is responsible for providing their own insurance coverage in the case of criminal activity, property damage, and/or liability.

7.1.4 Shareholders are responsible for all costs associated with the installation, operation, and maintenance of the security cameras.

7.1.5 Shareholders may not install security cameras in a manner that increases maintenance costs for the Mutual. Shareholders shall be responsible for all repairs and maintenance costs incurred due to the installation of security cameras wherever located.

7.1.6 Shareholders shall indemnify the Mutual and/or its Shareholders for loss or damage caused by the installation, maintenance or use of the security cameras, including but not limited to any injuries sustained and/or medical costs incurred to any persons installing, maintaining and/or removing security cameras.

7.1.7 Any Contractor employed by Shareholders to provide security camera installation, maintenance or removal services must hold all licenses which may be required by state law and/or local ordinance, and maintain a current policy of public liability, workers compensation, and property damage insurance which does not contain any endorsements or exclusions for work performed at common interest developments. The Mutual, the Mutual's managing agent, and the installing Shareholder(s) shall be named as additional insureds on the installer's policy of insurance.

7.1.8 Any incursion into the structure (roofs, walls, etc.) that results in damage or water/moisture penetration and any costs incurred related to such damage shall be the sole responsibility of the Shareholders to fully reimburse the Mutual to repair and remediate such damage.

7.1.9 If the security camera is removed for any reason, the Shareholders shall remediate any holes and/or penetrations that were made relative to the installation of the security camera. Shareholders shall be solely responsible for restoring the Unit, any Mutual property, and/or any common area within the Mutual to its original condition, prior to the installation.

7.1.10 When a Shareholder sells his/her Unit, the Shareholder shall require the new Shareholder to accept responsibility in writing or to remove the security camera and its associated components of the installation and restore the property as described above. Should the new Shareholder fail to accept such responsibility, the Shareholder is responsible for removing any security cameras installed.

7.1.11 Any video footage recordings made by the Shareholder's security cameras are the sole property and responsibility of the Shareholder. The Mutual shall bear no responsibility nor have any liability for the recordings. The Shareholder shall indemnify the Mutual and its managing agents in the event any loss or damage is caused due to any unlawful recording and/or dissemination of video footage obtained by the security camera, by the Shareholder and/or any third party.

7.1.12 Pursuant to California Penal Code section 632, it is unlawful to use a recording device to record the communication between parties, without the consent of all parties to a confidential communication. Individuals may have an expectation of privacy in their conversations and any security camera installed should not record audio.

7.1.13 All installations of security cameras shall be completed so that no damage is sustained to the Mutual property, common area, and/or the property of any Shareholder, or in any way impair the integrity of any buildings, Mutual property, common areas and/or the property of any Shareholders within the Mutual. No installation of any security cameras shall void any Mutual and/or any Shareholder's warranty and/or insurance policies.

Section 7.2 – Smart Doorbells.
No Shareholder may install a Smart Doorbell.

Section 7.3 – Unmanned Aerial Flights Vehicles (Drones).
The recreational flight of drone aircraft is prohibited over all Mutual property. The only circumstances under which drone aircraft may operate in the air over Mutual property are as follows:

(i) In the event of an emergency declared by local, state or federal authority, or by an authorized officer of the Golden Rain Foundation, or the Executive Director of the GRF, or an officer of Mutual Board of Directors. Proper documentation of the qualifications of those operating the drone and liability insurance will be required; or

(ii) A commercial drone flight, at the invitation of the Mutual Board, for purposes determined to be necessary and beneficial to Mutual shareholders. Proper documentation of the qualifications of those operating the drone and liability insurance will be required.

Any violation of this Section 6.3 shall be considered a trespass, and the Leisure World Security staff will be called upon to bring such trespass to an end in a peaceful manner with or without the assistance of the Seal Beach Police Department.

Section 7.4 – Satellite Dish.

Any Shareholder that wishes to install a satellite dish, must adhere to the following: (1) Shareholder must obtain a permit to install the satellite dish from the Physical Property Department of the GRF prior to having a satellite dish installed; (2) Shareholder must ensure that the licensed company complies with all GRF Physical Property Department and Mutual Three's policies, rules and regulations; (3) Shareholder understands that the Mutual has the authority to remove the satellite dish at Shareholder's expense if a permit is not obtained from the Physical Property Department; (4) Any damage which may occur to the building or roof during installation, or during the operation of the satellite dish, is the responsibility of the Shareholder and will be paid by the Shareholder; (5) Shareholder must maintain the satellite dish in good condition, both aesthetically and functionally. Should Shareholder fail to maintain the satellite dish in good condition, the satellite dish will be removed at the Shareholder's expense; (6) Shareholder must remove the satellite dish upon the sale or transfer of Unit, at the Shareholder's expense, unless the purchaser of the Unit is willing to sign an indemnity and release agreement with the Mutual; (7) Shareholder's contractor must install and wire the satellite dish pursuant to the Mutual's requirements and conditions for a satellite dish.

7.4.1 Mutual Requirements and Conditions for a Satellite Dish; Mounting Locations; Cable Routings; Groundings.

(i) Obtain a GRF permit prior to the installation;

(ii) The maximum size of the satellite dish is not to exceed thirty-six (36) inches;

(iii) The southern view must not be obstructed at any time. There can be no obstructions, such as trees or structures, between the dish and the satellite. Seasonal foliage, future growth of existing trees, possible remodeling or additions to the Shareholder's Unit or adjacent units and changes in landscaping must be considered when installing the satellite dish;

(iv) All satellite dishes must be stable and secure and must be able to withstand winds;

(v) The installation of the satellite dish shall be done in accordance with the current National Electrical Code, installed by a licensed television company that meets all Foundation and Mutual insurance requirements;

(vi) Direct roof mount is not allowed due to the required roof penetration;

(vii) Roof vent mount is allowed. When mounting a satellite dish to a roof vent, the top of the satellite shall not be higher than four feet (4') above the top of the roof line;

(viii) Routing must not break through any roofing or framing – vent pipe flashing only;

(ix) All entry points into the Unit and any and all test holes must be sealed with approved sealant to prevent water seeping into the Units;

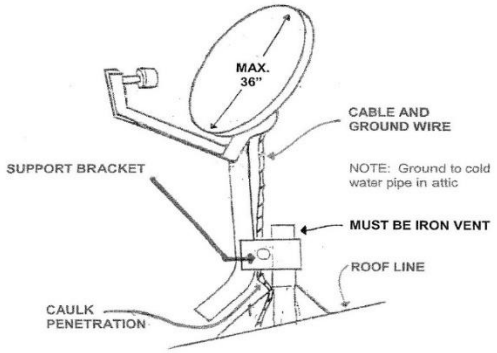
(x) Fire Wall Penetration – Fire – Resistive Wall Partitions and Floors: Such penetrations shall be completed per the current Uniform Building Code (UBC), Sections 709 and 710;

(xi) All openings made through a ceiling for penetrations such as cables, cable tracks, conduit, pipes or tubing shall be protected with approved through-penetration fire stops;

(xii) Vent mount installations require the cable and ground wire from the dish to follow the vent pipe into the attic area. Approved tar sealant must be applied where cable enters vent pipe flashing. A half- inch slit at the top of the roof jack is allowed to feed the cable alongside of the vent pipe. Approved silicone sealant must be used around this area;

(xiii) Local electrical installation codes and the current National Electrical Code require the satellite dish to be grounded;

(xiv) Use ground wire to connect the satellite dish to a metal cold water pipe using a grounding clamp and following the guidelines.



(SIDE ELEVATION)

ARTICLE VIII – WILDLIFE

Section 8.1 – Prohibition on Feeding Non-Domesticated Wildlife.

For purposes of this Article, non-domesticated wildlife is described as all members of the wild bird family, including but not limited to, hawks, owls, pigeons, doves, crows, and black birds, as well as other wildlife such as rabbits, opossums, raccoons, squirrels, rats, coyotes, and feral cats. In compliance with California Code Section 251.1, no Shareholder shall feed any non-domesticated wildlife on Mutual property.

Section 8.2 – Pet Food and Standing Water.

Pet food and standing water sources are prohibited on patios, in carport areas, and in gardens.

Section 8.3 – Bird Feeders.

Bird feeders with bird seed of any type are not allowed at the unit or anywhere on Mutual property including hanging from trees or other support devices, nor hanging from any part of the Mutual building structure. A shepherd's hook type hanger in the flower bed is acceptable for a hummingbird-type feeder with liquid food, but not on common area Mutual property, including

but not limited to hanging from trees or other support devices, nor hanging from any part of a Mutual structure.

ARTICLE IX – BARBECUES

Section 9.1 – Use of Barbeques.
Propane, butane or electric barbeques shall only be used in an outdoor location that is at least 10 feet away from all structures. After barbequing, the barbecue may be left in place overnight to allow the appliance to cool down. Charcoal barbeques are not permitted. Electric cords cannot be on walkways.

Section 9.2 – Prohibited Use of Barbeques.
No barbeques of any kind shall be used under a porch roof due to the possibility of large flare-up flames while cooking. Barbeques shall not be used underneath the eaves. No barbecues of any kind shall be used inside a Unit for cooking, heating or storage purposes.**Section 9.3 – Storage of Barbecues.**
Propane, butane or electric barbeques may be stored on the outside, open patio of a Unit, but never stored in an enclosed porch. If a Unit has no patio or porch, the barbeque must be covered and stored in the garden area adjacent to the main entry walkway. Propane, butane or electric barbeques shall not be stored inside a Unit. Propane, butane, or other compressed gas shall not be stored on an enclosed patio or inside a Unit.

ARTICLE X – PETS

Section 10.1 – Definition of Pet.
A pet is any domesticated bird, cat, dog, aquatic animal kept within an aquarium, or other animal as agreed to between the Mutual and the homeowner.

Section 10.2 – Number of Quadruped Pets.
The number of quadruped pets per Unit shall be restricted to one.

Section 10.3 – Number of Birds.
The number of birds per Unit shall be restricted to two.

Birds brought into the Mutual as pets must be examined by a veterinarian, vaccinated against all infections, and certified to be free of the avian flu virus. Birds shall be kept inside the Shareholder's Unit at all times and are not allowed in the patio/porch area. The Shareholder is responsible for the safe disposal of cage debris. The debris must be sealed in a plastic bag and placed in the trash bin in order not to attract rodents to the area. Birds must be quiet enough not to disturb the Shareholder's neighbors. Except for the number limitation, the same general rules shall be applicable for birds as for quadruped animals.

Section 10.4 – Prohibited Animals.
All members of the reptile, arachnid and monkey families, as well as any raucous-voiced birds, are prohibited; however, a reptile, such as a small lizard or turtle that is housed in a terrarium or

aquarium, is permitted. At no time shall it be appropriate for Shareholders to house or maintain within the confines of the Mutual any animal commonly known as a farm animal, domesticated farm animal, or any animal commonly maintained on a farm for the purpose of breeding for its fur, feathers, byproducts, or for human consumption, or as may be found in specialty meat markets. Farm animals may include, but are not limited to: duck, goose, chicken, potbellied pig, piglet, cow, calf, goat, rabbit, lamb, miniature horse, pony, etc.

Section 10.5 – Weight Restrictions.
No pet which is expected to weigh in excess of twenty-five (25) pounds at full maturity may be kept within the Mutual.

Section 10.6 – Pets Prohibited in Common Area.
Pets are prohibited from common area facilities, such as clubhouse facilities, library, Golf course, health care center, amphitheater, swimming pool area, Administration Building, lobbies, and laundry rooms. In all other permitted areas, the pet must be on a leash not longer than six feet and under the control of, and accompanied by, a Qualifying Resident and/or adult agent of the Qualifying Resident pet owner.

Section 10.7 – Pet Waste.
In accordance with Seal Beach City Code, Section 3-10.26 – Maintaining Sanitary Conditions, persons allowing their dog or cat to defecate on property other than their own property, shall remove such feces immediately or be subject to a city fine of $25. The Qualifying Resident pet owner shall immediately, and forthwith, remove any pet waste deposited by the pet in all common areas where said pet is permitted. The Mutual will impose a fine, per occurrence, on any Qualifying Resident pet owner who fails to immediately remove any such pet waste deposited by their pet. The imposed fine shall be $25, per occurrence or the actual amount charged by the janitorial services company to have one of its employees remove the pet waste, if greater than $25. The imposed fine shall be paid by the Qualifying Resident pet owner to the Mutual. It shall not be permissible to maintain a pet in a residence unless sanitary standards are maintained governing the disposal of pet waste. Qualifying Resident pet owners with properly registered pets shall be permitted to walk their pet while the pet is on a leash not longer than six feet for the purpose of exercising and/or depositing pet waste on any lawn area. At all times, the Qualifying Resident pet owner or responsible adult must have on their person, in plain view a plastic bag and/or a poop scoop device for the purpose of immediately removing any pet waste deposited on any lawn or ground area. Pets are not allowed to access any garden areas and are restricted to turf areas only to relieve themselves.

Section 10.8 – Requirements.
All quadruped pets brought into the Mutual by a Qualifying Resident pet owner shall have been spayed or neutered. Qualifying Resident pet owners are required to control noise and odor caused by a pet. Any noise or odor which adversely affects any other resident is not permitted. No quadruped pet may be left unattended in any dwelling area for more than four (4) hours. All pets must be under the Qualifying Resident pet owner's control in a Unit, so as not to be a hazard

to security officers, maintenance staff, fire inspectors, paramedics, mail carriers or service providers, or other employees requiring access to a Unit where there are pets. Qualifying Resident pet owners who, on a temporary basis, allow a neighbor to assume responsibility for their pet for a period longer than four (4) consecutive hours must notify the Security Department of the temporary arrangement and provide a sign for the neighbor to post on the exterior of the neighbor's residence, near the front door, notifying service providers and employees who require access to the Unit in an emergency that a pet is temporarily being housed inside the Unit.

Section 10.9 – License Requirements.

All pets to be living within the Mutual, before being registered for admittance, shall have been inoculated in accordance with all federal, state and local laws, and shall be licensed by the City of Seal Beach as required, and shall carry a current license tag on their collar. Said licensing shall be pursuant to all applicable local and state laws and regulations. All properly registered pets (cats and dogs) shall also be required to wear a bright- colored Mutual tag on their collar along with the license tag, thereby showing proof of registration with GRF. Pet owners must provide written documentary proof to GRF that the pet to occupy a Qualifying Resident's Unit is licensed pursuant to all applicable state and local laws and regulations and will carry a licensed tag as described herein. Pet owners must complete and sign a Pet Ownership Registration Form as prepared by GRF and/or the Mutual in which Qualifying Resident resides.

Further, the pet registration information and licensing must be updated on or before December 31 of each year.

The Mutual/GRF Pet Ownership Registration Form will include or be accompanied by: (1) A certificate signed by a licensed veterinarian or a state or local authority empowered to inoculate animals, stating that the quadruped pet has received all inoculations required by applicable state, and local laws; (2) Information sufficient to identify the pet, and to demonstrate that it is a common household pet; (3) The name, address, and telephone number of one or more responsible parties who will care for the pet if the pet owner dies, is incapacitated, or is otherwise unable to care for the pet; (4) A statement signed by the Qualifying Resident pet owner indicating that he/she has read these Pet Ownership Rules and agrees to comply with the contents therein. The Qualifying Resident pet owner shall acknowledge that the pet owner and the pet are subject to exclusion from the Mutual and the Unit if there is not a compliance with these Rules and registration requirements. The Qualifying Resident pet owner shall acknowledge that failure to comply with these Rules and registration requirements shall be grounds for refusing to permit a pet to be kept in a Unit of the Mutual, and continued violations may cause termination of the Qualifying Resident pet owner's residency; (5) The insurance carrier for the liability insurance required as to the pet, together with the address of the agent, and the amount of coverage procured shall be indicated on the Pet Ownership Registration Form. Qualifying Resident pet owners shall bring a copy of their insurance policy into the Stock Transfer Office and have a copy made of the cover and declaration pages, which will then be placed in the pet occupancy file. Coverage requirements are set forth in this Article X; and (6) provide documentation of

spay/neuter from a licensed veterinarian or state, or local authority, a copy of which will be maintained in the Stock Transfer Office.

Section 10.10 – Non-Resident Animals.
Pets not owned by a Qualifying Resident shall not be brought upon the premises of the Mutual. Qualifying Residents may not, even temporarily, keep a non-registered pet owned by another person in their Unit.

Section 10.11 – Cat Litter.
Qualifying Resident pet owners owning a cat, or another pet using a litter box, are required to change the litter at least twice each week. Qualifying Resident pet owners are required to separate the pet waste from the litter at least once each day. Pet waste shall be deposited in airtight plastic bags before being deposited in the trash or garbage bins. Do not flush kitty litter down the toilet, as this will cause a sewer blockage, for which the Qualifying Resident will be responsible.

Section 10.12 – Insurance Requirement.
Qualifying Resident pet owners owning a cat or dog pursuant to these regulations shall procure a policy of liability insurance in an amount sufficient for the indemnification of other persons who may be injured by the pet of the Qualifying Resident with coverage in an amount sufficient to cover their personal liability. The minimum amount of liability insurance required is three hundred thousand dollars ($300,000.00).

Section 10.13 – Pet Ownership Decal.
Resident pet owners must display a pet ownership decal in a prominent location near the front door of their residence in order to alert security officers, maintenance staff, fire inspectors, mail carriers, or other employees requiring access to a Unit where there are pets.

Section 10.14 – Move Out Cleaning Requirements.
Resident pet owners, upon the sale of their Unit shall have the Unit treated professionally by a licensed pest control company prior to the close of escrow, at the pet owner's expense.

Section 10.15 – Mutual's Right to Remove Pets.
In the event of any emergency related to a pet, and in the event there is no state or local authority (or designated agent of such an authority), the Mutual reserves the right to remove a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of other residents of Seal Beach Leisure World, and/or their guests. Subject to execution of an agreement by the Qualifying Resident pet owner, a representative of the Mutual, along with the Security Department, may enter the premises, if necessary, to remove the pet only if the Qualifying Resident pet owner refuses to remove the pet at the Mutual Corporation's request, or if the Mutual Corporation cannot contact the Qualifying Resident pet owner to make a removal request, and may take such action with respect to the pet as may be permissible under federal, state and local laws, which may include placing the pet in a facility that will provide care and shelter for a period not to exceed thirty (30)

days. If the health or safety of a pet is threatened by the death or incapacity of the Qualifying Resident pet owner, or by other factors that render the Qualifying Resident pet owner unable to care for the pet, and pursuant to the authorization in the Pet Ownership Registration Form, the Mutual may contact a responsible party or parties listed on the Pet Ownership Registration Form for the purpose of removing and caring for the animal. If the responsible party or parties are unwilling or unable to care for the pet, the Mutual may contact the appropriate state or local authority and request the removal of the pet. If there is no state or local authority, the Mutual Corporation may remove the pet and place it in a facility that will provide care and shelter until the responsible party or representative may be contacted, or the Qualifying Resident pet owner is able to assume responsibility for the pet, but not for longer than thirty (30) days. The cost of the animal care shall be borne by the Qualifying Resident pet owner. In the event that no resolution, as related to the care of the pet under and pursuant to the above is made within thirty (30) days, the Mutual and/or GRF are authorized to deliver the pet to any local humane society or association, either private, state, federal, or county.

Section 10.16 – Pet Owner Liability.
The Qualifying Resident pet owner or Qualifying Resident pet owner's estate shall remain responsible for any and all damages, injuries and related expenses caused by the pet, which may include the payment of any legal expenses incurred by the Mutual and GRF in the enforcement of these Rules.

Section 10.17 – Violation of this Article X.
In the event of a determination of a violation of these Rules, the Mutual shall serve a written notice of the pet rule violation on the Qualifying Resident pet owner. The written notice shall contain a statement of the factual basis for determining which violation has occurred to constitute alleged violation of these pet Rules. The written notice shall state that the Qualifying Resident pet owner has ten (10) days from the effective date of service of the notice to: (i) Correct the violation (including, in appropriate circumstances, removal of the pet); or (ii) Make a written request to hold a meeting with the Mutual Board to discuss the alleged violation. The Qualifying Resident pet owner is entitled to be accompanied by another person of his/her choice at a meeting, if a meeting is requested. The Qualifying Resident pet owner's failure to correct the violation, to request a meeting, or to appear at a requested meeting, may result in an initiation of procedures to terminate the Qualifying Resident pet owner's occupancy in the Mutual.

Section 10.18 – Service Animals.
Any resident of the Mutual who requires a service or assistance animal because of a disability may request a reasonable accommodation, under applicable State or Federal law, from complying with any of the rules herein. Such resident may make a request for reasonable accommodation to the Mutual, which will consider each request on a case-by-case basis.

ARTICLE XI - ELECTION AND VOTING RULES

This Article XI has been intentionally left blank and once these Rules and Regulations have been approved and adopted by the Board, the current Election Rules will be placed in this Article XI for ease of reference.

ARTICLE XII – ESTATE/PATIO/PORCH SALES

Section 12.1 – Shareholder Estate/Patio/Porch Sales.

A Shareholder who wishes to conduct an estate, patio or porch sale must comply with the following and submit the following documents to the Board for approval: (i) Complete four (4) copies of the "Request for Permission to Conduct Estate Sale" and three copies of "Estate Sale Inventory" (collectively, the "Forms"); (ii) give one (1) copy of each of the Forms to the Mutual President; (iii) give one (1) copy of "Request for Permission to Conduct Estate Sale" to the Golden Rain News, if advertising the sale in the News; (iv) give one (1) copy of "Request for Permission to Conduct Estate Sale" to the Security Department; (v) post a copy of "Estate Sale Inventory" at the place of sale; (vi) provide one (1) copy of a sales contract or agreement, relating to the sale of the Shareholder's Unit, to Mutual Representative; (vii) proof of Seal Beach Business License for person conducting sale of the Shareholder's Unit (business license not required if person conducting sale is an immediate family member). Person conducting sale must be present at sale site at all times during the estate sale; (viii) outside merchandise is not permitted; (ix) provide either of the following: (1) proof that a "Notice of Intention to Withdraw" form has been completed and submitted to the Stock Transfer Office and (2) For a deceased Qualifying Resident, a copy of a death certificate for a deceased Qualifying Resident or for a living resident, a document that certifies that living Qualifying Resident is in an assisted living facility and does not plan on returning to the unit. Such sales will be restricted to one (1) Estate/Patio/Porch Sale per calendar year; no more than two consecutive days (Thursday and Friday only) and between the hours of 9:00 a.m. to 3:00 p.m.

ARTICLE XIII – VISITORS

Section 13. 1 – Visitors.

Pursuant to California Civil Code Section 51.3, a Qualifying Resident is permitted to have an overnight visitor or visitors in their unit cumulatively for a maximum of up to sixty (60) days per twelve-month period.

Section 13.2 – Visitors Permitted.

Visitors are only permitted to visit while the Qualifying Resident is residing and present in the Unit. The Qualifying Resident may not vacate or be absent from the Unit and import others to be in the residence as a guest in the absence of the Qualifying Resident. If the visitor is sleeping in the Unit, both the visitor and Qualifying Resident must be present in the Unit.

Section 13.3 – Immediate/Collateral Family of Qualified Permanent Residents.
Pursuant to California Civil Code Section 51.3, the Mutual is a senior citizen housing development and from time to time, a Qualified Permanent Resident ("QPR"), as defined in said section, may become a resident in one of the Units. However, there is no provision in Civil Code Section 51.3 requiring that the Mutual permit immediate or collateral family of a QPR to also reside with the QPR. No member of any immediate or collateral family in any relationship with a QPR shall live with the QPR while such QPR resides with a Qualifying Resident as permitted under California Civil Code Section 51.3.

ARTICLE XIV – MISCELLANEOUS

Section 14.1 – Commercial Signs.
Commercial signs are prohibited in the Mutual, except a Shareholder is permitted to display one (1) "for sale" sign, advertising their Unit for sale, inside a window, as long as the sign has a white background, black or blue lettering, and does not exceed fifteen inches (15") by eighteen inches (18") in size.

Section 14.2 – Noncommercial Signs.
Noncommercial signs, posters, flags or banners may be displayed on a Shareholder's Unit, except as required for the protection of public health or safety, or if the posting would violate a local, state, or federal law.

A noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric, but may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other building, landscaping, or decorative component, including the painting of architectural surfaces.

Noncommercial signs or posters may not be larger than nine (9) square feet in size and noncommercial flags or banners may not be larger than fifteen (15) square feet in size.

Section 14.3 – Flagpoles/Wall Mounted Flagpoles.
If a Shareholder wishes to have a flagpole installed, the following must be adhered to: (1) Shareholder must obtain a permit to install a flagpole from the Physical Property Department of the GRF; (2) The flagpole may be installed only in the Shareholder's authorized garden area at a maximum height of twenty feet (20'). The minimum height varies, but it must be high enough so that the flag does not touch the building or roof when whipped by wind; (3) The material of a flagpole must be standard aluminum tubing with proper rope cable, flag clamps and a pulley system. The rope cable must have a means to be stretched and tied down so as to not flap in the wind; (4) The flagpole must be erected on a concrete base within the Shareholder's authorized garden area. The dimensions of the concrete mounting base are: (i) 24-inch square or round base with a standard shoe base imbedded in the concrete to attach the flagpole. The depth of the concrete base must be a minimum of two feet (2') embedded in the earth of the authorized garden area; (ii) standard shoe base must be installed and leveled to allow the flag pole to be

parallel to the building structure and vertical to earth's gravity from the ground; and (iii) flagpole may not be attached to the structure of the building by any method; (5) The flagpole must be maintained in good condition by the Shareholder. If it is not maintained in good condition by the Shareholder, the flagpole will be removed at the Shareholder's expense; (6) Upon the sale, lease or transfer of unit, the Shareholder shall remove the flag pole, at his or her expense, unless the buyer agrees, in writing, to comply with the requirements set forth in this Section 14.2; (7) The flag flown on the flagpole should be lowered at sunset every day that the flag is flown; and (8) the Shareholder must enter into an indemnity and maintenance agreement on the form as provided by the Mutual and such agreement shall be kept on file with the Stock Transfer Office.

If a Shareholder wishes to have a wall-mounted flagpole, the following must be adhered to: (1) The flagpole may be mounted only to a vertical post in the Shareholder's Porch; (2) The mounted flagpole cannot extend beyond the Shareholder's exclusive garden area and the flag should not touch the building or roof when whipped by wind, and the flag cannot drag on the ground; (3) The mounted flagpole and flag must be maintained in a good and attractive condition by the Shareholder. If it is not maintained in a good and attractive condition by the Shareholder, and/or if the flag has become faded or ripped, the mounted flagpole and flag will be removed at the Shareholder's expense; and (4) The flag flown on the mounted flagpole should not be larger than three (3) feet by five (5) feet; and (5) no more than one flag at a time may be flown from a mounted flag pole..

In accordance with the requirements set forth in these Rules, specifically, Article III, Section 3.2.6, Shareholder shall be responsible for any damage caused by the installation or maintenance of an installed flagpole or mounted flagpole and required to remove any mounted items upon Mutual demand to facilitate Mutual maintenance.

Section 14.4 – Trash.

Trash and garbage, whether contained or not, may not be left outside of the Unit at any time. Shareholder will be responsible for costs of disposal of any items left outside the trash bins.

Section 14.5 – Unit Pre-Sale Cleanup.

All Shareholders must comply with the terms of this Section 14.4 upon the sale of the Shareholder's Unit, whether due to the election of sale and/or the Qualifying Resident's demise.

14.5.1 If the Unit is to be sold, a "Notice of Intention to Withdraw" must be filed with the Stock Transfer Office in the Administration Building.

14.5.2 All trash must be removed from the Unit and patio area and disposed of in the trash bins located at the carports. All trash must be completely contained within these trash bins. Discarded items may not be left outside the trash bins. For large items that cannot be contained within these trash bins, a large dumpster is located in the garden area at the northwest corner of Leisure World on Nassau Street (behind Mutual Nine). Shareholder will be responsible for costs

of disposal of any items left outside the trash bins.

14.5.3 Televisions, electronics, paint and other combustibles or chemicals may not be placed in any trash dumpster within Leisure World. Items of this type and liquids containing hazardous materials must be disposed of at a hazardous waste facility. Contact: Huntington Beach Hazardous Waste Collection Center at (714) 847-3581 for information (on Nichols Street, west of Beach Boulevard and south of Warner Avenue), or the Orange County Integrated Waste Management Department at (714) 834-6752.

14.5.4 Refrigerator must be emptied and washed inside and out, be turned off, and the doors propped open to vent and dry the interior. If the refrigerator doors are not propped open, the refrigerator must be left on.

14.5.5 All food products must be removed from the cupboards and disposed of properly.

14.5.6 Cook top must be cleaned, and grease or drippings removed from under the burners. Exhaust filter must be thoroughly washed or replaced. Replacement filters may be obtained through the GRF Purchasing Department located at the West end of Golden Rain Road.

14.5.7 Oven must be cleaned, and the grates and broiler pan/cover thoroughly washed.

14.5.8 Kitchen and bathroom countertops, sinks, tub, shower enclosures and toilets must be thoroughly cleaned.

14.5.9 Interior surfaces in Unit are to be cleaned, and the carpet vacuumed.

14.5.10 Only patio furniture may be left on the patio during this interim period.

14.5.11 Electricity must be left on during the sale period to allow the electric smoke detector system to remain operational.

14.5.12 Carport storage locker must be cleaned out and left unlocked.

Section 14.6 – Lockout Procedures.

In the event of the death of a Qualifying Resident or Shareholder, the Mutual must comply with the following procedures:

14.6.1 Death of Qualifying Resident with Surviving Shareholder/Qualifying Resident Living in the Unit. If there is a surviving Shareholder/Qualifying Resident occupying the Unit at the time of death of the Qualifying Resident, irrespective of whether the death occurred within the Unit, in Leisure World, or elsewhere, Security will deliver the GRF Bereavement Workbook ("Bereavement Book") to the Unit.

14.6.2 Death of Sole Shareholder.

(i) Unattended Death. If the death of the sole Qualifying Resident/Shareholder is unattended – i.e., no other individuals are present at the time of death and the Unit is sealed per law enforcement or the Coroner order's, then no one, including without limitation, next of kin, trustees, Shareholders, visitors, guests, or registered caregivers, may access the Unit until otherwise directed by law enforcement or the Coroner. In the event that any individual desires to access the Unit, the Mutual reserves the right to prevent such entry pending further authorization from law enforcement or the Coroner. Security will place the Bereavement Book at the front of the Unit and reserve the right to place a knob lock on the door. If the door is unable to accommodate a knob lock, a plywood sheet may be affixed over the door. Further, access will not be granted until authority of the Estate/Trust is provided to, and authorized by, the Stock Transfer Office.

(ii) Attended Death. If the death of the Qualifying Resident/Shareholder is attended, Security will complete a DOA Report, to identify all individuals present at the time of death. Security will deliver the Bereavement Book to the Unit. Security will instruct all individuals present, who identify themselves as having legal authority over the Unit, to visit the Stock Transfer Office, as soon as reasonably possible, in order to present evidence of the same. Notwithstanding the foregoing, Security will inform all persons present that no one may stay in the Unit overnight without Mutual permission, unless they are a Qualifying Resident, Qualified Permanent Resident, or registered Co-Occupant. If Security is unable to verify the party with legal authority over the Unit, all persons present will be asked to leave the Unit until legal authority is established at the Stock Transfer Office. From there, and until otherwise decided by the Stock Transfer Office, Security reserves the right to place a knob lock on, or affix a plywood sheet to, the door of the Unit.

14.6.3 Reporting of Death to Mutual Board. The Stock Transfer Office will report Qualifying Resident/Shareholder deaths to the Mutual Board within two (2) business days, and will include the following information, without limitation: (1) name of decedent; (2) date and location of death; (3) identification of persons present at Unit (if any); (4) name, relationship and contact information of surviving Qualifying Resident/Shareholder (if any); (5) name, relationship and contact information of decedent's emergency contacts (if any); (6) if legal authority has been established; (7) if/how the Unit was secured; and (8) if there are any registered Co-Occupants, caregivers or pets in the Unit.

Section 14.7 – Nuisance Policy.

The Mutual No. Three Occupancy Agreement provides that Shareholders shall not interfere with the rights of other residents and that Shareholders shall not commit or permit any nuisance within the Mutual.

The emission of loud noises or of noxious odors and fumes, including without limitation, secondhand smoke from devices including, but not limited to cigarettes, cigars, pipes, hookahs

or similar items, and offensive activities may create conditions that interfere with the use and enjoyment of other Shareholders and Qualifying Resident's units, thereby constituting a nuisance. The Board is entitled to determine, in its sole and reasonable discretion, if any device, noise, odor, light, smoke, or activity constitutes a nuisance. All Shareholders, Qualifying Residents, guests, and invitees must comply with the following, regarding loud noises, offensive activities, noxious odors and fumes and secondhand smoke within the Mutual:

1. Any Shareholder and/or a Qualifying Resident/occupant/guest within the Mutual who wishes to smoke any substance (such as cigarettes, cigars, pipes, and/or hookahs or similar items) outside of a Unit may not do so within twenty (20) feet of any residential buildings in Mutual 3. This includes all exterior Patios, but not Porches.

2. Devices that create or constitute a nuisance may not be kept or operated within the Mutual. Such devices include, without limitation, the following:

    a. Horns, whistles, bells, and other sound devices that create or emit loud noises; provided, however, security devices/systems may be installed and used within a Unit or a vehicle to protect the security of such Unit or vehicle and its contents, so long as reasonable care is taken to prevent consistently false alarms of, and annoying and disturbing noise from, such devices/systems;

    b. Devices that create or emit loud noises or noxious odors (except equipment reasonably used by the Mutual in connection with its maintenance and repair responsibilities pursuant to the Governing Documents);

    c. Devices that unreasonably interfere with television or radio, cellular and/or wireless internet reception, and the reception of similar electronic transmissions, to another Unit;

    d. Mechanical equipment installed in any Unit or Exclusive Use Common Area, including, but not limited to, HVAC equipment, that is not insulated and installed so as to prevent unreasonable noise or vibration.

3. Activities that create or constitute a nuisance may not be undertaken or conducted within the Mutual. Such activities include, without limitation, the following:

    a. The creation of unreasonable levels of noise from parties, music, radios, television, or related devices;

    b. Any activity which is a serious annoyance or nuisance to more that one Shareholder, Qualifying Resident or Tenant, or which may in any way interfere with more than one Shareholder, Qualifying Resident or Tenant's quiet enjoyment and peaceful possession of such Shareholder, Qualifying Resident or Tenant's Unit or Exclusive Use Common Area;

c. Any activity which may (i) increase the rate of insurance for the Mutual, the Common Area, or any Unit, (ii) result in cancellation of the insurance for the Mutual, the Common Area, or any Unit, (iii) obstruct or interfere with the rights of any Shareholders, Qualifying Residents or Tenants, (iv) violate any law or provision of the Mutual's Governing Documents, or (v) constitute a nuisance or other threat to the health, safety, or welfare of any Shareholders, Qualifying Residents or Tenants of the Mutual.

2. Any damages and/or liability arising from the emission of loud noises, offensive activities, noxious odors and fumes and secondhand smoke in violation of this rule by a Shareholder and/or a Qualifying Resident/occupant/guest, will be borne by the Shareholder and/or Qualifying Resident of the offending Unit.

3. If any Shareholder or Qualifying Resident believes that s/he is entitled to an exception to any of these rules as a reasonable accommodation of a disability, s/he may submit such a request. All requests will be considered on a case-by-case basis.

4. Any report of a violation of this Section 14.6 must be submitted by two (2) or more residents of the Mutual. Such report must be made in writing and signed by each of the residents. All reports will be investigated by the Board.

5. If, after an investigation, the Board should find that an odor or fume nuisance exists, the Board can, along with other violation remedies, and in compliance with the enforcement procedures set forth in Article XVI herein, require that the Shareholder commence mitigation measures including without limitation: (1) closing windows; (2) covering electrical outlets; (3) blocking off common attic space; and/or (4) installing air filtration systems.

ARTICLE XV – PENALTIES, FINES & FEES

Section 15.1 – General Violations.

In order to enforce the Governing Documents and Rules and Regulations, the Mutual Board may levy, assess, and collect reasonable fines as established by the Board of Directors pursuant to these Rules and the Fine Schedule attached hereto as Exhibit "C" and incorporated herein. The fines will be assessed against the Shareholder for violations by the Shareholder, members of the Shareholder's family, or the Shareholder's guests, invitees, licensee, tenants or lessees, pursuant to the following policy:

15.1.1 Violations. If there is a violation of the Governing Documents, including the Occupancy Agreement or these Rules, any Shareholder may contact the Mutual Board or GRF, in order to report the alleged violation to the Mutual Board. Violation reports should be in writing and should describe the violation, identify the alleged violator, and identify the individual making the report. Upon receipt of a violation report, the Mutual Board will commence the enforcement process and determine whether a violation has occurred. The Mutual Board has complete discretion to decide whether or not to take action on a written violation complaint and what action, if any, will be taken. The Mutual Board may

investigate any reported violation in order to determine whether the alleged violation has potential merit and, if so, whether the violation warrants action by the Board. Violations may also be noted by members of the Mutual Board, GRF, and/or staff during regular walkthroughs of the Mutual.

15.1.2 Enforcement Procedures. The Mutual reserves the right to take legal action in order to enforce compliance with the Governing Documents at any stage in the enforcement process. Serious violations warranting immediate action may be forwarded to legal counsel with or without taking the steps outlined below. Violations which the Mutual Board decides to address internally will be dealt with as follows:

A. Upon determination that an alleged violation has potential merit, a courtesy notice (warning letter) may, in the discretion of the Mutual Board, be sent to the allegedly offending Qualifying Resident/Shareholder ("Respondent") identifying the violation and requesting compliance within a stated period of time. A courtesy notice is not required prior to calling Respondent to hearing.

B. The Mutual shall send a notice of hearing to the Respondent stating the nature of the alleged violation, referencing the specific provision of the Governing Documents which the Respondent is alleged to have violated, and inviting the Respondent to appear at a hearing before the Mutual Board to be held no sooner than fifteen (15) days from the date of the notice. The notice shall further advise the Respondent of his or her right to attend the hearing, submit a statement of defense to the Mutual Board in advance of the hearing or present a statement of defense and supporting witnesses at the hearing. If the Respondent does not attend the hearing, the Respondent waives these rights.

C. The Mutual Board shall conduct the hearing in executive session (unless requested otherwise by the Respondent) and shall afford the Respondent a reasonable opportunity to be heard.

D. If the Shareholder is found to be in violation of the Governing Documents following the hearing, the Mutual Board may do any of the following, as noted in the hearing notice:

    a. Impose a monetary fine against the Shareholder pursuant to the Fine Schedule.

    b. Levy a special reimbursement assessment against the Shareholder pursuant to the Governing Documents.

    b. Declare the Shareholder to be not in good standing as set forth in these Rules.

d. Suspend the Qualifying Resident/Shareholder's voting rights and/or rights to use the recreational facilities if and as provided in the Mutual Governing Documents.

e. Any combination of the above.

E. Any disciplinary action taken should be recorded in the minutes of the meeting at which the disciplinary action was taken by the Mutual Board. No action against the Respondent arising from the alleged violation may take effect before five (5) days after the hearing.

F. The Mutual Board shall provide the Shareholder with written notice of the outcome of the hearing and any disciplinary action taken by the Mutual Board within ten (10) days after the hearing. In the case of a continuing violation, the notice of hearing decision may include a notice of a continuing fine, if authorized by the Fine Schedule, or notice of a subsequent hearing on the same violation to be held no sooner than thirty (30) days from the original hearing date, unless the violation is sooner remedied.

G. Fines imposed by the Mutual Board after a hearing shall be due immediately upon notice of the hearing decision to the Owner. Special Assessments levied by the Mutual Board shall be due thirty (30) days from the date of the notice of hearing decision, or upon such other later date specified therein not to exceed sixty (60) days from the date of the notice.

15.1.3 Fine Schedule. The schedule of monetary penalties which the Mutual Board may impose for general violations in accordance with the above procedures is attached to these Rules as Exhibit "C". The Mutual Board reserves the right to revise the Fine Schedule at any time through a rule change procedure and the most recent Fine Schedule shall be distributed to the Shareholders on an annual basis. Fines for parking violations are not included in Exhibit "C" but, rather, are set forth below in Section 15.2.7 of these Rules.

Section 15.2 – Parking Violations.

Any Shareholder or Qualifying Resident charged with the violation (Violator) can pay the fine or the Violator has the right to contest the "rules violation" in writing to the Parking Rules Violations (PRV) panel within ten (10) business days of the date of the violation. If Shareholder provides written notice that he/she is contesting the violation, a hearing will be scheduled by the PRV of the Mutual. Violator may submit a response in writing within ten (10) business days of the violation to the PRV, if they are unable to attend the hearing. Shareholders will be notified in writing of the results of the hearing within fifteen (15) business days. Except that contractors will be adjudicated by the Facilities Director, Health Care Center (HCC) employees

will be adjudicated by HCC management and GRF employees will be adjudicated by GRF Human Resources Department.

15.2.1 The written Rules Violation Notice ("Citation") serves as written notice of the violation and hearing (Civ. Code Section 5855). The following items will be set forth in the written Citation: (1) Description of violation, including time of violation and location and possible penalties (including possible monetary penalties); and (2) Hearing date, time, and location of Hearing.

15.2.2 The Notice Handout supplements the Citation and must contain the following: (1) The date, time, and place of the hearing; (2) The nature of the alleged violation (including the date/time and location) for which a Shareholder may be disciplined; (3) A statement that the Shareholder has a right to attend the hearing and present evidence. (Civ. Code Section 5855(b); (4) Notification that a failure to respond will acknowledge acceptance of the violation and the corresponding fine may be imposed; and (5) A section to indicate the need for an interpreter and the language requested. The PRV must be notified at least ten (10) business days prior to the hearing if the Shareholder will bring an interpreter.

15.2.3 A Shareholder may request one extension of the panel hearing under these following circumstances: (1) An extension of Hearing date at least 48 (forty-eight) hours prior to the scheduled PRV hearing with no explanation; (2) An extension for medical, health or family issues; (3) The written notification to the PRV panel that the Violator is bringing a lawyer. This will require a minimum 30-day extension to ensure Mutual attorney will be present; or (4) A second extension may be granted by the PRV.

15.2.4 The Shareholder has the right to examine and refute evidence. The photos may be viewed in the Security Office by appointment. The Security Department will have a representative present to explain all relevant information and evidence. This may include questions during the hearing. Shareholders also have the right to submit their defense in writing rather than make an appearance before the PRV. The Shareholder may bring an Observer or interpreter. The PRV panel hearing is a closed meeting. Hearings will be held in executive session. The Shareholder may request an open hearing. If the Shareholder does not appear at the scheduled hearing without prior notification to the PRV panel, this will be accepted as agreement by the Shareholder of the validity of the violation and the appropriate fine may be assessed.

15.2.5 The PRV panel shall make "findings" to support the panel's decision regarding the alleged violation. Findings may allow for vacating the citation. . Notice of the panel's decision must be given by first-class mail within 15 business days following the PRV's decision. The letter of decision shall include the PRV panel's findings.

15.2.6 The PRV panel will meet on the 3rd Wednesday of each month at 9:00 a.m. in Administration Conference Room B. A second meeting will be scheduled if the volume of

hearing requests is too large; in which case the panel will also meet on the 4th Wednesday at 1:00 p.m. in Conference Room B.

15.2.7 All violations of the Parking Rules as set forth in Article IV of these Rules and Regulations, may be assessed a monetary penalty in the following amounts:

(1) First Offense. The first offense may result in either a Fix-It citation, a Warning, a Fine or the vehicle being towed. See table below. A Fix-It citation provides the Qualifying Resident with thirty (30) days to correct the issue set forth in the Fix-It citation. The fine ***may*** be waived by the PRV panel.

(2) Additional citations may be issued after each 24-hour period.

(3) After the fourth RV or VUFR violation all RV or VUFR parking privileges are suspended for twelve (12) months beginning with the date of the fourth infraction.

Violation	**1st Offense**	**2nd and each subsequent and/or continuation of offense**
Assigned Parking Space or restricted parking Space.	**$25.00**	**$25.00**
Blocking Crosswalk	**$25.00**	**$25.00**
Expired or Invalid State Vehicle Registration (Fine will be waived on first offense if sticker and/or paperwork that was current at time of Citation is presented. The Security Services Director has the right to waive the first offence fine if needed paperwork is presented to them.)	**$50.00**	**$50.00**
Flat Tires	**Fix-It**	**$25.00**

"For Sale" sign on Vehicle	**$20.00**	**$20.00**
Handicap Parking without Placard or Handicap ID Displayed	**$100.00 (Fine will be waived on first offense if placard and/or paperwork that was current at time of Citation is presented. The Security Services Director has the right to waive the first offence fine if needed paperwork is presented to them.)**	**$200.00**
Hazardous Materials Leaking	**$50.00**	**$50.00**
Limited Time Parking	**$20.00**	**$20.00**
Maintenance or Repair	**$25.00**	**$25.00**
No Valid GRF Vehicle Decal or Parking Permit Displayed	**$20.00**	**$20.00**
Parked on Sidewalk or Grass	**$25.00**	**$25.00**
Parked in RED Zone (Bus Stop)	**$25.00**	**$25.00**
Parked in RED Zone (Fire Hydrant)	**$100.00**	**$200.00**
Parked in RED Zone (Mail Box)	**$25.00**	**$25.00**
RV or VUFR – Generator Running **8pm-8am**	**$50.00**	**$50.00**
RV or VUFR – Jack Support: None or Inadequate	**$50.00**	**$50.00**

RV or VUFR – Parked over seventy-two (72) hours on Trust street or Mutual street	**$40.00**	**$40.00**
Washing any vehicle on Trust property or Mutual property (except in designated Car Wash areas)	**$20.00**	**$20.00**
Washing a Non-Qualifying Resident Vehicle at Car Wash	**$20.00**	**$20.00**

Section 15.3 – Reporting Violations.
Any Qualifying Resident or Shareholder, including any director serving on the Mutual Board, may report violations by contacting Security or the Mutual Board. Such reports shall constitute a complaint and will be documented in writing to include the time, date, nature of violation, circumstances, and location and address of person or persons responsible. The complaint will be provided to the Mutual Board for review and, if necessary, enforcement action.

Section 15.4 – Enforcement Procedures.
In addition to the procedures and remedies set forth herein, the Mutual may take an action in law or in equity to recover damages, obtain injunctive relief, or obtain any other appropriate legal or equitable relief that may be available to the Mutual.

ARTICLE XVI – COLLECTION POLICY

Section 16.1 – Regular and Special Assessments.
Regular assessments are due and payable, in advance, on the first day of each month. If imposed, special assessments and reimbursement assessments shall be due and payable on the due date specified by the Mutual Board. Regular, special and reimbursement assessments (hereinafter collectively referred to as "Assessments"), interest, late charges, collection costs and reasonable attorney's fees, if any are imposed, are the personal obligation of the person who is the owner of the shares of stock associated with the Unit at the time when the assessment or other charge fell due.

Section 16.2 – Late Charges.
Assessments are delinquent fifteen (15) days after they become due. A late charge not exceeding ten percent (10%) or ten dollars ($10.00), whichever is greater, may be applied if payment in full of any Assessment is not received thirty (30) days after the payment is due. A late charge will not be imposed more than once per delinquent installment.

Section 16.3 – Interest.
An interest charge at a rate not to exceed twelve percent (12%) per annum will be assessed against any outstanding balance, including delinquent Assessments, late charges, and cost of collection, which may include attorney's fees. Such interest charges shall accrue thirty (30) days after the Assessment becomes due and shall continue to be assessed each month until the account is brought current.

Section 16.4 – Additional Charges, Costs and Attorney's Fees.
Pursuant to Civil Code Section 5650(b), the Mutual is entitled to recover reasonable collection costs. Such collection costs include, without limitation: All late charges, interest, attorney's fees, management costs, mailing costs, recording costs, publication costs and service costs. Such collection costs will become the liability of the delinquent Shareholder. It is the policy of the Mutual not to routinely waive any duly imposed collection costs. Please also note that returned checks may be subject to a service fee.

Section 16.5 – Application of Payments on Delinquent Assessments.
Payments received on delinquent Assessment accounts will be applied first to the Assessments owed, and then applied to collection costs, administration fees, attorney's fees, late charges, interest, and any other amount due to the Mutual in connection with collection of delinquent Assessments.

Section 16.6 –Special Assessment.
If a special Assessment is payable in installments and an installment payment of that special Assessment is delinquent for more than thirty (30) days, all installments will be accelerated, and the entire unpaid balance of the special Assessment shall become immediately due and payable. The remaining balance shall be subject to late charges, interest, costs of collection, and lien rights as provided herein.

Section 16.7 – Unlawful Detainer.
If the delinquent Shareholder does not bring the account current within thirty (30) days of notice of the delinquency, the Mutual can seek unlawful detainer and eviction pursuant to the terms of the Shareholder's Occupancy Agreement.

Section 16.8 – Partial Payments.
Any Assessment payments received from a delinquent Shareholder will be applied to that Shareholder's account. However, absent receipt of payment in full of all amounts due, the Mutual will proceed with any unlawful detainer action initiated against the Shareholder's separate interest, or the delinquent Shareholder personally, pursuant to and consistent with the requirements of California statutory and case law unless the payments are remitted pursuant to a written payment plan approved by the Mutual Board.

Section 16.9 – Lawsuit.
The Mutual may, at any time, determine to file a personal lawsuit against the delinquent Shareholder to recover all delinquent charges pursuant to relevant law. All costs and attorneys

fee in connection with the lawsuit, in addition to the delinquent charges and other collection costs, will be sought from the delinquent Shareholder.

Section 16.10 – Attorney's Fees.
If a lawsuit or unlawful detainer action is initiated by the Mutual to recover Assessments, the Mutual is entitled to recover not only the amount in default, but also reasonable costs of collection, including title company charges and attorney's fees as provided for by statute, as well as the Mutual's Bylaws, the Shareholder's Occupancy Agreement, and/or other Governing Documents.

Section 16.11 – Suspend Privileges.
The Board may, having provided the Shareholder with a Notice of Hearing pursuant to Civil Code Section 5855, suspend the common area privileges of any Shareholder who is more than thirty (30) days delinquent in paying any Assessment. Common area privileges will remain suspended until the delinquency, including any accumulated penalties, interest and costs of collection, has been paid in full.

Section 16.12 – Secondary Address.
Shareholders have a right to identify in writing to the Mutual a secondary address for purposes of, without limitation, collection notices delivered pursuant to this Article XV. Upon receipt of a written request from a Shareholder identifying a secondary address, the Mutual shall send notices to that secondary address.

Section 16.13 – No Right of Offset.
There is no right of offset. A Shareholder may not withhold Assessments owed to the Mutual on the alleged grounds that the Shareholder would be entitled to recover money or damages from the Mutual based on some other obligation or some claim of another obligation.

Section 16.14 – Charges and Fees Subject to Change.
All charges and fees set forth in this Article XV are subject to change. Upon rule change notification to the Shareholders.

Section 16.15 – Dismissal of Action Upon Payment.
Within twenty-one (21) days of payment in full of all delinquent Assessments and charges, the attorney will dismiss the unlawful detainer action, and will provide the Shareholder with a copy of such dismissal.

Section 16.16 – Right to Receipt.
When a Shareholder makes a payment, the Shareholder may request a receipt and the Mutual shall provide same which shall indicate the date of payment and person who received such payment.

Section 16.17 – Overnight Payments.
Payments may be made by overnight mail to the following address: Leisure World Seal Beach, Attn: Cashier, 13531 St. Andrews Drive, Seal Beach, California 90740.

ARTICLE XVII – LEASING RULES AND REGULATIONS

NOTE TO SHAREHOLDERS: PLEASE NOTE THAT THE FOLLOWING ARTICLE 17 IS NOT SUBJECT TO SHAREHOLDER COMMENT AT THIS TIME. IT IS INCLUDED HEREIN SOLELY FOR PURPOSES OF RE-FORMATING, AND THE TERMS ARE REFLECTIVE OF THE CURRENT LEASING RULES AND REGULATIONS.

The Board of Directors ("Board") of Seal Beach Mutual No. Three ("Mutual") has adopted the following Leasing Rules and Regulations ("Leasing Rules") in accordance with Civil Code §4740, et seq., to establish certain procedural rules for the rental of Units within the Mutual. To the extent that these Leasing Rules conflict with the Governing Documents of the Mutual, these Leasing Rules are intended to replace and supersede the provisions of the Mutual's Governing Documents, including without limitation, the Occupancy Agreement, Rules and Regulations and Policies, that discuss the rental or lease of a Unit. These Leasing Rules were revised and adopted by the Board to comply with the changes to California Civil Code §§ 4740 and 4741 which take effect on January 1, 2021, pursuant to California Assembly Bill 3182.

DEFINITIONS

For the purposes of these Leasing Rules the definitions set forth below shall apply. To the extent any term is capitalized herein but not defined, the definition set forth in the Mutual's Bylaws shall apply.

Lease: a lease or rental agreement, whether or not in writing and regardless of whether any consideration is paid, entered into between a Shareholder and a Tenant for the Tenant's occupancy of the Shareholder's Unit.

Tenant: any person who: (i) meets the age requirements set forth in California Civil Code Section 51.3, et seq.; and (ii) occupies any portion of a Unit at the Development pursuant to a Lease, irrespective of any rent paid or compensation given to the Shareholder of the Unit for such occupancy. All Tenants must sign the Addendum as further described in these Leasing Rules. Only persons who have signed the Addendum may reside in the Unit.

RULES AND REGULATIONS

Section 17.1 - Leasing of Units. The rental or leasing of any Unit shall be subject to the provisions set forth herein. When the term "rent" is used herein, it shall be deemed to mean and include the rental and/or leasing of a Unit.

Section 17.2 - Residential Purpose. Each residence shall be used only as a residential dwelling for a single household. A Shareholder may rent/lease his or her Unit for such residential purpose under a Lease, pursuant to these Leasing Rules. The number of persons residing in a Residence at any time shall comply with the Shareholder's Occupancy Agreement and Addendum, all City and County codes, regulations, and ordinances regarding the occupancy of residential dwellings, and may not exceed any occupancy limits established under such codes, regulations, or ordinances.

Section 17.3 - Addendum to Occupancy Agreement. Any Shareholder approved by the Mutual to lease out his/her Unit is required to execute an addendum to his/her Occupancy Agreement "Addendum"). Such Addendum will also require the signature of each Tenant. The failure of the Shareholder and/or the Tenant to sign the Addendum shall be deemed a waiver of the Shareholder's right to rent the Unit.

17.3.1 - Cost of Addendum. Shareholder shall pay the cost incurred by the Mutual for the Mutual's legal counsel to prepare such Addendum, in addition to the cost to have the Addendum notarized and recorded, if required by the Mutual, promptly upon request.

Section 17.4 - Restriction on Number of Units Leased.

17.4.1 No more than twenty-five percent (25%) of the Units in the Mutual shall be rented at any time (the "Leasing Cap").

17.4.2 A Shareholder desiring to rent his or her Unit may submit to the Board a written request for approval to rent. No Shareholder shall rent his or her Unit prior to receiving written approval from the Board.

17.4.3 The Board shall respond to any Shareholder's written request for approval to rent the Shareholder's Unit within forty-five (45) days of the Board's receipt of such request. If the Board does not respond to the Shareholder's written request at the Shareholder's last known address of record within this time period, permission to rent shall be deemed to have been approved by the Board.

17.4.4 The Board shall deny a Shareholder's request for approval to rent the Shareholder's Unit if the number of rented Units, plus the number of Units for which other Shareholders have received Board approval to rent but which are not yet rented, plus the Shareholder's Unit (the "Leased Unit Calculation") exceeds twenty-five percent (25%) of the Units in the Mutual. If the Leased Unit Calculation does not exceed twenty-five percent (25%) of the Units in the Mutual, the Board shall grant a Shareholder's request for rental approval.

17.4.5 In the event a Shareholder's request for approval to rent is denied, the

Shareholder shall be placed on a waiting list maintained by the Mutual, and the Shareholder shall be given an opportunity to rent his or her Unit when such Shareholder's name is first on the waiting list and the Leased Unit Calculation no longer exceeds twenty-five percent (25%) of the Units in the Development.

17.4.6 If a Shareholder who has been approved to rent his or her Unit fails to rent his or her Unit within ninety (90) days of the date of rental approval, the Shareholder's written approval to rent from the Board shall expire. In such event, the Shareholder shall be required to submit a new written request to rent his or her Unit in accordance with the foregoing provisions.

17.4.7 If a Lease for an approved rental of a Shareholder's Unit expires or terminates and the Shareholder does not enter into a new Lease for the Shareholder's Unit within ninety (90) days of the expiration or termination of the prior Lease, the Shareholder's written approval to rent shall expire. In such event, the Shareholder shall be required to submit a new written request to rent his or her Unit in accordance with the foregoing provisions.

17.4.8 At no time may a prospective Shareholder or any non-Shareholder be added to the Wait List.

Section 17.5 - Lease Requirements.

17.5.1 Subject to the Leasing Cap, and the provisions set forth above, a Shareholder may rent his or her Unit pursuant to a Lease that is: (A) in writing; (B) for a term of at least thirty (30) days (the "Minimum Lease Term"); and (C) subject in all respects to the Governing Documents, including, but not limited to, the Occupancy Agreement, provided it does not conflict with the terms contained herein.

17.5.2 The Shareholder is required to provide the Tenant with a copy of all Governing Documents, and any amendments thereto for the duration of the tenancy and Lease and ensure that the Tenant understands and acknowledges, and agrees to be bound by the same. The Shareholder must provide the Mutual with written confirmation of the foregoing. The Lease shall include a statement that any failure by the Tenant to comply with the Governing Documents will constitute a default under the Lease. The following paragraph, or a substantially similar paragraph, shall be included in each Lease:

> *In accepting this Lease, Tenant acknowledges that Tenant has received, read, and understands Occupancy Agreement for Unit _____, dated _____, and any addendum thereto, and the Bylaws, rules, regulations, and policies of Seal Beach Mutual No. Three (the "Governing Documents"). Tenant agrees to comply with the terms of the Governing Documents, and acknowledges that any failure by Tenant, or Tenant's family members, social guests, houseguests,*

servants, employees, or agents, to comply with the terms of the Governing Documents shall constitute a material default under this Lease and may result in the early termination of this Lease.

17.5.3 No less than the entirety of a Unit may be rented under a Lease, or otherwise. Notwithstanding the foregoing, one (1) roommate paying rent to a Shareholder may reside simultaneously with a Shareholder in the Shareholder's Unit. Any roommate contemplated under this Section 5.3 must also meet all requirements of a Tenant as set forth in these Leasing Rules, including without limitation, all age requirements set forth in California Civil Code Section 51.3, et seq. The foregoing shall only apply to Units with two (2) bedrooms.

17.5.4 No sub-rental of a Unit shall be permitted, and no Unit may be used for vacation rentals (for example only, listed on Airbnb, VRBO or a similar website) or rented to a corporate housing company.

17.5.5 No Unit may be leased for hotel or transient purposes.

17.5.6 The Lease must provide that upon the notice of intent to transfer Stock, the Lease shall terminate, and the Tenant must vacate the premises and remove all personal property within thirty (30) days. The transfer of Stock cannot take place unless and until Tenant has vacated the Unit.

17.5.7 Each Shareholder shall be responsible for any and all violations of the Governing Documents committed by any Tenant, or any guest or invitee of Tenant, of the Shareholder's Unit.

17.5.8 Each Shareholder shall be deemed to have agreed to save, hold harmless, indemnify, and defend the Mutual and its Directors, officers, agents, representatives, attorneys and employees from and against any and all claims, demands, actions, causes of action, liabilities, damages, and expenses arising out of, or incurred as a result of, the rental/leasing of the Shareholder's Unit, together with all costs, expenses, and actual attorneys' fees resulting therefrom.

17.5.9 Tenant must acknowledge the Mutual's right to initiate an unlawful detainer action against the Shareholder in the event: (1) the Tenant fails to abide by the terms of the Mutual's Governing Documents and the Shareholder fails to initiate an unlawful detainer action within thirty (30) days of notice from the Mutual Board of the same; and/or (2) the Shareholder's Share of Stock is terminated. Any expenses and attorneys fees incurred by the Mutual, shall be paid as set forth in Section 7.1.2 of these Leasing Rules.

Section 17.6 - Exemptions; Enforcement.

17.6.1 Upon application by a Shareholder to rent his or her Unit, the Board shall be authorized and empowered, in its sole and reasonable discretion, to grant a hardship exemption for the Shareholder with respect to the Leasing Cap. For purposes of this subsection, a "hardship" shall be defined as the need of a Shareholder to rent his or her Unit as a result of an unforeseeable event and/or because enforcement of the Leasing Cap, against the Shareholder could reasonably subject the Shareholder to suffer a severe financial difficulty.

17.6.2 If a Shareholder rents his or her Unit without approval from the Board, or otherwise in violation of the provisions of these Leasing Rules, the Mutual is authorized to pursue all of its available legal rights and remedies against the Shareholder to enforce such violation and the Shareholder shall be subject to disciplinary measures, including, but not limited to: (a) a monetary penalty in an amount to be determined by the Board; (b) other disciplinary measures; (c) termination of the Occupancy Agreement; (d) injunctive relief; and/or (e) a Reimbursement Assessment in an amount equal to the costs incurred by the Mutual related to addressing such violation, including, without limitation, attorneys' fees and costs, irrespective of whether the Mutual is able to obtain a court order to evict the Tenant or otherwise effectuate the legal eviction of the non-compliant Shareholder and/or Tenant from the Shareholder's Unit.

17.6.3 Notwithstanding anything to the contrary contained in these Leasing Rules, the Leasing Cap shall not apply to: (a) any Shareholder exempted from the Leasing Cap under the Davis-Stirling Act; and (b) the Mutual.

Section 17.7 - Unlawful Detainer.

17.7.1 Failure by a Shareholder to take legal action, including the institution of unlawful detainer proceedings to evict such Shareholder's Tenant, who is in violation of the Mutual's Governing Documents, including without limitation, the Articles, Occupancy Agreement and/or Addendum thereto, Bylaws, Rules and Regulations, or Policies, within ten (10) days after receipt of written demand so to do from the Board, shall constitute a default of the Shareholders Occupancy Agreement and/or Addendum thereto and entitle the Mutual, through the Board, to take any and all such action necessary, including without limitation, declaring forfeiture/termination of the Shareholder's Occupancy Agreement, and the institution of unlawful detainer proceedings against the Shareholder to recover possession of the Unit.

17.7.2 In any such unlawful detainer action against the Shareholder, the Mutual will seek an award of its attorney's fees and costs incurred in connection with the same pursuant to the Occupancy Agreement and/or Addendum thereto. Any other expenses incurred by the Mutual in connection with the enforcement of these Leasing Rules, including attorney's fees, shall be repaid to it by such Shareholder. Failure by

such Shareholder to make such repayment within (10) days after receipt of a written demand therefor shall entitle the Board to levy a Special Assessment against such Shareholder and such Shareholder's Unit for all such expenses incurred by the Mutual.

17.7.3 The authority granted by this Section 7 shall be cumulative with all other rights and remedies of the Mutual in enforcing its Governing Documents.

Section 17.8 - Shareholder Liability. Shareholder shall be absolutely liable to the Mutual and other Shareholders and their families, guests, tenants, and invitees for any liability arising from the acts/or omissions of such Shareholder's Tenant. Each Shareholder who chooses to lease such Shareholder's Unit agrees to be held liable for all acts, whether negligent or non-negligent of such Shareholder's Tenant and/or any guests or invitees of Tenant.

Section 17.9 - Assignment of Rents.

17.9.1 - Assignment of Rents. Each Shareholder who is leasing or renting his or her Unit to a Tenant or Tenants hereby assigns to the Mutual all of the rents and any other income now due or which may become due to Shareholder pursuant to the Lease for the Shareholder's Unit (the "Rents"), together with any and all rights and remedies which the Mutual may have against the Tenant or Tenants, or others in possession of the Unit, for the collection or recovery of the Rents so assigned. Such assignment shall be effective only upon the Shareholder's failure to pay any Assessment within thirty (30) days after the due date, and under no other circumstances, if the Mutual accepts such assignment.

17.9.2 - Process to Effectuate Assignment of Rents. An assignment of rents pursuant to these Leasing Rules shall only be effective if it complies with the requirements of Section 2938 of the Civil Code and any other applicable law. Any costs and fees incurred by the Mutual in effectuating an assignment of rents pursuant to these Leasing Rules shall be considered a cost of collection of delinquent Assessments, for which the applicable Shareholder shall be responsible.

17.9.3 - Mutual Not a Landlord. The exercise and enforcement of the Mutual's rights under these Leasing Rules shall in no way constitute the Mutual as a landlord or lessor under any Lease, and the Mutual shall have no such responsibility. Each Shareholder hereby agrees to indemnify, defend, and hold harmless the Mutual and its Directors, officers, agents, representatives, employees, and attorneys, as may be applicable, from and against any and all claims by a Tenant or any third party that the Mutual failed to fulfill the duties of landlord or lessor under any Lease for the Shareholder's Unit.

17.9.4 - Payment of Rents to Mutual. Each Shareholder irrevocably consents that the Tenant or Tenants under a Lease for the Shareholder's Unit, upon receiving from the Mutual notice of an assignment of rents pursuant to these Leasing Rules, shall pay the Rents to the Mutual without incurring any liability for the failure to determine the

actual existence of any Assessment delinquency claimed by the Mutual. Each Shareholder further agrees that such Tenant or Tenants shall not be liable to the Shareholder for nonpayment of the Rents to the Shareholder for Rents paid to the Mutual pursuant to these Leasing Rules. The full amount of the Rents received by the Mutual shall be applied to the Shareholder's account; however, application of the Rents to particular Assessments and charges owed by the Shareholder to the Mutual shall be at the Mutual's discretion to the extent not dictated by law.

17.9.5 - Mutual Powers Upon Default. The Mutual may at any time pursue legal action against a Shareholder and/or the Shareholder's Tenant or Tenants for, or otherwise seek collection of, any Rents not paid to the Mutual pursuant to these Leasing Rules. The Mutual shall deduct from the Rents received in any such action the costs and expenses of collection, including, but not limited to, reasonable attorney's fees.

17.9.6 - Termination of Payment of Rents to Mutual. The Mutual may continue receiving Rents assigned directly from the Tenant or Tenants of a Shareholder's Unit until any unlawful detainer action against the subject Unit is completed by the Mutual, or until the amount of money owed to the Mutual by the Shareholder, including Assessments, late charges, interest, and collection costs, including reasonable attorney's fees, is paid in full, whichever occurs first.

Section 17.10 - Shareholder Insurance Requirements.

17.10.1 - Property Damage and General Liability Insurance. Each Shareholder is responsible for insuring his or her personal property located within the Mutual. Each Shareholder is also responsible for insuring all buildings, structures, and other Improvements contained within or located upon the Shareholder's Unit (including, but not limited to the Shareholders' Residences) against fire and other casualty. Nothing in these Leasing Rules precludes any Shareholder from carrying public liability insurance as he or she may deem reasonable, however, such insurance coverage may not adversely affect or diminish any coverage under any of the Mutual's insurance policies. If any loss intended to be covered by insurance carried by or on behalf of the Mutual occurs and the proceeds payable are reduced due to insurance carried by a Shareholder, such Shareholder shall assign the proceeds of the Shareholder's insurance to the Mutual, to the extent of such reduction, for application to the same purposes as the reduced proceeds are to be applied.

17.10.2 - Renter's and Landlord's Insurance. A Shareholder whose Unit is subject to a Lease shall require as a term of the Lease that the Tenant is required, at all times during the Tenant's tenancy and occupancy of the Shareholder's Unit, to obtain and maintain "renter's insurance" of no less than fifty thousand dollars ($50,000.00), insuring, including without limitation, the Tenant for general liability, property damage, and the replacement value of the Tenant's personal property and belongings located in the Unit from damage and loss. Such Shareholder shall also be required to maintain "landlord's insurance" during the period of the Lease, under an insurance policy that

covers the Shareholder's Unit from financial losses connected with the Unit; such policy shall cover standard perils such as fire, and, to the extent commercially available, include coverage for accidental damage, malicious damage by tenants, and rent guarantee insurance.

17.10.3 - Proof of Insurance. Duplicate copies of the insurance policies required under these Leasing Rules shall be submitted by a Shareholder to the Board upon request. Notwithstanding the foregoing, the Mutual shall not have the obligation to confirm that any Shareholder or Tenant carries the insurance required under these Leasing Rules and/or confirm the terms of any insurance purchased by a Shareholder or Tenant.

17.10.4 - Lack of Insurance. The Mutual shall not be responsible for any damage or loss to a Shareholder's Unit, another Unit, or the Common Area for which the Shareholder is responsible and the Shareholder does not maintain sufficient insurance coverage for the cost of repair and restoration of such damage or loss. Any failure by the Tenant to have renter's insurance shall be regarded as a material breach of the Lease.

Section 17.11 - Tenant Eligibility.

17.11.1 - No Discrimination. No Shareholder shall execute or cause to be recorded any instrument that imposes a restriction on the rental or occupancy of the Shareholder's Unit on the basis of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information, nor shall any Shareholder discriminate against or harass any prospective Tenant, or Resident of the Shareholder's Unit because of such bases. Notwithstanding the foregoing, selection preferences based on age in the rental of a Shareholder's Unit, imposed in accordance with Section 51 of the Civil Code or a federally approved housing program, as may be applicable, shall not constitute age discrimination.

17.11.2 - Criteria for Eligibility. All Tenants must meet the criteria for membership eligibility set forth in the Mutual's Governing Documents, specifically the Occupancy Agreement and by the Golden Rain Foundation, as the same may be amended from time to time.

Section 17.12 - Board's Right to Impose Additional Rules and Regulations. As long as Civil Code Section 4741, or similar statutes, is effective and has not been overturned by the Courts or repealed or otherwise amended by the state legislature, these Leasing Rules will remain effective. Should Civil Code Section 4741, or similar statutes, be overturned, repealed or otherwise amended, the Board retains the right to revoke and/or revise these Leasing Rules accordingly. The Board retains the right to establish and enforce additional Rules and Regulations to implement the leasing restrictions contained in these Leasing Rules and any other Governing Documents of the Mutual.

Section 17.13 - Tenant Not Entitled to Take Over Rights of Shareholders.

17.13.1 Mutual Meetings and Events. Tenants may not participate in, or attend, meetings of the Mutual, including without limitation, any townhall meeting, open Board meeting, or any event intended only for the Shareholders of the Mutual.

17.13.2 - Tenant and Shareholder Required to Attend Orientation. All new Tenants within the Mutual are required to attend a New Tenant Orientation. All leasing Shareholders will be required to attend such Orientation with the Tenant. The Mutual is entitled to charge a fee for such New Tenant Orientation, at the discretion of the Board.

17.13.3 - Emergencies. Except in case of emergency, Tenant shall not contact the Director(s) of the Mutual or any vendor of the Mutual, including without limitation any employees or representatives of the GRF, for any maintenance issues. Tenant must contact the Shareholder-Landlord for any non-emergency maintenance issues.

17.13.4 - Overnight Guests. Tenant is permitted to have overnight guests for a maximum period of sixty (60) calendar days per year, solely in conjunction with the occupancy by a Tenant. The number of visitors, guests/persons residing in the Unit at any time must comply with all State, local and County codes, regulations, and ordnances regarding the occupancy of residential dwellings, and may not exceed an occupancy limits established under such codes, regulations, or ordinances.

Section 17.14 - Forfeiture of Shareholder Rights. Shareholder cannot utilize any common areas of the Mutual if Shareholder elects to lease out his/her Unit to a Tenant. All current Shareholders privileges with respect to the use of common areas within the Mutual are forfeited once the Shareholder enters into a Lease with a Tenant.

Section 17.15 - Documents to Mutual. Within ten (10) days of execution of a Lease between a Shareholder and Tenant, the Shareholder must provide to the Mutual:

17.15.1 - Lease. The Shareholder shall provide the Mutual with a copy of the executed Lease.

17.15.2 - Tenant Contact Information. The telephone number and e-mail address, if applicable, of the Tenant, and information related to any vehicle of the Tenant, including the make, model, color, and license plate number.

17.15.3 - Shareholder Contact Information. The telephone number, email address and any change in address of the Shareholder.

Section 17.16 - Fine Policy of the Mutual. Pursuant to the Mutual's Governing Documents, the Shareholder will be called to a hearing for any Tenant violations of the Governing Documents, and the Mutual Board will determine what disciplinary measures and/or monetary fines to levy against Shareholder. The Mutual's Fine Policy in effect at the time the violation occurs will be applied.

Exhibit “A”

Approved Plants

(1) Daylily (Hemerocallis)

(2) ‘Santa Barbara’ Nandia “Gulfstream” (Nandina domestica ‘Gulfstream’)

(3) Heather - Mexican heather (Cuphea hyssopifolia)

(4) Agapanthus (common) (Agapanthus spp.)

(5) Fuchsia (Fuchsia magellanica)

(6) Hydrangea (Hydrangea macrophylla)

(7) Roses (Rosa spp.)

(8) Lily of the Nile (Agapanthus africanus)

(9) Verbena (Verbena spp.)

(10) Lirirope (Liriope muscari)

(11) Hot Lips Sage (Salvia microphylla ‘Hot Lips’)

(12) Lantana Little Lucky (Lantana camara ‘Little Lucky’)

(13) Statice Plant (Limonium perezii)

(14) Echeveria (Echiveria spp.)

(15) Aloe (Aloe spp.)

(16) Carex (Foothill Sedge) (Carex tumulicola)

(17) Euonymus Variegated (Euonymus variegate).

(18) Approved Annual and Perennial Flowering:

(19) Impatiens – New Guinea (Impatiens hawkeri);

(20) Vinca (Catheranthus roseus).

(21) Ivy Geranuium (Pelargonium Peltatum)

(22) Geranium

(23) Lavender

Exhibit “B”

Non-Approved Plants

(1) Asparagus Fern (Myer’s Asparagus) Asparagus densiflorus,

(2) ‘Myers’ Cactus (Large) Cactus spp.

(3) Ivy Hedera helix

(4) Wild Mint Mentha arvensis

(5) Baby Tears Soleirolia soleirolii

(6) Spiderwort Trandescantia virginiana

(7) Bamboo Bambusa vulgaris

(8) Fruit of any kind (including without limitation all citrus fruits)

(9) Trees of any kind

(10) Vegetables of any kind

(11) Bird of Paradise Strelitzia reginae

(12) Ficus Ficus spp.

(13) Palms of any variety

(14) Elephant Ears Colocasia esculenta

(15) Firestick Plant Euphorbia tirucalli

(16) Split Leaf Philodendron

(17) Jade Plant

(18) Clover

(19) Poinsettia

(20) Angel’s Trumpet

(21) Artificial Plants & Flowers

Exhibit "C"

Fine Schedule

The Mutual Board reserves the right to revise this Fine Schedule at any time through a rule change procedure and the most recent Fine Schedule shall be distributed to the Shareholders on an annual basis. Violations of the Mutual's Governing Documents, including, but not limited to property alterations and/or improvements made without approval, repair and upkeep of property, unauthorized signs, and all other violations of the Mutual's Governing Documents, may be assessed a monetary penalty in the following amounts:

Violation	**1st Offense**	**2nd Offense and each subsequent and/or continuation of Offense**
Residency/occupancy violations (e.g. unauthorized occupants, guests residing longer than permitted)	**Notice to Comply in 48 hours**	**Notice and hearing and fine of up to $500.00 and up to $100.00 per/day for each additional day of non-compliance, for a maximum of 20 days**
Violation of Roof & Attic Access	**Notice and hearing and up to $1,000.00 and removal of unauthorized installation or non-compliant equipment, if applicable**	
Violation of Mutual Occupancy Agreement & all other Rules & Regulations	**Written warning**	**Notice and hearing and fine of up to $100.00 and up to $100.00 per/day for each additional day of non-compliance, for a maximum of 20 days**
Violation of Leasing Rules	**Notice and hearing and fine of up to $2,500.00**	**Notice and hearing and fine of up to $5,000.00**
Violation of Leasing Rules – Lease for Less than Thirty Days (Short-Term Rental)	**Notice and hearing and fine of up to $5,000.00**	**Notice and hearing and fine of $2,500.00 to $7,500.00**

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO RESCIND POLICIES LISTED BELOW (UNFINISHED BUSINESS, ITEM C)
DATE: MARCH 12, 2020
CC: MUTUAL FILE

I move to rescind Policy 7401-Contractor License, 7401.1-Licensed and Insured Contractors List, 7403-Building Alterations or Additions, 7403.2-Installation of Bathtubs, 7403.3-Skylights & Sola Tubes, 7403.6-Microwave Ovens, 7403.7- Ceiling Fans, 7403.8-Building Permit Signature, 7404-Notification of Remodeling, 7407.3-Washers and Dryers in Units, 7408.3-Contractors/Vendors Liability for Damages, 7410-Apartment Fire/Safety Inspection 7413.3- Walk-in Therapeutic/Jacuzzi-Type Bathtubs, 7415.3-Patio Regulations, 7425.3-Garden Areas, Trees, Shrubs, 7427.G-Barbeques – Usage and General Safety Precautions, 7490-Standard Plans and Specifications – Remodeling, 7490.1-Standard Contract – Building Alterations, 7490.pb.03-Payment and Performance Bond, 7491-Roof Extensions, 7491.1-Roof Leak Procedure, 7493-Patio Roof Covers, 7494-Filled Concrete Block and Footings, 7494.1- Liners for Decorative Block Walls, 7496.3-Common Entry Walkways, 7499.3-Air Conditioning/HVAC/Heat Pump Units, 7501-Pet Ownership, 7502.3-Carport Regulations, 7506-Sidewalk Traffic Restriction, 7506.1-Roller Skates, Roller Blades, Skateboards, Bicycles, Tricycles, and Scooters, 7508-Patio/Estate Sales, 7508.3-Patio/Estate Sales, 7549.03-Lockout Procedures, 7551.G-Unsanitary Premises and Fire Loading Conditions, 7555- Visitors, 7570-Sign Resolution, 7572 R-Flag Poles Regulation, 7572.3-Flag Poles, 7574.3-Satellite Dish Installation, 7575-Laundry Room Use, 7580-Traffic Control Regulations, 7581-Enforcement of Community Traffic Regulations, 7582.03-Towing Vehicles, 7590.G-Feeding Wildlife, 7707-Apartment Pre-Sale Cleanup ,03-7560-1 Leasing Rules and Regulations, and 03-7585-1 Governing Documents Compliance Corrective Measures and Monetary Penalties on a preliminary basis until the 28-day posting period has been completed. The policies will be ratified at the next scheduled meeting and take effect if the Board receives no comments.

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Contractor License

~~WHEREAS, the California State Contractor License law, as interpreted by the Contractors State License Board, requires that electrical, plumbing construction and other forms of building repair work which will cost more than $500 be performed by a State-licensed contractor, and~~

~~WHEREAS, this Corporation desires to comply with the statute and gain the advantages of the licensing regulations and insurance protection that is included within the regulation for the protection of the Corporation and the residents,~~

~~NOW, THEREFORE, BE IT RESOLVED that this Mutual Corporation will not permit the employment of unlicensed individuals to make repairs, alterations and other such work which will cost more than $500, and the Physical Property Department is instructed to assist in enforcing~~ this regulation.

MUTUAL ADOPTION:	**AMENDMENT**	**AMENDMENT**
ONE: 01-25-79	09-27-90	08-24-06
TWO: 02-19-70	09-20-90	11-16-06
~~THREE: 02-16-70~~	~~09-14-90~~	~~09-08-06~~
FOUR: 02-23-70	11-05-90	09-13-06
FIVE: 02-19-70	09-27-90	08-16-06
SIX: 07-28-78	10-23-90	08-22-06
SEVEN: 03-20-70	09-21-90	08-18-06
EIGHT: 05-28-74	09-23-90	08-28-06
NINE: 03-18-70	09-10-90	09-11-06
TEN: 02-25-70	09-26-90	09-27-06
ELEVEN: 02-17-77	10-18-90	08-17-06
~~TWELVE: 05-07-70~~	~~09-13-90~~	~~09-14-06~~ (08-29-16 See 7401.12)
FOURTEEN: 03-26-70	09-28-90	08-22-06
FIFTEEN: 03-16-70	09-17-90	08-21-06
SIXTEEN: 03-12-70	09-17-90	09-18-06
SEVENTEEN: 08-24-06		

(Aug 16)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Licensed and Insured Contractors List

~~WHEREAS, this Mutual permits remodeling of its apartments by shareholders, upon approval of plans for work to be performed by a properly licensed and insured contractor, at the expense of the shareholder; and~~

~~WHEREAS, some shareholders desiring to make alterations request assistance in locating a licensed contractor;~~

~~NOW, THEREFORE, BE IT RESOLVED, that the Physical Property Supervisor is requested and directed to maintain a list of contractors who have presented proper license credentials for performing work in the City of Seal Beach and have presented evidence of adequate liability and Workers' Compensation Insurance, so that shareholders of this Mutual requesting such information may be furnished a copy of the current list.~~

~~RESOLVED FURTHER, that the list shall clearly warn it is not a recommendation, approval or warranty as to ability to perform, quality of work, reputation in the community, or other such considerations which the shareholder is obliged to judge for himself.~~

MUTUAL ADOPTION

ONE	Mar 78	NINE	Mar 78
TWO	Mar 78	TEN	Mar 78
~~THREE~~	~~Mar 78~~	ELEVEN	Jun 78
FOUR	Apr 78	TWELVE	Mar 78
FIVE	Mar 78	FOURTEEN	Jun 78
SIX	Mar 78	FIFTEEN	Mar 78
SEVEN	Apr 78	SIXTEEN	Mar 78
EIGHT	Mar 78		

(Jun 78)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Building Alterations or Additions – Except Mutual Eight and Nine

~~A GRF permit for alterations or additions to buildings in this Mutual will not be issued by the Physical Property Department until a written, signed proposal and contract between the shareholder and the contractor (describing the work to be done by the contractor, the fees to be charged, and the start and completion dates for the work) has been presented to the Physical Property Department along with the application for issuance of a building permit.~~

~~The following paragraph applies to all Mutuals except Seven, Nine and Seventeen:~~
~~Further, a penalty of $100 per day shall be assessed to the contractor by the Mutual for every calendar day that the construction exceeds the completion date as listed on the GRF permit. The Mutual Board, or its designee, may make an exception to the completion date and award an extension to the contractor without penalty due to unforeseen delays or problems. The shareholder or homeowner will receive all penalty fees.~~

~~The following paragraph applies to Mutuals Seven and Twelve only:~~
~~Further, a penalty of $250 per day ($150 per day Mutual Twelve only) shall be assessed to the contractor by the Mutual and paid to the Mutual for every calendar day that the construction exceeds the completion date as listed on the GRF permit. The Mutual Board may make an exception to the completion date and award an extension to the contractor without penalty due to unforeseen delays or problems.~~

MUTUAL ADOPTION		AMENDMENTS	AMENDMENTS
ONE	03-25-71	01-25-07	
TWO	02-18-71	01-18-07	
~~THREE~~	~~11-16-70~~	~~11-08-06~~	
FOUR	03-01-71	12-13-06	
FIVE	12-16-70	01-17-07	
SIX	01-22-71	01-23-07	
SEVEN	02-19-71	12-15-06**	03-18-11
~~EIGHT~~	~~02-22-71~~	~~01-22-07~~	~~02-23-15~~ (See Policy 7403.1.8)
~~NINE~~	~~02-09-71~~	~~01-08-07*, 03-18-11, 06-13-16~~ (See Policy 7403.9)	
TEN	01-27-71	01-24-07	
ELEVEN	03-18-71	01-18-07	
TWELVE	03-11-71	01-11-07	
FOURTEEN	12-11-70	01-23-07	

(June 16)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Building Alterations or Additions – Except Mutual Eight and Nine

FIFTEEN	12-16-70	01-15-07
SIXTEEN	03-11-71	01-15-07
SEVENTEEN	12-05-06*	

*First and fourth paragraphs apply
**First and third paragraphs apply
***First, second and third paragraphs apply – Mutual Twelve

RESCIND

(June 16)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Installation of Bathtubs

~~RESOLUTION:~~

~~THAT permits for installation of bathtubs in Mutual ____ shall require a minimum inside width of 19 inches.~~

~~Mutual One Only (effective 04-28-88, 02-23-06, respectively)~~

~~TO include or permit the installation of tempered glass shower doors, whenever a permit is issued for the installation of a bathtub/shower in Mutual One. That a bathtub without a shower is exempt from this requirement.~~

~~Mutual Two Only (effective 09-16-04)~~

~~THAT, at resident's expense, a shower door shall be installed (piano hinge) when shower cut-downs are performed in apartments.~~

MUTUAL ADOPTION		AMENDED	AMENDED
ONE	Mar 87	28 Apr 88	02-23-06
TWO	Jul 80	16 Sep 04	
~~THREE~~	~~Aug 80~~		
FOUR	Jan 86		
FIVE	Aug 80		
SIX	Aug 80		
SEVEN	Aug 80		
EIGHT	Aug 80		
NINE	Aug 80		
TEN	Aug 84		
ELEVEN	Aug 80		
TWELVE	Feb 85		
FOURTEEN	Aug 80		
FIFTEEN	Not Applicable		
SIXTEEN	Aug 80		
SEVENTEEN	Not Applicable		

(Feb 06)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Skylights & Sola Tubes

~~Article 11 of the Occupancy Agreement states that maintenance of the roofs of residential buildings is the responsibility of the Mutual. Skylights and Sola Tubes may be installed through a contract between the resident and a contractor under inspection by the Physical Property Department. The responsibility for maintenance of the skylight or Sola Tubes installations requires definition and agreement.~~

~~The diagram shows a typical skylight installation, consisting of a dome to admit light, a wood shaft that extends from the dome down to the interior ceiling in the room, wood curbing for mounting the dome, and steel flashing to make the installation watertight.~~

~~Responsibilities are as follows:~~

~~During the warranty period, the contractor is responsible for the entire skylight and Sola Tubes installation. After the warranty period, the following responsibilities apply:~~

~~a) Mutual: The Mutual is responsible for the curbing and flashing since this will normally be changed when the building is reroofed.~~

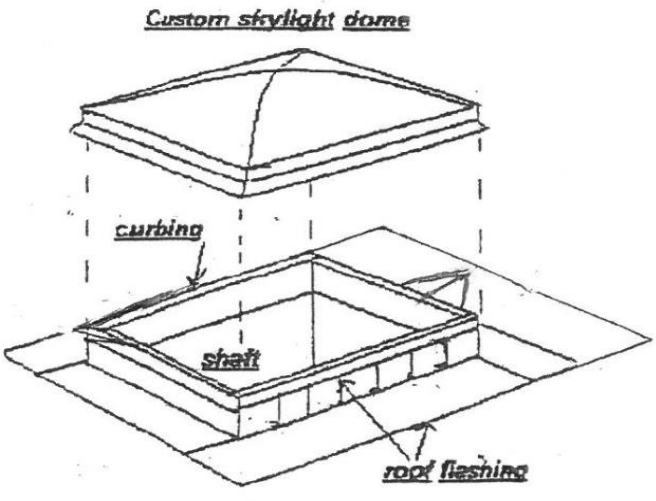
~~b) Resident: The resident is responsible for the skylight dome, the skylight operating mechanism, the shaft (including painting), and the ceiling grid. (See Diagram 1)~~

~~1) The skylight curbing shall consist of 2" x 6" framing with a minimum 4" rise above roof sheathing and flashing. (See diagram 2)~~

~~2) Only curb-mounted skylights shall be allowed in the Mutual. Self-flashing skylights are prohibited.~~

~~3) Sola Tubes shall be installed in accordance with manufacture specification and responsibility of domes and shaft is the shareholder.~~

Diagram 1



RESCIND

(Aug 16)

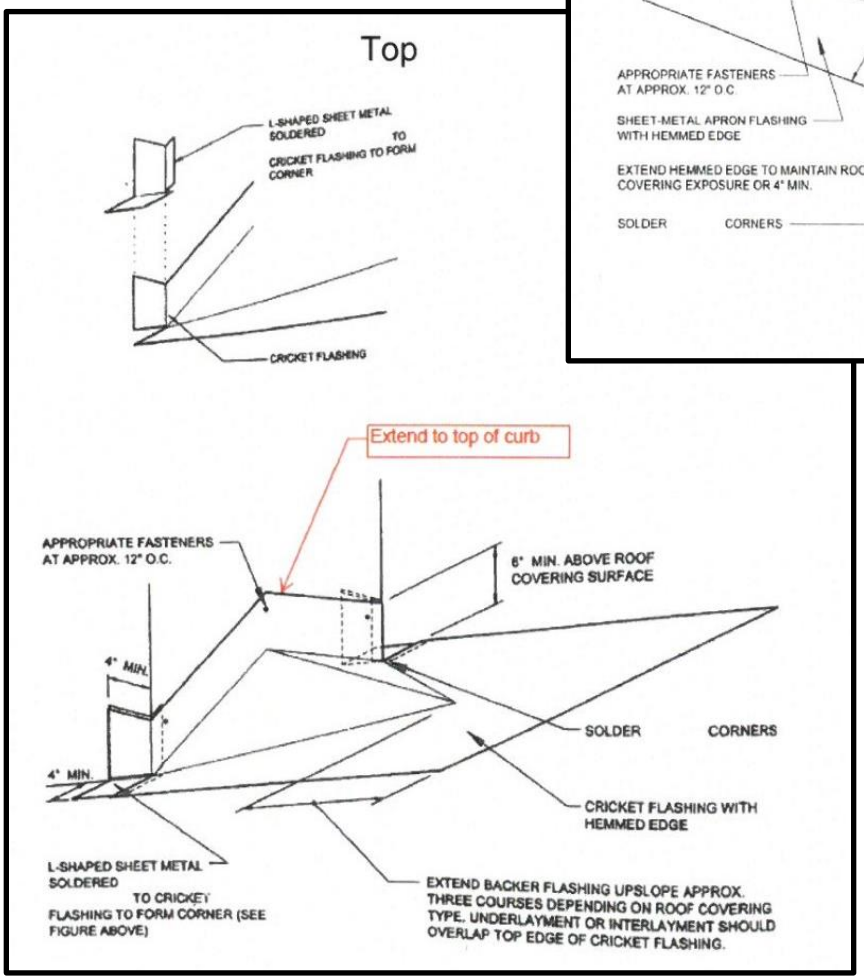
MUTUAL OPERATIONS

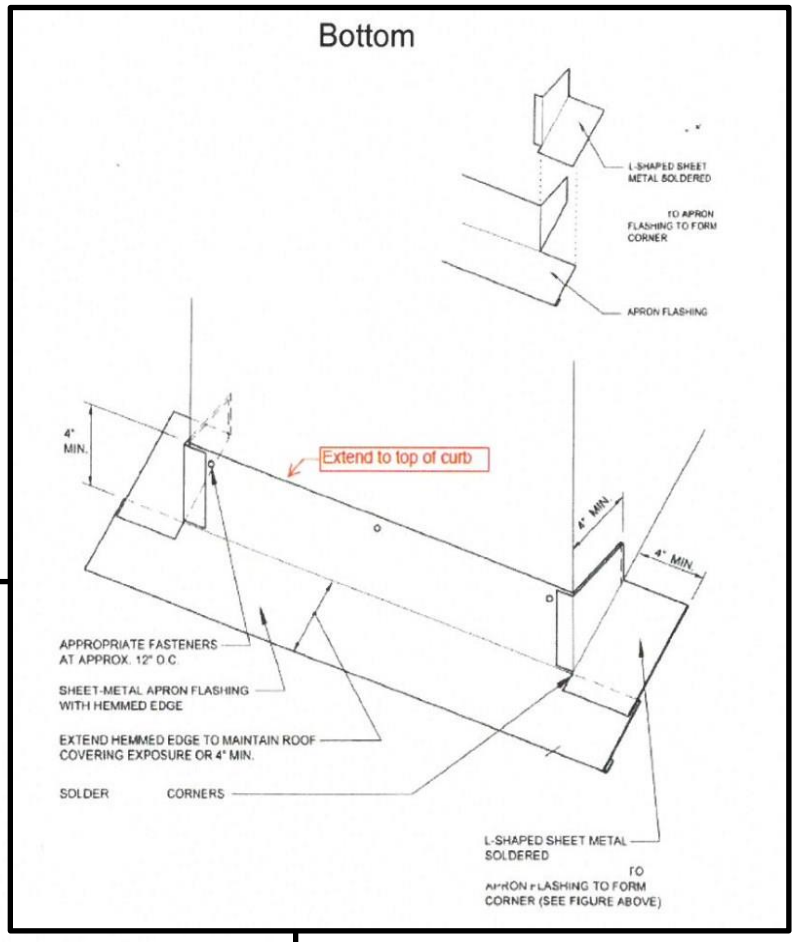
PHYSICAL PROPERTY

RESCIND

Skylights & Sola Tubes

Diagram 2





(Aug 16)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Skylights & Sola Tubes

~~**MUTUAL ADOPTION**~~
~~THREE: 08-12-16~~

RESCIND

(Aug 16)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Microwave Ovens

RESOLUTION:

~~THAT Mutual No. ___ approve and adopt the plans and specifications of the Ad hoc Committee on Standardization of Apartment Alterations for installation of a special model microwave over in place of the stove hood, and authorize the Physical Property Department to issue permits for such installation by licensed contractors, costs to be borne by the resident, and~~

~~FURTHER, that the oven will become a permanent installation to be maintained by the resident and on resale of Mutual stock for the apartment, the new resident will assume responsibility for maintenance.~~

MUTUAL ADOPTION

ONE	01-22-81
TWO	08-20-81
~~THREE~~	~~12-15-80~~
FOUR	12-01-80
FIVE	11-17-82
SIX	08-26-83
SEVEN	12-19-80
EIGHT	01-26-81
NINE	01-12-81
TEN	03-28-84
ELEVEN	12-18-80
TWELVE	04-09-81
FOURTEEN	01-23-81
FIFTEEN	05-17-82
SIXTEEN	01-08-81
SEVENTEEN	N/A

RESCIND

(Mar 84)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Ceiling Fans

~~RESOLUTION:~~

~~THAT ceiling fans may be installed in the kitchen only in Mutual _____, with permit from Physical Property Department and to be installed by a licensed contractor, providing that it meets the City's specifications of a 6'8" clearance from blades to floor.~~

~~**Mutual Three – Effective 10-13-00**~~

~~NOTWITHSTANDING previous Mutual No. Three Board actions, ceiling fans are permitted in any location in an apartment provided ceiling heat in said room has been disabled and an approved alternate heat source has been installed and is operational. Installation shall be by permit only.~~

~~**Mutual Four – Effective 11-6-00**~~

~~NOTWITHSTANDING previous Mutual No. Four Board action, ceiling fans are permitted in any location in an apartment; and that their installation shall be by permit only.~~

~~**Mutual Five – Effective 1-13-92**~~

~~NOTWITHSTANDING PREVIOUS Mutual Five Board actions, ceiling fans are permitted in any location in an apartment; and that their installation shall be by permit only.~~

~~**Mutual Eleven – Effective 1-21-99**~~

~~Ceiling fans are permitted in any location in an apartment providing ceiling heat in said room has been disabled and approved alternate heat source has been installed and is operational~~. Installation shall be by permit only.

MUTUAL ADOPTION		**AMENDED**
ONE	04-25-85	
TWO	04-15-82	
~~THREE~~	~~11-09-84~~	~~10-13-00~~

(Nov 00)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Ceiling Fans

MUTUAL ADOPTION		AMENDED
FOUR	12-07-81	11-06-00
FIVE	07-17-85	01-13-92
SIX	09-25-81	
SEVEN	07-02-85	
EIGHT	10-03-85	
NINE	07-08-85	
TEN	06-24-83	
ELEVEN	07-18-85	01-21-99
TWELVE	10-11-84	
FOURTEEN	07-24-84	
FIFTEEN	07-15-85	
SIXTEEN	09-19-83	
SEVENTEEN	N/A	

RESCIND

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Building Permit Signatures

~~Mutual _____ requires the signature of the Mutual Corporation's president or, in the absence of the president, the vice president, on any building permit, building plans, and change orders issued for apartment remodeling.~~

~~Mutual Five Only (Effective 01-17-96)~~

~~Mutual Five requires the signature of the Mutual Corporation's president or, in the absence of the president, any officer of the Board, on any building permit, building plan, or change orders issued for apartment remodeling.~~

~~Mutual One Only (Effective 02-23-06)~~

~~Mutual One requires the signature of the Mutual Corporation's president or, in the absence of the president, any officer of the Board, on any building permit, building plan, or change orders issued for apartment remodeling.~~

~~Mutual Seven Only (Effective 08-19-15)~~

~~Mutual Seven requires the signature of the Mutual Corporation's president or the Physical Property Director, on any building permit, building plans, and change orders issued for apartment remodeling.~~

MUTUAL ADOPTION		AMENDED	AMENDED
ONE	03-27-03	02-23-06	
TWO	07-19-90		
~~THREE~~	~~07-13-90~~		
FOUR	08-06-90		
FIVE	09-20-95	09-22-92	01-17-96
SIX	07-27-90	07-23-96	
SEVEN	07-20-90	08-19-15	
EIGHT	07-23-90		
NINE			
TEN	07-26-90		
ELEVEN			
TWELVE			
FOURTEEN	07-27-90		
FIFTEEN	07-16-90		
SIXTEEN			
SEVENTEEN			

(Aug 15)

RESCIND

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Notification of Remodeling

~~THAT the Physical Property Inspection Section is instructed to notify all adjacent apartments that share common entryways of the intent and scope of all proposed remodeling work.~~

~~THAT adjacent residents unable to be notified will have a letter mailed to them indicating the intent and scope of remodeling work to be performed.~~

~~FURTHER that a record of all notifications be maintained in the Physical Property Department~~.

MUTUAL ADOPTION

ONE	N/A
TWO	07-19-90
~~THREE~~	~~07-13-90~~
FOUR	08-06-90
FIVE	09-20-95
SIX	07-27-90
SEVEN	07-20-90
EIGHT	07-23-90
NINE	10-14-91
TEN	07-25-90
ELEVEN	07-19-90
TWELVE	07-12-90
FOURTEEN	07-27-90
FIFTEEN	07-16-90
SIXTEEN	07-16-90
SEVENTEEN	Not Applicable

RESCIND

(Sept 95)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Washers and Dryers in Units – Mutual Three Only

A washer and dryer in a shareholder's unit of any make or model, whether side by side or ~~stackable, shall be cleaned on an annual basis; i.e., to have all dryer vent areas thoroughly cleaned and free of lint for clear passage of air flow from inception of machine to roof top areas. A sticker with the date of cleaning must be affixed to the cleanout cover every time a cleaning is performed by Service Maintenance or an outside vendor.~~

~~In addition, all washing machine hoses and fittings must be checked for any leakage and replaced as needed on a yearly basis, not to exceed two years, upon inspection and recommendation, without a complete change of all fittings and hoses. In all close of escrow and changes of stock, all fittings must be changed prior to closing.~~

~~Further, during the fire inspections conducted every year, the Physical Property Inspector(s) will compile a list of all units containing a washer and dryer. Shareholders who have a washer and dryer shall have the washer and dryer cleaned and any hoses replaced, as needed, by the Service Maintenance Department or an outside vendor, as stated above. The maintenance fee for this work, which is an estimated cost of less than $100, shall be arranged and borne by the shareholder.~~

~~MUTUAL ADOPTION~~

~~THREE: 11 May 07~~

(May 07)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Contractors/Vendors Liability for Damages to Third-Party Equipment or Mutual Property – Mutual Three Only

~~RESOLVED, that when an apartment is being remodeled or alterations are being made to an apartment, the contractor/vendor shall remove from the turf area all objects or debris that could damage the mowing or edging equipment of the Mutual Corporation's landscape contractor. This includes, but is not limited to, nails, screws, bolts, hinges, metal pieces, concrete chunks, stucco chunks, wood chips, and shingle pieces.~~

~~If the contractor/vendor fails to remove any offending objects or debris and damage occurs to the mowing or edging equipment, the contractor/vendor shall be responsible for the cost of repairing the damaged equipment. In addition, if the contractor/vendor causes damage to the turf area or any other vegetation, including trees, the contractor/vendor shall be responsible for the cost of correcting the damage to the turf area or vegetation, including trees.~~

~~RESOLVED FURTHER, that if the responsible contractor/vendor who causes damage to the mowing or edging equipment, or the turf area and vegetation, including trees, fails to compensate the landscape contractor or Mutual Corporation for the damages, the resident shareholder who contracts with the contractor/vendor shall be financially responsible for the cost of the damages which shall be payable to the landscape contractor or Mutual Corporation.~~

~~MUTUAL ADOPTION~~

~~THREE: 11 Feb 11~~

(Feb 11)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Apartment Fire/Safety Inspection

~~Annual Inspection:~~

~~WHEREAS, The Board of Directors of this Corporation is bound by the terms of a Regulatory Agreement with FHA/HUD to maintain the physical structure of the apartment building in the Mutual in good repair and in such condition as will preserve the health and safety of its occupants,~~

~~WHEREAS, The Occupancy Agreement between each Stockholder and the Corporation provides that the Board may make an inspection of the dwelling unit at any reasonable hour of the day, and~~

~~WHEREAS, It is the desire of this Board that such situations be discovered and rectified before harm can come to residents or to the structure; now, therefore, be it~~

~~RESOLVED, That the Golden Rain Foundation Community Facilities Manager is authorized and instructed to institute an annual Fire/Safety Inspection of the dwelling units of this Corporation, using appropriate City and County Health, Fire and Building Codes as a basis for developing a checklist of possible violations, and assigning staff members from Physical Property, Security and/or other appropriate departments to work with members of this Board in conducting such an inspection.~~

~~RESOLVED FURTHER, that violations of City or County Codes shall be reported by the Golden Rain Foundation Community Facilities Manager to the appropriate City or County agency for such remedial action as is provided under the Code.~~

~~Biennial Inspection:~~
~~RESOLVED, That the resolution adopted by this Mutual on (see below) authorizing the institution of an Annual Fire/Safety Inspection of Mutual apartments be amended to read "...the Golden Rain Foundation Community Facilities Manager is authorized and instructed to institute a biennial Fire/Safety Inspection of the dwelling units of this Corporation..."~~

(Jun 16)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Apartment Fire/Safety Inspection

Mutual	Annual Inspection	Biennial Inspection	As Needed
ONE		01-22-87, 04-23-15***	
TWO	~~05-15-75~~ 04-19-79		
~~THREE~~	~~02-20-73 11-14-86~~		
FOUR	~~12-04-72~~ 12-01-86		
FIVE	~~12-20-72~~ 02-19-75		
SIX	~~12-08-72~~ 12-05-86		
SEVEN	~~01-19-73~~, 10-19-07**	~~02-21-75~~	
EIGHT	~~12-11-72~~ 11-24-86		
NINE	~~01-08-73~~ 02-10-75 (See Policy 7410.9-June 2016)		
TEN	~~11-20-72~~ 02-27-75		
ELEVEN	~~12-21-72~~ 03-20-75		
TWELVE	See Policy 7410.12		
FOURTEEN	~~12-08-72~~ ~~11-21-86~~		03-31-89
FIFTEEN	~~01-15-73~~ 02-03-75		
SIXTEEN	~~1972~~, 09-18-00*	~~02-13-75~~	
SEVENTEEN	See Policy 7410.17		

*In 1972, Mutual Sixteen had annual Inspections; in 1975, the Mutual changed to biennial inspections and, in 2000, the Mutual reverted back to annual inspections.

**On 10-19-07, Mutual Seven reverted back to annual inspections. (Nov. 24, 2014)

***Mutual One will have the fire/safety inspections in Buildings 1 through 35 every odd year and in Buildings 36 through 70 every even year, to begin in 2015.

(Jun 16)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Walk-in Therapeutic/Jacuzzi-Type Bathtubs – Mutual Three Only

~~If a shareholder wishes to have a walk-in therapeutic bathtub or Jacuzzi and the related equipment/appurtenances installed, the following must be adhered to:~~

1. ~~A permit to install the walk-in therapeutic bathtub or Jacuzzi and related equipment/appurtenances must be obtained from the Physical Property Department of the Golden Rain Foundation prior to having the bathtub/Jacuzzi installed. Shareholder shall assume financial responsibility in case the licensed company fails to comply with all provisions of the permit and all GRF and Mutual policies, rules and regulations, and agrees to return the Mutual property to its original condition or satisfactorily complete the installation.~~

2. ~~The Mutual has the authority and authorization to remove the bathtub/Jacuzzi and related equipment/appurtenances and return the shower/tub area to its original condition at shareholder's expense if the installation does not comply with this policy or if the provisions of this policy are not met.~~

3. ~~The walk-in therapeutic bathtub/Jacuzzi shall have:~~

   a. ~~Sound board applied to all surrounding walls, floor to ceiling, with drywall mud and taped.~~

   b. ~~The shower trap shall be replaced using an all-glue ABS trap and a 2" trap with accessible clean out shall be maintained.~~

   c. ~~All new water piping shall be copper pipe. Water tie-ins shall be in the attic with ball valve shut offs.~~

   d. ~~A 24" x 24" attic access shall be provided in the bathroom for access to the shut off valves. The attic access cover shall be a type X drywall with the drywall facing the attic side.~~

   e. ~~The bathtub/Jacuzzi faucets shall have quarter turn shut offs that are accessible. The discharge of water shall be by gravity drain. A pump may only be used if the discharge rate does not exceed 7 gpm. Air injection jets may only be installed if they do not exceed a 44 decibel sound level. If they are an integral part of the bathtub/Jacuzzi, they must be disabled if they do not meet this sound level.~~

RESCIND

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Walk-in Therapeutic/Jacuzzi-Type Bathtubs – Mutual Three Only

~~f. A 40-gallon water heater shall be installed with a re-circulating pump for the bathtub/Jacuzzi unless an alternate source for maintaining adequate hot water temperature at the bathtub/Jacuzzi is provided such as a tank-less booster water heater at the bathtub/Jacuzzi.~~

~~g. The main electrical panel must be upgraded to a 125 amp square D electrical panel with a 100 amp main breaker, if necessary, to provide sufficient circuit breakers. A sub-panel is not permitted.~~

~~4. Any damage which may occur to the building and/or appurtenances thereto during and/or after installation of bathtub/Jacuzzi and related equipment/ appurtenances is the responsibility of the shareholder and any repairs shall be paid for by the shareholder. Further, the shareholder, at their expense, shall be responsible for any removal/re-installation of the bathtub/Jacuzzi deemed necessary by the Mutual for the purpose of repairs and/or maintenance work to the building and/or appurtenances thereto.~~

~~a. To cover any damage resulting from the use or operation of the bathtub/Jacuzzi to Mutual property or to any property in adjacent units, the shareholder agrees to maintain a liability insurance policy with a minimum of $300,000 in coverage. The shareholder is financially responsible for any damages resulting from having the bathtub/Jacuzzi in their unit.~~

~~5. The bathtub/Jacuzzi and related equipment/appurtenances shall be maintained in good working condition. If the bathtub/Jacuzzi and/or related equipment/ appurtenances are not maintained in good operating condition by the shareholder, the bathtub/Jacuzzi and related equipment/appurtenances shall be removed, repaired, and/or replaced at the shareholder's expense independent of Service Maintenance.~~

RESCIND

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Walk-in Therapeutic/Jacuzzi-Type Bathtubs – Mutual Three Only

6. ~~The bathtub/Jacuzzi and related equipment/appurtenances must be removed and replaced with a standard shower and appurtenances upon sale or transfer of the unit, at the shareholder's expense, unless the buyers/transferees sign a supplemental agreement accepting responsibility for the bathtub/Jacuzzi and related equipment/appurtenances and agree to the provisions of this policy.~~

~~7. The shareholder(s) must sign a copy of this policy and acknowledge that they are aware of the provisions and agree to abide by them.~~

~~**Signed**_____**Date**_____~~

~~**Signed**_____**Date**_____~~

~~**MUTUAL ADOPTION AMENDMENTS**~~

~~THREE: 11-12-10 11-20-14~~

RESCIND

(Nov 14)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Patio Regulations – Mutual Three

~~Upon moving into your apartment, items may remain on the patio for up to thirty (30) days for storage purposes, thereby providing ample time to put things away.~~

~~After the initial 30-day move-in period, the following items are acceptable for placement or storage on patios:~~

~~1. One installed refrigerator or freezer inside a Board-approved storage cabinet.~~

~~2. One extension cord with one item connected to it.~~

~~3. A washer and/or dryer installed inside a Board-approved storage cabinet.~~

~~a. A permit must be obtained for the installation of these appliance(s), and all codes relating to electrical and, if applicable, plumbing and ventilation must be adhered to. All related costs for installation, repair and maintenance on the washer and/or dryer shall be borne by the shareholder.~~

~~4. A long-term storage cabinet, container, or shed must be Board-approved.~~

~~After the initial 30-day move-in period, the following items may not be stored or placed on unenclosed patios:~~

~~1. Any type of unauthorized container used for long-term storage.~~

~~2. Cardboard boxes.~~

~~3. Charcoal or highly-flammable items, including old newspapers.~~

~~4. Laundry hung for airing or drying purposes.~~

~~5. Refrigerators or freezers in non-working condition.~~

~~6. Unconfined pets.~~

~~7. Gasoline-operated equipment or gas cans.~~
~~8. Electric tools on a permanent basis.~~

(Mar 11)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Patio Regulations – Mutual Three

~~9. Extension cords strung across patio or extended use of extension cords.~~

~~10. Permanent shelving, either free-standing or affixed to the exterior wall for storage.~~

~~In the event the patio becomes a mess, the Physical Property Department will be notified to clean the patio and send the invoice for the work to the shareholder or responsible party. If the invoice is not paid, it will be settled at the time of escrow.~~

~~MUTUAL ADOPTION~~

~~THREE: 11 Mar 11~~

RESCIND

(Mar 11)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Garden Areas, Trees and Shrubs – Mutual Three

~~PURPOSE~~

~~This policy is adopted so that the landscaping of Mutual Three will present an environment that enhances the ambiance of its surroundings and thus adds to the enjoyment of the cooperative living style of Mutual Three. This policy is designed to outline the responsibilities of the residents and the Mutual in accomplishing this aim.~~

~~GARDEN AREA SIZES~~

1. ~~Residents are allowed a garden area in the front of their apartments, defined by Mutual policy as 36" wide measured from the face of the building. However, any building with an existing broken or erose common garden line can be no more than 48" from the building.~~

2. ~~At time of resale, the common garden line will be determined by the existing lines of the gardens to either side and, if necessary, will be brought back to the common garden line at seller's cost.~~

3. ~~At the time of resale, the seller must remove any items in the garden that are not allowed in Mutual Three (see Garden Areas, Trees and Shrubs section below).~~

4. ~~Residents of apartments A, F, G and L, must adhere to these same considerations for the garden areas at the ends of the buildings.~~

~~GARDEN USE~~

1. ~~Residents may plant greenery of their choice as long as it's not any of the plants not permitted in Mutual Three (see Garden Areas, Trees and Shrubs section below).~~

2. ~~Trees or other plants with root growth that is invasive and has the potential to damage the mutual structures and walkways are prohibited.~~

3. ~~All plants are to be kept 12" below the eaves, kept 6" from any wall or deco block, and should never exceed the roof line.~~
4. ~~Vines are not permitted to climb on any structure. If a trellis is used, it must be free-standing and kept 6" from any wall or deco block and 12" below the eaves.~~

5. ~~All planting must be trimmed back 6" from the building. Removal of any offending growth will be done by the Mutual at the resident's expense if the resident does not maintain these standards.~~

(Feb 12)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Garden Areas, Trees and Shrubs – Mutual Three

~~6. Fertilization and plant pest control within the garden area are the responsibility of the resident and will be done at their cost. Mutual garden service may be employed at resident's cost. An estimate of the cost will be provided if the resident desires the gardener to perform this work. Shareholders may contact their parcel director to arrange this service.~~

~~7. Watering this area is the resident's responsibility.~~

~~8. Gardens are cultivated by the Mutual gardening service unless the resident desires to perform this task. The resident should request red flags from a Director to place in the garden area if the resident wants to care for the garden area. Gardeners will not work in any area that has a red flag – even if it is in a pot – the entire area will not be worked. If a red flag is removed and the gardeners clean up the area and then the red flag is put back at a later date and the area needs to be cleaned up again by the gardeners, the resident will be charged.~~

~~9. Gardeners are instructed to remove weeds, wild mint, and plants of the spiderwort family, all of which can spread into the lawn or neighboring gardens. Baby tears are optional. Roses are trimmed in December/January by gardeners, except for red-flagged gardens. In all cases, plants must be cut back so as not to extend over the garden line.~~

~~10. Residents are not to give directions to the gardeners. The gardeners are notemployees of the Mutual or of GRF. They receive their orders from the supervisor of the landscape service which the mutual hires.~~

~~11. Potted plants are not permitted on the entrance walk, nor can they inhibit the 36" entry requirement.~~

~~12. Potted plants are not permitted on top of the pad mounted transformers, nor can they be hung from or placed on pad mounted enclosures (per Policy 7492) or on telephone vaults.~~

~~13. Free-standing, inanimate objects are permitted in the garden area.~~

~~14. Carport wall gardens are the responsibility of the Mutual.~~

~~15. Sprinklers within resident garden areas, if desired and feasible, must be approved by the Landscape Chair and installed by the Mutual gardeners at the resident's expense.~~

(Feb 12)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Garden Areas, Trees and Shrubs – Mutual Three

~~TURF AREAS~~

~~Turf areas are defined as all of the grass / ground areas located outside of the garden areas at each apartment.~~

~~1. The maintenance of all turf areas is the exclusive responsibility of the Mutual.~~

~~2. The Mutual turf areas may be used by the resident for temporary reasons from sunup to sundown. No tents/tarps/coverings are allowed in the turf areas (which includes the grass area in front of a resident's apartment). Use of the turf may be used for but is not limited to:~~

~~a. Construction activity;~~
~~b. Moving;~~
~~c. Picnics.~~

~~If there is any doubt about use in this area, any Director can be contacted.~~

~~3. Residents are not permitted to install, remove, or relocate plants or any other landscaping materials in turf areas.~~

~~4. Residents are not permitted to install, remove, relocate or adjust sprinklers in turf areas, nor are they permitted to hand water turf areas.~~

~~GARDEN AREAS, TREES AND SHRUBS - Additional Information~~

~~Projects requested by residents which would result in changes affecting or involving turf areas must be approved in writing by the Mutual. The work involved in such projects must be performed by the Mutual's gardening contractor, and the cost of such work will be charged to the resident.~~

~~The location and species of all trees to be planted shall be Mutual Three's responsibility, with no exceptions. Residents shall not trim, shape, irrigate (water), or in any way interfere with the growth of any tree, with no exceptions.~~

~~THE FOLLOWING PLANTS **ARE NOT** PERMITTED~~

- ~~Asparagus fern~~

(Feb 12)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Garden Areas, Trees and Shrubs – Mutual Three

- ~~Ivy~~
- ~~Citrus and fruit trees~~
- ~~Plastic Plants~~
- ~~Bamboo (Heavenly Bamboo Acceptable)~~
- ~~Poinsettia~~
- ~~Bird of paradise~~
- ~~Spiderwort family~~
- ~~Cedar-type bushes~~
- ~~Trees of any kind~~
- ~~Vegetables~~
- ~~Wild mint~~

~~The above list is not all inclusive. If there is any doubt, it is suggested that the Landscape Chair/Committee be contacted to confirm the acceptability of desired plants. Most annuals are accepted.~~

~~MUTUAL ADOPTION~~	~~AMENDEDMENTS~~
~~THREE 10-11-91~~	~~07-10-92, 11-15-00, 07-08-05, 02-10-12~~

RESCIND

(Feb 12)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Barbeque – Usage and General Safety Precautions

~~Barbeque Usage~~

~~1) Propane, butane or charcoal barbeques shall only be used in a location that is at least 10 feet away from all structures. Mutual Two allows the use of barbeques outside as long as it is not underneath the eaves. After barbequing, the barbeque may be left in place overnight to allow the appliance or charcoal to cool down.~~

~~2) Propane, butane or charcoal barbeques shall not be used under a patio roof due to the possibility of large flare-up flames while cooking.~~

~~3) Propane, butane or charcoal barbeques shall never be used inside an apartment for cooking, heating or storage purposes.~~

~~Charcoal Briquettes~~

~~Mutual Two: Charcoal barbeques are not permitted.~~
~~Mutual Four: Charcoal barbeques are not permitted.~~
~~Mutual Eleven: Charcoal barbeques are not permitted.~~
~~Mutual Twelve: Charcoal barbeques are not permitted.~~

~~If charcoal briquettes are used, a bucket of water must be kept near the barbeque in order to douse the flame if it gets out of control.~~

~~In order to prevent possible spontaneous combustion, charcoal briquettes, especially the self-starting type, may not be stored in the sun on the patio.~~

~~Charcoal briquettes must be left in the barbecue to cool down before disposing of them. **DO NOT** place hot charcoal briquettes in trash cans or bins, and **ALWAYS** make sure that the fire is extinguished before disposing of ashes.~~

~~Barbeque Storage~~

~~1) Propane, butane or charcoal barbeques shall be stored on the outside, open patio of ground floor apartments, but never stored in an enclosed patio. If a unit has no patio, the barbeque must be covered and stored in the garden area adjacent to the main entry walkway.~~

~~2) Propane, butane or charcoal barbeques shall not be stored inside an apartment.~~

~~3) Propane, butane, or other compressed gas shall not be stored on an enclosed patio or~~

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Barbeque – Usage and General Safety Precautions

inside an apartment.

Barbeque Usage – Mutual Seventeen Only

Due to the possibility of smoke and fumes entering other apartments, and in order to be in compliance with the Fire and Safety Precautions, barbeques of any kind are not permitted anywhere within the property boundaries of Mutual Seventeen.

MUTUAL ADOPTION

One	06-25-15
Two	03-19-15
~~Three~~	~~05-09-14~~
Four	05-13-15
Five	03-27-15
Six	03-27-15
Seven	04-17-15
Eight	08-25-14
Nine	04-14-14
Ten	08-27-14
Eleven	05-21-14
Twelve	05-10-14
Fourteen	03-28-15
Fifteen	03-16-15
Sixteen	04-18-14
Seventeen	N/A

(Jun 15)

RESCIND

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Standard Plans and Specifications - Remodeling

~~In February 1974, standard plans and specifications were developed that could be used by all Mutuals in apartment remodeling.~~

~~These plans and specifications, dated January 30, 1987, were reviewed, updated and approved by the City of Seal Beach Building Department on June 19, 1987, and conform to HUD requirements. These Mutual Building Standards Plans and Specifications are on file in the Physical Property Office and copies are available for the use of all Mutual Boards.~~

~~Mutual Nine Only – When all or any remodel work is done to a unit, ALL smoke detectors/alarms must be replaced with a Kidde i9010 Tamperproof 10-Year Sealed Lithium Battery-Operated Smoke Alarm and/or Kidde 12010S Worry-Free Hardwired Interconnected Smoke Alarm Sealed Lithium Battery Backup where applicable or equal.~~

~~The Mutual Building Standards Plans and Specifications described above are approved and adopted for use by these Mutual Corporations:~~

MUTUAL	ADOPTION	AMENDMENTS
ONE	04-26-01	
TWO	04-19-01	
~~THREE~~	~~04-13-01~~	
FOUR	05-07-01	
FIVE	04-18-01	
SIX	04-24-01	
SEVEN	04-20-01	
EIGHT	04-23-01	
NINE	04-09-01	10-12-15
TEN	04-25-01	
ELEVEN	04-19-01	
TWELVE	04-12-01	
FOURTEEN	04-11-01	
FIFTEEN	04-16-01	
SIXTEEN	04-16-01	
SEVENTEEN	N/A	

(Oct 15)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Standard Contract – Building Alterations

~~In connection with issuing building alteration permits for work on apartments of this Mutual, the only acceptable contract form, properly completed and signed by the resident and contractor proposing to do the work, will be the appropriate Standard Form of Contract as drawn by the Foundation attorney, and as presented by the Ad hoc Committee on Apartment Alterations.~~

RESCIND

MUTUAL ADOPTION

ONE	12-75
TWO	10-75
~~THREE~~	~~10-74~~
FOUR	01-75
FIVE	01-77
SIX	01-76
SEVEN	11-75
EIGHT	11-75
NINE	10-75
TEN	06-81
ELEVEN	02-77
TWELVE	11-75
FOURTEEN	10-75
FIFTEEN	01-77
SIXTEEN	01-77

(Jun 81)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Payment and Performance Bond – Mutual Three

~~RESOLVED, Performance Bond – permits for any construction work valued at more than $10,000 performed in Mutual Three shall require a Performance Bond. The bond shall require sufficient funds in the event the work is not completed on time and according to approved plans and also to the satisfaction of Mutual Three for any reason. Exceptions are as follows:~~

~~1. The contractor is listed on the Physical Property list of approved contractors, and~~

~~2. The contractor has completed more than $100,000 per year in contracts in Leisure World for the last three years.~~

RESCIND

~~**MUTUAL ADOPTION**~~

~~THREE: 10-12-18~~

(Oct 18)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Roof Extensions

~~RESOLUTION:~~

~~WHEREAS some residents of this Mutual have requested permission to remodel the building in which they reside by extending the roof structure to cover the existing patio area, and~~

~~NOW THEREFORE BE IT RESOLVED that the Physical Property Department of the Golden Rain Foundation is hereby authorized to approve individual requests by residents for this remodeling and issue a building permit in the regular form for this work, subject to the following conditions:~~

~~1. The contractor performing the work must be a contractor licensed in the State of California as a General Contractor.~~

~~2. The contract form to be used will be the standard contact form as developed by the Physical Property Department.~~

~~3. The construction will conform to the plans and specifications approved by the architect of the Los Angeles Office of the Federal Housing Administration.~~

~~4. A building permit will be obtained from the City of Seal Beach, California.~~

~~5. Resident agrees that title to the remodeling and addition shall vest in the Mutual Corporation.~~

MUTUAL ADOPTION

ONE	02-25-01	~~NINE~~	~~11-19-74~~ – rescinded 3-14-16
TWO	11-20-69	TEN	01-27-71
~~THREE~~	~~10-20-69~~	ELEVEN	10-16-69
FOUR	10-27-69	TWELVE	01-09-69
FIVE	11-19-69	FOURTEEN	05-05-70
SIX	10-24-69	FIFTEEN	09-04-74
SEVEN	11-21-69	SIXTEEN	12-11-74
EIGHT	04-26-74	SEVENTEEN	Not Applicable

(Mar 16)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Roof Leak Procedure

~~RESOLUTION:~~

~~Mutual No. ___ hereby resolves to authorize the Service Maintenance Department to make roofing repairs if a roofing contractor fails to effect warranty repairs within fifteen (15) working days from notification by the Physical Property Department. The following procedure will be followed:~~

~~When a roof leak is reported by a resident, a Mutual Director or the Service Maintenance Department:~~

~~1. The leak is reported to the Physical Property Department, and recorded in the Roof Leaks Log.~~

~~2. The Physical Property Department Secretary reports the leak to the appropriate Inspector.~~

~~3. The Physical Property Inspector initiates a Roof Leak Report.~~

~~4. The Inspector determines whether the leak is under warranty and, if not, whether it is the responsibility of the Mutual or the resident.~~

~~a. If the leak is under warranty:~~

~~1. The Inspector notifies, in writing, the contractor holding the warranty. The contractor is given a period of 15 working days to repair the leak.~~

~~2. If the leak is not repaired within 15 working days by the contractor:~~

~~a. The inspector notifies the Service Maintenance Department to perform the work.~~

~~b. Upon completion, the Service Maintenance Department prepares a monthly status report on assigned roofs and issues a copy to the Mutual and Physical Property Department, and forwards an SRO to accounting to invoice the contractor.~~

~~3. The Inspector notifies the Physical Property Department Secretary to record the job as complete in the Roof Leaks Log.~~

~~b. If the leak is not under warranty and is the responsibility of the Mutual:~~

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Roof Leak Procedure

~~1. The Inspector reports the leak to the Service Maintenance Department. The Service Maintenance Department performs the work; prepares a monthly status report on assigned roofs and issues a copy to the Mutual and Physical Property Departments; and generates a Service Repair Order and invoicing.~~

~~2. The Inspector notifies the Department Secretary to record the job as complete in the Roof Leaks Log.~~

Mutual Six Only: Use the following Section b, Item 1:

b. If the leak is not under warranty and is the responsibility of the Mutual:

1. The Inspector reports the leak to the Mutual President and the Service Maintenance Department is notified to repair the leak as soon as possible.

c. If the leak is not under warranty and is the responsibility of the resident:

1. The Inspector sends a letter to the resident that the leak is their responsibility. A copy of the letter is sent to the Mutual President and to file.

2. The Inspector notifies the Department Secretary to record the job as such in the Roof Leaks Log.

RESCIND

MUTUAL ADOPTION

ONE	04-26-01	~~NINE~~	~~04-09-01~~ – rescinded 03-14-16
TWO	04-19-01	TEN	04-25-01
~~THREE~~	~~04-13-01~~	ELEVEN	04-19-01
FOUR	05-07-01	TWELVE	04-12-01
FIVE	04-18-01	FOURTEEN	04-11-01
SIX	04-24-01	FIFTEEN	04-16-01
SEVEN	04-20-01	SIXTEEN	04-16-01

(Mar 16)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Roof Leak Procedure

EIGHT	04-23-01	SEVENTEEN	Not Applicable

RESCIND

(Mar 16)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Patio Roof Covers – Except Mutual Two, Four, Seven, Eleven, Fourteen

~~RESOLUTION:~~

~~That, from this date, only permanent type patio roofs may be installed or replaced in Mutual _____.~~

RESCIND

MUTUAL	ADOPTION DATE	AMENDMENTS	RESCIND
ONE			
~~TWO~~	~~05-22-80~~		01-18-18
THREE	08-16-79		
~~FOUR~~	~~08-18-80~~		09-11-19
FIVE	08-07-78		
SIX	08-22-80		
~~SEVEN~~	~~03-16-79~~		03-16-16
EIGHT	08-27-79		
NINE	08-11-80		
TEN	06-25-81		
~~ELEVEN~~	~~06-15-78~~		01-17-19
TWELVE	01-11-79		
~~FOURTEEN~~	~~08-23-80~~		02-20-18
FIFTEEN	09-28-76		
SIXTEEN	03-26-79		
SEVENTEEN	N/A		

(Sep 19)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Filled Concrete Block and Footings

~~Resolution:~~

~~THAT this Mutual authorize (not authorize) the Physical Property Department to issue permits for the use of the "filled type" decorative blocks in enclosing patios, providing that sufficient footings are placed under the edge of the slab where said blocks are to be installed, in order to adequately provide for the added weight on the slab.~~

MUTUAL ADOPTION		**RESCINDED**
ONE	01-24-74	
TWO	09-16-71	
~~THREE~~	~~01-14-72~~	
FOUR	10-04-71	
FIVE	~~09-15-71~~	09-15-93
SIX	09-24-71	
SEVEN	09-17-71	
EIGHT	07-28-80*	
NINE	02-14-78	
TEN	02-24-72	
ELEVEN	01-17-74	
TWELVE	~~09-09-71~~	04-08-04 (See Policy 7494.12)
FOURTEEN	10-08-71	
FIFTEEN	Not Applicable	
SIXTEEN	09-09-71	

*Up to three tiers only; not to be used for total enclosure

RESCIND

(Apr 04)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Liners for Decorative Block Walls

~~This Mutual will not permit the use of organic materials such as plywood to line decorative block walls.~~

~~Further, remodeling patio areas in any of the several designs permitted by this Mutual must be done in such a way that decorative blocks continue to be an integral part of the exterior building design in order to preserve the original uniform appearance of the building.~~

~~Mutual One Only (Effective 10-25-01)~~

~~THAT deco blocks are no longer required along the front walls of remodeled units unless the remodeling resident desires to implement their use. Deco blocks are not mandatory on the façade of apartments, but the blocks must be placed around the central air conditional units to help mask from view and help eliminate noise.~~

~~Mutual Eight (Effective 01-27-03), Mutual Nine (effective 08-08-88), and Mutual No. Fourteen (Effective 02-14-01)~~

~~THAT deco blocks are no longer required during remodeling.~~

~~Mutual Fifteen Only (Effective 10-21-02)~~

~~THAT the installation of a row of decorative concrete caps to finish the top of the patio wall of a remodeled apartment is permitted, providing the caps are painted or stuccoed the same color to match the building. Added decorate brick or block inside or outside the patio wall with approved color will be considered on a case-by-case basis.~~

MUTUAL ADOPTION		AMENDED	RESCINDED
ONE	~~05-23-74~~		10-25-01
TWO	05-16-74		
~~THREE~~	~~05-20-74~~		
FOUR	~~05-06-74~~		11-04-02
FIVE	~~05-15-74~~		09-15-93

(Apr 12)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Liners for Decorative Block Walls

RESCIND

MUTUAL ADOPTION		AMENDED	RESCINDED
SIX	05-24-74		
SEVEN	~~05-17-74~~	06-18-04	
EIGHT	~~05-28-74~~	01-27-03	
NINE	~~05-13-74~~	08-08-88	
TEN	05-23-74		
ELEVEN	06-20-74		
TWELVE	~~06-13-74~~		04-08-04 (See 7494.12)
FOURTEEN	~~05-10-74~~	~~02~~-14-01, 04-27-10	04-29-12
FIFTEEN	~~05-20-74~~	10-21-02	
SIXTEEN	~~05-09-74~~	09-15-97	

(Apr 12)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Common Entry Walkways - Mutual Three Only

1. ~~The primary contractor is responsible for the work performed. The contractor must be licensed in the State of California and the City of Seal Beach. A Golden Rain Foundation Building Permit shall be obtained prior to the start of work. All work, maintenance, and repairs will be performed at the expense of the requesting resident.~~

2. ~~Shareholder(s) of the adjoining unit, if any, must agree to the relocation of their entrance walkway, if applicable. A written agreement must be signed by both parties prior to any work being performed by the contractor.~~

3. ~~The contractor's site plan shall show all changes necessary to meet the following conditions:~~

   a. ~~The site plans shall define the areas affected by the relocation of the entrance walkways which are connected to the main sidewalk and all affected units.~~

   b. ~~The site plans shall show:~~

      1) ~~The original "as is" walkway and sprinklers in dashed lines;~~

      2) ~~The proposed relocated walkway(s) and sprinkler units in solid lines.~~

4. ~~The lawn area(s) affected by the proposed relocated walkway must be properly watered and the plan must indicate this by showing the position of each affected sprinkler. Sprinkler units must be located at the end of each side of each new walkway. The sprinkler units shall be the same type as others used in the Mutual.~~

5. ~~The new lawn adjoining each new walkway shall be tapered (up or down) to match the level of each new walkway so that the lawn mowers can easily move across each walkway without causing damage. New sod is to be used to taper lawns to the level of each new walkway.~~

6. ~~The new walkway shall be a minimum width of four feet, six inches and a maximum width of five feet.~~

7. ~~Walkways may include or be bordered by brick, flagstone, or any similar material between Mutual walkways and shareholder porch area, although this is not recommended by the Mutual because it is possible for mowing or edging equipment to chip the edge of the walkway when softer material is used. Such damage will not be the responsibility of the~~

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Common Entry Walkways - Mutual Three Only

~~Mutual or the gardening contractor.~~

~~8. The following are excerpts from the Golden Rain Foundation Building Permit: "I agree that I will not request the Golden Rain Foundation or Mutual Three to reimburse, repair or maintain the alteration.~~

~~I also agree to be personally responsible for the repair and maintenance of the alteration and authorize Mutual Three, in the event of my failure to perform any needed repairs or maintenance, to perform the repairs or maintenance upon the alteration.~~

~~Further, the resident (shareholder) agrees that they will personally maintain the alteration and, in the event of their failure, Mutual Three may perform maintenance or repairs for which the resident will pay the Mutual Corporation upon being billed."~~

~~9. All expenses relating to any work done on the Mutual property of affected units are to be charged to the shareholder that makes an entrance walkway change request.~~

~~MUTUAL ADOPTION~~

~~THREE: 11 Feb 11~~

RESCIND

(Feb 11)

MUTUAL OPERATIONS

PHYSICAL PROPERTY **RESCIND**

Air Conditioning/HVAC/Heat Pump Units – Mutual Three Only

~~**RESOLVED** That in order to conform to revised requirements of the City of Seal Beach, the Uniform Building Code and the Physical Property Department of Leisure World regulations, and~~

~~**THAT**, in accordance with the previous practice of this Mutual and in conformity with the regulations of the Physical Property Department, the installation of air conditioning units in Mutual Three be approved and confirmed as follows:~~

~~**THAT** permission is granted by the Board to the Physical Property Department to issue permits for installation of air conditioners through the lower windows.~~

~~1. The installation of HVAC (Heating, Ventilating and Air Conditioning) units is to be done with the outside unit located inside the drip line and as close to the center of the front of the apartment as practical, and in compliance with Physical Property Department requirements. All repairs and maintenance are the responsibility of the shareholder.~~

~~2. The compressor is to be installed on a four-inch-thick concrete slab.~~

~~3. All wall openings will be flashed with a sheet metal cover with all holes, openings and voids filled with a flameproof and insect-, vermin- and rot-resistant expandable foam.~~

~~4. Exposed refrigerant lines on the exterior of the building should have a sheet metal cover. All exposed ends are to be filled with expandable foam.~~

~~5. The compressor is not to exceed 54 decibels; the air handler unit in the attic cannot exceed 44 decibel sound level per City of Seal Beach building code.~~

~~6. Attic access cover shall be a combination of plywood with a 5/8" drywall, type x, with the drywall facing the attic side.~~

~~During the pre-listing inspection, and at the seller's expense, existing heat pumps will be inspected and serviced, as needed, and condensation drain lines will be rodent-proofed.~~

~~**MUTUAL ADOPTION**~~	~~**AMENDMENTS**~~
~~THREE: 11-13-87~~	~~04-12-02, 09-10-99, 06-12-09~~

(Jun 09)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Pet Ownership Policy

ARTICLE I - RULES AND REGULATIONS

~~A. **California State Law**~~

~~The State of California has enacted a Section of the law which amends the common-interest law pertaining to the Mutual Corporation designated Section §1360.5 of the Civil Code. It is provided that in a common-interest development where there is an owner of a separate interest as defined therein, the owner is entitled to have at least one pet within the confines of the separate interest, subject to reasonable rules and regulations of the association.~~

~~B. **Definition of Pet**~~

~~The law defines a "*pet*" as *"any domesticated bird, cat, dog, aquatic animal kept within an aquarium, or other animal as agreed to between the Association and the homeowner."*~~

~~(1) All members of the reptile and monkey families, as well as any raucous-voiced birds, are prohibited.~~

~~*The following Paragraph (1) replaces the above Paragraph (1) for Mutual Four and Ten only:*~~

~~(1) All members of the snake, monkey and arachnid families, as well as any raucous-voiced birds, are prohibited.~~

~~A reptile, such as a small lizard or turtle that is housed in a terrarium or aquarium, is permitted.~~

~~(2) At no time shall it be appropriate for resident owners to house or maintain within the confines of the Mutual any animal commonly known as a farm animal, domesticated farm animal, or any animal commonly maintained on a farm for the purpose of breeding for its fur, feathers, byproducts, or for human consumption, or as may be found in specialty meat markets; farm animals may consist of, but not be limited to: duck, goose, chicken, potbellied pig, piglet, cow, calf, goat, rabbit, lamb, miniature horse, pony, etc.~~

~~C. **Definition of Rules for Pet Ownership**~~

~~Similar rules have been enacted pursuant to law by the Federal Government substantially to the same effect as the California law, and under the federal rules there have been developed~~

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Pet Ownership Policy

~~criteria as to what are reasonable rules and regulations of the Mutual related to the keeping of pets. Those rules are adopted by the Mutual Corporation as being reasonable rules and regulations for the keeping of a pet, and are set forth in this policy adopted by the Mutual Corporation as Rules and Regulations as pertaining to occupancy of a separate interest within the Mutual Corporation. Those rules are as follows:~~

~~(1) The **number** of quadruped pets per apartment shall be restricted to one. The number of birds per apartment shall be restricted to two (Mutual One, Two, Three, Four, Six, Seven, Ten, Eleven, Twelve, and Sixteen); two pairs (Mutual Eight and Fifteen); four (Mutual Fourteen).~~

~~*The following Paragraph 1(a) of Article I, Section C is applicable to Mutual Ten and Fourteen only:*~~

~~a) Birds brought into Mutual Fourteen as pets must be examined by a veterinarian, vaccinated against all infections, and certified to be free of the avian flu virus. Birds shall be kept inside the resident owner's apartment at all times; they are not allowed in the patio area. The resident owner is responsible for the safe disposal of cage debris. The debris must be sealed in a plastic bag and placed in the trash bin in order not to attract rodents to the area. Birds must be quiet enough not to disturb the resident owner's neighbors. The same general rules shall be applicable for birds as for quadruped animals.~~

~~In Mutual Ten, birds shall be kept inside the resident owner's apartment at all times; they are not allowed in the open patio area. The resident owner is responsible for the safe disposal of cage debris. The debris must be sealed in a plastic bag and placed in the trash bin in order not to attract rodents to the area. Birds must be quiet enough not to disturb the resident owner's neighbors. The same general rules shall be applicable for birds as for quadruped animals.~~

~~(2) The breed of the pet shall be of such nature that its weight is not expected to exceed **twenty-five (25) pounds** at time of full maturity.~~

~~(3) Pets are **prohibited from common area facilities**, such as clubhouse facilities, library, Golf course, health care center, Amphitheater, swimming pool area, Administration~~

~~Building, lobbies, and laundry rooms. In all other permitted areas, the pet must be on a~~

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Pet Ownership Policy

~~**leash** not longer than six feet and under the control of, and accompanied by, a resident and/or adult agent of the resident pet owner and/or responsible adult.~~

~~(a) While traversing the streets or sidewalks of the Mutual Corporation while making ingress and egress to or from the resident's apartment, at all times, the resident pet owner and/or responsible adult must have in evidence and in plain view a **plastic bag and/or a poop scoop** device for the purpose of immediately removing any pet waste deposited on any lawn or ground area.~~

~~(b) In accordance with Seal Beach City Code, Section 3-10.26 - Maintaining Sanitary Conditions, persons allowing their dog or cat to defecate on property other than their own property, shall remove such feces immediately or be subject to a city fine of $25.~~

~~(4) The resident pet owner shall immediately, and forthwith, **remove any pet waste** deposited by the pet in all common areas where said pet is permitted.~~

~~(a) The Mutual Corporation will impose a fine, per occurrence, on any resident pet owner who fails to immediately remove any such pet waste deposited by their pet.~~

~~(1) The imposed fine shall be $25, per occurrence or the actual amount charged by the janitorial services company to have one of its employees remove the pet waste, if greater than $25.~~

~~(2) The imposed fine shall be paid by the resident pet owner to the Mutual Corporation.~~

~~(5) Resident pet owners are required to **control noise and odor** caused by a pet. Any noise or odor which adversely affects any other resident is not permitted.~~

~~(6) All quadruped pets brought into the Mutual by a resident pet owner shall have been **spayed or neutered**.~~

~~(7) No quadruped pet may be **left unattended** in any dwelling area for more than four (4) hours. All pets must be under the resident pet owner's control in an apartment, so as not to be a hazard to security officers, maintenance staff, fire inspectors, paramedics, mail carriers or service providers or other employees requiring access to an apartment where there are pets.~~

(Sept 14)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Pet Ownership Policy

~~(a) Resident pet owners who, on a temporary basis, allow a neighbor to assume responsibility for their pet for a period longer than four (4) consecutive hours must notify the Security Department of the temporary arrangement and provide a sign for the neighbor to post on the exterior of the neighbor's residence, near the front door, notifying service providers and employees who require access to the apartment in an emergency that a pet is temporarily being housed inside the apartment.~~

~~The following Paragraph 7(b) of Article 7, Section C is applicable to Mutual One only:~~

~~(b) Any permitted pet must, at all times, be accompanied and under the full control of their owners, no animal shall be left unattended in any fenced, gated or enclosed patio. Pet doors leading to the outdoors and onto open and enclosed patios are not permitted.~~

~~Pet doors shall not be installed through front doors, sliding glass doors, windows or walls of any unit or building. All pet doors previously installed prior to 2/1/13 at the discretion of the Board shall be removed at the shareholder's expense to the satisfaction of the Mutual within 30 days after receiving notice from the Mutual Administration Manager.~~

~~(8) All pets to be living within the Mutual, before being registered for admittance, shall have been inoculated in accordance with all federal, state and local laws, and shall be licensed by the City of Seal Beach as required, and shall carry a current license tag on their collar. Said licensing shall be pursuant to all applicable local and state laws and regulations.~~

~~(a) All properly registered pets (cats and dogs) shall also be required to wear a bright-colored Mutual tag on their collar along with the license tag, thereby showing proof of registration with GRF.~~

~~(9) Pets not owned by a resident shall not be brought upon the premises of the Mutual Corporation.~~

~~(a) Residents may not, even temporarily, keep a non-registered pet owned by another person in their dwelling unit.~~

(Sept 14)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Pet Ownership Policy

~~(10) It shall not be permissible to maintain a pet in a residence unless sanitary standards are maintained governing the disposal of pet waste.~~

~~*The following Paragraph 10(a) of Article I, Section A, is applicable to Mutual Sixteen only:*~~

~~(a) At no time shall it be appropriate for resident shareholders of Mutual No. Sixteen house or maintain within the confines of Seal Beach Mutual No. Sixteen any animal commonly known as a farm animal, domesticated farm animal, or any animal commonly maintained on a farm for the purpose of breeding for its fur, feathers, byproducts or for human consumption, or as may be found in specialty meat markets; farm animals may consist of, but not be limited to: duck, goose, chicken, potbellied pig, piglet, cow, calf, goat, rabbit, lamb, miniature horse, pony, etc.~~

~~(11) Resident pet owners with properly registered pets shall be permitted to walk their pet while pet is on a leash not longer than six feet for the purpose of exercising and/or depositing pet waste on any lawn area.~~

~~*Exceptions:* ***Mutual Twelve:*** *Resident pet owners who reside outside of Mutual Twelve may not walk their pet on the lawns or grounds of Mutual Twelve;* ***Mutual Sixteen:*** *Resident pet owners who reside outside of Mutual Sixteen may not walk their pet on the lawns or grounds of Mutual Sixteen.*~~

~~(a) At all times, the resident pet owner or responsible adult must have in evidence and in plain view a plastic bag and/or a poop scoop device for the purpose of immediately removing any pet waste deposited on any lawn or ground area.~~

~~(b) Provide written documentary proof to the Golden Rain Foundation that the pet to occupy resident's unit is licensed pursuant to all applicable state and local laws and regulations, and will carry a licensed tag as described in Paragraph (9) of Article 1, Section C of the Mutual Pet Ownership Policy,~~

~~(c) Complete and sign a Pet Ownership Registration Form as prepared by the Golden Rain Foundation and the Seal Beach Mutual Corporation in which resident resides pursuant to the Orange County Fair Housing Authority (OCFHA) and Department of Housing and Urban Development (HUD).~~

(Sept 14)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Pet Ownership Policy

(d) Provide written proof that the pet has been inoculated before being admitted to be with resident in accordance with all federal, state and local laws.

(e) Acknowledge the right of the Golden Rain Foundation, and the Seal Beach Mutual Corporation in which the resident resides, to adopt and implement reasonable rules and regulations governing pet ownership in accordance with Civil Code §1360.5, and agree to be bound thereto, except to the extent modified by the agreement with the Mutual Corporation in which resident resides so as to provide reasonable accommodations to the resident.

(13) Resident pet owners owning a cat, or another pet using a litter box, are required to change the litter at least twice each week. Resident pet owners are required to separate the pet waste from the litter at least once each day. Pet waste shall be deposited in airtight plastic bags before being deposited in the trash or garbage bins. **Do not** flush kitty litter down the toilet, as this will cause a sewer blockage.

(14) Resident pet owners owning a cat or dog pursuant to these regulations shall procure a policy of liability insurance in an amount sufficient for the indemnification of other persons who may be injured by the pet of the resident with coverage in an amount sufficient to cover their personal liability.

(15) Resident pet owners must display a pet ownership decal in a prominent location near the front door of their residence in order to alert security officers, maintenance staff, fire inspectors, mail carriers, or other employees requiring access to an apartment where there are pets.

(16) Resident pet owners, upon the sale of their apartment, shall have the apartment treated professionally by a licensed pest control company prior to the close of escrow, at the owner's expense.

(17) In the event of any emergency related to a pet, and in the event there is no state or local authority (or designated agent of such an authority), the Mutual Corporation reserves the right to remove a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of other residents of Seal Beach Leisure World, and/or their guests. Subject to execution of an agreement by the resident pet owner, a representative of the

RESCIND

Pet Ownership Policy

~~Mutual Corporation, along with the Security Department, may enter the premises, if necessary, to remove the pet only if the resident pet owner refuses to remove the pet at the Mutual Corporation's request, or if the Mutual Corporation cannot contact the resident pet owner to make a removal request, and may take such action with respect to the pet as may be permissible under federal, state and local laws, which may include placing the pet in a facility that will provide care and shelter for a period not to exceed thirty (30) days.~~

~~(a) Resident pet owner or resident pet owner's estate shall remain responsible for any and all damages, injuries and related expenses caused by the pet, which may include:~~

~~(1) Payment of any legal expenses incurred by the Mutual Corporation and Golden Rain Foundation in the enforcement of this policy and provisions.~~

~~(18) If the health or safety of a pet is threatened by the death or incapacity of the resident pet owner, or by other factors that render the resident pet owner unable to care for the pet, and pursuant to the authorization in the Pet Ownership Registration Form, the Mutual Corporation may contact a responsible party or parties listed on the Pet Ownership Registration Form for the purpose of removing and caring for the animal. If the responsible party or parties are unwilling or unable to care for the pet, the Mutual Corporation may contact the appropriate state or local authority and request the removal of the pet. If there is no state or local authority, the Mutual Corporation may remove the pet and place it in a facility that will provide care and shelter until the responsible party or representative may be contacted, or the resident pet owner is able to assume responsibility for the pet, but not for longer than thirty (30) days. The cost of the animal care shall be borne by the resident pet owner.~~

~~(19) In the event that no resolution, as related to the care of the pet under and pursuant to Article I, Section C, Paragraphs (18) and (19), above is made within thirty (30) days, the Mutual Corporation and/or the Golden Rain Foundation are authorized to deliver the pet to any local humane society or association, either private, state, federal, or county.~~

~~ARTICLE II - REGISTRATION OF QUADRUPED PETS~~

~~A. All residents bringing quadruped pets onto the Mutual premises shall register their pets with~~

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~~the agent for the Mutual Corporation, to wit: the Golden Rain Foundation Stock Transfer Office. The pet must be registered before it is brought onto the Mutual premises. Further, the pet registration information and licensing must be updated on or before December 31 of each year. The Mutual/GRF Pet Ownership Registration Form will include or be accompanied by:~~

~~(1) A certificate signed by a licensed veterinarian or a state or local authority empowered to inoculate animals, stating that the quadruped pet has received all inoculations required by applicable state, and local laws.~~

~~(2) Information sufficient to identify the pet, and to demonstrate that it is a common household pet.~~

~~(3) The name, address, and telephone number of one or more responsible parties who will care for the pet if the pet owner dies, is incapacitated, or is otherwise unable to care for the pet.~~

~~(4) The resident pet owner shall sign a statement on said Pet Ownership Registration Form indicating that he/she has read the Pet Ownership Policy and agrees to comply with the contents therein. The resident pet owner shall acknowledge that the pet owner and the pet are subject to exclusion from the Mutual Corporation and the dwelling unit if there is not a compliance with the rules and registration requirements. The resident pet owner shall acknowledge that failure to comply with the rules and registration shall be grounds for refusing to permit a pet to be situated in a dwelling unit of the Mutual Corporation, and continued violations may cause termination of the resident pet owner's residency.~~

~~(5) The insurance carrier for the liability insurance required as to the pet, together with the address of the agent, and the amount of coverage procured shall be indicated on the Pet Ownership Registration Form. Resident pet owners shall bring a copy of their insurance policy into the Stock Transfer Office and have a copy made of the cover and declaration pages, which will then be placed in the pet occupancy file. Coverage requirements are outlined in Article 1, Section C, Item (15) of this policy.~~

~~ARTICLE III - VIOLATION OF PET OWNERSHIP POLICY~~

~~A. In the event of a determination of a violation of the Pet Ownership Policy, the Mutual Corporation shall serve a written notice of the pet rule violation on the resident pet owner.~~

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(1) Serve a written notice of pet rule violation on the resident pet owner. The written notice shall contain a statement of the factual basis for determining which violation has occurred to constitute alleged violation of the Pet Ownership Policy. The written notice shall state that the resident pet owner has ten (10) days from the effective date of service of the notice to:

(a) Correct the violation (including, in appropriate circumstances, removal of the pet).

(b) Make a written request to hold a meeting with the Mutual Board of Directors to discuss the alleged violation.

1. The resident pet owner is entitled to be accompanied by another person of his/her choice at a meeting, if a meeting is requested.

(2) The resident pet owner's failure to correct the violation, to request a meeting, or to appear at a requested meeting, may result in an initiation of procedures to terminate the resident pet owner's occupancy in the Mutual Corporation.

B. These rules and regulations concerning pets shall have no application to a resident with a bona fide service animal or animal required because of a physical disability of the resident, who requires a service animal specifically trained to assist the resident, under and pursuant to The Americans with Disabilities Act[1] (A.D.A.). In such cases, there shall be a certification as related to such animal, and a verifiable description of the service the animal is specially trained to perform for the disabled person as described in Article IV, Sections A, B and C.

ARTICLE IV - SERVICE ANIMALS

A. Service Animal means any certified guide dog, signal dog, or other animal individually trained to do work or perform service tasks for the benefit of an individual with a disability

[1] Americans with Disabilities Act, Rules and Regulations regarding service animals, Code of Federal Regulations (28 CFR Part 36-Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities), Subpart A-General, Section 36.104, Definitions

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~~including, but not limited to, guiding individuals with impaired vision, alerting individuals with impaired hearing to the sound of intruders, providing minimal protection or rescue work, pulling a wheelchair, fetching dropped items, and any other service task for which the animal has been trained, and which will benefit the disabled person. The purpose of these definitions is to address the issue of rights of access for all disabled persons who are accompanied by a service animal:~~

~~(1) A guide dog is defined as a dog which has been trained or is being specially trained for, or in conjunction with, a school such as Assistance Dogs International for guide dogs to lead in harness and serve as an aid to the mobility of a particular blind person.~~

~~(2) A hearing dog is defined as a dog which has been or is being specially trained by, or in conjunction with, a school such as Assistance Dogs International for hearing dogs to alert a particular deaf or hearing-impaired person to certain sounds.~~

~~(3) A service dog is defined as a dog which has been or is being specially trained by, or in conjunction with, a school such as Assistance Dogs International for service dogs to the individual requirements of a physically-disabled person, including, but not limited to, any of the following: pull wheelchair as needed, retrieve or carry dropped items, open and close doors, or provide balance or counter balance.~~

~~(a) Each school for assistance dogs provides documents of certification, such as an identification card for the individual disabilities of the disabled person and the requirements for a service dog.~~

~~B. Based on the aforementioned A.D.A. descriptions of a service animal, the Mutual Board of Directors hereby adopts the following certification policy in the identification process for the use of a service animal within the confines of the Seal Beach Leisure World Mutual Corporation common area properties:~~

~~(1) Upon request, each service animal owner shall provide the Stock Transfer Agent's Office with an original "Physician's Declaration" form describing, under penalty of perjury, the requirements and the need for a service animal as defined by The A.D.A. The "Physician's Declaration form shall include a full description of the physical tasks to be performed by the trained service animal for its disabled owner. Please see blank Physician's Declaration attached.~~

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~~C. The Seal Beach Leisure World Mutual Corporations further adopt and require compliance with the following exclusion regarding "SERVICE ANIMAL," pursuant to Section 5.303 of Title 24-Housing and Urban Development[2].~~

~~(1) The Mutual Corporation may require that service animals qualify for this exemption, and shall grant this exemption if:~~

~~(i) The shareholder or prospective shareholder certifies, in writing, that the shareholder, or a member of his or her immediate family, such as a qualified permanent resident or a co-occupant, is a person with a disability;~~
~~(ii) The animal has been trained to assist persons with that specific disability; and~~
~~(iii) The animal actually assists the person with that disability.~~

~~(2) Reserved~~

~~(b) Nothing in this Subpart B will:~~

~~(1) Limit or impair the rights of persons with disabilities;~~
~~(2) Authorize GRF and Mutual Corporations to limit or impair the rights of persons with disabilities; or~~
~~(3) Affect any authority that GRF or Mutual Corporations may have to regulate animals that assist persons with disabilities, under federal, state or local laws.~~

~~Please see the "Social/Companion Animal Claim Form" or "Service Animal Claim Form," whichever may be appropriate in your circumstance.~~

~~**ADOPTION DATES BY MUTUAL**~~

RESCIND

[2] Code of Federal Regulations, Title 24, Volume 1, Parts 0 to 199, Revised as of April 1, 2000, Housing and Urban Development, Part 5, Subpart C, Pet Ownership for the Elderly or Persons with Disabilities, General Requirements, Section 5.303, Exclusion for animals that assist persons with disabilities.

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• ~~Adoption~~ • ~~Date~~		~~Amendment Dates before Rewrite~~	~~Adopt. Date of Rewrite~~	~~Amendment Dates of Rewritten Policy~~
~~1~~	~~07-15-67~~		~~01-25-01~~	~~05-24-01, 01-24-02, 12-06-02, 09-22-05, 04-26-06,~~ ~~01-24-14~~
~~2~~	~~08-17-67~~	~~07-16-87, 08-17-00~~	~~01-18-01~~	~~05-17-01, 02-21-02, 05-15-03, 08-18-05, 07-20-06~~
~~3~~	~~11-21-66~~		~~02-09-01~~	~~05-18-01, 01-11-02, 11-08-02, 10-03-05, 03-10-06~~
~~4~~	~~08-28-67~~		~~02-05-01~~	~~07-02-01, 01-07-02, 11-04-02, 10-03-05, 05-01-06~~
~~5~~	~~12-21-66~~	~~09-20-00~~	~~01-17-01~~	~~05-16-01, 01-16-02, 11-20-02, 08-17-05, 03-15-06~~
~~6~~	~~06-20-69~~	~~05-23-00~~	~~01-23-01~~	~~05-23-01, 01-22-02, 11-26-02, 08-23-05, 03,28-06~~
~~7~~	~~08-18-67~~	~~02-17-84, 11-21-00~~	~~01-19-01~~	~~07-20-01, 01-18-02, 11-15-02, 10-21-05, 03-17-06,~~ ~~11-20-13~~
~~8~~	~~11-28-66~~		~~01-22-01~~	~~05-25-01, 01-28-02, 11-25-02, 10-24-05, 04-24-06~~
~~10~~	~~01-16-68~~	~~06-26-91~~	~~01-24-01~~	~~06-27-01, 01-23-02, 11-27-02, 10-26-05, 04-26-06,~~

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				01-24-07
11	05-22-69		01-18-01	06-21-01, 03-11-02, 11-21-02, 08-18-05, 04-20-06
12	09-14-67	12-03-99	02-08-01	07-12-01, 01-10-02, 11-14-02, 09-08-05, 03-09-06
15	06-05-67		02-16-01	05-10-01, 01-21-02. 11-18-20, 10-17-05, 03-20-06
16	01-01-68	01-15-90	02-20-01	06-18-01, 01-21-02, 11-18-02, 05-05-05, 01-16-06, 06-19-06 **For Mutual 9, see Policy 7501.9** **For Mutual Fourteen, see Policy 7501.14** **For Mutual Seventeen, see Policy 7501.17**

SERVICE ANIMAL CLAIM FORM – ATTACHMENT A

The following claim form is for exemption from specific Mutual Rules and Regulations regarding ownership of a Service Animal, as provided for under Title 24, Department of Housing and Urban Development (HUD), Part 5 - General HUD Program Requirements; Waivers, Table of Contents, Sub part C - Pet Ownership for the Elderly or Persons with Disabilities; General Requirements Section 5.303, Exclusions for Animals That Assist Persons with Disabilities.

A. In order to qualify for this exemption, all sections of the Service Animal Claim Form must be completed and signed by the eligible shareholder. Upon completion, this form will be submitted to the appropriate Mutual Board of Directors for the purpose of reviewing the qualifications of the applicant/shareholder in granting this requested exemption.

1. I, _____ (name of applicant/shareholder), hereby certify that I have a disability which qualifies me to apply for exemption from certain sections of the Pet Ownership Policy, and that my disability qualifies me to have

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a Service Animal under the auspices of the above-named HUD Act.

(i) Based on the certification of my attending physician, Dr._____, the necessary Service Animal so stated on the "Physician's Declaration" form has been trained at: (e.g., *Assistant Dogs International)* per the attached certificate: _____
_____

(ii) I further certify that, upon my command, this Service Animal can perform the following service tasks to assist me with my disability:_____
_____

2. The Board of Directors will review the applicant's request for exemption from **Article 1, Section C, Item 3, and 3a**, of Policy 7501, Pet Ownership Policy.

B. Nothing in this Sub part (B) will:

1. Limit or impair the rights of persons with disabilities; (2) Authorize the Golden Rain Foundation and/or Mutual Corporation to limit or impair the rights of persons with disabilities; or (3) Affect any authority that the Golden Rain Foundation or Mutual Corporation may have to regulate animals that assist persons with disabilities, under federal, state or local laws.

I declare under penalty of perjury under federal, state and local laws, that the foregoing information, and any accompanying statements, is true and correct to the best of my knowledge.

_____ _____
Date Signature of Applicant/Shareholder

_____
_____ _____
Date Signature of Legal Representative, if Applicable

----------FOR OFFICIAL USE ONLY----------

Based upon the above declaration as filed by _____ (name of applicant/shareholder), the applicant/shareholder is hereby granted an exemption from **Article 1, Section C, Item 3, and 3a**,

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~~of Policy 7501, Pet Ownership Policy.~~ **~~This exemption shall be renewed on the anniversary of this agreement and every year thereafter throughout the tenancy of the applicant/shareholder.~~**

~~_____ _____~~
~~Date Signature of Golden Rain Foundation or Mutual Corporation Representative~~

~~SERVICE ANIMAL - PHYSICIAN'S DECLARATION – ATTACHMENT B~~

~~I, Dr. _____ declare and say:~~
~~(Print name here)~~

1. ~~I am a California-licensed physician acting within the scope of my licensure having education, experience and training in diagnosing disabled persons to qualify them for a Service Animal under the Americans with Disabilities Act and Guidelines.~~

   ~~My office address _____~~

   ~~My office telephone number is _____~~

2. ~~Patient's Name (please print) _____ for whom this declaration is provided.~~

2. ~~I have conducted a physical examination of my patient and hereby certify that said patient has a physical disability. Based upon the examination which I conducted, it is my medical opinion that my patient has such a disability that requires a Service Animal to perform physical tasks and assistance. The tasks and assistance that the Service Animal will perform are:~~

   _____
   _____
   _____

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~~Said patient requires an animal trained to perform the above-stated task(s) to assist my patient with such disability. This patient is capable of caring for a Service animal and for causing the animal to practice the skills required for the disability on a regular basis.~~

~~3. I declare, under penalty of perjury under the laws of the State of California, that the foregoing is true and correct. This declaration was executed on:~~

~~the _____ day of _____, _____~~
~~Day Month Year~~

~~At _____, State of California~~
~~Name of City~~

_____ _____
~~Type or Print Name of~~ Physician Signature of Physician

RESCIND

SHAREHOLDER REGULATIONS **RESCIND**

Carport Regulations – Mutual Three

A. ~~Carport Storage and Maintenance~~

1. ~~It is the responsibility of every shareholder to maintain the carport floor that the shareholder has been assigned. The shareholder must assure that, at all times, the carport floor remains in a clean and dry condition. Various grease and other contaminants from vehicles may be dried and contained by, among other things, sprinkling kitty litter, which must then be swept up.~~

2. ~~Cabinet doors must remain closed at all times.~~

3. ~~Any items, personal effects, belongings, chattels, or materials ("Personal Property") that a shareholder wishes to store in the carport, must be contained completely within the carport cabinets in a manner which allows the cabinets to be closed and locked, except as stated in Section A, Paragraph 5.~~

4. ~~The storage of fuel oil or any combustible material in the carport areas is strictly prohibited. Even though the two wooden raised cabinets are intended for locked storage, you may not store any fuel oil or combustible material of any kind in those cabinets, at any time. Fire or combustion could damage your belongs and your neighbors' belongings, and increase your liability.~~

5. ~~The following four items are the only items for Personal Property that are permitted to be stored in carports outside of the cabinets (these items must be stored on the raised platform under the cabinet): (1) ladder (length not to exceed seven (7) feet, and which must be hung on or against the wall under the storage cabinet); (2) step stool; (3) two or three-wheeled bicycle; and (4) collapsible grocery cart. Even in the absence of a vehicle, the carport floor space may not be used to store any Personal Property, whether free-standing or in any type of container, except as specifically provided herein.~~

6. ~~If a violation of this policy is found, then Mutual Three (3) will send thirty (30) day notice to the shareholder via First Class and Certified Mail. If the shareholder does not correct the violation, then Mutual Three (3) may remove the offending Personal Property at the shareholder's expense. The Personal Property will be stored for up to ninety (90) calendar days at the shareholder's expense. The shareholder may demand return of the Personal Property during this period, after expiration of which the same will be discarded. If there is any subsequent violation of this policy within one (1) year of the expiration of a ten (10) day notice, the Mutual will send a letter, via First Class and Certified Mail, providing the shareholder with ten (10) days to correct the subsequent violation. Failure to comply may result in removal, storage, or disposal of the offending Personal Property, as described in this paragraph.~~

RESCIND

RESCIND

Carport Regulations – Mutual Three

~~B. Carport Use~~

~~1. Your assigned carport floor is for parking of your self-propelled, land vehicle, in operating condition only.~~

~~2. When parked in the carports, all vehicles must be parked front end in.~~

~~3. The rear end of all vehicles must not extend beyond the drip line of the carport roof.~~

~~4. A motorcycle, three (3) wheeled vehicle, or an electric cart may occupy your carport car space in the absence of a car, but not in addition to a car.~~

~~5. All motor vehicles, golf cars, and gas or electric carts must have current DMV registration, current license plate tags, and proper insurance as mandated by the State of California.~~

~~6. All vehicles parked in any Mutual Three (3) carports must display a proper decal or label, as may be issued by Mutual Three (3), the Security Department, or other department within Leisure World Seal Beach. Notwithstanding the foregoing, the carport assignee may allow temporary, short-term parking of a vehicle used by a guest if a "Temporary Parking" form is approved by Mutual Three (3) and posted on the dashboard of the guest vehicle.~~

~~7. No boats or trailers of any size or kind may be parked in the carport at any time. No vehicles, including, without limitation, motorcycles, mopeds, electric, carts, golf cars, bicycles and tricycles, may be parked between self-propelled land vehicles in adjacent carport spaces at any time~~

~~8. Any vehicle in non-compliance with the rules in this Section B shall be subject to towing at the owner's expense pursuant to the Mutual Three (3) Towing Policy 7582.3.~~

~~C. Carport Power and Electric Carts/Golf Cars~~

~~1. In order to receive permission to install a charging pad adjacent to the requesting-shareholder's apartment, the shareholder must submit plans to the Golden Rain Foundation ("GRF") Physical Property Department. The shareholder shall not install any charging pad until written approval is provided by GRF and Mutual Three (3), and all required permits are obtained. The charging pad must be removed, and the turf replaced, if any, at the shareholder's sole cost and expense, upon the sale or transfer of the shareholder's share of stock. All costs associated with the submission of plans and installation, maintenance, and removal of the charging pad, and any damages caused by the same, are the shareholder's sole responsibility.~~

RESCIND

Carport Regulations – Mutual Three

2. Electric carts/golf cars may not be parked on a walkway or turf area while being charged. Electric charging cords may not be placed on or across any walkway at any time. Electric carts/golf cars may not be parked in such a way as to interfere with the entry into or the exit from an apartment or impede pedestrian or vehicle access to any apartment or facility in any manner.

3. No carport electrical outlets are allowed.

D. Carport Assignments

1. Carport assignments are controlled by Mutual Three (3). A record of assignments is kept in the GRF Stock Transfer Office.

2. A "Request for Temporary Rental/Use of Carport Space and/or Storage Cabinet Space" form may be obtained in the Stock Transfer Office, and must be signed by both parties and approved by Mutual Three (3) before renting or loaning your carport space to a Mutual Three (3) shareholder. Rental to someone other than Mutual Three (3) shareholder is not allowed under any circumstances. Signed forms must be submitted to the Stock Transfer Office and Mutual Three (3).

3. A request for carport re-assignment, if approved, is only temporary and valid only so long as both participating parties agree to the temporary change. Either party may withdraw from the agreement at any time, provided the Mutual Three (3) Board of Directors is notified by either party, in writing. Mutual Three retains, at all times, the authority to revoke and cancel this temporary change of carport assignment, at its sole discretion. The temporary re-assignment of carport spaces will automatically expire, without exception, in the event of a sale of the stock representing either apartment.

E. General

1. Any damages sustained to the carport or to any vehicles or other Personal Property located therein, are the sole responsibility of the assigned shareholder.

2. Mutual Three (3) encourages carport use, and recommends each shareholder attempt to obtain carport space for each vehicle they operate.

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Carport Regulations – Mutual Three

~~F. Additional Storage Cabinets~~

~~1. Shareholders are permitted to have a cabinet built directly beneath the existing cabinet in the carport under the following conditions:~~

~~a. Before any cabinet is built or installed, shareholders must first obtain approval, in writing from Mutual Three (3), and must obtain approval and/or a permit from the GRF Physical Property Department.~~

~~b. The dimensions of the new cabinet shall be 92½" (inches) wide by 28" (inches) deep by 48" (inches) tall (see Attachment 1), and the materials shall be 2" (inches) x 4" (inches) wood frame with ¾" (inches) plywood.~~

~~c. The exterior painted color and hardware of the additional storage cabinet must match the existing cabinet.~~

~~d. Sliding doors on the cabinet may be allowed on a case-by-case basis.~~

~~e. If a new shareholder/resident does not want the lower carport cabinet, then the seller must return the space to the original format at the seller's expense.~~

~~f. The presence of the additional cabinet should not cause the back end of any vehicle parked there to extend beyond the drip line of the carport roof.~~

~~**Attachment:**~~

- ~~**Carport Cabinet Sketch**~~

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~~**MUTUAL ADOPTION**~~	~~**AMENDMENT(S)**~~
~~THREE: 04-15-68~~	~~03-08-91, 05-12-00, 04-14-06, 02-10-12 12-9-16, 09-14-18~~

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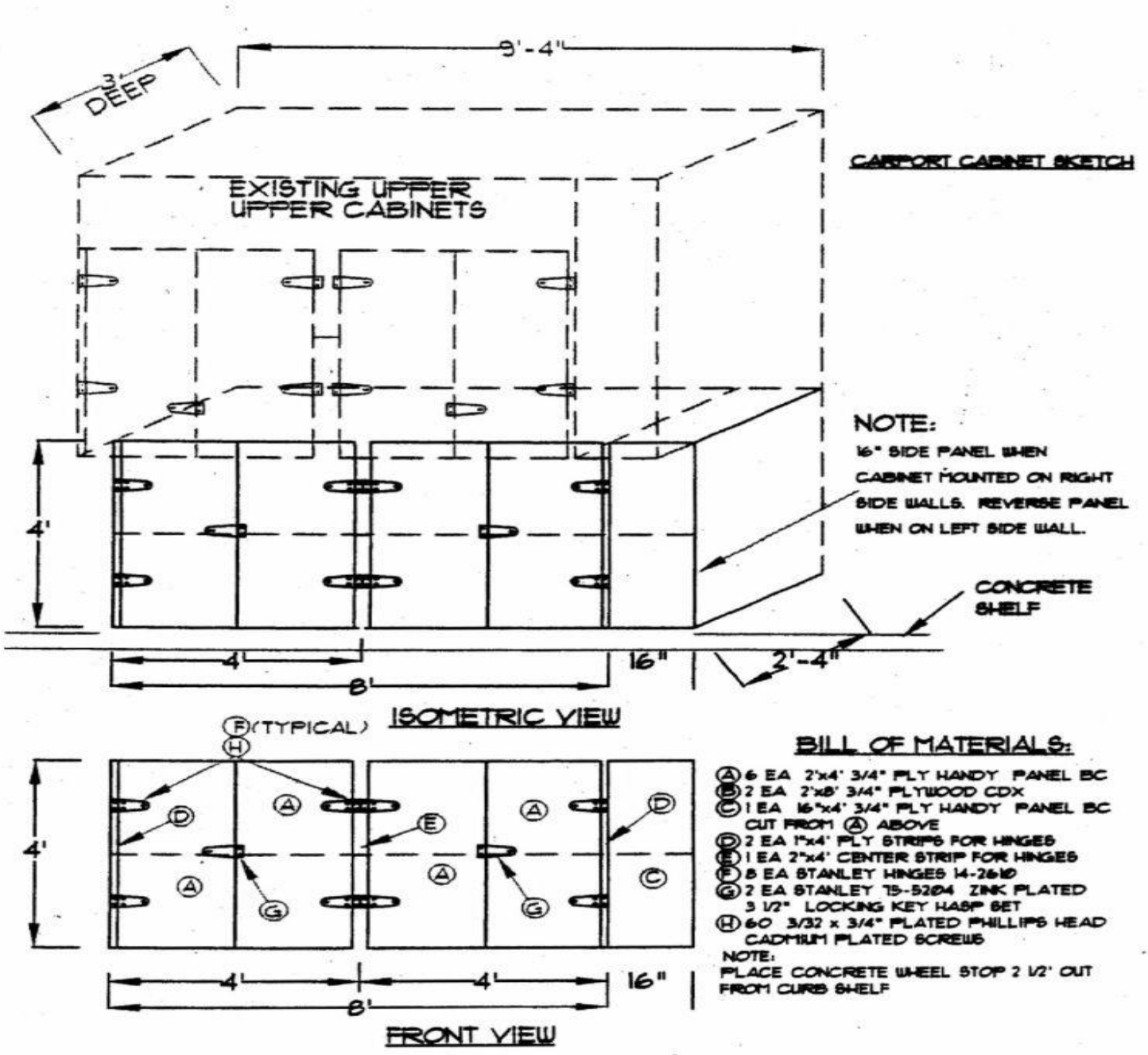
SHAREHOLDER REGULATIONS **RESCIND**

Carport Regulations – Mutual Three

~~Attachment 1 to 7502.3~~



MUTUAL OPERATIONS

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Sidewalk Traffic Restriction – Except Mutual Five, Seven, Eight, Twelve, Fourteen, and Seventeen

Mutuals One, Three, Four, Six, Nine, Eleven, Fifteen & Sixteen Only – See page 3 for adoption dates

~~1. Gasoline-powered vehicles are prohibited from using sidewalks in this Mutual. Exceptions shall be limited to the following:~~

~~a. Emergency medical vehicles belonging to the Health Care Center.~~

~~b. Service vehicles designated for sidewalk use belonging to the Golden Rain Foundation (GRF).~~

~~c. Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with residents or corporations (such as newspaper carriers).~~

Mutual Two Only (effective 08-16-84)

1. Gasoline-powered vehicles are prohibited from using sidewalks in this Mutual. Exceptions shall be limited to the following:

   a. Emergency medical vehicles belonging to the Health Care Center.

   b. Service vehicles designated for sidewalk use belonging to the GRF.

   c. Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with residents or corporations (such as newspaper carriers). This exception does not include mopeds and motor scooters.

Mutual Ten Only (effective 04-28-04)

1. No motorized vehicle is to be parked at a residence or driven on sidewalks.

   EXCEPTIONS: Power chairs, three-wheeled scooters, four-wheeled scooters, maintenance vehicles, health vehicles, safety vehicles, and newspaper carriers.

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MUTUAL OPERATIONS

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Sidewalk Traffic Restriction – Except Mutual Five, Seven, Eight, Twelve, Fourteen, and Seventeen

MUTUAL	ADOPTION	AMENDMENT(S)
One:	01-27-77	
Two:	12-16-76	08-16-84
~~Three:~~	~~02-15-77~~	
Four:	01-03-77	
Five:	12-15-76	(05-02-18 See Policy 7506.05)
Six:	01-28-77	
Seven:	02-18-77	(11-21-03 See Policy 7506.7)
Eight:	12-27-76	(10-27-03 See Policy 7506.8)
Nine:	12-13-76	
Ten:	12-14-76	07-28-83, 04-28-04
Eleven:	01-20-77	
Twelve:		(04-11-68 See Policy 7502.12)
Fourteen:	12-17-76	(04-27-10 See Policy 7506.14)
Fifteen:	12-13-76	
Sixteen:	12-16-76	
Seventeen:		(04-03-01 See Policy 7506.17)

Proper format changes made on 09-06-16

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(May 18)

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Roller Skates, Roller Blades, Skateboards, Bicycles, Scooters, and Tricycles

Mutuals One, Nine, and Ten

NOTWITHSTANDING PREVIOUS ACTION BY THE BOARD, the following resolution is adopted by Mutuals One, Nine, and Ten on the dates shown below:

NOW THEREFORE BE IT RESOLVED that, due to potential safety hazards, visitors in the Mutual Corporation who are the responsibility of the residents may not use roller skates, roller blades or skateboards on Mutual sidewalks or streets.

BE IT FURTHER RESOLVED, that except for employees working in Leisure World, visitors residing outside Leisure World may ride bicycles or tricycles on Mutual sidewalks or streets only if accompanied by a resident.

~~Mutuals Two, Three, Four, Five, Six, Seven, Eight, Eleven, Fourteen, Fifteen and Sixteen~~

~~NOTWITHSTANDING PREVIOUS ACTION BY THE BOARD, the following resolution is adopted by Mutuals Two, Three, Four, Five, Six, Seven, Eight, Eleven, Fourteen, Fifteen, and Sixteen on the dates shown below:~~

~~NOW THEREFORE BE IT RESOLVED that, due to potential safety hazards, visitors in the Mutual Corporation who are the responsibility of the residents may not use roller skates, roller blades, skateboards or **scooters (Mutual Six: motorized or other)** on Mutual sidewalks or streets. ***(Mutual Five: May not use bicycles or tricycles either).***~~

~~BE IT FURTHER RESOLVED, that except for employees working in Leisure World, visitors residing outside Leisure World may ride bicycles or tricycles on Mutual sidewalks or streets only if accompanied by a resident.~~

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Roller Skates, Roller Blades, Skateboards, Bicycles, Scooters, and Tricycles

RESCIND

MUTUAL ADOPTION		AMENDMENT	AMENDMENT
ONE	03-24-94	10-26-00	
TWO	04-21-94	10-19-00	
~~THREE~~	~~03-08-94~~	~~10-13-00~~	
FOUR	11-06-00		
FIVE	11-17-99	10-18-00	
SIX	03-22-94	09-18-00, 06-11-01	
SEVEN	03-18-94	09-15-00	
EIGHT	03-28-94	09-25-00	
NINE	08-10-98		
TEN	03-23-94		
ELEVEN	04-21-94	10-19-00	
TWELVE	02-11-99	See Policy 7502.12	
FOURTEEN	04-22-94	10-11-00	
FIFTEEN	05-18-98	07-16-01	
SIXTEEN	03-21-94	09-18-00	
SEVENTEEN	(See Policy 7506.17)		

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RESIDENT REGULATIONS **RESCIND**

Patio/Estate Sales - All Mutuals (Except Mutual's 4 and 11)

~~The following instructions must be followed when requesting to conduct an Estate Sale:~~

~~1. Complete four (4) copies of the "Request for Permission to Conduct Estate Sale" (page 2 of this policy) and three copies of "Estate Sale Inventory" (pages 3 and 4 of this policy):~~

~~a) Give one copy of each form to Mutual President at time of approval.~~
~~b) Give one copy of "Request for Permission to Conduct Estate Sale" to the Golden Rain News, if advertising the sale in the News.~~
~~c) Give one copy of "Request for Permission to Conduct Estate Sale" to Security Dept.~~
~~d) Post copy of "Estate Sale Inventory" at place of sale.~~

~~Mutuals Two, Seven and Nine (persons holding estate sales in Mutuals Two, Seven and Nine must also):~~

~~2. Provide one (1) copy of a sales contract or agreement to Mutual Rep. at time of approval.~~

~~3. Selling agent must show proof of Seal Beach Business License for person conducting sale (business license not required if person conducting sale is an immediate family member). Person conducting sale must be present at sale site at all times. Mutual Two: Outside merchandise is not permitted.~~

~~4. Provide either of the following:~~
~~a) Proof that a "Notice of Intention to Withdraw" form has been completed and submitted to the Stock Transfer Office.~~
~~b) For a deceased resident, a copy of a death certificate for a deceased resident or for a living resident, a document that certifies that living resident is in an assisted living facility and does not plan on returning to the unit.~~

~~Mutual One (persons holding estate and/or patio sales in Mutual One must also follow below rules):~~

~~1. A permit will be secured at least 72 hours prior to the sale and will be prominently posted on the premises during the sale (Request for Permission to Conduct Estate Sale).~~
~~2. Authorization to approve an estate and/or patio sale is given to the president of the Mutual corporation or, in the absence of the president, any other Mutual One officer as long as the president is notified of the sale. An officer may not approve his/her own estate and/or patio sale.~~
~~3. No more than one sale on the same premises in any calendar year.~~
~~4. No new merchandise acquired solely for the purpose of resale may be sold at the patio sale.~~

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Patio/Estate Sales - All Mutuals (Except Mutual's 4 and 11)

~~5. Sales may last no more than two consecutive days (Thursday and Friday only) between the hours of 9:00 a.m. and 3:00 p.m.~~
~~6. One sign advertising the sale is allowed on the shareholder premises only. All other signs, either on or off the premises is prohibited.~~
~~7. Definitions (Wikipedia):~~
~~a. Estate sale (liquidation): A sale to dispose of a substantial portion of the materials owned by a person who is recently deceased or who must dispose of his or her personal property to facilitate a move.~~
~~b. Patio sale: Sale of used goods by private individuals in which sellers are not required to obtain business licenses or collect sales tax but does require a permit.~~

MUTUAL ADOPTION AND AMENDMENTS:

ONE:	7-26-90, 05-24-01, 03-25-10, 09-29-14
TWO:	07-19-90, 05-18-00, 08-16-01, 02-18-10
~~THREE:~~	~~07-13-90, 11-08-91, 07-13-01, 03-12-10~~
~~FOUR:~~	~~08-06-90, 07-02-01, 03-10-10~~ (See Policy 7508.4 - Feb-2016)
FIVE:	07-08-91, 07-18-01, 02-17-10
SIX:	07-27-90, 07-23-96, 05-22-01, 02-23-10
SEVEN:	07-20-90, 07-20-01, 02-19-10
EIGHT:	07-23-90, 05-25-01, 03-22-10
NINE:	08-13-90, 07-09-01, 06-08-09, 02-08-10
TEN:	07-25-90, 03-27-96, 06-27-01, 02-24-10
~~ELEVEN:~~	~~07-19-90, 07-19-01, 03-25-10~~ (See Policy 7508.11 –Jan-13)
TWELVE:	07-12-90, 07-12-01, 03-11-10
FOURTEEN:	07-27-90, 06-13-01, 05-24-10
FIFTEEN:	07-16-90, 76-17-96, 05-21-01, 11-16-09
SIXTEEN:	07-16-90, 06-18-01, 11-16-09
SEVENTEEN:	12-03-91 (no sales at all)

(Feb 16)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Patio/Estate Sales - All Mutuals (Except Mutual's 4 and 11)

REQUEST FOR PERMISSION TO CONDUCT AN ESTATE SALE

TO: BOARD OF DIRECTORS, SEAL BEACH MUTUAL

FROM: _____ (Person Conducting Sale)

SUBJECT: REQUEST TO HOLD AN ESTATE SALE

At Address _____ Apt. # _____

Date(s) _____ between 9 a.m. and 3 p.m.

I am (check one): ( ) Resident Shareholder (at above address) ( ) Executor ( ) Nonres.Co-Owner ( ) Other (please explain) _____

Upon approval, I agree to:

a) See the Mutual Representative after completing this page and the inventory form.
b) Provide an approved copy of this form to the Golden Rain News, if placing an ad with them.
c) Provide nonresident shoppers' full names, vehicle make and license number along with an approved copy of this form, to the Security Department and to accept the responsibility, as my personal guests, anyone admitted to Leisure World for the purpose of attending the sale.
d) Be responsible for damage or liability as a result of the sale activities.
e) Minimize inconvenience or disturbances to neighboring residents.
f) Complete the attached brief inventory of the "major" items to be sold.
g) Provide a signed copy of the inventory to the Mutual Representative and post a copy of inventory at the sale site.

I am aware that the purpose of this sale is to assist in vacating an apartment and that NO merchandise or personal items may be added to the possessions of the owner/former owner or made a part of this sale. ***I understand that a representative of the Mutual may inspect the sale and that the sale can be stopped immediately if there is deviation from this agreement.*** I agree not to add or bring any goods or merchandise to this sale. I understand that I can be barred from holding any sales in Leisure World for a period of one year if I deviate from this agreement.

Date_____ Signature_____

++

+

Mutual Approval – *To be completed by Mutual Director*

Director's Name_____ ( ) Approved ( ) Disapproved

Date_____ Signature_____

cc: ( ) Mutual ( ) Responsible Party ( ) Golden Rain News ( ) Security Department

(Feb 16)

RESCIND

MUTUAL OPERATIONS

RESIDENT REGULATIONS

RESCIND

Patio/Estate Sales - All Mutuals (Except Mutual's 4 and 11)

~~**Mutual**_____ **Apt.** #_____~~

~~**ESTATE SALE INVENTORY**~~

~~Name_____Address_____~~

~~**Living Room Area:** **Description (color, type of wood, size, make, etc.)**~~

~~#____ Couch(es) / Sofa(s) _____~~
~~#____ Chair(s) _____~~
~~#____ Table(s) _____~~
~~#____ Cabinet(s) _____~~
~~#____ Lamp(s) _____~~
~~#____ Television(s) / Radio(s)_____~~
~~#____ Picture(s) / Mirror(s)_____~~
~~#____ Clock(s) _____~~
~~#____ Other _____~~
~~#____ Other _____~~

~~**Bedroom(s)**: # of Bedrooms: Circle One: One Two~~

~~#____ Beds _____~~
~~#____ Dresser(s)/High-Boy(s)_____~~
~~#____ Bookcase(s)/Cabinet(s)_____~~
~~#____ Chair(s) _____~~
~~#____ Secretary / Desk(s) _____~~
~~#____ Nightstand(s) / Table(s)_____~~
~~#____ Lamp(s) _____~~
~~#____ Picture(s) / Mirror(s)_____~~
~~#____ Bed Linens _____~~
~~#____ Jewelry _____~~
~~#____ Other _____~~
~~#____ Other _____~~

RESCIND

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Patio/Estate Sales - All Mutuals (Except Mutual's 4 and 11)

____ **Mutual______ Apt. #_______**

~~Kitchen:~~

~~#____ Table with ____Chairs~~ ________________________________
~~#____ Microwave or Toaster Oven~~ ________________________________
~~#____ Small Appliances, i.e. blender~~ ________________________________
~~#____ Dishes~~ ________________________________
~~#____ Flatware~~ ________________________________
~~#____ Pots and Pans~~ ________________________________
~~#____ Other~~ ________________________________
~~#____ Other~~ ________________________________

~~Bathroom:~~

~~#____ Linens~~ ________________________________
~~#____ Picture(s) / Mirror(s)~~ ________________________________
~~#____ Other~~ ________________________________
~~#____ Other~~ ________________________________

~~Miscellaneous:~~

~~Signed:~~ ________________________ ~~Date~~ __________ ~~Phone~~ ______________
~~Owner/Executor Signature~~

(Feb 16)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Patio/Estate Sales - Mutual No. Three

~~THAT NOTWITHSTANDING previous action by this Board, Mutual No. Three will permit Patio and Estate sales only.~~

~~Patio and estate sales will be conducted in accordance with the "Request for Permission to Conduct Patio/Estate Sales" hereby adopted. Authorization to approve such sale(s) is given to the President of the Mutual Corporation or, in the absence of the President, any other director so long as the President is notified of the sale.~~

~~One annual patio sale per apartment per year is permitted.~~

~~FURTHER, that Policy 7508, "Instructions for Requesting an Estate Sale" be adhered to.~~

RESCIND

~~MUTUAL~~	~~ADOPTION~~	~~AMENDMENTS~~
~~THREE~~	~~07-13-90~~	~~11-08-91, 07-13-01, 03-12-10~~

(Mar 10)

MUTUAL OPERATIONS

SHAREHOLDER REGULATIONS

RESCIND

Lockout Procedures

~~The following procedures will be in effect for units after the death of a shareholder/owner:~~

1. ~~Death of Shareholder/Owner, with Surviving Shareholder/Owner Living in the Unit~~

   ~~If there is a surviving shareholder/owner living in the unit at the time of death of the other shareholder/owner, irrespective of whether the death occurred inside or outside of the unit, Security will deliver the Golden Rain Foundation Bereavement Work Book ("Bereavement Book") to the unit.~~

2. ~~Death of Sole Owner~~

   a. ~~Unattended Death~~

      ~~If the death of the shareholder/owner is unattended – i.e., no individuals are present at the time of death – and the unit is sealed per law enforcement or coroner's order, then no one, including, without limitation, next of kin, trustees, nonresident co-owners, visitors/guests, or registered caregivers, may access the unit until otherwise directed by law enforcement or the coroner. In the event that any individual desires to enter the unit, the Mutual reserves the right to prevent such entry pending further authorization from law enforcement or the coroner. Security will place the Bereavement Book at the front of the unit, and reserve the right to place a knob lock on the door. If the door is unable accommodate a knob lock, a plywood sheet may be affixed over the door.~~

   b. ~~Attended Death~~

      ~~If the death of the shareholder/owner is attended, Security will complete a DOA Report, which will identify all individuals present at the time of death and will deliver the Bereavement Book to the unit. Security will instruct all individuals present, who identify themselves as the legal authority of the unit, to visit the Stock Transfer Office, as soon as reasonably possible, in order to present evidence of same. Security may also verify such legal authority. Notwithstanding the foregoing, Security will inform all persons present that no one may stay in the unit overnight without Mutual permission, unless they are a qualifying resident, qualified permanent resident, or registered co-occupant. Visitors/guests may request, from the Mutual Board of Directors ("Board"), pursuant to Mutual Policy 7555, an emergency waiver to remain in the unit for a limited period of time.~~

MUTUAL OPERATIONS

SHAREHOLDER REGULATIONS

RESCIND

Lockout Procedures

~~If Security is unable to verify legal authority at the unit, all person's present will be asked to leave the unit until legal authority is established at the Stock Transfer Office. From there, and until otherwise decided by the Stock Transfer Office, Security reserves the right to place a knob lock on, or affix a plywood sheet to, the door of the unit~~

~~3. Reporting of Death to Mutual Board~~

~~The Stock Transfer Office will report shareholder/owner deaths to the Mutual Board within two (2) business days, and will include the following information, without limitation:~~

~~a. Name of decedent;~~
~~b. Date and location of death;~~
~~c. Identification of persons present at unit (if any);~~
~~d. Name, relationship and contact information of surviving shareholder/owner (if any);~~
~~e. Name, relationship and contact information of decedent's emergency contacts (if no surviving shareholder/owner is present at the unit);~~
~~f. If legal authority has been established;~~
~~g. If/how the unit was secured; and~~
~~h. If there are any registered co-occupants, caregivers or pets at the unit.~~

RESCIND

~~MUTUAL~~	~~ADOPTION~~
~~THREE~~	~~12-14-18~~

MUTUAL OPERATIONS

SHAREHOLDER/RESIDENT (Mutual 17) REGULATIONS

RESCIND

Unsanitary Premises and Fire Loading Conditions

~~The purpose of this policy is to protect the peaceful, healthy, and safe lifestyle to which each member is entitled by focusing on the prevention of fires, insect and rodent infestation, and unsanitary conditions within member's unit and patio.~~

~~Chapter 10 of the 1997 Uniform Housing Code, Section 1001.11, defines in part, hazardous or unsanitary premises as the accumulation of weeds, vegetation, junk, offal (decaying meat products), dead organic matter, debris, garbage, rat harborages, stagnant water, combustible materials, similar materials or conditions on the premises of the unit, or storage inside of the oven or on the stovetop or inside a microwave oven, which may constitute fire, health, or safety issues.~~

~~The Occupancy Agreement, Article 5, Premises to be Used for Residential Purposes Only, states in part: "The member shall not permit or suffer anything to be done or kept upon said premises which will increase the rate of insurance in the building, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the premises."~~

~~Unsanitary Premises and Fire Loading Conditions – Unit – Patio & Carport~~

~~For purposes of this policy, unsanitary or rodent- and insect-inviting conditions or fire-loading conditions are described as the excessive acquisition and collection of large amounts of objects. Such collections of objects may include, but are not limited to: stacked paper goods, newspapers, books, magazines, mail, trash, stored cardboard boxes, plastic trash bags, food stuffs, cleaning aids, clothing and collectables, pet waste or unclean pet cages, and a lack of ingress and egress at windows and doors.~~

~~Additionally, members may not store within their unit, or on their patio, any large amounts of incendiary items such as grease, oil, gasoline, paint or paint thinner, or any other liquids or substances noted to be flammable, or any large amount of hobby materials. Working on hobbies in unit or patio will be permitted by the Mutual Directors on a case-by-case basis, considering the health, safety, welfare, and aesthetics of all residents affected. Also prohibited are construction materials to include but not limited to: stacked wood, siding, metal pieces, welding tools, or any items in support of conducting or practicing a business upon the premises, which is in direct opposition to the terms and protections set forth in this policy.~~

~~Unit Fire Inspections and Special Unit Inspections~~

~~Each unit will be inspected at the regular annual or bi-annual Mutual fire/safety inspection~~

MUTUAL OPERATIONS

SHAREHOLDER/RESIDENT (Mutual 17) REGULATIONS

RESCIND

Unsanitary Premises and Fire Loading Conditions

~~conducted by the Physical Property Department or any special inspection as ordered by the Mutual Board of Directors, with a duly posted 72-hour notification to the member.~~

~~Any infractions will be indicated and the member informed by mail to cure the infraction within 32 days of the date of the letter. A follow-up inspection of the premises will be conducted to assure compliance.~~

~~**The Occupancy Agreement, Article 5, Premises to be Used for Residential Purposes Only, states in part: "The member shall not permit or suffer anything to be done or kept upon said premises which will increase the rate of insurance in the building, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the premises."**~~

~~Source Guides: Mutual Occupancy Agreement, Article (5)~~
~~1997 Uniform Housing Code, Chapter 10 - Substandard Buildings: 1001.11~~

MUTUAL ADOPTION		AMENDED	MUTUAL ADOPTION		AMENDED
ONE:	04-23-15		NINE:	04-14-14	
TWO:	05-15-14		TEN:	04-23-14	
~~THREE:~~	~~04-11-14~~		ELEVEN:	06-22-14	
FOUR:	04-14-15		TWELVE:	09-11-14	
FIVE:	04-15-15		FOURTEEN:	04-15-14	
SIX:	04-24-14		FIFTEEN:	03-17-14	
SEVEN:	04-17-15		SIXTEEN:	04-18-14	
EIGHT:	07-28-14		SEVENTEEN:	04-01-14	

RESCIND

(Apr 15)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Visitors – Mutuals One through 17

~~NOTWITHSTANDING PREVIOUS BOARD ACTION, BE IT RESOLVED THAT Mutual No. 9, pursuant to California Civil Code Section 51.3, shall permit a member-resident to have a visitor or visitors in their unit cumulatively for a maximum of up to sixty (60) days per twelve-month period, and~~

~~FURTHER, the permission to have a visitor or guest includes the requirement that the visitor-guest shall only be permitted to visit while the resident member is in residence and present at the unit, and~~

~~FURTHER, the resident member may not vacate or be absent from the residence, and import others to be in the residence as a guest in the absence of the member-resident, and~~

~~FURTHER, at a time when the visiting person is spending the night at the unit, both the guest and the resident must be present in the unit.~~

NOTE: SOME MUTUALS HAVE FURTHER PARAGRAPHS (SEE SPECIFIC MUTUAL BELOW) THAT MAY BE IN ADDITION TO THE ABOVE, OR MAY ALTER THE ABOVE.

Mutual No. One (effective 09-27-01)

NOTWITHSTANDING PREVIOUS ACTION, a waiver may be granted THAT a resident may allow visitors to remain in the apartment during brief and temporary absences of the resident. The absence of the resident must be less than 48 hours and is to be for a part of the visitor's stay.

FURTHER, a waiver may be granted if the resident will be absent from the apartment for more than 48 hours during a visitor's stay, or if the resident is deceased or incapacitated, if the request for a waiver is directed to any Officer of the Board with notification given to the President.

Mutual No. Two (effective 11-18-99)

FURTHER, a resident may allow visitors to remain in the apartment during brief and temporary absences of the resident. The absence of the resident must be less than 48 hours and is to be for a part of the visitor's stay.
FURTHER, if the resident will be absent from the apartment for more than 48 hours during a visitor's stay, or if the resident is deceased or incapacitated, then a request for a waiver must be directed to the Mutual President.

Mutual No. Four (effective 07-08-15)

RESCIND

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Visitors – Mutuals One through 17

FURTHER, that Mutual No. Four will waive the requirement that the shareholder be present at all times when a visitor is present.

FURTHER, a guest may stay overnight in a unit when the shareholder is not present if an emergency exists, and a waiver is obtained and approved by a Mutual No. Four Director, with notification given to the President of such decision.

Mutual No. Six (effective 01-25-00)

FURTHER, a guest may stay overnight in a unit when the resident is not present if an emergency exists, the number of days needed are short in duration and a waiver is obtained and approved by a Mutual No. Six director**.**

Mutual No. Seven (effective 11-21-00)

FURTHER, a guest may stay overnight in a unit when the resident is not present if an emergency exists, if the number of days needed are short in duration and a waiver is obtained and approved by a Mutual No. Seven officer.

Mutual No. Ten (effective 10-25-00)

FURTHER, a waiver may be granted in an emergency for a limited period of time, and

FURTHER, any request for a waiver shall be directed to the Mutual Board President for approval.

RESCIND

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Visitors – Mutuals One through 17

Mutual No. Eleven (effective 01-15-98)

FURTHER, a waiver may be granted in an emergency for a limited period of time, and

FURTHER, any request for a waiver shall be directed to the Mutual Board for Board approval.

Mutual No. Fourteen (effective 09-08-99)

FURTHER, a waiver may be granted in an emergency for a limited period of time, and

FURTHER, any request for a waiver shall be directed to the Mutual President.

Mutual No. Fifteen (effective 09-16-96)

FURTHER, a waiver may be granted in an emergency for a limited period of time, and

FURTHER, any request for a waiver shall be directed to the Mutual President.

Mutual No. Sixteen (effective 8-16-10)

FURTHER, that the President (or Vice President in his/her place) and another director have the authority to grant a waiver so that a resident may allow visitors to remain in their apartment during a brief and temporary absence of the resident. The length of the absence of the resident and the waiver will be evaluated on a case-by-case basis and granted accordingly. The waiver must be signed by the president and a director. If circumstances are such that an extension is needed, the visitor is required to contact the president for an extension.

Mutual No. Seventeen (effective 12-15-00)

FURTHER, a waiver may be granted by a resident to allow visitors to remain in their apartment during brief and temporary absences of the resident. The absence of the resident must be no more than 48 hours or, if the resident is deceased or incapacitated, then a request for a waiver must be approved by the Mutual No. Seventeen Board of Directors.

RESCIND

MUTUAL OPERATIONS

RESIDENT REGULATIONS

RESCIND

Visitors – Mutuals One through 17

MUTUAL ADOPTION		**AMENDED**	**AMENDED**
ONE	07-25-96	10-28-99	09-27-01
TWO	07-18-96	11-18-99	
~~THREE~~	~~07-12-96~~		
FOUR	07-01-96	07-07-99	07-02-01, 07-08-15
FIVE	07-17-96		
SIX	07-23-96	01-25-00	
SEVEN	07-19-96	11-21-00	
EIGHT	07-22-96		
NINE	07-08-96		
TEN	07-24-96	10-25-00	
ELEVEN	01-15-98		
TWELVE	07-11-96		
FOURTEEN	07-26-96	09-08-99	
FIFTEEN	07-15-96	09-16-96	
SIXTEEN	07-15-96	08-17-09	08-16-10
SEVENTEEN	07-02-96	01-02-01	

RESCIND

(Jul 15)

MUTUAL OPERATIONS

RESIDENT REGULATIONS

RESCIND

Sign Resolution

~~The Mutual Corporation will permit one "for sale" sign advertising an apartment or condominium for sale to be displayed inside a window so long as the sign has a white background, black or blue lettering, and does not exceed 15" by 18" in size.~~

~~Commercial signs are prohibited in the Mutual, except as noted above.~~

~~Noncommercial signs, posters, flags or banners may be displayed on an owner's separate interest, except as required for the protection of public health or safety, or if the posting would violate a local, state, or federal law.~~

~~A noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric, but may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other building, landscaping, or decorative component, including the painting of architectural surfaces.~~

~~Noncommercial signs or posters may not be larger than nine square feet in size and noncommercial flags or banners may not be larger than 15 square feet in size.~~

MUTUAL ADOPTION		RESCINDED	AMENDED	AMENDED
ONE	07-22-93		03-23-06	01-25-07
TWO	07-15-93		03-16-06	01-18-07
~~THREE~~	~~07-13-93~~		~~03-10-06~~	~~01-12-07~~
FOUR	08-02-93		03-06-06	12-13-06
FIVE	07-21-93		03-15-06	01-17-07
SIX	03-28-06			01-23-07
SEVEN	09-17-93		03-17-06	12-15-06
EIGHT	09-27-93		03-27-06	01-22-07
NINE	08-09-93		03-13-06	02-12-07
TEN	07-28-93	08-25-93	03-22-06	01-24-07
ELEVEN	10-21-93		03-16-06	01-18-07
TWELVE	07-08-93		03-09-06	01-11-07
FOURTEEN	07-14-99		03-28-06	01-23-07
FIFTEEN	07-19-93		03-20-06	01-15-07
SIXTEEN	07-19-93		03-20-06	01-15-07

(Feb 07)

RESCIND

MUTUAL OPERATIONS

RESIDENT REGULATIONS

Shareholder's Name_____
(Please print name)
Apt. #_____

Flagpole Regulation – Mutuals 3, 6, 10, 12, 14 and 15

~~As a shareholder in Mutual No. ____, my/our signature(s) below indicate that I/we have read Policy 7572.___, Flagpoles, and agree:~~

1. ~~To obtain a permit from the Physical Property Department of the Golden Rain Foundation prior to installing a flagpole.~~

2. ~~To install the flagpole in my authorized garden area only at a maximum height of 20 feet. The minimum height varies, but it must be high enough so that the flag does not touch the building or roof when whipped by wind gusts.~~

3. ~~That the components of the flagpole will be standard aluminum tubing with proper rope cable, flag clamps and a pulley system. The rope cable must have a means to be stretched and tied down so as to not flap in the wind.~~

4. ~~That the flagpole will be erected on a concrete base within the shareholder's authorized garden area. The dimensions of the concrete mounting base are:~~

   a. ~~24-inch square or round base with a standard shoe base imbedded in the concrete to attach the flagpole. The depth of the concrete base must be a minimum of 2 feet embedded in the earth of the authorized garden area.~~

   b. ~~The standard shoe base must be installed and leveled to allow the flagpole to be parallel to the building structure and vertical to earth's gravity from the ground.~~

   c. ~~The flagpole may not be attached to the structure of the building by any method.~~

5. ~~That the flagpole will be maintained in good condition by the shareholder. If it is not maintained in good condition by the shareholder, the flagpole will be removed at the shareholder's expense.~~

6. ~~To remove the flagpole upon the sale, lease or transfer of unit, at my/our expense, unless the buyer signs this same type of agreement (strike the word "lease" for Mutual Nos. Six and Ten shareholders).~~

7. ~~To lower the flag at sunset every day it is flown (or observe flag etiquette for Mutuals No. Ten shareholders).~~

_____ _____

_____ _____

(Nov 12)

RESCIND

MUTUAL OPERATIONS

Shareholder's Name_____

RESIDENT REGULATIONS **(Please print name)**

Apt. #_____

Flagpole Regulation – Mutuals 3, 6, 10, 12, 14 and 15

~~Shareholder's Signature Date~~

~~_____ _____~~

~~Mutual President's Approval Date~~

~~Copy to: Shareholder, Stock Transfer Office, Physical Property Department, Mutual CFO~~

RESCIND

(Nov 12)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Flagpoles - **Mutual Three Only**

~~If a shareholder wishes to have a flagpole installed, the following must be adhered to:~~

1. ~~A permit to install a flagpole must be obtained from the Physical Property Department of the Golden Rain Foundation.~~

2. ~~The flagpole may be installed only in the shareholder's authorized garden area at a maximum height of 20 feet. The minimum height varies, but it must be high enough so that the flag does not touch the building or roof when whipped by wind.~~

3. ~~The material of a flagpole must be standard aluminum tubing with proper rope cable, flag clamps and a pulley system. The rope cable must have a means to be stretched and tied down so as to not flap in the wind.~~

4. ~~The flagpole must be erected on a concrete base within the shareholder's authorized garden area. The dimensions of the concrete mounting base are:~~

    a. ~~24-inch square or round base with a standard shoe base imbedded in the concrete to attach the flagpole. The depth of the concrete base must be a minimum of 2 feet embedded in the earth of the authorized garden area.~~

    b. ~~The standard shoe base must be installed and leveled to allow the flag pole to be parallel to the building structure and vertical to earth's gravity from the ground.~~

    c. ~~The flagpole may not be attached to the structure of the building by any method.~~

5. ~~The flagpole must be maintained in good condition by the shareholder. If it is not maintained in good condition by the shareholder, the flagpole will be removed at the shareholder's expense.~~

6. ~~Upon the sale, lease or transfer of unit, the shareholder shall remove the flag pole, at his or her expense, unless the buyer signs Regulation 7572.R.~~

7. ~~The flag flown on the flagpole should be lowered at sunset every day that the flag is flown.~~
8. ~~Regulation 7572.R must be completed by the shareholder and the form must be on file in the Stock Transfer Office.~~

(Dec 02)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Flagpoles - **Mutual Three Only**

RESCIND

~~**MUTUAL ADOPTION**~~

~~THREE: 13 Dec 02~~

(Dec 02)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Satellite Dish Installation - Mutual Three Only

~~If a shareholder wishes to have a satellite dish installed, the following must be adhered to:~~

1. ~~A permit to install the satellite dish must be obtained from the Physical Property Department of the Golden Rain Foundation prior to having a satellite dish installed.~~

   a. ~~To ensure that the licensed company complies with all Foundation and Mutual policies, rules and regulations.~~

2. ~~The Mutual has the authority and authorization to remove the satellite dish at shareholder's expense if a permit is not obtained from the Physical Property Department.~~

3. ~~If a satellite dish was installed prior to May 1, 2002, the Mutual has the right to have the satellite dish removed at the shareholder's expense, unless the shareholder hires a licensed contractor to obtain a permit from the Physical Property Department to verify installation is proper.~~

4. ~~Any damage which may occur to the building or roof during installation, or during the operation of the satellite dish, is the responsibility of the shareholder and will be paid by the shareholder.~~

5. ~~The satellite dish must be maintained in good condition. If it is not maintained in good condition by the shareholder, the satellite dish will be removed at the shareholder's expense.~~

6. ~~The satellite dish must be removed upon the sale, lease or transfer of unit, at the shareholder's expense, unless the buyer signs Regulation 7574.R.~~

~~MUTUAL ADOPTION~~

~~THREE 13 Dec 02~~

RESCIND

(Dec 02)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Laundry Room Use - Mutuals Three, Five, and Ten

1. ~~Laundry room facilities are available for use solely by residents of their respective Mutual only. The only exception to this is that a caregiver may use the laundry room facilities to do a resident's laundry.~~

   ~~a. Residents must oversee and instruct the caregivers when the resident's laundry is being done.~~
   ~~b. Caregivers may not wash their own laundry in the Mutual's laundry room.~~

2. ~~Residents are responsible for any damage to the laundry room facilities when they or their caregiver is doing the resident's laundry.~~

3. ~~Laundry room facilities are available for use between the hours of 7 a.m. and 9 p.m. only. (Mutual Ten Only: Use between the hours posted on the doors).~~

4. ~~Washers or dryers must be loaded properly, i.e. maintain the proper amount of items in the machines so as not to overload the machines. Improper loading may cause damage to the machines due to being unbalanced.~~

   ~~a. If there is uncertainty about the load, stay with the machine to ensure that the load is properly balanced. If necessary, rearrange the load in the machine.~~

5. ~~Read all labels for laundry products to ensure that the product type is correct and the amount is appropriate.~~

   ~~a. Front-loading washers generally require about half the amount needed for a top-loading washer.~~

6. ~~For front-loading washers, wait until the cycle is completed and the light has gone out **before** opening the machine door. Expensive damage can occur to the machine, which will be the responsibility of the resident, if the door is forced open before the cycle is completed.~~

7. ~~Laundry room facilities are to be used for washing and/or drying only. Clothing or fabrics may not be dyed or tinted in the washers or dried in the dryers.~~

8. ~~Any clothing or fabric that has been cleaned in a flammable liquid may not be washed in the washers or dried in the dryers.~~

9. ~~The following items may not be washed in the washers or dried in the dryers: rubber- or plastic-backed mats, rugs or runners, sneakers, fiberglass curtains, sleeping bags, heavy blankets, quilts, comforters, or car covers.~~

RESCIND

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Laundry Room Use - Mutuals Three, Five, and Ten

~~10. Hand-washed clothing or other items may not be placed in the dryers due to the excess amount of water contained in them. Use the exterior clothesline for hand-washed items, if desired.~~

~~11. Clothing or other items with metal buttons, clips, etc. must be placed in a small cloth bag or pinned inside a pillowcase before being placed in the dryer.~~

~~12. Clothing or other items may not be hung on the patio.~~

~~13. Clothing or other items that haven't been removed from a dryer within 30 minutes of completion may be removed by the next person waiting to use the machine.~~

~~14. When a washer or dryer is "out of order," notify the Director in charge of that laundry room. Directors' names are posted in each laundry room. If the Director is unavailable, call Service Maintenance.~~

~~15. The trash containers in the laundry rooms are for lint and dryer sheets only. Detergent containers, bleach or softener bottles, or other trash must be disposed of in another location.~~

~~16. Clean the dryer filter after each use, and dispose of lint in the trash containers.~~

~~17. Help keep the laundry rooms clean.~~

~~18. MUTUAL TEN ONLY: Smoking is prohibited in the laundry rooms and the clothes drying area.~~

~~**MUTUAL ADOPTION**~~	~~**AMENDMENTS**~~
~~THREE: 11-04-05~~	
FIVE: 07-20-05	
TEN: 04-27-05	03-22-06

(Mar 06)

MUTUAL OPERATIONS

RESIDENT REGULATIONS

RESCIND

Traffic Control Regulation

~~Excerpt from Resolution adopted by Golden Rain Foundation February 4, 1969:~~

~~WHEREAS this corporation has adopted regulations for the control of traffic within the confines of Seal Beach Leisure World,~~

~~WHEREAS, it is a desire that the Board of Directors of this corporation implement and enforce said traffic regulations,~~

~~NOW, THEREFORE, BE IT RESOLVED, That no resident of Seal Beach Leisure World shall be permitted to operate a motor vehicle upon the community facility streets of Seal Beach Leisure World unless and until said resident shall have procured for said vehicle, from the Security Office, a Leisure World sticker to be displayed only in the designated place upon said vehicle.~~

~~RESOLVED FURTHER, That Security shall not issue a Leisure world sticker to any resident of Seal Beach Leisure World unless and until said resident shall have furnished the Security Office for recording the following:~~

~~a. California State car license number (or other State, if not in conflict with California requirements).~~

~~b. A valid State Operator's license number (California or other state) with the expiration date for each driver of the vehicle.~~

~~c. Satisfactory proof of liability insurance coverage in the minimum limit pertaining to the operation of motor vehicles upon the roads of the state of California.~~

~~RESOLVED FURTHER, That Administration shall be, and is, authorized to implement the administration of a traffic code hereto passed by this corporation by the hiring and retention of a motor patrol officer to patrol the streets of Seal Beach Leisure World and in the event of violation, including parking, to issue a citation in the form of a warning to any resident. That in the event of frequent violations, the Golden Rain Foundation Board shall consider, upon due notice, the termination of membership of any said member in the Golden Rain Foundation.~~

(Aug 87)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Enforcement of Community Traffic Regulations – Except Mutual Nine and Twelve

~~WHEREAS, the Golden Rain Foundation has adopted a series of regulations for the control of traffic within the confines of Seal Beach Leisure World; and~~

~~WHEREAS, it is the desire of this Mutual Board, in the interest of safety, that these regulations be observed and enforced; and~~

~~WHEREAS, to be truly effective, enforcement of these regulations by the Security staff requires cooperation of the Mutual Boards to function in a judicial capacity when offenders are reported to the Boards;~~

~~NOW, THEREFORE, BE IT RESOLVED, that this Board will review the case of any Mutual resident whose record of violation is referred to the Board, and take one or more of the following actions:~~

~~a. Direct a letter of warning to the offender.~~

~~b. Appoint a Director or a Committee to confer with and warn the offender.~~

~~c. Summon the offender to a regular or special Board meeting for a conference/ warning.~~

~~d. Take Board action to find the offender in violation of the Occupancy Agreement and order eviction.~~

~~FURTHER, while it is customary for three violations to be accumulated in the file before a resident's record is referred to the Mutual Board by the Security Department, it is understood that a single violation may be of sufficient importance to be immediately referred to the Board for action.~~

~~FURTHER, in the interest of obtaining uniform application within the community, the Security, Bus and Traffic Committee of Golden Rain Foundation will be informed of action taken and its apparent results in each instance cited above.~~

RESCIND

(Mar 13)

MUTUAL OPERATIONS

RESIDENT REGULATIONS **RESCIND**

Enforcement of Community Traffic Regulations – Except Mutual Nine and Twelve

MUTUAL ADOPTION

ONE	01-24-75	
TWO	01-17-74	
~~THREE~~	~~01-21-74~~	
FOUR	04-01-74	
FIVE	01-16-74	
SIX	01-25-74	
SEVEN	02-15-74	
EIGHT	01-28-74	
~~NINE~~	01-14-74	(Rescinded 11-12-91 – See Policy 7581.9)
TEN	01-24-74	
ELEVEN	01-17-74	
~~TWELVE~~	01-10-74	(Rescinded 03-14-13 – See Policy 7581.12)
FOURTEEN	01-11-74	
FIFTEEN	01-21-74	
SIXTEEN	01-10-74	
SEVENTEEN	02-06-90	

RESCIND

Corrections to formatting made on 09-07-16

(Mar 13)

MUTUAL OPERATIONS

SHAREHOLDER REGULATIONS

RESCIND

Towing Vehicles – Mutual Three

~~A towing program is hereby established regarding removal and towing of vehicles parked on Mutual Three property. The authority for this action is based upon, without limitation, California Vehicle Code section 22658 ("CVC"), as may have been or may be amended or modified and formally adopted, from time to time. This policy shall conform to the CVC, and shall be updated to conform to the CVC, without formal amendment, if the CVC is amended by the legislature of the State of California.~~

~~In conformity with the CVC, there must be displayed, in plain view at all entrances to the premises at Leisure World Seal Beach ("LWSB"), a sign not less than 17" (inches) by 22" (inches) in size, with lettering not less than 1" (inch) in height, prohibiting public parking and indicating that vehicles will be removed at the owner's expense, and contain the telephone number of the local traffic law enforcement agency and the name and telephone number of each towing company that is a party to a written general towing authorization agreement with Mutual Three. The sign may also indicate that a citation may be issued for the violation. Pursuant to this requirement, Mutual Three must enter into written general towing authorization agreements with one or more towing companies whose information must be included on the signs described herein.~~

~~In the event Mutual Three authorizes the removal of any vehicle parked on its property, an officer from Mutual Three must be present at the time of removal to verify the alleged violation and provide written authorization to the towing company. This written authorization must include:~~

1. ~~The make, model, vehicle identification number, and license plate number of the removed vehicle;~~
2. ~~The name, signature, job title, residential or business address, and working telephone number of the person authorizing the removal of the vehicle;~~
3. ~~The grounds for the removal of the vehicle;~~
4. ~~The time when the vehicle was first observed parked at the private property; and~~
5. ~~The time that authorization to tow the vehicle was given.~~

RESCIND

Towing Vehicles – Mutual Three

~~Mutual Three must also provide the tow truck operator with the name and address of the registered and legal owner of the vehicle, if this information is requested by the tow truck operator and is known to Mutual Three. Notwithstanding for foregoing, the Mutual Three officer providing the written authorization, and who is required to be present on the private property at the time of the tow, does not have to be physically present at the exact location where the vehicle to be removed is located.~~

~~Mutual Three must notify by telephone or, if impractical, by the most expeditious means available, the local traffic law enforcement agency within one-hour after authorizing the tow. If the legal or registered owner of the vehicle requests information regarding the grounds for the removal of the vehicle, Mutual Three must provide the same to the requesting owner.~~

~~**Violations of this Policy that will result in a vehicle being towed are as follows:**~~

~~A. Abandoned or Inoperable Vehicles~~

~~Vehicles on Mutual Three property that lack an engine, transmission, wheels, tires, doors, windshield, or any other major part or equipment necessary to operate safely on the highways, may be towed as long as: (1) an officer of Mutual Three has notified the local traffic law enforcement agency; and (2) twenty-four (24) hours have elapsed since that notification.~~

~~B. Hazardous Location Vehicles~~

~~The Security Department, or any similar department within LWSB, and which may be re-named from time to time, is hereby authorized by Mutual Three to contact its towing operator when a vehicle is parked within 15 feet of a fire hydrant or in a fire lane, or in a manner which interferes with an entrance to, or exit from, the private property. In these instances, general authorization to remove or commence removal of a vehicle is provided to the towing company, and all removals are subject to the towing company's discretion. Mutual Three and any towing company shall have a written agreement granting that general authorization.~~

MUTUAL OPERATIONS

SHAREHOLDER REGULATIONS

RESCIND

Towing Vehicles – Mutual Three

~~C. Unauthorized Vehicles~~

~~In order to be authorized to park on Mutual Three property, all motor vehicles, golf carts, and gas or electric carts must have current DMV registration, current license plate tags, and proper insurance as mandated by the State of California. Furthermore, all vehicles parked in any Mutual Three carport, must display proper decal or label, as may be issued by the Security Department or other department within LWSB, unless an exception has been granted. Any vehicle that does not meet the requirements explained in this paragraph, or which violates the Mutual Three Carport Policy 7502.3, shall be considered an "unauthorized vehicle".~~

~~Unauthorized vehicles may be towed if: (1) the vehicle has been issued a notice of parking violation; and (2) 96 hours have elapsed since the issuance of that notice.~~

RESCIND

MUTUAL ADOPTION: **AMENDMENT(S)**

~~THREE: 12-9-16~~

MUTUAL OPERATIONS

SHAREHOLDER/RESIDENT REGULATIONS

RESCIND

Feeding Wildlife

~~This policy is intended to set certain limitations on interactions between non-domesticated animals indigenous to this community and the members and residents living in close proximity. For purposes of this policy, non-domesticated wildlife is described as all members of the wild bird family, including but not limited to, hawks, owls, pigeons, doves, crows (Crows carry the West Nile virus.), and black birds, as well as other wildlife such as rabbits, opossums, raccoons, squirrels, rats, coyotes, and feral cats.~~

~~Handouts of food rarely meet the nutritional needs of wildlife and may cause those animals to gather and remain in small areas around the source of food. This human-to-wildlife interaction invites larger more aggressive predators, such as coyotes, to come to the area looking for food. Wild animals being fed by human interaction lose their fear of people which leaves the human at risk of being bitten and suffering substantial injury.~~

~~Additionally, many beloved family pets have been the unintended victims of feeding wildlife when taken by larger predators being drawn to unnatural food sources. These situations may also result in an encouraged rodent population, as well as insect infestation.~~

~~Therefore, the following must be adhered to in compliance with this Mutual policy in concert with California Code 251.1, Harassment of Animals, to wit:~~

~~*"Except as otherwise authorized in the Fish and Game Code, no person shall harass, herd or drive any game or non-game bird or mammal or furbearing mammal. For the purposes of this section, harass is defined as an intentional act which disrupts an animal's normal behavior patterns, which includes, but is not limited to, breeding, feeding, or sheltering."*~~

~~Further, in compliance with California Code 251.1, Harassment of Animals, the following limitations on wildlife and member interactions are established:~~

~~1. Do not feed any non-domesticated wildlife on Mutual property.~~

~~2. Pet food and standing water sources are prohibited on patios, in carport areas, and in gardens.~~
~~3. Domesticated pets to include caged birds, may not be kept on patios.~~

~~Mutual Four Only:~~

~~Domesticated pets to include caged birds, may be kept on patios.~~

(Jun 15)

MUTUAL OPERATIONS

SHAREHOLDER/RESIDENT REGULATIONS

RESCIND

Feeding Wildlife

~~4. Trash and garbage, whether contained or not, may not be left outside of the unit at any time.~~

~~5. Bird feeders with bird seed of any type are not allowed at the unit or anywhere on Mutual property including hanging from trees or other support devices.~~

~~Mutuals One and Four allow bird feeders.~~

~~6. A hummingbird-type feeder with liquid food is permitted at a unit but not on common area Mutual property including hanging from trees or other support devices.~~

~~Mutual Seven and Mutual Four only:~~

~~2. Pet food and water sources are prohibited on open patios and in carport areas.~~

~~Mutual Four Only:~~

~~2. Pet food and water sources are prohibited on open patios and in carport areas unless the shareholder/resident is present.~~

~~Source Guides: California Code 251.1, Harassment of Animals~~
~~ASPCA – Eight Reasons to Not Feed Wildlife~~
~~City of Seal Beach Ordinance (1057 #1), Feeding Wild Birds~~
~~California Department of Fish and Game – Keep Me Wild~~
~~Orange County Vector Control District – Bird Feeders & Rats~~
~~National Wildlife Health Center~~
~~USGS Fact Sheet – Coping with Diseases at Bird Feeders~~
~~El Dorado Nature Center~~
~~Mutual Occupancy Agreement, Article (5)~~

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(Jun 15)

MUTUAL OPERATIONS

SHAREHOLDER/RESIDENT REGULATIONS

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Feeding Wildlife

MUTUAL/ADOPTION		AMENDED	MUTUAL/ADOPTION		AMENDED
ONE:	06-25-15		NINE:	02-10-14	
TWO:	05-15-14		TEN:	04-23-14	
~~THREE:~~	~~04-11-14~~		ELEVEN:	06-22-14	
FOUR:	05-13-15		TWELVE:	07-10-15	
FIVE:	04-15-15		FOURTEEN:	04-15-14	
SIX:	03-28-14		FIFTEEN:	03-17-14	
SEVEN:	04-17-15		SIXTEEN:	04-18-14	
EIGHT:	07-27-14		SEVENTEEN:	04-01-14	

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(Jun 15)

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Apartment Pre-Sale Cleanup

~~The following information is provided to all relatives, heirs, or Trustees of an estate who will be involved with the disposition of a Leisure world apartment upon the resident's demise and/or sale of the apartment.~~

1. ~~If the apartment is to be sold, a "Notice of Intention to Withdraw" must be filed with the Stock Transfer Office in the Administration Building. This form can be obtained from your realtor or escrow company.~~

2. ~~For the disposal of trash, use the trash bins located at the ends of the carports. All trash must be completely contained within these trash bins. Discarded items may not be left outside the trash bins. For large items that cannot be contained within these trash bins, a large dumpster is located in the garden area at the northwest corner of Leisure World on Nassau Street (behind Mutual Nine). Contact a Director of the Mutual for assistance if you are unfamiliar with the area (a list of Directors can be found in the laundry room).~~

3. ~~Televisions and such, paint and other combustibles or chemicals may not be placed in any trash dumpster within Leisure World. Items of this type and liquids containing hazardous materials must be disposed of at a hazardous waste facility. Contact: Huntington Beach Hazardous Waste Collection Center at (714) 847-3581 for information (on Nichols Street, west of Beach Boulevard and south of Warner Avenue), or the Orange County Integrated Waste Management Department at (714) 834-6752.~~

4. ~~Refrigerator must be emptied and washed inside and out, be turned off, and the doors propped open to vent and dry the interior.~~ **~~If the refrigerator doors are not propped open, the refrigerator must be left on.~~**

5. ~~All food products must be removed from the cupboards and disposed of properly. Mutual Four: All food products must be removed from the apartment.~~

6. ~~Cook top must be cleaned, and grease or drippings removed from under the burners. Exhaust filter must be thoroughly washed, or replaced. Replacement filters may be obtained through the Golden Rain Foundation Purchasing Department located at the west end of Golden Rain Road.~~

7. ~~Oven must be cleaned, and the grates and broiler pan/cover thoroughly washed.~~

8. ~~Kitchen and bathroom countertops, sinks, tub, shower enclosures and toilets must be~~

MUTUAL OPERATIONS

PHYSICAL PROPERTY

RESCIND

Apartment Pre-Sale Cleanup

~~thoroughly cleaned.~~

~~9. Interior surfaces in apartment are to be cleaned, and the carpet vacuumed.~~

~~10. Trash must be removed from the apartment and patio area to avoid attracting bugs and/or rodents.~~

~~11. Only patio furniture may be left on the patio during this interim period.~~

~~12. Electricity must be left on during the sale period to allow the electric smoke detector system to remain operational.~~

~~13. Carport storage locker must be cleaned out and left unlocked.~~

~~14. For additional assistance or information, please contact a Board member.~~

MUTUAL ADOPTION

ONE:	27 Jan 05	NINE:	11 Oct 04
TWO:	18 Nov 04	TEN:	27 Oct 04
~~THREE~~	~~10 Dec 04~~	ELEVEN:	18 Nov 04
FOUR:	03 Jan 05	TWELVE:	12 Nov 04
FIVE:	20 Oct 04	FOURTEEN:	26 Oct 04
SIX:	26 Oct 04	FIFTEEN:	18 Oct 04
SEVEN:	15 Oct 04	SIXTEEN:	16 Nov 04
EIGHT:	25 Oct 04	SEVENTEEN:	Not Applicable

RESCIND

(Jan 05)

SEAL BEACH MUTUAL NO. THREE

Mutual Operations – Resident Regulations **RESCIND**

Leasing Rules and Regulations

The Board of Directors ("Board") of Seal Beach Mutual No. Three ("Mutual") has adopted the following Leasing Rules and Regulations ("Leasing Rules") in accordance with Civil Code §4740, et seq., to establish certain procedural rules for the rental of Units within the Mutual. To the extent that these Leasing Rules conflict with the Governing Documents of the Mutual, these Leasing Rules are intended to replace and supersede the provisions of the Mutual's Governing Documents, including without limitation, the Occupancy Agreement, Rules and Regulations and Policies, that discuss the rental or lease of a Unit. These Leasing Rules were revised and adopted by the Board to comply with the changes to California Civil Code §§ 4740 and 4741 which take effect on January 1, 2021, pursuant to California Assembly Bill 3182.

Definitions

For the purposes of these Leasing Rules the definitions set forth below shall apply. To the extent any term is capitalized herein but not defined, the definition set forth in the Mutual's Bylaws shall apply.

Lease: a lease or rental agreement, whether or not in writing and regardless of whether any consideration is paid, entered into between a Shareholder and a Tenant for the Tenant's occupancy of the Shareholder's Unit.

Tenant: any person who: (i) meets the age requirements set forth in California Civil Code Section 51.3, et seq.; and (ii) occupies any portion of a Unit at the Development pursuant to a Lease, irrespective of any rent paid or compensation given to the Shareholder of the Unit for such occupancy. All Tenants must sign the Addendum as further described in these Leasing Rules. Only persons who have signed the Addendum may reside in the Unit.

Rules and Regulations

1. **Leasing of Units.** The rental or leasing of any Unit shall be subject to the provisions set forth herein. When the term "rent" is used herein, it shall be deemed to mean and include the rental and/or leasing of a Unit.

2. **Residential Purpose.** Each residence shall be used only as a residential dwelling for a single household. A Shareholder may rent/lease his or her Unit for such residential purpose under a Lease, pursuant to these Leasing Rules. The number of persons residing in a Residence at any time shall comply with the Shareholder's Occupancy

Agreement and Addendum, all City and County codes, regulations, and ordinances regarding the occupancy of residential dwellings, and may not exceed any occupancy limits established under such codes, regulations, or ordinances.

3. Addendum to Occupancy Agreement. Any Shareholder approved by the Mutual to lease out his/her Unit is required to execute an addendum to his/her Occupancy Agreement "Addendum"). Such Addendum will also require the signature of each Tenant. The failure of the Shareholder and/or the Tenant to sign the Addendum shall be deemed a waiver of the Shareholder's right to rent the Unit.

3.1. Cost of Addendum. Shareholder shall pay the cost incurred by the Mutual for the Mutual's legal counsel to prepare such Addendum, in addition to the cost to have the Addendum notarized and recorded, if required by the Mutual, promptly upon request.

4. Restriction on Number of Units Leased.

4.1. No more than twenty-five percent (25%) of the Units in the Mutual shall be rented at any time (the "Leasing Cap").

4.2. A Shareholder desiring to rent his or her Unit may submit to the Board a written request for approval to rent. No Shareholder shall rent his or her Unit prior to receiving written approval from the Board.

4.2.1. The Board shall respond to any Shareholder's written request for approval to rent the Shareholder's Unit within forty-five (45) days of the Board's receipt of such request. If the Board does not respond to the Shareholder's written request at the Shareholder's last known address of record within this time period, permission to rent shall be deemed to have been approved by the Board.

4.2.2. The Board shall deny a Shareholder's request for approval to rent the Shareholder's Unit if the number of rented Units, plus the number of Units for which other Shareholders have received Board approval to rent but which are not yet rented, plus the Shareholder's Unit (the "Leased Unit Calculation") exceeds twenty-five percent (25%) of the Units in the Mutual. If the Leased Unit Calculation does not exceed twenty-five percent (25%) of the Units in the Mutual, the Board shall grant a Shareholder's request for rental approval.

4.2.3. In the event a Shareholder's request for approval to rent is denied, the Shareholder shall be placed on a waiting list maintained by the Mutual, and the Shareholder shall be given an opportunity to rent his or her Unit when such Shareholder's name is first on the waiting list and the Leased Unit Calculation no longer exceeds twenty-five

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percent (25%) of the Units in the Development.

4.2.4. If a Shareholder who has been approved to rent his or her Unit fails to rent his or her Unit within ninety (90) days of the date of rental approval, the Shareholder's written approval to rent from the Board shall expire. In such event, the Shareholder shall be required to submit a new written request to rent his or her Unit in accordance with the foregoing provisions.

4.2.5. If a Lease for an approved rental of a Shareholder's Unit expires or terminates and the Shareholder does not enter into a new Lease for the Shareholder's Unit within ninety (90) days of the expiration or termination of the prior Lease, the Shareholder's written approval to rent shall expire. In such event, the Shareholder shall be required to submit a new written request to rent his or her Unit in accordance with the foregoing provisions.

4.2.6. At no time may a prospective Shareholder or any non-Shareholder be added to the Wait List.

5. Lease Requirements.

5.1. Subject to the Leasing Cap, and the provisions set forth above, a Shareholder may rent his or her Unit pursuant to a Lease that is: (A) in writing; (B) for a term of at least thirty (30) days (the "Minimum Lease Term"); and (C) subject in all respects to the Governing Documents, including, but not limited to, the Occupancy Agreement, provided it does not conflict with the terms contained herein.

5.2. The Shareholder is required to provide the Tenant with a copy of all Governing Documents, and any amendments thereto for the duration of the tenancy and Lease and ensure that the Tenant understands and acknowledges, and agrees to be bound by the same. The Shareholder must provide the Mutual with written confirmation of the foregoing. The Lease shall include a statement that any failure by the Tenant to comply with the Governing Documents will constitute a default under the Lease. The following paragraph, or a substantially similar paragraph, shall be included in each Lease:

"In accepting this Lease, Tenant acknowledges that Tenant has received, read, and understands Occupancy Agreement for Unit ____, dated ____, and any addendum thereto, and the Bylaws, rules, regulations, and policies of Seal Beach Mutual No. Three (the "Governing Documents"). Tenant agrees to comply with the terms of the Governing Documents, and acknowledges that any failure by Tenant, or Tenant's family members, social guests, houseguests, servants, employees, or agents, to comply with the terms of the Governing

RESCIND

SEAL BEACH MUTUAL NO. THREE

Mutual Operations – Resident Regulations

Documents shall constitute a material default under this Lease and may result in the early termination of this Lease."

5.3. No less than the entirety of a Unit may be rented under a Lease, or otherwise. Notwithstanding the foregoing, one (1) roommate paying rent to a Shareholder may reside simultaneously with a Shareholder in the Shareholder's Unit. Any roommate contemplated under this Section 5.3 must also meet all requirements of a Tenant as set forth in these Leasing Rules, including without limitation, all age requirements set forth in California Civil Code Section 51.3, et seq. The foregoing shall only apply to Units with two (2) bedrooms.

5.4. No sub-rental of a Unit shall be permitted, and no Unit may be used for vacation rentals (for example only, listed on Airbnb, VRBO or a similar website) or rented to a corporate housing company.

5.5. No Unit may be leased for hotel or transient purposes.

5.6. The Lease must provide that upon the notice of intent to transfer Stock, the Lease shall terminate, and the Tenant must vacate the premises and remove all personal property within thirty (30) days. The transfer of Stock cannot take place unless and until Tenant has vacated the Unit.

5.7. Each Shareholder shall be responsible for any and all violations of the Governing Documents committed by any Tenant, or any guest or invitee of Tenant, of the Shareholder's Unit.

5.8. Each Shareholder shall be deemed to have agreed to save, hold harmless, indemnify, and defend the Mutual and its Directors, officers, agents, representatives, attorneys and employees from and against any and all claims, demands, actions, causes of action, liabilities, damages, and expenses arising out of, or incurred as a result of, the rental/leasing of the Shareholder's Unit, together with all costs, expenses, and actual attorneys' fees resulting therefrom.

5.9. Tenant must acknowledge the Mutual's right to initiate an unlawful detainer action against the Shareholder in the event: (1) the Tenant fails to abide by the terms of the Mutual's Governing Documents and the Shareholder fails to initiate an unlawful detainer action within thirty (30) days of notice from the Mutual Board of the same; and/or (2) the Shareholder's Share of Stock is terminated. Any expenses and attorney's fees incurred by the Mutual, shall be paid as set forth in Section 7.A of these Leasing Rules.

RESCIND

6. Exemptions; Enforcement.

6.1. Upon application by a Shareholder to rent his or her Unit, the Board shall be authorized and empowered, in its sole and reasonable discretion, to grant a hardship exemption for the Shareholder with respect to the Leasing Cap. For purposes of this subsection, a "hardship" shall be defined as the need of a Shareholder to rent his or her Unit as a result of an unforeseeable event and/or because enforcement of the Leasing Cap, against the Shareholder could reasonably subject the Shareholder to suffer a severe financial difficulty.

6.2. If a Shareholder rents his or her Unit without approval from the Board, or otherwise in violation of the provisions of these Leasing Rules, the Mutual is authorized to pursue all of its available legal rights and remedies against the Shareholder to enforce such violation and the Shareholder shall be subject to disciplinary measures, including, but not limited to: (a) a monetary penalty in an amount to be determined by the Board; (b) other disciplinary measures; (c) termination of the Occupancy Agreement; (d) injunctive relief; and/or (e) a Reimbursement Assessment in an amount equal to the costs incurred by the Mutual related to addressing such violation, including, without limitation, attorneys' fees and costs, irrespective of whether the Mutual is able to obtain a court order to evict the Tenant or otherwise effectuate the legal eviction of the non-compliant Shareholder and/or Tenant from the Shareholder's Unit.

6.3. Notwithstanding anything to the contrary contained in these Leasing Rules, the Leasing Cap shall not apply to: (a) any Shareholder exempted from the Leasing Cap under the Davis-Stirling Act; and (b) the Mutual.

7. Unlawful Detainer.

7.1. Failure by a Shareholder to take legal action, including the institution of unlawful detainer proceedings to evict such Shareholder's Tenant, who is in violation of the Mutual's Governing Documents, including without limitation, the Articles, Occupancy Agreement and/or Addendum thereto, Bylaws, Rules and Regulations, or Policies, within ten (10) days after receipt of written demand so to do from the Board, shall constitute a default of the Shareholders Occupancy Agreement and/or Addendum thereto and entitle the Mutual, through the Board, to take any and all such action necessary, including without limitation, declaring forfeiture/termination of the Shareholder's Occupancy Agreement, and the institution of unlawful detainer proceedings against the Shareholder to recover possession of the Unit.

7.2. In any such unlawful detainer action against the Shareholder, the Mutual will

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seek an award of its attorney's fees and costs incurred in connection with the same pursuant to the Occupancy Agreement and/or Addendum thereto. Any other expenses incurred by the Mutual in connection with the enforcement of these Leasing Rules, including attorney's fees, shall be repaid to it by such Shareholder. Failure by such Shareholder to make such repayment within (10) days after receipt of a written demand therefor shall entitle the Board to levy a Special Assessment against such Shareholder and such Shareholder's Unit for all such expenses incurred by the Mutual.

7.3. The authority granted by this Section 7 shall be cumulative with all other rights and remedies of the Mutual in enforcing its Governing Documents.

8. Shareholder Liability. Shareholder shall be absolutely liable to the Mutual and other Shareholders and their families, guests, tenants, and invitees for any liability arising from the acts/or omissions of such Shareholder's Tenant. Each Shareholder who chooses to lease such Shareholder's Unit agrees to be held liable for all acts, whether negligent or non-negligent of such Shareholder's Tenant and/or any guests or invitees of Tenant.

9. Assignment of Rents.

9.1. Assignment of Rents. Each Shareholder who is leasing or renting his or her Unit to a Tenant or Tenants hereby assigns to the Mutual all of the rents and any other income now due or which may become due to Shareholder pursuant to the Lease for the Shareholder's Unit (the "Rents"), together with any and all rights and remedies which the Mutual may have against the Tenant or Tenants, or others in possession of the Unit, for the collection or recovery of the Rents so assigned. Such assignment shall be effective only upon the Shareholder's failure to pay any Assessment within thirty (30) days after the due date, and under no other circumstances, if the Mutual accepts such assignment.

9.2. Process to Effectuate Assignment of Rents. An assignment of rents pursuant to these Leasing Rules shall only be effective if it complies with the requirements of Section 2938 of the Civil Code and any other applicable law. Any costs and fees incurred by the Mutual in effectuating an assignment of rents pursuant to these Leasing Rules shall be considered a cost of collection of delinquent Assessments, for which the applicable Shareholder shall be responsible.

9.3. Mutual Not a Landlord. The exercise and enforcement of the Mutual's rights under these Leasing Rules shall in no way constitute the Mutual as a landlord or lessor under any Lease, and the Mutual shall have no such responsibility.

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Each Shareholder hereby agrees to indemnify, defend, and hold harmless the Mutual and its Directors, officers, agents, representatives, employees, and attorneys, as may be applicable, from and against any and all claims by a Tenant or any third party that the Mutual failed to fulfill the duties of landlord or lessor under any Lease for the Shareholder's Unit.

9.4. Payment of Rents to Mutual. Each Shareholder irrevocably consents that the Tenant or Tenants under a Lease for the Shareholder's Unit, upon receiving from the Mutual notice of an assignment of rents pursuant to these Leasing Rules, shall pay the Rents to the Mutual without incurring any liability for the failure to determine the actual existence of any Assessment delinquency claimed by the Mutual. Each Shareholder further agrees that such Tenant or Tenants shall not be liable to the Shareholder for nonpayment of the Rents to the Shareholder for Rents paid to the Mutual pursuant to these Leasing Rules. The full amount of the Rents received by the Mutual shall be applied to the Shareholder's account; however, application of the Rents to particular Assessments and charges owed by the Shareholder to the Mutual shall be at the Mutual's discretion to the extent not dictated by law.

9.5. Mutual Powers Upon Default. The Mutual may at any time pursue legal action against a Shareholder and/or the Shareholder's Tenant or Tenants for, or otherwise seek collection of, any Rents not paid to the Mutual pursuant to these Leasing Rules. The Mutual shall deduct from the Rents received in any such action the costs and expenses of collection, including, but not limited to, reasonable attorney's fees.

9.6. Termination of Payment of Rents to Mutual. The Mutual may continue receiving Rents assigned directly from the Tenant or Tenants of a Shareholder's Unit until any unlawful detainer action against the subject Unit is completed by the Mutual, or until the amount of money owed to the Mutual by the Shareholder, including Assessments, late charges, interest, and collection costs, including reasonable attorney's fees, is paid in full, whichever occurs first.

10. Shareholder Insurance Requirements.

10.1. Property Damage and General Liability Insurance. Each Shareholder is responsible for insuring his or her personal property located within the Mutual. Each Shareholder is also responsible for insuring all buildings, structures, and other Improvements contained within or located upon the Shareholder's Unit (including, but not limited to the Shareholders' Residences) against fire and other casualty. Nothing in these Leasing Rules precludes any Shareholder

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from carrying public liability insurance as he or she may deem reasonable, however, such insurance coverage may not adversely affect or diminish any coverage under any of the Mutual's insurance policies. If any loss intended to be covered by insurance carried by or on behalf of the Mutual occurs and the proceeds payable are reduced due to insurance carried by a Shareholder, such Shareholder shall assign the proceeds of the Shareholder's insurance to the Mutual, to the extent of such reduction, for application to the same purposes as the reduced proceeds are to be applied.

10.2. Renter's and Landlord's Insurance. A Shareholder whose Unit is subject to a Lease shall require as a term of the Lease that the Tenant is required, at all times during the Tenant's tenancy and occupancy of the Shareholder's Unit, to obtain and maintain "renter's insurance" of no less than fifty thousand dollars ($50,000.00), insuring, including without limitation, the Tenant for general liability, property damage, and the replacement value of the Tenant's personal property and belongings located in the Unit from damage and loss. Such Shareholder shall also be required to maintain "landlord's insurance" during the period of the Lease, under an insurance policy that covers the Shareholder's Unit from financial losses connected with the Unit; such policy shall cover standard perils such as fire, and, to the extent commercially available, include coverage for accidental damage, malicious damage by tenants, and rent guarantee insurance.

10.3. Proof of Insurance. Duplicate copies of the insurance policies required under these Leasing Rules shall be submitted by a Shareholder to the Board upon request. Notwithstanding the foregoing, the Mutual shall not have the obligation to confirm that any Shareholder or Tenant carries the insurance required under these Leasing Rules and/or confirm the terms of any insurance purchased by a Shareholder or Tenant.

10.4. Lack of Insurance. The Mutual shall not be responsible for any damage or loss to a Shareholder's Unit, another Unit, or the Common Area for which the Shareholder is responsible and the Shareholder does not maintain sufficient insurance coverage for the cost of repair and restoration of such damage or loss. Any failure by the Tenant to have renter's insurance shall be regarded as a material breach of the Lease.

11. Tenant Eligibility.

11.1. No Discrimination. No Shareholder shall execute or cause to be recorded any instrument that imposes a restriction on the rental or occupancy of the Shareholder's Unit on the basis of race, color, religion, sex, gender, gender

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identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information, nor shall any Shareholder discriminate against or harass any prospective Tenant, or Resident of the Shareholder's Unit because of such bases. Notwithstanding the foregoing, selection preferences based on age in the rental of a Shareholder's Unit, imposed in accordance with Section 51 of the Civil Code or a federally approved housing program, as may be applicable, shall not constitute age discrimination.

11.2. Criteria for Eligibility. All Tenants must meet the criteria for membership eligibility set forth in the Mutual's Governing Documents, specifically the Occupancy Agreement and by the Golden Rain Foundation, as the same may be amended from time to time.

12. Board's Right to Impose Additional Rules and Regulations. As long as Civil Code Section 4741, or similar statutes, is effective and has not been overturned by the Courts or repealed or otherwise amended by the state legislature, these Leasing Rules will remain effective. Should Civil Code Section 4741, or similar statutes, be overturned, repealed or otherwise amended, the Board retains the right to revoke and/or revise these Leasing Rules accordingly. The Board retains the right to establish and enforce additional Rules and Regulations to implement the leasing restrictions contained in these Leasing Rules and any other Governing Documents of the Mutual.

13. Tenant Not Entitled to Take Over Rights of Shareholders.

13.1. Mutual Meetings and Events. Tenants may not participate in, or attend, meetings of the Mutual, including without limitation, any townhall meeting, open Board meeting, or any event intended only for the Shareholders of the Mutual.

13.2. Tenant and Shareholder Required to Attend Orientation. All new Tenants within the Mutual are required to attend a New Tenant Orientation. All leasing Shareholders will be required to attend such Orientation with the Tenant. The Mutual is entitled to charge a fee for such New Tenant Orientation, at the discretion of the Board.

13.3. Emergencies. Except in case of emergency, Tenant shall not contact the Director(s) of the Mutual or any vendor of the Mutual, including without limitation any employees or representatives of the GRF, for any maintenance issues. Tenant must contact the Shareholder-Landlord for any non-emergency maintenance issues.

13.4. Overnight Guests. Tenant is permitted to have overnight guests for a

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SEAL BEACH MUTUAL NO. THREE

Mutual Operations – Resident Regulations

maximum period of sixty (60) calendar days per year, solely in conjunction with the occupancy by a Tenant. The number of visitors, guests/persons residing in the Unit at any time must comply with all State, local and County codes, regulations, and ordnances regarding the occupancy of residential dwellings, and may not exceed an occupancy limits established under such codes, regulations, or ordinances.

14. Forfeiture of Shareholder Rights. Shareholder cannot utilize any common areas of the Mutual if Shareholder elects to lease out his/her Unit to a Tenant. All current Shareholders privileges with respect to the use of common areas within the Mutual are forfeited once the Shareholder enters into a Lease with a Tenant.

15. Documents to Mutual. Within ten (10) days of execution of a Lease between a Shareholder and Tenant, the Shareholder must provide to the Mutual:

15.1. Lease. The Shareholder shall provide the Mutual with a copy of the executed Lease.

15.2. Tenant Contact Information. The telephone number and e-mail address, if applicable, of the Tenant, and information related to any vehicle of the Tenant, including the make, model, color, and license plate number.

15.3. Shareholder Contact Information. The telephone number, email address and any change in address of the Shareholder.

16. Fine Policy of the Mutual. Pursuant to the Mutual's Governing Documents, the Shareholder will be called to a hearing for any Tenant violations of the Governing Documents, and the Mutual Board will determine what disciplinary measures and/or monetary fines to levy against Shareholder. The Mutual's Fine Policy in effect at the time the violation occurs will be applied.

Document History
Adopted: 23-Nov-20

Keywords: Mutual Three Leasing
Rules and
Regulations

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Mutual Operations – Resident Regulations

GOVERNING DOCUMENTS COMPLIANCE CORRECTIVE MEASURES AND MONETARY PENALTIES

The Mutual reserves the right to take legal action in order to enforce compliance with the Governing Documents at any stage in the enforcement process. Serious violations warranting immediate action may be forwarded to legal counsel with or without taking the steps outlined below. Violations which the Mutual Board decides to address internally will be dealt with as follows:

1. Upon determination that an alleged violation has potential merit, a courtesy notice (warning letter) may, in the discretion of the Mutual Board, be sent to the allegedly offending Qualifying Resident/Shareholder ("Respondent") identifying the violation and requesting compliance within a stated period of time. A courtesy notice is not required prior to calling Respondent to hearing.

2. The Mutual shall send a notice of hearing to the Respondent stating the nature of the alleged violation, referencing the specific provision of the Governing Documents which the Respondent is alleged to have violated, and inviting the Respondent to appear at a hearing before the Mutual Board to be held no sooner than fifteen (15) days from the date of the notice. The notice shall further advise the Respondent of his or her right to attend the hearing, submit a statement of defense to the Mutual Board in advance of the hearing or present a statement of defense and supporting witnesses at the hearing. If the Respondent does not attend the hearing, the Respondent waives these rights.

3. The Mutual Board shall conduct the hearing in executive session (unless requested otherwise by the Respondent) and shall afford the Respondent a reasonable opportunity to be heard.

4. If the Shareholder is found to be in violation of the Governing Documents following the hearing, the Mutual Board may do any of the following, as noted in the hearing notice:

4.1. Impose a monetary fine against the Shareholder pursuant to the Fine Schedule.

4.2. Levy a special reimbursement assessment against the Shareholder pursuant to the Governing Documents.

4.3. Declare the Shareholder to be not in good standing as set forth in these Rules.

4.4. Suspend the Qualifying Resident/Shareholder's rights to use the recreational facilities if and as provided in the Mutual Governing Documents.

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Mutual Operations – Resident Regulations

4.5. Any combination of the above.

5. Any disciplinary action taken should be recorded in the minutes of the meeting at which the disciplinary action was taken by the Mutual Board. No action against the Respondent arising from the alleged violation may take effect before five (5) days after the hearing.

6. The Mutual Board shall provide the Shareholder with written notice of the outcome of the hearing and any disciplinary action taken by the Mutual Board within ten (10) days after the hearing. In the case of a continuing violation, the notice of hearing decision may include a notice of a continuing fine, if authorized by the Fine Schedule, or notice of a subsequent hearing on the same violation to be held no sooner than thirty (30) days from the original hearing date, unless the violation is sooner remedied.

7. Fines imposed by the Mutual Board after a hearing shall be due immediately upon notice of the hearing decision to the Owner. Special Assessments levied by the Mutual Board shall be due thirty (30) days from the date of the notice of hearing decision, or upon such other later date specified therein not to exceed sixty (60) days from the date of the notice.

Fine Schedule

The Mutual Board reserves the right to revise this Fine Schedule at any time through a rule change procedure and the most recent Fine Schedule shall be distributed to the Shareholders on an annual basis. Violations of the Mutual's Governing Documents, including, but not limited to property alterations and/or improvements made without approval, repair and upkeep of property, unauthorized signs, and all other violations of the Mutual's Governing Documents, may be assessed a monetary penalty in the following amounts:

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Mutual Operations – Resident Regulations

Violation	1st Offense	2nd Offense and each subsequent and/or continuation of Offense
Residency/occupancy violations (e.g. unauthorized occupants, guests residing longer than permitted)	Notice to Comply in 48 hours	Notice and hearing and fine of up to $500.00 and up to $100.00 per/day for each additional day of non-compliance, for a maximum of 20 days
Violation of Roof & Attic Access	Notice and hearing and up to $1,000.00 and removal of unauthorized installation or non-compliant equipment, if applicable	
Violation of Mutual Occupancy Agreement & all other Rules & Regulations	Written warning	Notice and hearing and fine of up to $100.00 and up to $100.00 per/day for each additional day of non-compliance, for a maximum of 20 days
Violation of Leasing Rules	Notice and hearing and fine of up to $2,500.00	Notice and hearing and fine of up to $5,000.00
Violation of Leasing Rules – Lease for Less than Thirty Days (Short-Term Rental)	Notice and hearing and fine of up to $5,000.00	Notice and hearing and fine of $2,500.00 to $7,500.00

Document History
Adopted: 23 Nov 20

Keywords: Mutual Three Resident Regulations Fine Schedule Corrective Measures Fines

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVAL OF MUTUAL MONTHLY FINANCES (NEW BUSINESS, ITEM A)
DATE: MARCH 12, 2021
CC: MUTUAL FILE

I move to acknowledge, per the requirements of the Civil Code Section 5500(a)-(f), a review of the reconciliations of the operating and reserve accounts, operating revenues and expenses compared to the current year's budget, statements prepared by the financial institutions where the Mutual has its operating and reserve accounts, an income and expense statement for the Mutual's operating and reserve accounts, the check registers, monthly general ledger and delinquent assessment receivable reports for the month of February 2021.

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: SHAREHOLDER'S INTENT TO VOTE CUMULATIVELY (NEW BUSINESS, ITEM B)
DATE: MARCH 12, 2021
CC: MUTUAL FILE

Per the Mutual's Bylaws, Article IV, Section 7,_____(Shareholder Name)_____, Unit _____, shareholder of Mutual Three intends to vote cumulatively for the elections of Directors for the 2021-2022 term of office.

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO CANCEL THE MONTHLY MEETING ON JUNE 11, 2021 DUE TO ANNUAL SHAREHOLDER'S MEETING (NEW BUISNESS, ITEM C)
DATE: MARCH 12, 2021
CC: FILE

I move to cancel the Monthly Board Meeting on June 11, 2021 due to the Annual Shareholder's Meeting.

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPOINT ACCURATE VOTING SERVICES AS INSPECTORS OF ELECTIONS FOR MUTUAL THREE'S ANNUAL SHAREHOLDER'S MEETING (NEW BUSINESS, ITEM D)
DATE: MARCH 12, 2021
CC: FILE

Policy 7210.03 – Annual Elections, Section 4 – Inspector of Elections, states that, "At an open meeting, the Board shall appoint one (1) or three (3) person to serve as independent Inspector(s) of Election".

On January 25, 2021, the Executive Committee voted to approve the election provider contract with Accurate Voting Services, as the Inspector of Elections.

I move to appoint Accurate Voting Services as Mutual Three's Inspectors of Election.

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE TOTAL LANDSCAPE PROPOSAL FOR THE REMOVAL OF THE FIRE STICK PLANTS (NEW BUSINESS, ITEM E)
DATE: MARCH 12, 2021
CC: FILE

I move to approve the proposal from Total Landscape for the removal of 18 Firestick plants at a cost not to exceed $540.00. Funds to come from Landscape Extras and authorize the President to sign any necessary documentation.

TOTAL LANDSCAPE MAINTENANCE

P.O. BOX 18658
ANAHEIM, CA 92817
(714) 777-4803

ESTIMATE

Date	Estimate #
12/4/2020	1065

Name / Address
Seal Beach Leisure World Mutual 3 Accounts Payable P. O. Box 2069 Seal Beach, CA 90740

Job Adress
Mutual 3

Terms	Net 30

Description	Total
Remove Firestick plants from: 8 plants at carport 43 7 plants at carport 44 3 plants at Laundry 20 Total of 18 plants @ $30 each	540.00

Price includes clean up and debris removal.

232

Total $540.00

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE TOTAL LANDSCAPE PROPOSAL TO PUT PLANTS IN THE SPACE CREATED WHEN DEAD PINE TREE WAS REMOVED (NEW BUSINESS, ITEM F)
DATE: MARCH 12, 2021
CC: FILE

I move to approve the proposal from Total Landscape for the placement of 8 Iceberg Roses and 1 Otatea Acuminata at a cost not to exceed $350.00. Funds to come from Landscape Extras and authorize the President to sign any necessary documentation.

TOTAL LANDSCAPE MAINTENANCE

P.O. BOX 18658
ANAHEIM, CA 92817
(714) 777-4803

ESTIMATE

Date	Estimate #
3/1/2021	1070

Name / Address
Seal Beach Leisure World Mutual 3 Accounts Payable P. O. Box 2069 Seal Beach, CA 90740

Job Adress
Mutual 3

Terms	Net 30

Description	Total
Plant the following: 8 - 1 gallon Iceberg Roses, 4 pink, 4 white 1 - 5 gallon Otatea acuminata *Note: The Ocatea is currently only available in a 5 gallon.	350.00

Price includes all materials and labor.

Total $350.00

Mutual Corporation No. Three

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS AND VOTE TO APPROVE WORK AT CARPORT 43 & 44 FOR TERMITE & DRY ROT REPAIR (NEW BUSINESS, ITEM G)
DATE: MARCH 12, 2021
CC: FILE

I move to approve the work at Carport 43 and 44 for termite and dry rot repair at a cost not to exceed $2,700.00. Funds to come from Infrastructure and authorize the President to sign any necessary documentation.