

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL ONE
A DAVIS-STIRLING ACT COMMON INTEREST DEVELOPMENT
ADMINISTRATION BUILDING CONFERENCE ROOM A
October 26, 2017 Meeting Begins 9:15 a.m.
(Open Forum for shareholders/residents-2 minutes 9:00 a.m. to 9:15 a.m.)

CALL TO ORDER & *PLEDGE OF ALLEGIANCE* S. Luther-Stark

ROLL CALL K. Aquino

INTRODUCTION OF GRF REPRESENTATIVE'S, GUEST(S), AND STAFF: S. Luther-Stark

Mrs. Perrotti, GRF Representative

Mr. Stone, GRF Representative

Ms. Miller, Director of Finance

Ms. Hopkins, Mutual Administration Director

Mr. Antisdell, Building Inspector

Ms. Day, Recording Secretary

APPROVAL OF MINUTES: **Regular Meeting of September 28, 2017**

GRF REPRESENTATIVES' REPORTS R. Stone, L. Perrotti

BUILDING INSPECTOR'S REPORT (**pages 2-3**) J. Antisdell

PRESIDENT'S REPORT S. Luther-Stark

CHIEF FINANCIAL OFFICER'S REPORT B. Schweitzer

DIRECTOR'S REPORTS

MUTUAL ADMINISTRATION DIRECTOR'S REPORT Ms. Hopkins

UNFINISHED BUSINESS

a. Sewer Project R. Collazo

NEW BUSINESS

a. Laundry room bulletin boards – appoint committee

b. Amend Policy 7501 – Pet Ownership Policy (**pages 4-20**)

c. Policy 7418 – Exterior Paint – appoint committee (**page 21**)

d. WASH dryers – discuss time and amount – appoint committee

e. NSBN Engagement Letter – Motion (**pages 22-31**)

f. Discuss changing office door lock

g. Discuss removing landscape at ends of carports

h. Discuss amending Policy 7502.01 – Carport Regulations – appoint committee (**pages 32-36**)

i. J. D. Hauling Service

DIRECTORS' COMMENTS

SHAREHOLDERS' COMMENTS

ADJOURNMENT

EXECUTIVE SESSION IF NECESSARY (member issues; legal; approve previous minutes, if required)

STAFF WILL LEAVE THE MEETING BY 12:10 P.M.

NEXT REGULAR BOARD MEETING: **NOVEMBER 30, 2017 at 9:00 A.M.**
ADMINISTRATION BUILDING CONFERENCE ROOM A

INSPECTORS MUTUAL REPORT

MUTUAL : (01) ONE

INSPECTOR : JERRYANTISDEL

MUTUAL BOARD MEETING DATE: 10/26/2017

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
1-H	FLOORING	GRF	09/30/17	10/30/17	NO	NONE	KARYS CARPET
1-H	WASHER/DRYER	BOTH	08/09/17	10/31/17	NO	NONE	BERGKVIST
1-H	WASHER/DRYER	BOTH	08/09/17	10/31/17	NO	08/31/17 FRAM/PLUM/ELEC	BERGKVIST
3-A	CARPORT CABINET	GRF	08/15/17	09/30/17	NO	NONE	HANDYMAN
4-D	MOE STRIP AT GARDEN	GRF	10/25/17	11/25/17	NO	NONE	FRANKS GARDENING
9-A	HEAT PUMP	BOTH	09/25/17	10/25/17	NO	10/04/17 FINAL	ALPINE
11-L	FLOORING	GRF	10/20/17	11/20/17	NO	NONE	KARYS CARPET
12-A	PATIO/BLOCK WALL	BOTH	08/31/17	09/30/17	NO	10/04/17 FINAL	MJ JURADO
12-H	CART PAD	GRF	10/20/17	11/20/17	NO	NONE	JOHNS LANDSCAPE
14-I	FOORING	GRF	10/30/17	11/30/17	NO	NONE	
18-K	CART PAD	GRF	10/30/17	11/30/17	NO	NONE	FRANKS GARDEN
21-H	HEAT PUMP	BOTH	09/15/17	12/15/17	NO	NONE	GREENWOOD
21-H	WINDOWS	BOTH	09/20/17	10/30/17	NO	NONE	SWENMAN
22-E	ROOM ADDITION	BOTH	09/30/17	12/20/17	NO	NONE	J S B HOME REMODELING
29-C	WINDOW A/C REMOVAL	GRF	10/25/17	11/25/17	NO	NONE	BODIE GLASS
29-C	HEAT PUMP	BOTH	10/23/17	11/23/17	NO	NONE	ALPINE
30-I	REMODEL	BOTH	10/30/17	01/30/18	NO	NONE	LOS AL BLDRS
31-I	HEAT PUMP	BOTH	09/22/17	12/22/17	NO	10/11/17 FINAL	GREENWOOD
34-L	FLOORING	GRF	09/04/17	10/25/17	NO	NONE	GUNDERSOON
35-E	ROOM ADDITION	BOTH	04/27/17	09/30/17	NO	06/23/17 ROUGH PLUMBING	BJ & COMPANY
35-E	ROOM ADDITION	BOTH	04/27/17	09/30/17	NO	08/01/17 FRAM/ELECT	BJ & COMPANY
35-E	ROOM ADDITION	BOTH	04/27/17	09/30/17	NO	08/07/17 WOOD TREATMEN	BJ & COMPANY
35-E	ROOM ADDITION	BOTH	04/27/17	09/30/17	YES	08/22/17 DRYWALL	BJ & COMPANY
37-D	SHOWER CUT DOWN	BOTH	10/20/17	11/20/17	NO	NONE	NU KOTE
41-L	PATIO CARPET	GRF	07/24/17	10/20/17	NO	NONE	LW DÉCOR
42-B	SHOWER CUT DOWN	BOTH	09/26/17	10/26/17	NO	NONE	NU KOTE
42-K	FLOORING	GRF	07/24/17	08/24/17	NO	NONE	CORNERSTONE FLOORING
43-B	SHOWER CUT DOWN	BOTH	10/30/17	11/30/17	NO	NONE	NU KOTE
44-E	FLOORING	GRF	10/20/17	12/20/17	NO	NONE	BIXBY PLAZA CARPET
45-K	FLOORING	GRF	12/01/17	12/01/17			
48-L	WINDOWS/DOORS	BOTH	10/09/17	11/09/17	NO	NONE	SEAPORT WINDOWS
50-G	WINDOWS	BOTH	09/26/17	10/26/17	NO	NONE	SWENMAN
50-G	FLOORING	GRF	10/25/17	11/25/17	NO	NONE	KARYS CARPET
52-C	ELECTRICAL	BOTH	08/31/17	11/15/17	NO	NONE	LW DÉCOR
52-K	FLOORING	GRF	10/09/17	11/09/17	NO	NONE	KARYS CARPET
53-B	KITCHEN REMODEL	BOTH	07/20/17	11/10/17	NO	NONE	LOS AL BLDRS
56-K	FLOORING	GRF	08/23/17	10/12/17	NO	NONE	BIBY PLAZA CARPET
58-C	REMODEL KITCHEN	BOTH	05/01/17	10/01/17	YES	07/14/17 FRAMING/PLUMB	LW DÉCOR
58-C	REMODEL KITCHEN	BOTH	05/01/17	10/01/17	YES	09/07/17 DRYWALL	LW DECOR
62-C	DISHWASHER	GRF	09/10/17	10/10/17	NO	10/18/17 FINAL	KRESS
63-L	REMODEL	BOTH	10/30/17	02/28/18	NO	NONE	M J JURADO
64-E	WASHER/DRYER	BOTH	10/10/17	01/10/18	NO	NONE	NATIONWIDE PAINTING
67-D	SCREEN ROOM PATIO	BOTH	10/30/17	11/30/17	NO	NONE	BERGKVIST
67-F	SOLATUBE	BOTH	10/09/17	11/09/17	NO	NONE	BRIGHTER CONCEPTS
69-A	PATIO CARPET	GRF	07/10/17	08/10/17	NO	NONE	CORNERSTONE FLOORS
69-D	SHOWER CUT DOWN	BOTH	10/20/17	11/20/17	NO	NONE	NU KOTE
69-I	KITCHEN REMODEL	BOTH	06/12/17	07/25/17	NO	NONE	PEEK
69-I	KITCHEN REMODEL	BOTH	06/12/17	07/25/17	NO	06/26/17 UNDER GROUND	PEEK
69-I	KITCHEN REMODEL	BOTH	06/12/17	07/25/17	YES	FRAM/ELEC/PLUMB	PEEK
69-I	CARPORT CABINET	GRF	10/20/17	11/20/17	NO	NONE	HANDYMAN

ALL SHADED AREAS HAVE BEEN SIGNED OFF

INSPECTORS MUTUAL REPORT

MUTUAL : (01) ONE

INSPECTOR : JERRYANTISDEL

MUTUAL BOARD MEETING DATE: 10/26/2017

ESCROW ACTIVITY

1-J		10/09/17				
1-F		10/02/17				
5-B		09/07/17	09/18/17	09/25/17	10/09/17	
6-H		08/02/17	08/26/17	08/28/17	09/12/17	09/29/17
7-C		08/15/17	09/08/17	09/08/17	09/20/17	10/04/17
9-J		08/07/17	09/08/17	09/08/17	09/22/17	10/11/17
10-D		10/02/17				
10-H		10/02/17				
11-L		08/29/17				
14-I		10/04/17				
21-H		07/12/17	08/18/17	08/21/17	09/05/17	10/04/17
22-D		09/14/17	10/13/17	10/13/17	10/27/17	
23-D		06/06/17				
23-J		09/11/17				
30-H		07/12/17				
30-I		07/25/17	09/06/17	09/07/17	09/19/17	09/28/17
31-B		05/22/17				
34-J		06/29/17	09/18/17	09/22/17	10/06/17	
34-I		07/26/17				
42-K		09/12/17				
44-H		08/09/17				
44-F		06/21/17				
45-K		08/21/17	09/08/17	09/21/17	10/05/17	
47-I		07/25/17	09/15/17	09/18/17	10/02/17	
52-K		06/06/17	09/13/17	09/13/17	09/27/17	
59-B		09/14/17				
60-B		07/27/17				
61-L		07/24/17	09/20/17	09/21/17	10/05/17	
65-H		08/29/17				

ALL SHADE AREAS HAVE BEEN SIGNED OFF

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation

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

CONTRACTS 2017

NOTHING NEW SINCE LAST MEETING
 BRIGHTVIEW ARBOR CARE MANAGEMENT FOR 5 YEARS
 CONCRETE AT BUILDING 25 WITH M J JURADO
 DRYER CONTRACT WITH WASH MUTIFAMILY LAUNDRY SYSTEMS FOR 5 YEARS

ALL SHADED AREAS HAVE BEEN COMPLETED

MUTUAL AND SHAREHOLDER REQUEST

PROPOSAL FOR TRAFFIC CODES OF CARPORTS AND SIGNAGE TO BE IN COMPLIANCE WITH CAMUTCD
 EXTERIOR DOOR COLORS OTHER THEN WHITE OR COCO CANDY
 PATIO PERGOLAS OR PATIO COVERS AND SLAB AND BLOCK WALLS AT FRONTS AND ENDS OF BUILDINGS

Mutual Corporation No. One

MEMO

TO: MUTUAL ONE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: AMEND POLICY 7501 – PET OWNERSHIP POLICY
DATE: OCTOBER 20, 2017

I move to amend Policy 7501 – Pet Ownership Policy on a preliminary basis until the 30-day posting period is completed.

MUTUAL OPERATIONS**AMEND MUTUAL ONE****RESIDENT REGULATIONS****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
(Sept 14)

AMEND MUTUAL ONE

RESIDENT REGULATIONS

Pet Ownership Policy

the same effect as the California law, and under the federal rules there have been developed 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

(Sept 14)

AMEND MUTUAL ONE

RESIDENT REGULATIONS

Pet Ownership Policy

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 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**AMEND MUTUAL ONE****RESIDENT REGULATIONS****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.
- (c) ~~Pet doors shall not be installed through front doors, sliding glass doors, windows or walls of any unit or building.~~ **Pet doors are not permitted on front door or screen door.** 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.

(Sept 14)

AMEND MUTUAL ONE

RESIDENT REGULATIONS

Pet Ownership Policy

- (a) Residents may not, even temporarily, keep a non-registered pet owned by another person in their dwelling unit.
- (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

(Sept 14)

AMEND MUTUAL ONE

RESIDENT REGULATIONS

Pet Ownership Policy

pursuant to the Orange County Fair Housing Authority (OCFHA) and Department of Housing and Urban Development (HUD).

- (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

(Sept 14)

AMEND MUTUAL ONE

RESIDENT REGULATIONS

Pet Ownership Policy

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 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

(Sept 14)

AMEND MUTUAL ONE

RESIDENT REGULATIONS

Pet Ownership Policy

- A. All residents bringing quadruped pets onto the Mutual premises shall register their pets with 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

(Sept 14)

MUTUAL OPERATIONS**AMEND MUTUAL ONE****RESIDENT REGULATIONS****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.
- (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 Act¹ (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

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

(Sept 14)

MUTUAL OPERATIONS**AMEND MUTUAL ONE****RESIDENT REGULATIONS****Pet Ownership Policy**

- 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 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

(Sept 14)

MUTUAL OPERATIONS**AMEND MUTUAL ONE****RESIDENT REGULATIONS****Pet Ownership Policy**

Physician's Declaration attached.

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 Development².

(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

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.

(Sept 14)

Page 11 of 16

MUTUAL OPERATIONS**AMEND MUTUAL ONE****RESIDENT REGULATIONS**Pet Ownership Policy

• 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-	06-26-91	01-24-	06-27-01, 01-23-02, 11-27-02, 10-26-05, 04-26-

(Sept 14)

MUTUAL OPERATIONS

AMEND MUTUAL ONE

RESIDENT REGULATIONS

Pet Ownership Policy

	68		01	06, 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
 (Sept 14)

MUTUAL OPERATIONS

AMEND MUTUAL ONE

RESIDENT REGULATIONS

Pet Ownership Policy

certain sections of the Pet Ownership Policy, and that my disability qualifies me to have 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

(Sept 14)

MUTUAL OPERATIONS

AMEND MUTUAL ONE

RESIDENT REGULATIONS

Pet Ownership Policy

applicant/shareholder is hereby granted an exemption from **Article 1, Section C, Item 3, and 3a**, 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:

(Sept 14)

MUTUAL OPERATIONS

AMEND MUTUAL ONE

RESIDENT REGULATIONS

Pet Ownership Policy

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

DRAFT

MUTUAL OPERATIONS**PHYSICAL PROPERTY****Exterior Paint – Mutual One Only**

Without prior Board approval, no person shall paint the exterior of any building or part of said building a color different than the original.

If installing a new front door, the shareholder must have it painted to match the appropriate building color (white or beige) within 15 days after installation. Preexisting front doors may be repainted the existing building color by the shareholder prior to the regular scheduled Mutual maintenance, providing the paint color and type are approved by the Mutual. Natural wood finish doors may be installed when approved by a Mutual representative through the signing of a GRF permit. The shareholder shall be responsible for correcting any paint alterations that do not conform to existing building paint colors within 15 days after receiving written notice from the Mutual Administration Manager.

MUTUAL ADOPTION**AMENDMENTS**

ONE: 04-24-14

(Apr 14)

Page 1 of 1

Mutual Corporation No. One

MEMO

TO: MUTUAL ONE BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: NSBN ENGAGEMENT LETTER - MOTION
DATE: OCTOBER 20, 2017

I move to accept the NSBN Engagement Letter from the 2017 Audit and authorize the President to sign the letter.



September 7, 2017

Linda Stone, GRF Board President
Golden Rain Foundation
Post Office Box 2069
Seal Beach, California 90740

Dear Linda:

We are pleased to confirm our understanding of the services we are to provide for Golden Rain Foundation (the "Company") and the 16 Seal Beach Mutual Corporations (the "Mutual Corporations") for the year ended December 31, 2017.

The Board of Directors of the Company and the Mutual Corporations (the "Boards") have requested that we audit the financial statements of the Company and the Mutual Corporations, which comprise the balance sheets as of December 31, 2017, and the related statements of operations/revenue and expenses, changes in stockholders' equity/changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements. Also, the financial statements we submit to you will include supplementary information about future major repairs and replacements required by the Financial Accounting Standards Board ("FASB"). Although we will apply certain limited procedures with respect to the required supplementary information, we will not audit the information and will not express an opinion on it.

Audit Objective

The objective of our audits is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the Company's and the Mutual Corporations' accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audits of the Company's and the Mutual Corporations' financial statements. Our reports will be addressed to the Boards and Members of the Company and to each of the Mutual Corporations. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. However, our procedures will not determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because such a determination is outside the scope of the engagement. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audits, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audits will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Company and the Mutual Corporations or to acts by management or employees acting on behalf of the Company and the Mutual Corporations.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audits and does not extend to any later periods for which we are not engaged as auditors.

Our audits will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Other Services

We will prepare the Company's and the Mutual Corporations' 2017 federal and California tax returns for the year ended December 31, 2017 based on information provided by you. We will also assist in preparing the financial statements of the Company and the Mutual Corporations in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

Management Responsibilities

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; for the preparation and fair presentation in the financial statements in conformity with U.S. generally accepted accounting principles; and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Company from whom we determine it necessary to obtain audit evidence.

Management's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entities involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entities received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entities comply with applicable laws and regulations. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically, management understands that electronic sites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities for the financial statement preparation services, tax services, and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

Johnny H. Minassian is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our audit engagement ends on delivery of our audit reports. Any follow-up services required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

As part of our audit process, we will request from management and, when appropriate, from those charged with governance, written confirmation concerning representations made to us in connection with the audits.

We also will issue a written report communicating either Auditor's Communication with Those Charged with Governance or Communicating Internal Control Related Matters Identified in an Audit, upon completion of our audits.

As part of our engagement, we will also prepare the 2017 federal and California tax returns for the year ended December 31, 2017. We will use our professional judgment in preparing your returns. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. In accordance with our professional standards, we will follow whatever position you request, as long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional tax, interest, or penalties.

In the event, however, that you ask us to take a tax position that, in our professional judgment, will not meet the applicable laws and standards as promulgated, we reserve the right to stop work and shall not be liable to you for any damages that occur as a result of ceasing to render services.

Any travel, entertainment and gifts, as well as charitable contributions, must be supported by the necessary records required by the Internal Revenue Code. It is your responsibility to insure that all such documents are properly maintained and that the documents in your possession support the deductions taken on the tax return. We will not audit or otherwise review the information maintained by you to insure the adequacy thereof.

You may have reportable state use tax if the corporation purchased goods outside of California for use, storage, or consumption in California and did not pay California sales or use tax on the purchase. You may now elect to pay use tax with your corporation income tax return, rather than on a separate use tax form filed with the Board of Equalization. Please inform us if management's position on this election has changed from the previous year.

Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having an aggregate value

exceeding \$10,000 at any time during the calendar year in a foreign country, shall report such a relationship. Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s).

For example, a corporate-owned foreign account would require filings by the corporation *and* by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

If you and/or your entity have a financial interest in, or signature authority over, any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare the Report of Foreign Bank and Financial Accounts (FBAR) required by the U.S. Department of the Treasury in order for the FBAR to be **received by the Department on or before June 30th** of each tax year. Effective July 1, 2013, electronic filing of FBAR reports is mandatory using the Bank Secrecy Act (BSA) e-filing system for the Financial Crimes Enforcement Network (FinCEN). If you would like our firm to submit your electronic FBAR report (FinCEN Form 114) on your behalf, we must receive a signed consent form (FinCEN Form 114a) from you prior to submitting the foreign reporting form. If you do not provide our firm with information regarding any interest you may have in a foreign account, or if we do not receive your signed authorization to file your foreign reporting form, we will not be able to prepare and file any of the required disclosure statements.

In addition, the Internal Revenue Service also requires information reporting under applicable Internal Revenue Code sections and related regulations, and the respective IRS tax forms are due when your income tax return is due, including extensions. The IRS reporting requirements are in addition to the U.S. Department of the Treasury reporting requirements stated above. Therefore, if you fall into one of the below categories, or if you have any direct or indirect foreign interests, you may be required to file applicable IRS forms:

- You are an individual or entity with ownership of foreign financial assets and meet the specified criteria (Form 8938);
- You are an officer, director or shareholder with respect to certain foreign corporations (Form 5471);
- You are a foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business (Form 5472);
- You are a U.S. transferor of property to a foreign corporation (Form 926);
- You are a U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A); or
- You are a U.S. person with interests in a foreign partnership (Form 8865).

Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the Internal Revenue Service may result in substantial monetary penalties. By your signature below, you accept responsibility for informing us if you believe that you may have foreign reporting requirements with the U.S. Department of the Treasury and/or Internal Revenue Service and you agree to timely provide us with the information necessary to prepare the appropriate form(s). We assume no liability for penalties associated with the failure to file, or untimely filing, of any of these forms.

The IRS and U.S. Treasury issued final tangible property regulations (TPRs) that govern when taxpayers must capitalize and when they can deduct expenditures for acquiring, producing or improving tangible property. These regulations were fully effective for tax years beginning on or after January 1, 2014. The final regulations created new annual elections, and while certain safe harbors and elections are implemented through filing statements or treatment of an item on a timely filed federal tax return, the IRS considers the remaining provisions to be a change in accounting method, which may require the filing of Form 3115, *Application for Change in Accounting Method*.

If we become aware that you may be using an accounting method not in accordance with the final TPR regulations, our firm may need additional time to analyze your current and prior acquisitions and improvements to properly complete Form 3115. By your signature below, you accept ultimate responsibility for your capitalization analyses and decisions, and you agree to provide us with the information necessary to prepare the appropriate elections and/or method change IRS form(s). Please ask us for advice if you have any questions regarding your company's application of these regulations.

Management is responsible for the design, implementation and administration of applicable policies that may be required under the Affordable Care Act. As NSBN LLP is not rendering any legal services as part of our engagement, we will not be responsible for advising you with respect to the legal or regulatory aspects of your company's compliance with the Affordable Care Act.

Professional standards now require us to electronically file all federal and state income tax returns. Please note that, although e-filing will require both you and our firm to complete additional steps, the same filing deadlines will apply. You must therefore ensure that you complete the additional requirements before the due dates in order for our firm to be able to timely transmit your return. Our firm must transmit your return to the taxing authorities (rather than you). We will provide you with a copy of the income tax returns for your review prior to electronic transmission. After you have reviewed the returns, you must provide us with a signed authorization indicating that you have reviewed the return and that, to the best of your knowledge, you feel it is correct. **We cannot transmit the returns to the taxing authorities until we have your authorization.** Therefore, if you have not provided our firm with your authorization, we will place your return on extension, even though it might already have been completed. In that event, you will be responsible for ensuring that any payment due with the extension is timely sent to the appropriate taxing authorities. You will also be responsible for any additional costs our firm incurs arising from the extension preparation.

Finally, please note that, although our firm will use our best efforts to ensure that your returns are successfully transmitted to the appropriate taxing authorities, we will not be financially responsible for electronic transmission or other errors arising after your return has been successfully submitted from our office.

Our fees for these services will not exceed \$131,000. The fee estimate is based on anticipated cooperation from the Company's and the Mutual Corporations' personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation.

Your returns, of course, are subject to review by the taxing authorities. Any items which may be resolved against you by the examining agent are subject to certain rights of appeal. In the event of

such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses involved.

If, during the engagement, any extraordinary matters come to our attention for which additional services not specified in this letter are required, we will, of course, consult with you and receive your approval before expanding our services. These services will be billed at the standard billing rates of the personnel performing the services plus any direct costs incurred.

If any dispute arises among the parties, they agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under Rules for Professional Accounting and Related Services Disputes. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Arbitration Rules for Professional Accounting and Related Services Disputes of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. In agreeing to arbitration, we both acknowledge that, in the event of a dispute charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us in the envelope provided.

Sincerely,

NSBN LLP

NSBN LLP

Approved by:

This letter correctly sets forth the understanding of Golden Rain Foundation

Linda Stone, GRF Board President

Date: _____

Appendix A

Acknowledgement of services to be performed by NSBN LLP for each Mutual Corporation as documented in the engagement letter dated September 7, 2017:

Mutual 1	_____	Date: _____
	<i>Board President</i>	
Mutual 2	_____	Date: _____
	<i>Board President</i>	
Mutual 3	_____	Date: _____
	<i>Board President</i>	
Mutual 4	_____	Date: _____
	<i>Board President</i>	
Mutual 5	_____	Date: _____
	<i>Board President</i>	
Mutual 6	_____	Date: _____
	<i>Board President</i>	
Mutual 7	_____	Date: _____
	<i>Board President</i>	
Mutual 8	_____	Date: _____
	<i>Board President</i>	
Mutual 9	_____	Date: _____
	<i>Board President</i>	
Mutual 10	_____	Date: _____
	<i>Board President</i>	

Mutual 11

Board President

Date: _____

Mutual 12

Board President

Date: _____

Mutual 14

Board President

Date: _____

Mutual 15

Board President

Date: _____

Mutual 16

Board President

Date: _____

Mutual 17

Board President

Date: _____

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Carport Regulations - Mutual One****A. Carport Use**

1. Carports are to be used for parking of self-propelled land vehicles in operating condition. All passenger vehicles, gas, or electric carts that can be operated on city streets **MUST** have current DMV registration, current license plate tags, and sufficient insurance as mandated by the State of California Vehicle Code (CVC) § 22658. All vehicles, gas or electric, 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.
 - a. Board approval may be granted in waiving the display and affixing of the SBLW decal in **ONLY** unique and rare circumstances (contact the Board for consideration).
 - b. Any vehicle that is in non-compliance with these rules may be towed at the owner's expense and as specified in CVC § 22658.
2. Current fire regulations prohibit the storage of fuel or any combustible material in the carport areas. Any stored items in the carports must be completely contained in the carport cabinets.
3. When parked in the carports, all vehicles must be headed inwards. No carport space may be used for more than one self-propelled operating vehicle at a time.
4. Mechanical repairs on vehicles are not permitted, except for simple flat tire repair or jumping of a battery.
5. No person shall park any vehicle in any carport not assigned to him/her without permission from the Mutual One Board of Directors.
6. Carport space may not be rented to or used by anyone who is not a resident shareholder of Mutual One and a member of the Golden Rain Foundation. If the carport is going to be rented to another Mutual One resident, prior Board approval must be obtained and the proper form and registration recorded at the Stock Transfer Office. The Carport Assignee/Mutual One owner may allow temporary, short-term parking for a vehicle used by a houseguest with the Mutual One Board approval **ONLY!** Please call a director to obtain approval.
7. In accordance with Seal Beach Municipal Code 9.20.010, 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 resident's responsibility to clean up any

(Sept 10)

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Carport Regulations - Mutual One**

- hazardous material spill or have them cleaned up. If the Mutual needs to have them cleaned up, the resident will be billed for the cost of clean-up. ALL hazardous waste materials, including kitty litter, must be disposed of at an Orange County Approved Hazardous Waste Site.
8. In the absence of an authorized vehicle for parking, 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.
 9. Any damage sustained to the carport is the responsibility of the assigned resident, not a renter of a carport.
 10. Overhead car covers are NOT permitted. Existing car covers will be removed at the time of painting.
 11. Only a bicycle, tricycle, folding shopping cart, or ladder may be stored under the cabinet in the resident's assigned or rented space.
 12. At each inspection of the carports by the Mutual Board representative, a notice will be given to the resident 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 resident's expense. Additionally, any resident that fails to comply with the Carport Use Policy shall receive written notice of the violation and shall have ten (10) days to cure the violation (the "Cure Period"). If the resident fails to cure the violation within the Cure Period, the Mutual Board may fine the resident pursuant to the Fine Schedule. Additionally, the vehicle may be towed pursuant to CVC § 22658.

B. Carport Assignments

1. Carport assignments are controlled by the Mutual Corporation and a record of assignments is kept in the Stock Transfer Office of the Golden Rain Foundation.
2. Residents desiring to change carport assignments must obtain approval from the Mutual Board of Directors so that the change can be properly recorded in the Stock Transfer Office.
3. The request for carport re-assignment, if approved, is only temporary and is valid only so long as both participating parties agree to the temporary change. One party determining to withdraw from the agreement may do so as may the successor-/owner of that party's apartment. The Mutual Corporation retains, at all times, the authority to

(Sept 10)

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Carport Regulations - Mutual One**

revoke and cancel this temporary change of carport assignment, at its discretion. The re-assignment of carport spaces, herein provided, will automatically become null and void in the event of a sale of the stock representing either apartment, with absolutely no exceptions to the rules herein provided.

C. Electric Carts

1. To accommodate residents, permission may be obtained to have a charging pad installed adjacent to the apartment at the resident's expense. The charging pad must be removed at the resident's expense upon the resale or transfer of the share of stock, if the new buyer does not want the pad.
 - a. Electric carts cannot be parked on a walkway while being charged.
 - b. Electric cords for charging cannot be placed across any walkway.
 - c. Electric carts should not be parked in such a way as to interfere with the entry into or the exit from an apartment.
2. Electric carts MUST have a current SBLW decal issued by the Security Department affixed to the lower left windshield or the front of the electric cart.
3. Any electric cart being used in Mutual One must have sufficient liability and property damage insurance in case of accident.
 - a. The owner is personally responsible for any property damage or personal injury to another resident or person or pet.
4. Plans for the construction of a charging pad must be approved by the Golden Rain Foundation Physical Property Department.
5. An electrical outlet may be installed, by permit, in the carport for the purpose of charging an electric cart. The approved contractor will tap into the existing lighting circuit and install a box and a switch in the locker and an approved outlet box outside the locker. All materials will be painted to match the garage space.
6. A flat, monthly charge of \$_____ (determined on a case-by-case basis) will be paid by the resident to Golden Rain Foundation and Mutual One accounts. Periodically, the Mutual will monitor the outlet use for any changes in the flat-rate estimate.
7. Maintenance of the electrical circuit is the resident's responsibility. Failure to comply with timely payments will result in the circuit being disconnected at the resident's expense. Upon resale or transfer of the share of stock, it is the responsibility of the

(Sept 10)

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Carport Regulations - Mutual One**

resident, at his or her expense, to remove the electrical circuit and return the carport to its original condition, if the new buyer does not want the circuit.

8. The Mutual encourages all residents to park any and all vehicles in carports as much as possible, and obtain carport space and use for each vehicle they operate.
9. Any resident that fails to comply with the Electric Carts policy shall receive written notice of the violation and shall have ten (10) days to cure the violation (the "Cure Period"). If the resident fails to cure the violation within the Cure Period, the Mutual Board may fine the resident pursuant to the Fine Schedule.

D. Secondary Carport Storage Cabinets

Residents are permitted to have a secondary carport storage cabinet installed beneath the existing cabinet with the approval of the Board of Directors and a permit from the GRF Physical Property Department. Outside contractors shall build the cabinet per the dimensions and specifications shown on page 6. The paint and hardware must match the existing cabinet. The maintenance and damage to carport cabinets are the responsibility of the resident.

Any resident that installs a secondary carport storage cabinet without the prior written approval of the Board of Directors and a permit from the GRF Physical Property Department will be subject to the Fine Schedule. If the resident installs or constructs a secondary carport storage cabinet that is not in compliance with the requirements stated above, the Mutual Board may issue written notice of the violation, and the resident shall have ten (10) days to cure the violation (the "Cure Period"). If the resident fails to cure the violation within the Cure Period, the Mutual board may fine the resident pursuant to the Fine Schedule.

E. Fine Schedule

A resident who fails to comply with the Carport Regulations may be fined by the Mutual Board pursuant to the following progressive fine schedule:

1. Upon the first offense by the resident, the Mutual Board may issue an initial fine of \$50.
2. Should the resident fail to cure the Carport Regulation violation within thirty (30) days after the issuance of the first offense fine, the Mutual board may issue a ~~second~~ offense fine against the resident in the amount of \$75.
3. Provided the resident fails to cure the Carport Regulation violation within thirty (30) days
(Sept 10)

MUTUAL OPERATIONS

RESIDENT REGULATIONS

Carport Regulations - Mutual One

after the issuance of the second offense fine, the Mutual Board may issue a third offense fine against the resident in the amount of \$100.

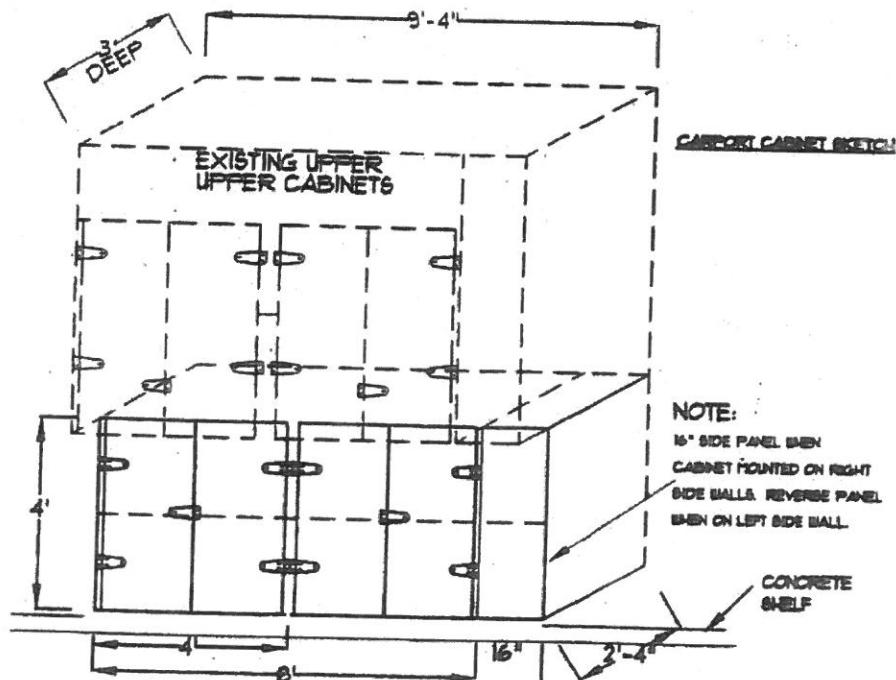
- If the Resident fails to comply with the Carport Regulations after the Mutual Board has issued a third offense fine, for each thirty-day (30-day) period thereafter, the Mutual Board may issue a thirty-day reoccurring fine against the resident in the amount of \$100 until such time as the resident is in compliance with the Carport Regulations.

MUTUAL ADOPTION

Policy Amendment Dates

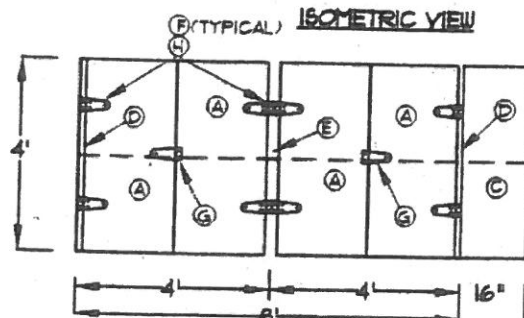
ONE:	04-25-68	7502:	27 Apr 72, 29 Nov 73
		7502.3:	23 Jul 81, 27 Sept 90
		7502.4:	24 Feb 01, 22 Mar 01, 24 May 01, 29 Aug 02
		7502.1:	24 Apr 08, 25 Sept 08, 23 Sept 10

SEE SKETCH



CARPORT ON PAGE 6

(Sept 10)



- BILL OF MATERIALS:**
- (A) 6 EA 2 1/4" x 3/4" PLY HANDY PANEL BC
 - (B) 2 EA 2 1/8" x 3/4" PLYWOOD COX
 - (C) 1 EA 16 1/2" x 3/4" PLY HANDY PANEL BC CUT FROM (A) ABOVE
 - (D) 2 EA 1 1/4" PLY STRIPS FOR HINGES
 - (E) 1 EA 2 1/4" CENTER STRIP FOR HINGES
 - (F) 8 EA STANLEY HINGES H-2510
 - (G) 2 EA STANLEY 13-3204 ZINC PLATED 3 1/2" LOCKING KEY HASP SET
 - (H) 60 3/32 x 3/4" PLATED PHILLIPS HEAD CADMIUM PLATED SCREWS
- NOTE:**
 PLACE CONCRETE SHEEL STOP 2 1/2" OUT FROM CURB SHELF