

NOVEMBER 2023

TO ALL MEMBERS OF MUTUAL 01:

Enclosed please find the 2024 Annual Budget Report and Annual Policy Statement for the Mutual 01 a non-profit Mutual Benefit Corporation organized and created pursuant to the California Corporations Code for the fiscal year beginning January 1, 2024.

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

**Mutual 01
c/o Golden Rain Foundation
P.O. Box 2069
Seal Beach, CA 90740**

Minutes of the Mutual's regular meeting are circulated to each building and posted in the laundry rooms of the Mutual. Copies can be obtained for a nominal fee from the Finance Department in the Administration building.

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

Sincerely,

Mutual 01
Board of Directors

ANNUAL BUDGET REPORT¹

(Civil Code Section 5300)

After thoughtful review and consideration, the Board of Directors has approved a budget for the fiscal year ending December 31, 2024, which it believes is reasonable and prudent to meet the funding needs of the Mutual 01. The assessments will be increased to \$238.71 per unit, per month effective January 1, 2024. A copy of the budget is enclosed for your review.

In accordance with Civil Code Sections 5550(b)(5) and 5560 the Board has adopted the budget along with the reserve funding plan as recommended in the Reserve Study performed by Association Reserves. The reserve study has been performed pursuant to Civil Code Section 5565 for the major capital components. Mutual 01's reserves account will be funded through assessments. A summary of the reserve report is enclosed. Copies of the full reserve study plan are available upon request at the GRF Administration Building.

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

The Board of Directors has not deferred repairs or replacement of any major component with a remaining life of 30 years or less. Or the Board of Directors has deferred the repair or replacement of the following major components:

Component	Reason for Deferment
N/A	

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

**Seal Beach Mutual One
Operating Budget
2024**

		Monthly		Change	Annual
		2023	2024		2024
	Assessments	\$201,471.24	\$201,471.43	\$0.19	\$2,417,657.13
5375000	Laundry Machines	\$4,996.50	\$4,583.33	-\$413.17	\$55,000.00
	Interest Income	\$1,721.75	\$16,667.00	\$14,945.25	\$200,004.00
5610000	Late Charges	\$84.42	\$69.44	-\$14.98	\$833.33
	Other Taxable Income		\$442.17	\$442.17	\$5,306.00
5921000	Inspection Fees	\$2,920.25	\$2,083.33	-\$836.92	\$25,000.00
5980000	Miscellaneous	\$101.25	\$100.00	-\$1.25	\$1,200.00
	Excess Income		\$14,246.72		\$170,960.64
5351100	Parking Fines	\$16.92	\$0.00	-\$16.92	
TOTAL INCOME		\$211,312.33	\$239,663.43	\$14,104.38	\$2,875,961.10
6420000	Electricity	\$6,000.83	\$6,666.67	\$665.84	\$80,000.00
6421000	Telephone	\$33.75	\$31.00	-\$2.75	\$372.00
6423000	Water	\$17,209.17	\$14,007.50	-\$3,201.67	\$168,090.00
6424000	Trash	\$9,706.00	\$9,553.00	-\$153.00	\$114,636.00
6434000	Legal Fees	\$4,169.33	\$7,083.33	\$2,914.00	\$85,000.00
6435000	Investment Fees	\$8.42	\$0.00	-\$8.42	\$0.00
6474000	Janitorial Services	\$413.58	\$325.00	-\$88.58	\$3,900.00
6475000	Landscape - Contract	\$25,075.25	\$25,463.50	\$388.25	\$305,562.00
6475500	Landscape - Extras	\$2,920.25	\$3,125.00	\$204.75	\$37,500.00
6475505	Landscape - Trees	\$2,084.67	\$1,666.67	-\$418.00	\$20,000.00
6477100	Painting	\$413.58	\$750.00	\$336.42	\$9,000.00
6477200	Pest Control	\$2,886.50	\$3,306.17	\$419.67	\$39,674.00
6477300	Structural Repairs	\$4,996.50	\$5,416.67	\$420.17	\$65,000.00
6477400	Miscellaneous Services	\$413.58	\$408.33	-\$5.25	\$4,900.00
6478100	Other Service Contracts	\$2,498.25	\$2,833.33	\$335.08	\$34,000.00
6812100	Office Supplies	\$8.42	\$16.67	\$8.25	\$200.00
7552000	Standard Service	\$12,499.67	\$12,500.00	\$0.33	\$150,000.00
6720000	State & Federal Taxes	\$489.50	\$951.33	\$461.83	\$11,416.00
6730000	Property & Liability Insurance	\$27,818.25	\$28,477.51	\$659.26	\$341,730.10
	Reserve Contribution	\$91,664.83	\$117,081.75	\$25,416.92	\$1,404,981.00
	Capital Contribution		\$0.00	\$0.00	
TOTAL EXPENSES		\$211,310.33	\$239,663.43	\$28,353.10	\$2,875,961.10
Mutual Assessments		\$238.71	\$238.71	\$0.00	\$2,417,657.13
GRF Assessments		\$193.23	\$213.25	\$20.02	
TOTAL**		\$431.94	\$451.96	\$20.02	\$2,417,657.13

**Property taxes are assessed to the stockholder's unit and are added to the regular assessment and become part of the monthly payment. Accordingly, they are excluded from the operating budget.

Seal Beach Mutual One Operating Budget 2024

		Monthly		Change	Annual
		2023	2024		2024
	Reserve Contribution	\$91,664.83	\$117,081.75	\$25,416.92	\$1,404,981.00
	Appliance	\$8,289.83	\$11,778.83	\$3,489.00	\$141,346.00
	Painting	\$15,118.75	\$17,903.83	\$2,785.08	\$214,846.00
	Roofing	\$67,881.25	\$22,715.42	-\$45,165.83	\$272,585.00
	Infrastructure		\$64,683.67	\$64,683.67	\$776,204.00
	*Contingency	\$375.00	\$0.00	-\$375.00	\$0.00
TOTAL ALLOCATION		\$91,664.83	\$117,081.75	\$25,416.92	\$1,404,981.00

	Useful Life		2024 Rem. Useful Life		Estimated Replacement Cost in 2024	2024 Expenditures	01/01/2024 Current Fund Balance	01/01/2024 Fully Funded Balance	Remaining Bal. to be Funded	2024 Contributions
	Min	Max	Min	Max						
Infrastructure	1	100	0	43	\$8,596,900	\$251,500	\$1,709,222	\$1,693,265	\$6,887,678	\$471,204
Painting	5	10	3	8	\$1,224,800	\$0	\$402,114	\$398,360	\$822,686	\$214,846
Roofing	18	25	10	17	\$6,741,450	\$0	\$2,215,307	\$2,194,625	\$3,526,143	\$272,585
Appliances	1	1	0	0	\$124,000	\$124,000	\$125,169	\$124,000	\$-1,169	\$141,346
					\$15,687,150	\$375,500	\$4,451,812	\$4,410,250	\$11,235,338	\$1,099,980

Percent Funded: 100.9%

Assessment and Reserve Funding Disclosure Summary

Leisure World Seal Beach Mutual 1, Seal Beach

For Fiscal Year Beginning: 1/1/2024

of units: 844

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Contributions:	\$117,081.75	\$138.72
Total Assessment Income:	\$201,471.24	\$238.71

per: Month

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

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

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**
- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

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

Total: \$0.00

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

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2024
Fully Funded Balance (based on formula defined in 5570(b)4):	\$4,410,250
Projected Reserve Fund Balance:	\$4,451,812
Percent Funded:	100.9 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	(\$49)

From the 8/14/2023 Reserve Study by Association Reserves and any minor changes since that date.

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

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

Prepared by: Sean Andersen

Date: 9/28/2023

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



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

22129-11

Fiscal Year Start: 1/1/2024					Interest: 0.00 %		Inflation: 3.00 %		
Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses	
2024	\$4,451,812	\$4,410,250	100.9 %	Low	\$1,404,981	\$0	\$0	\$375,500	
2025	\$5,481,293	\$5,149,734	106.4 %		Low	\$1,482,255	\$0	\$0	\$287,885
2026	\$6,675,663	\$6,031,464	110.7 %		Low	\$1,563,779	\$0	\$0	\$296,522
2027	\$7,942,920	\$6,961,463	114.1 %		Low	\$1,649,787	\$0	\$0	\$1,231,831
2028	\$8,360,876	\$6,987,627	119.7 %		Low	\$1,740,525	\$0	\$0	\$404,058
2029	\$9,697,343	\$7,899,767	122.8 %		Low	\$1,836,254	\$0	\$0	\$435,307
2030	\$11,098,290	\$8,840,643	125.5 %		Low	\$1,891,342	\$0	\$0	\$333,738
2031	\$12,655,894	\$9,948,931	127.2 %		Low	\$1,948,082	\$0	\$0	\$343,750
2032	\$14,260,226	\$11,115,759	128.3 %		Low	\$2,006,524	\$0	\$0	\$2,111,072
2033	\$14,155,678	\$10,533,923	134.4 %		Low	\$2,066,720	\$0	\$0	\$364,684
2034	\$15,857,714	\$11,771,184	134.7 %	Low	\$2,128,722	\$0	\$0	\$778,800	
2035	\$17,207,636	\$12,657,930	135.9 %	Low	\$2,192,583	\$0	\$0	\$1,113,616	
2036	\$18,286,603	\$13,266,491	137.8 %	Low	\$2,258,361	\$0	\$0	\$557,473	
2037	\$19,987,491	\$14,507,412	137.8 %	Low	\$2,326,112	\$0	\$0	\$1,655,478	
2038	\$20,658,125	\$14,697,128	140.6 %	Low	\$2,395,895	\$0	\$0	\$526,381	
2039	\$22,527,639	\$16,099,295	139.9 %	Low	\$2,467,772	\$0	\$0	\$3,181,447	
2040	\$21,813,963	\$14,853,911	146.9 %	Low	\$2,541,805	\$0	\$0	\$5,434,338	
2041	\$18,921,430	\$11,297,144	167.5 %	Low	\$2,618,059	\$0	\$0	\$830,391	
2042	\$20,709,098	\$12,423,590	166.7 %	Low	\$2,696,601	\$0	\$0	\$3,324,852	
2043	\$20,080,847	\$11,063,819	181.5 %	Low	\$2,777,499	\$0	\$0	\$490,105	
2044	\$22,368,241	\$12,633,808	177.1 %	Low	\$2,860,824	\$0	\$0	\$837,133	
2045	\$24,391,933	\$13,945,744	174.9 %	Low	\$2,946,649	\$0	\$0	\$519,952	
2046	\$26,818,629	\$15,677,589	171.1 %	Low	\$3,035,048	\$0	\$0	\$535,551	
2047	\$29,318,126	\$17,500,794	167.5 %	Low	\$3,126,099	\$0	\$0	\$2,224,824	
2048	\$30,219,401	\$17,695,879	170.8 %	Low	\$3,219,882	\$0	\$0	\$627,117	
2049	\$32,812,167	\$19,601,303	167.4 %	Low	\$3,316,479	\$0	\$0	\$585,211	
2050	\$35,543,435	\$21,667,667	164.0 %	Low	\$3,415,973	\$0	\$0	\$764,512	
2051	\$38,194,897	\$23,673,776	161.3 %	Low	\$3,518,453	\$0	\$0	\$620,850	
2052	\$41,092,499	\$25,952,344	158.3 %	Low	\$3,624,006	\$0	\$0	\$3,675,556	
2053	\$41,040,949	\$25,219,158	162.7 %	Low	\$3,732,726	\$0	\$0	\$7,814,136	

**Leisure World Seal Beach Mutual 1**

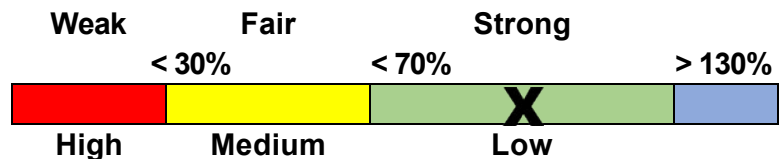
Seal Beach, CA

Level of Service: **Update "With-Site-Visit"**Report #: **22129-11**

of Units: 844

January 1, 2024 through December 31, 2024**Findings & Recommendations****as of January 1, 2024**

Projected Starting Reserve Balance	\$4,451,812
Current Full Funding Reserve Balance	\$4,410,250
Average Reserve Deficit (Surplus) Per Unit	(\$49)
Percent Funded	100.9 %
Recommended 2024 "Monthly Full Funding Contributions"	\$91,665
Alternate minimum contributions to keep Reserve above \$0	\$58,000
Most Recent Reserve Contribution Rate	\$91,665
Annual Deterioration Rate	\$964,992

Reserve Fund Strength: 100.9%**Risk of Special Assessment:****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **0.00 %**Annual Inflation Rate **3.00 %**

This is an Update "With-Site-Visit", and is based on a prior Report prepared by Association Reserves for your 2023 Fiscal Year. We performed the site inspection on 7/24/2023.

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

The Association is a Mutual association.

The Reserve Fund is at 100.9 % Funded, which is a strong position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently low. The objective of your multi-year Funding Plan is to continue to Fully Fund Reserves and maintain a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems. Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".

The Annual Deterioration rate for your Reserve Components is \$964,992.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to maintain your Reserve contributions at \$91,665.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is \$58,000.

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



Executive Summary Table

Report # 22129-11
With-Site-Visit

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Infrastructure				
2100	Concrete - Repair/Replace	1	0	\$115,000
2480	(2039) Gutter System - Replace	25	15	\$68,600
2480	(2040) Gutter System - Replace	25	16	\$107,000
2480	(2041) Gutter System - Replace	25	17	\$7,900
2520	Wood Surfaces - Repair	5	3	\$145,000
2650	Metal Utility Doors - Replace	25	4	\$79,500
2732	Attic Screens - Replace	30	0	\$42,000
3055	Laundry Rooms Flooring - Replace	30	8	\$60,000
3725	Laundry Room Counters - Replace	20	0	\$25,000
3750	(2029) Laundry Water Heater	15	5	\$96,000
3750	(2035) Laundry Water Heater	15	11	\$75,000
4556	Clay Lines - Replace/Repair	100	38	\$760,000
4592	Water Line Re-piping Project	50	43	\$3,580,000
4595	Sewer Pipe Re-Lining Project	30	29	\$2,840,000
5010	Walkway Pole Lights - Replace	20	18	\$346,500
6820	Common Area Signs - Replace	15	14	\$13,500
6830	Building Signs - Replace/Refurbish	15	14	\$55,000
6900	Irrigation Controllers - Replace	12	0	\$29,000
6962	Meter Cabinets - Replace	25	20	\$63,000
6970	Laundry Electrical Panels - Replace	30	29	\$48,400
6972	Circuit Breaker Panels - Replace	1	0	\$20,000
7000	Trees - Trim/Maintain	1	0	\$20,500
Painting				
2300	Stucco - Repaint	10	8	\$522,000
2310	Wood Surfaces - Repaint	5	3	\$660,000
2350	Light Poles/Fixtures - Repaint	10	3	\$42,800
Roofing				
2420	Laundry Room Roofs - Replace	18	15	\$73,950
2425	Carport Roofs (2034) - Replace	20	10	\$300,000
2425	Carport Roofs (2035) - Replace	20	11	\$450,000
2425	Carport Roofs (2036) - Replace	20	12	\$82,500
2450	Apartment Roofs (2039) - Replace	25	15	\$1,620,000
2450	Apartment Roofs (2040) - Replace	25	16	\$3,000,000
2450	Apartment Roofs (2041) - Replace	25	17	\$215,000
Appliances				
3320	Appliances - Replace	1	0	\$124,000

33 Total Funded Components

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

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

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

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

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

The coverage provided by these policies exceeds the levels required by law. Claims in excess of this coverage will not result in any direct individual liability by any member. However, there could be a proportionate assessment levied to pay the amount of any judgment in excess of the corporate coverage limits. Earthquake insurance is not provided due to cost and coverage prohibitions.

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

(Remove, read and save these eight pages and the accompanying Mutual budget)

ANNUAL POLICY STATEMENT²
(Civil Code Section 5310)

1. CONTACT PERSON. The name and address of the person designated to receive official communications Mutual 01, pursuant to Civil Code Section 4035 shall be:

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

2. MULTIPLE ADDRESSES. Members may submit a written request to Mutual 01's Contact Person identified in Section 1 above to add or remove a second address for delivery of the following notices according to subdivision (b) of Section 4040 of the Civil Code:
- a. Annual Budget Report and Annual Policy Statement, as well as the Year-End Report (Article 7 of the Civil Code, commencing with Section 5300 of Chapter 6);
 - b. Notices regarding assessment payments and delinquencies (Article 2 of the Civil Code, commencing with Section 5650 of Chapter 8); and
 - c. Notices regarding a trustee's sale pursuant to Civil Code Section 5710.
3. NOTICE LOCATION. The location designated for posting of a general notice for the Mutual 01, pursuant to paragraph (3) of subdivision (a) of Section 4045 of the Civil Code shall be:

Laundry rooms of Mutual 01

4. NOTICE BY INDIVIDUAL DELIVERY. A member may submit a written request to the Association Contact Person to receive general notices by individual delivery, pursuant to subdivision (b) of Section 4045 of the Civil Code.
5. RIGHT TO RECEIVE COPIES OF MINUTES. Members have the right to obtain copies of board meeting minutes, pursuant to subdivision (b) of Section 4950 of the Civil Code, by contacting the Mutual's Contact Person and/or stopping by the GRF Administration offices during posted business hours. Minutes of the Mutual's regular meeting of the Board of Directors are posted in the laundry rooms of the Mutual. Copies of all minutes (except minutes of meetings in executive session), proposed minutes or summary minutes, as well as agendas for all open or executive session meetings can be obtained for a nominal fee from the Accounting Department in the Administration building.
6. RULES ENFORCEMENT POLICY: (pursuant to Section 5850 of the Civic Code)
All current Rules and Regulations can be located at the established website www.lwsb.com, click on Mutual 01 under Mutual section to access.
- a. If the Mutual adopts or has adopted a policy imposing any monetary penalty, including any fee, on any association member for a violation of the governing

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

documents, including any monetary penalty relating to the activities of a guest or tenant of the member, the board shall adopt and distribute to each member, in the annual policy statement prepared pursuant to Section 5310, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents.

- b. Any new or revised monetary penalty that is adopted after complying with subdivision (a) may be included in a supplement that is delivered to the members individually, pursuant to Section 4040.
 - c. A monetary penalty for a violation of the governing documents shall not exceed the monetary penalty stated in the schedule of monetary penalties or supplement that is in effect at the time of the violation.
 - d. The Mutual shall provide a copy of the most recently distributed schedule of monetary penalties, along with any applicable supplements to that schedule, to any member upon request.
7. FINE SCHEDULE: A schedule for fines relating to rule violations is included in the governing document Rules and Regulations, Article VII – Corrective Measures and Fines.

FINE SCHEDULE

The Fine Schedule may be imposed after or concurrent with notice and opportunity for hearing, and the Board of Directors, or committee appointed by the Board, in its discretion, has determined that a resident shareholder is non-compliant with or has violated the "Governing Documents".

FINE SCHEDULE Notice of Violation: Warning or Fine of \$25.00

Continuing non-compliance will result in further fines of \$25.00 for each day the violation continues.

Invoices for fines are due and payable immediately.

FINE SCHEDULE

	1st Offense	2nd 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	\$25.00
Violation of Mutual Occupancy Agreement & all other Policies	Written Warning	\$25.00
Carport Driveway	\$25.00	\$25.00
Walls by Trash Area	\$25.00	\$25.00
Laundry Room Areas	\$25.00	\$25.00

8. Pursuant to Civil Code Section 5850, additional documents will be distributed if and when other fine schedules may be prepared and duly adopted by the Board.
9. PROCEDURES FOR REMODELING: The following is a summary of requirements for Mutual 01 approval of a physical change to property, pursuant to Section 4765 of the Civil Code:
 - a. Mutual residents are permitted to remodel their apartment within the parameters of their Occupancy Agreement and applicable Mutual policy. Remodeling common areas or apartments is permitted only with respective Mutual Board approval. Plans for remodeling and selected contractor names must be submitted to, and approved by, the respective Mutual Board of Directors prior to commencement of work.
 - b. Rules and Regulations **Article IV – Physical Properties** - Section 1 - 5

ARTICLE IV. PHYSICAL PROPERTIES

1. ARCHITECTURAL GUIDELINES: APPLIANCES

General

A shareholder that has lived in his/her Unit for six (6) months or less, and received new appliances from the Mutual, may not remove the appliances/fixtures 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 shareholder and/or the contractor without approval and consent from the Mutual.
- The shareholder or contractor must notify 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 at the shareholder's expense.
- Mutual appliances/fixtures are defined as: cooktops, ovens, refrigerators, stove hoods, garbage disposals, water heaters, sinks, faucets, lighting fixtures and bathroom 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.
- Seller Warranty on Non-Standard Appliances. The existing Shareholder, upon the sale of a Unit, shall obtain a one (1) year warranty on each non-standard appliance and provide all warranties to the new Shareholder in the escrow packet.
- Equipment Standards. An updated standardized appliance list is available at the Purchasing Department.

1.1 Appliance Upgrades

Shareholders wishing to upgrade any of their appliances through Service Maintenance will be responsible to pay for the difference between the standard appliance and the upgraded appliance prior to the appliance being delivered and installed in the Shareholders unit.

1.2 Microwave Ovens

- A Shareholder may install a 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 and repaired by the Shareholder and on resale of the Unit, the new Shareholder will assume responsibility for the maintenance and repair.
- NO deferred maintenance or repairs will be allowed.

1.3 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 and the City of Seal Beach permits for construction work are 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.

1.4 Washers and Dryers

- All washers and dryer installations must be permitted by GRF Physical Properties Department and inspected by GRF Inspector.
- All venting must meet manufacturer's directions.

1.5 Washer and Dryer in a Shareholder's Unit

- Any dryer in a Shareholder's Unit, of any make or model, whether side by side or stackable, shall be cleaned every two (2) years, so that all dryer vent areas are free of lint for clear passage of air flow from machine to roof top areas. Any washer and/or dryer cleaning is at the Shareholder's own expense.
- A sticker with the date of cleaning must be affixed on or close to the cleanout cover every time a cleaning is performed by Service Maintenance or an outside vendor.
- All washing machine hoses and fittings must be checked every year during fire inspections for any leakage or hardening and/or cracking of the hoses. Moving the washer/dryer is not a requirement.
- If any of these conditions are found, the hoses are to be replaced at the Shareholder's own expense, with a follow-up by the GRF Building Inspector to verify completion.
- In all closes of escrow and changes of stock ownership, all hoses must be changed prior to closing. The maintenance fee for this work shall be borne by the Shareholder/Seller.
- The Shareholder 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.
- No portable washers are permitted.

1.6 New washers and dryer installation specifications:

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 GRF Inspector to ensure that it is flashed with the approved damper cap.
An insulation inspection must occur to verify the presence of the soundproofing (if on common walls) before the GRF Building Inspector will sign off on the project.

2. ARCHITECTURAL GUIDELINES: INTERIOR

2.1 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 and after obtaining a permit from Physical Properties Department.
- 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. A bathtub without a shower is exempt from this requirement.
- All bathtubs shall be installed with a battery powered water alarm on the water heater at the floor (flood detection) at the shareholder's expense.

2.2 Walk-in Therapeutic/Jacuzzi/Hot Tub/Spa-Type Bathtubs

- A Shareholder may install a walk-in therapeutic bathtub or jacuzzi-type fixture and the related equipment/ appurtenances, at the Shareholder's expense, within the Shareholder's 's Unit so long as it meets the requirements set forth in this section and after obtaining a permit from Physical Properties Department. Saunas must be permitted prior to installation.
- 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. further, the shareholder agrees to return the Mutual property to its original condition or satisfactorily complete the installation upon demand by the Mutual.
- 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.

2.3 Walk-in Therapeutic/Jacuzzi/Hot Tub/Spa-Type Bathtubs Specifications:

The walk-in therapeutic Bathtub/Jacuzzi/Hot tub/Spa Specifications:
<ul style="list-style-type: none"> • Sound insulation board applied to all surrounding walls, floor to ceiling, with drywall mud and tape;
<ul style="list-style-type: none"> • Shower trap shall be replaced using an all-glue ABS trap and a 2" trap with accessible clean out shall be maintained;
<ul style="list-style-type: none"> • All new water piping shall be copper pipe type L;
<ul style="list-style-type: none"> • 20" x 30" attic access shall be provided in the bathroom for access to the shut off valves.
<ul style="list-style-type: none"> • 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;
<ul style="list-style-type: none"> • The bathtub/Jacuzzi/Hot tub/Spa faucets shall have quarter turn shut offs that are accessible.
<ul style="list-style-type: none"> • The discharge of water shall be by gravity drain. A pump may only be used if the discharge rate does not exceed 7 P.M.
<ul style="list-style-type: none"> • Air injection jets must NOT exceed a 44-decibel sound level. If they are an integral part of the bathtub/jacuzzi/hot tub/spa, they must be disabled if they do not meet this sound level;
<ul style="list-style-type: none"> • A non-standard 50-gallon water heater shall be installed with a re-circulating pump for the bathtub/jacuzzi/hot tub/spa unless an alternate source for maintaining adequate hot water temperature at the bathtub/jacuzzi/hot tub/spa is provided such as a tank-less booster water heater at the bathtub/Jacuzzi/hot tub/spa;

<ul style="list-style-type: none"> • The installation and maintenance shall be at Shareholder's expense;
<ul style="list-style-type: none"> • The main electrical panel must be upgraded to a 125-amp square D electrical panel with a 100-amp main breaker to provide sufficient circuit breakers. A sub-panel is not permitted.
<ul style="list-style-type: none"> • Installation of a battery powered water alarm is required.

2.4 Ceiling Fans

Ceiling fans must be permitted by GRF Physical Properties Department prior to installation. Ceiling fan proposed placement should be reviewed by the GRF Inspector prior to installation to ensure that asbestos and heating sources will not be affected.

- Ceiling fans may be installed provided that they meet the City of Seal Beach's specifications of 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.

2.5 Flooring

A GRF permit is required for any flooring installations. A GRF Building Permit is required for all wood, carpet, tile, and stone floor installation at the shareholder's expense.

- Shareholders may replace flooring within their Units. Replaced flooring must be professionally tested or disposed of properly at Shareholder's expense if deemed necessary by GRF Inspector.
- If original flooring is disturbed, all abatement procedures for asbestos will be required. All testing reports and EPA/AQMD permits will be required as needed. Copies of permits and testing reports shall be filed with GRF flooring permit at GRF Physical Properties Department.
- Patio flooring transition to entry walks are the Shareholder's responsibility and must be made flush by raising concrete entry walks.
- At the sale or transfer of the unit when existing patio floor is not same elevation as the existing entry sidewalk, the first panel of entry sidewalk must be replaced as noted above at the seller's expense.
- Mutual One is not responsible for damage to, or failure of, flooring purchased and installed by shareholders.
- Only slip proof, waterproof linoleum, tile, laminate, or stone are to be installed on bathroom floors when remodeling is done.

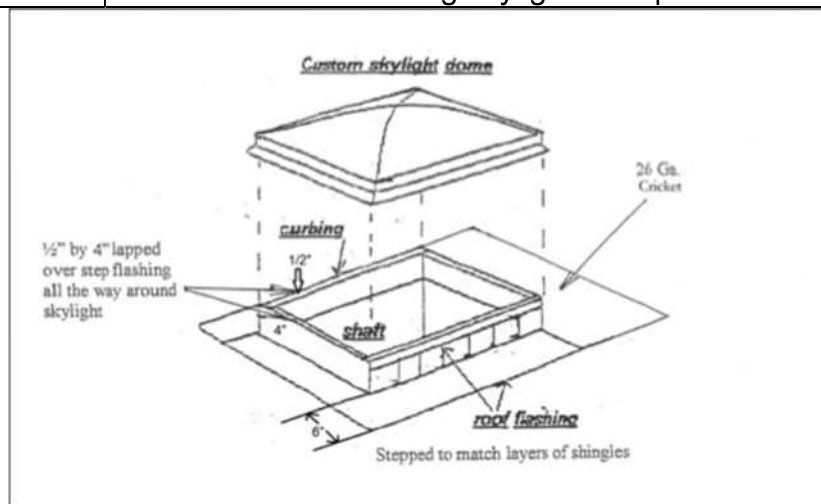
2.6 Skylights

Subject to the approval requirements contained herein, a Shareholder may install a skylight over specified locations in the existing roof structure of the Shareholder's Unit, at the expense of the Shareholder.

- The Shareholder and contractor must utilize the Standard Form Contract prepared by the Physical Property Department.
- The construction must conform to the plans and specifications approved by the GRF and Mutual Board.
- The Shareholder must obtain a building permit from the City of Seal Beach, and the GRF.
- All skylights must be maintained and repaired by the Shareholder. Installation or replacement must observe all current roofing specifications.
- NO deferred maintenance or repairs will be allowed.

2.7 Skylights in Permanent Roof Extension, Kitchen & Bathrooms specifications:

Skylights in Permanent Roof Extension & Kitchen & Bathrooms	
Only with following specifications:	<ul style="list-style-type: none"> • Size <ul style="list-style-type: none"> ○ 30" x 60" permanent roof extensions ○ 22" x 22" kitchen and bathrooms • Location <ul style="list-style-type: none"> ○ Over entry way ○ Over front patio ○ In front of bedroom ○ In front of living room • Position <ul style="list-style-type: none"> ○ Thirty inches in front of building stucco wall ○ Long side of skylight parallel with rafters ○ Long side of skylight across the rafters ○ Middle rafter may be cut and headered in
<ul style="list-style-type: none"> • Kitchen and bathroom skylights 22" x 22" flared are OK with attic access. • Total of skylights per unit is five (5) for F & G end units, four (4) for A & L units, and four (4) for one-bedroom unit. 	
Defined specifications with regard to skylight installations:	<ul style="list-style-type: none"> • The skylight curbing shall consist of 2" x 6" framing with a minimum 5" rise above the roof sheathing. • All flashing material shall be at least 26-gauge and consist of galvanized sheet metal. • All skylights to have cricket at top of skylight. • Flashing on the sides shall be 4" x 6" and stepped to match the layers of shingles. • The bottom flashing shall be a minimum of 4" x 6". • One-half-inch x 4" flashing shall be placed on top of the curb, lapped overstep flashing, all the way around the skylight. • Only curb-mounted skylights shall be allowed in the Mutual. Self-flashing skylights are prohibited.



2.8 Solar Light Tubes

Solar Light Tubes shall be installed in accordance with manufacture's specifications and conform to all applicable building codes. Shareholder is responsible for domes and shaft.

- All Solar Light Tube installations require a permit from the City of Seal Beach and the GRF Physical Property Department.
- During the warranty period, the contractor is responsible for the entire Solar Light Tube installation. After the warranty period, the shareholder is responsible for the Solar Light Tube and all related flashing. In the event of a roof leak as a result of the Solar Light Tube installation, the shareholder shall be responsible for all associated costs to repair and maintain the system, including labor and material costs.
- NO deferred maintenance or repairs will be allowed.
- All fasteners at the roof flashing shall be self-sealing screws by use of a rubber grommet and shall have sealant applied over the top of the fastener.

2.9 Smoke Detectors

When all or any remodel work is done to a Unit, ALL smoke detectors/alarms must be replaced with an approved tamperproof 10-Year Sealed Lithium Battery-Operated Smoke Alarm and interconnected hard-wire Smoke Alarm Sealed Lithium Battery Backup, where applicable.

3. ARCHITECTURAL GUIDELINES: EXTERIOR

3.1 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/shades, mini blinds, vertical blinds, or roll- up bamboo blinds, are permitted only within the inside of each shareholders porch or Unit, and may not be attached to the Mutual's building outside of the porch, or interior window header when the unit has been extended. All exterior coverings must be exterior grade and maintained by the shareholder at the shareholder's expense.
- The Mutual prohibits exterior coverings to be attached to the building outside of the porch header or attached to rafter tails or building fascia. (Refer to Patio/Porch/Garden Expansion Rules and Regulations)
- Prior to installation Architectural and Design committee review is required

3.2 Gutters

- A patch to a gutter is not permitted in any remodel which alters the gutter or moves a downspout.
- Any changes or modifications to the downspout must be pre-approved by the GRF Inspector.
- Full lengths of gutter without patches must be installed by the contractor.
- A contractor must contact the GRF Inspector 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.

3.3 Roof Leaks

If a roof leak occurs in a Mutual building contact should be made directly with the Service Maintenance Department.

3.4 Exterior Walls and Footings.

- GRF Permits are required for any porch/patio wall upgrades.
- Decorative block walls may no longer be used in any exterior upgrades.

3.5 Liners for Decorative Block Walls.

A Shareholder is not permitted to use organic materials, such as plywood, to line decorative block walls. The Board has the sole discretion to approve or deny any facade installation. In an effort to retain uniformity and harmony, the Board is authorized to disapprove all if it determines it will detract from the overall scheme of the building finishes or of adjoining or opposing buildings.

3.6 Exterior Paint

- No person shall paint the exterior of any building or part of the building.
- If installing a new front door, the shareholder must have it painted to match the appropriate building color approved by the Mutual's Architectural and Design committee.
- Pre-existing front doors may be repainted the existing building color by the shareholder prior to the regular scheduled Mutual maintenance, provided 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 30 days after receiving written notice.

3.7 Bay Windows

- All bay windows must be permitted and approved by the GRF inspector.
- The expense of the entire remodel and "bay to grade" construction shall be the responsibility of the Shareholder.

3.8 Entry Walkways

- Any walkway adjustments must be permitted and approved by GRF inspector.
- Slip-proof materials must be used for any walkway.
- The unit entrance being altered must provide the minimum/maximum four feet six inches (4', 6") wide.
- The total width will include three-inch (3") buffers on each side if decorative stone is being used.
- The unit entrance must be flush with the entry site and responsibility of the shareholder upon transfer of unit.

3.9 Roof Standards. 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.

3.10 HVAC

A shareholder may apply to install an air conditioning system within the shareholders Unit, at the shareholders expense. A licensed HVAC contractor must apply to the Physical Property Department for a permit to install the air conditioning system through the lower windows or wall. A shareholder applying to for approval to install an air conditioning/heating system must comply with the following requirements:

- Must install a concrete pad when installing a heating and air conditioning unit.
- Must ensure that all installed heating and air conditioning units have attic access from inside the Unit.
- The minimum size for attic access is 22" wide x 30" long. (refer to the California Mechanical Code for complete requirements).
- The condensation line shall terminate at the kitchen or bath sink as set forth in the Mechanical Code.
- The City of Seal Beach requires an A-weighted sound calculation prior to the issuance of a building permit, and Physical Property requires this to be submitted prior to approval of said permit (Municipal Code 7.15.035).
- Permission is granted by the Board to the Physical Property Department to issue permits for installation of air conditioners through the lower windows. Any other areas considered for installation requires Board approval.

Each shareholder shall be required to follow the procedures set forth below for the installation of all ducted and ductless air conditioning and/or heat pumps ("HVAC Unit"):

Permit Application	<ul style="list-style-type: none">• Prior to any modification to or installation of HVAC Units, each shareholder must comply with the permit application process.• All HVAC units must be permitted and pre-approved by GRF inspector. Location to be approved by GRF inspector prior to installation.• If the compressor is larger than the existing flower bed line, the shareholder may extend the flowerbed line in accordance with the patio/garden expansion rules and regulations.<ul style="list-style-type: none">○ Should the flowerbed line be extended, the shareholder shall be required to adjust the flowerbed to lineup to the contiguous units on the side of the building that the HVAC Unit is installed. In repositioning the flowerbed line, the shareholder shall also be required to relocate the sprinkler lines and install replacement sod.○ The shareholder shall bear the complete expense of moving the flowerbed line, sprinkler lines, and replacement sod so as to ensure a uniform and aesthetically pleasing flowerbed line with the approval of the requirements outlined by the Mutual's Architectural/Design Committee.○ All flowerbed line changes, including the reconstruction of the flowerbed area, are subject to
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	<p>the discretionary approval of the Board of Directors (the "Board").</p> <ul style="list-style-type: none"> • HVAC Units installed at units A & L shall be permitted and installed per GRF inspector approval. • All new installations and change outs will require a 3 1/2"-thick concrete mechanical platform pad. • The service opening of the HVAC Unit shall be required to face the shareholder's unit. • The HVAC Unit shall be limited to 2.5-ton 13 Seer.
Attic Access: Ducted HVAC Units only	<ul style="list-style-type: none"> • Attic access is required from the inside of the shareholder's unit (usually in the kitchen or bathroom) or from the outside (for end units only) for servicing and maintaining the HVAC Unit. The attic access shall be a minimum 22" x 30", and the cover shall be a combination of plywood laminated to a 5/8" type "X" drywall, with the drywall facing the attic side.
Placement	<ul style="list-style-type: none"> • HVAC Units shall be placed in front of the unit, as close to the center as feasible, and shall be located within the drip line. All new installations and change outs will require a 3 1/2"-thick concrete mechanical platform.
Split Systems	<ul style="list-style-type: none"> • Split HVAC Units shall be required to sit on a poured-in-place concrete mechanical platform that is a minimum 6 1/2" thick that will be either three inches below grade and three and a half inches above grade, or three and a half inches level with the grade, as approved by the Mutual during the permit application process. The fiberglass pad supplied by the manufacturer shall be anchored to the concrete mechanic platform and shall be used according to manufacturer specifications.
Refrigerant Lines	<ul style="list-style-type: none"> • All exposed refrigerant lines on the exterior walls of the building shall be covered by a sheet metal line set cover. All exposed line set cover openings (beginning and end) must be covered with metal bird screen and/or expandable foam so they are not accessible to rodents, vermin, or insects. All refrigerant lines and line sets must be installed within the building drip line.
Condensation Lines	<ul style="list-style-type: none"> • All condensation lines located in the attic shall be rodent-proofed. Condensation tie-ins at the kitchen sink vent shall be: <ul style="list-style-type: none"> ○ If using PVC pipe, use 1 1/2" x 3/4" PVC tee with 1 1/2" no hub bands with 1/4" mesh around pipe. ○ If using copper pipe, use 1 1/2' x 3/4" PVC tee with 1 1/2" no hub bands. If the unit is a remodel, run the condensation line to the washer/dryer hookup or a y-branch tailpiece at the bathroom sink.
Change of Ownership	<ul style="list-style-type: none"> • When change of ownership occurs, if the HVAC unit is found to be in need of replacement or leveling, the Shareholder shall be required to bring the HVAC Unit in compliance. • Inspection and service shall be required for all change of ownerships. In the event the Mutual incurs any costs

	<p>to bring said HVAC Unit into compliance, all costs to bring the HVAC Unit in compliance will result in a charge against the seller's escrow.</p> <ul style="list-style-type: none"> Existing ducted HVAC Units will require a 31/2"-thick concrete mechanical platform. The site shall be level and compacted. Existing ductless HVAC Units not currently on an authorized and code compliant base shall be corrected. Existing ducted and ductless HVAC Units will be inspected and serviced as needed and condensation drain lines and lines set covers will be rodent- proofed.
Applicable Codes	<ul style="list-style-type: none"> All ductless and ducted HVAC Units shall be installed in such a way as to ensure compliance with all current state and local building, electrical, and plumbing codes. Both Golden Rain Foundation and City of Seal Beach building permits are required. Noise Levels. All new installations shall conform to the current local interior and exterior noise ordinances at the time of installation. The compressor is not to exceed 50 decibels, measured as stated in Seal Beach Municipal Code Section 7.15.035, and the air handler in the attic cannot exceed interior noise levels as stated in Seal Beach Municipal Code Section 7.15.020. <ul style="list-style-type: none"> If the noise level specified above exceeds either of the two levels, the shareholder shall be responsible for having the unit(s) repaired within 30-days of written notice by the Board to the shareholder. If the HVAC Unit is not repaired by the shareholder within the 30-day written notice period, the HVAC Unit may not be used by the shareholder. The Mutual may elect after the 30-day notice period to repair the HVAC unit. Should the Mutual elect to repair the HVAC Unit, the shareholder will be billed for all expenses relating to the repair. The shareholder will be required to pay for the HVAC Unit repair costs within 30-days of being invoiced by the Mutual.
Wall Heaters	<ul style="list-style-type: none"> Permits are required for all wall heaters and window/wall AC units. In all construction work or remodels where wall heaters replace the original ceiling heat source, a metal conduit or armored cable shall be used for the last six feet of line running from the breaker panel to the wall heater(s).
Maintenance and Repairs	<ul style="list-style-type: none"> Maintenance and repairs of wall heaters, heat pumps, and HVAC units are the responsibility of the shareholder and subsequent shareholders on stock/ownership changes.
Energy-Efficiency	<ul style="list-style-type: none"> In an effort to make the unit more energy-efficient (to reduce heat loss in the winter months and increase cooling efficiency in the summer months), the Mutual requires the shareholder replace the ceiling insulation

	with new R-30 insulation. In addition, in units that have more than one skylight, the Mutual recommends the shareholder replace the insulation with new R-13 “batting type” insulation in the shaft(s) of the skylight(s).
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4. ARCHITECTURAL GUIDELINES: STRUCTURAL

4.1 Contractor Notification/Pre-Demolition.

- The Shareholder’s Contractor shall notify all surrounding units in writing, 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.
- Contractors may use the grass areas in front of the unit during the day when marked off by the orange netting.
- Nothing is to be left overnight on the grass areas in front of or on the side of units. Any damage to the grass areas as a result of contractor’s negligence, will be the responsibility of contractor to remediate back to original condition.

The Mutual is not responsible for any damage, loss and/or theft of the contractor’s tools.

4.2 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 mist with water the demo area to keep dust down.
- Contractors may not use Mutual trash dumpsters to dispose of debris. All trash must be hauled off site daily.
- The contractor must ensure that the work area is visibly blocked off from access.
- The Shareholder and contractor will be responsible for any damage or injury caused to any Shareholder, guest or invitee who is injured due to the contractor’s failure to safely secure the work area.

4.3 Concrete

- All new concrete defined as patios, aprons, and walkways shall be doweled into existing slabs a minimum of 24-inch on center with a #3 rebar and at least a 6-inch embedment.
- Refer to: CBC, City of Seal Beach, Mutual’s requirements, Standardized Appliance List for specifications and details.
- Foundations/remodels shall refer to an engineered set of drawings, approved by the City of Seal Beach, and accepted by the Physical Properties Department.

4.4 Framing

- At framing inspection, the contractor shall treat the exposed framing for termite resistance with a product such as Tim-born ® or other approved Termiticide. Termiticide 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, per the manufacturer's specifications.
- 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.
- 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.

4.5 Drywall

- All drywall at common walls, ceilings, skylight shafts shall be type x 5/8 inch.

4.6 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 copper (type L) with sweat joints or ABS pipe and cast iron in some instances, at the discretion of the GRF inspector.
- Full remodels shall have a brass ball valve main shut off installed for the cold water entering the unit.
- 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 a dual water alarm (Such as Son in™) installed by the contractor.
- Only metal braided supply lines with 1/4 turn metal angle stops are allowed for all plumbing fixtures.
- All supply lines shall have metal nuts.

4.7 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 Q0124L125 24 spaces/24.
- Circuits with 100 amp main shut off.
- No sub panels are allowed 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.

4.8 Insulation/Sound Proofing/Fireproofing

- All common walls shall be insulated for soundproofing and fireproofing.
- Any penetrations for plumbing or electrical shall be sealed with approved fireproof sealant or approved spray foam.

4.9 Side Door for End Units (A, F, G and L)

- Shareholders of end units (A, F, G and L) are not permitted to have a door installed at the end of the unit leading into a common area unless, upon renovation of the unit, it is required, in writing, by the current Fire Code.
- If the door is required by the current Fire Code, the door shall be a 36-inch plain solid wood exterior door and designated as an emergency fire door. A 36" x 60" concrete pad may be installed outside of the door. The pad shall not exceed beyond the garden area.

5. CONTRACTOR REQUIREMENTS AND LIABILITY

5.1 Contractor's Liability

No Shareholder shall hire any unlicensed individual, contractor, corporation to perform repairs, alterations and/or other such work in or to the Shareholder's Unit costing more than \$500 (California State Contractor License law).

5.2 Working Hours – Contractors, Vendors and Shareholders

- Contractors or vendors engaged by a shareholder for the purpose of performing interior or exterior remodeling, or installing or removing equipment and appliances associated with such work on the unit in this Mutual, will be permitted to do so only between the hours of 8:00 a.m. and 5:00 p.m.
- No work is permitted on Saturdays, Sundays, or holidays except as noted below. These limitations also apply to shareholders who are doing any permissible work on their own.

Shareholders or their contractors or vendors doing work in a unit may work on Saturdays if:

- Prior permission is obtained from the Mutual President or other Mutual director.
- The work is done between the hours of 8:00 a.m. and 5:00 p.m.

Contractors must follow the rules and regulations as set forth by the Golden Rain Foundation Physical Property Department.

5.3 GRF Permit for Building Alterations/Additions.

- In order to conduct any construction for the alterations and/or additions in the Shareholder's Unit within the Mutual buildings, the Shareholder or contractor shall 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 the Mutual President or any designated Director 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.
- Detailed plans for a patio or garden expansion must be submitted to the GRF Building Inspector at least three (3) weeks prior to a Board meeting and a building permit must be obtained and reviewed by the architectural and design committee.
- The GRF Building Inspector will present the committee approved plans at the next Board meeting.

5.4 Mutual Not Responsible for Damage.

Shareholder is financially responsible for all repairs and/or replacements required if the contractor of record fails to meet his obligations or if there is no contractor utilized in the performance of the work. 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.

5.5 Inspection Services

- Any vacant, unoccupied, or seasonal-use unit in Mutual One may be inspected every ninety (90) days by a GRF Building Inspector and the Mutual director assigned to the respective building. There will be a maintenance/inspection charge applied to the unit owner at the amount of the current hourly rate established by the Service Maintenance Department.
- The inspection of vacant units for sale will not be posted.
- The inspection for unoccupied and seasonal-use units will be posted at least seventy-two hours (72) in advance of the inspection.
- During the inspection, if any violations are found that are the responsibility of the shareholder, the shareholder must repair, maintain, or make replacements as needed within the timeframe specified by the inspector.
- If the shareholder fails to comply with the repair, maintenance, or replacement orders in a manner satisfactory to the Mutual, the Mutual may make the necessary changes and add the cost thereof to the shareholder's next monthly carrying charge payment.

5.6 Listing Inspections & Withdrawal Fee

- The Mutual shall charge a fee of \$500 dollars (\$500.00) for the inspection process when a Share of Stock is listed for sale.

- The buyer must meet with the Director and the GRF Inspector at the unit to receive and sign a required inspection report and confirm that the shareholder/buyer acknowledge that the unit must be brought up to code before it can be occupied. The inspection may be conducted via video should the new buyer not be able to be present during the inspection. The buyer will be sent a copy of the video and a copy of the completed inspection form.
- The report is required to close escrow. If the buyer does not follow through with a planned remodel, the upgrades needed to bring the unit up to minimum standard will be the responsibility of the buyer.
- All Shareholders/Trustees who wish to sell their Mutual Stock must first obtain Board waiver of option before the Stock is listed for sale.

The Mutual Board requires that any Broker who accepts a listing of Stock must complete the following steps before the listing is executed:

- Deliver to the Shareholder/Trustee, requesting the listing, a copy of the Mutual Waiver of Option form. Notify the Shareholder/Trustee that this form must be executed by the Mutual before the listing can be taken.
- Explain to selling Shareholder that a listing inspection will be made. Give the Shareholder/Trustee a blank copy of the inspection form.
- Upon completion of the inspection, a copy of the completed inspection form will be sent to the selling Shareholder/Trustee; and
- When the selling Shareholder/Trustee receives the completed inspection form, it is the seller's responsibility to contact the listing sales representative provide that representative a copy of the listing form.

The Board of Directors will not approve the sale of a share of stock unless a Notice of Intention to Withdraw form has been completed by the seller and signed by the Corporation before being listed. The selling Broker/Realtor shall not list the unit for sale, pending for sale, coming soon, or any other form of proposed sale in print or on any electronic listing service until the Notice of Intention to Withdraw form has been submitted and signed by the Corporation.

5.7 Payment and Performance Bonds

- Permits for any construction work valued at more than \$10,000.00 performed in Mutual One 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 the satisfaction of Mutual One for any reason.

Exceptions are as follows:

- The contractor is listed on the Physical Property list of approved contractors.
- The contractor has completed more than \$100,000 per year in contracts in Leisure World for the last three years.

BILLING AND COLLECTION PROCEDURES FOR THE MUTUAL 01 CORPORATION OF SEAL BEACH LEISURE WORLD

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

Article VIII – Collection Policy

Mutual One Rules and Regulations

The effective and prompt collection of assessments (sometimes referred to as carrying charges) is critical to the running of our Cooperative. Only through the collection of these assessments can we maintain and, hopefully, increase the value of our property. The policies and practices of Seal Beach Mutual No. One (the "Cooperative") with regard to the collection of delinquent assessments are as follows:

1. Assessments are due on the first day of each month and are delinquent if not received by the 15th day of each month. If a special assessment is necessary, you will be notified of the due date therefor.
2. In the event an assessment is not received within fifteen (15) days after it is due, the owner will be required to pay to the Cooperative a late charge in the amount of ten percent (10%) of the delinquent assessment or ten dollars (\$10.00), whichever is greater. Also, if an assessment is not paid within thirty (30) days from the day that it was originally due, interest at the rate of twelve percent (12%) per annum will be added to the owner's account each month.
3. If payment is not received within forty-five (45) days after the original due date of the assessment, the matter will be turned over to the Cooperative's attorneys for further handling. Upon receipt from the Cooperative of such a matter, the Cooperative's attorneys will send a letter notice by certified mail demanding payment for the outstanding assessments and related charges within ten (10) days of the date of the letter (the "10-Day Letter"). Alternatively, the Cooperative or Cooperative's management company may send the 10-Day Letter in lieu of the Cooperative's attorneys.
4. If the payment is not received as set forth in the above-described letter, the Cooperative may serve on the Member a thirty-day notice to pay or quit (the "Notice"), informing the Member that the Member's right to occupy the premises subject to the Occupancy Agreement may terminate at the expiration of the time stated in the Notice, unless the delinquent assessments have been paid.
5. In the event the payment is not received within time frame stated in the Notice, Member's Occupancy Agreement shall terminate, and the Cooperative shall have the right to file an action in the Superior Court, for all appropriate causes of action (including an unlawful detainer to evict), to remove the Member from the premises and obtain lawful possession of the premises. Thereafter, the Cooperative may sell the Member's Stock Certificate. Once the matter is filed in the Superior Court, the case is handled as any other lawsuit.

6. There exists a landlord-tenant relationship between the Association and Members and in the event of a breach of the Occupancy Agreement for failure to assessments, the Association shall have such legal remedies as are available to a landlord for the breach under the laws of the State of California by a tenant of a lease or rental agreement in addition to all other remedies at law.
7. The case will be dismissed, or the legal action will be terminated, and the lien released (if any), only upon payment of all delinquent maintenance assessments, special assessments, late charges, lien fees, any and all collection costs incurred by the Cooperative, attorney's fees, attorney's costs, and any other charges against the Member and the premises

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

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

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

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

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

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

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

PAYMENTS

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

Seal Beach Mutual 01
P.O. Box 60017
City of Industry, CA 91716-0041

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

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

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

MEETINGS AND PAYMENT PLANS

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

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

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

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

INTERNAL DISPUTE RESOLUTION PROCEDURE

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

ALTERNATIVE DISPUTE RESOLUTION

1. Prior to filing a civil action either by Golden Rain Foundation, a Mutual or by an owner of a Mutual share, which action is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure, Civil Code Section 5930 requires that the parties shall endeavor to submit their dispute to Alternative Dispute Resolution (ADR), such as mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. This section does not apply to a small claims action or, except as otherwise provided by law, to an assessment dispute.
2. The form of alternative dispute resolution may be binding or non-binding at the option of the parties. Any party to such dispute may initiate the process by serving upon all other parties to the dispute a "REQUEST FOR RESOLUTION." The Request for Resolution shall include all of the following: (a) A brief description of the dispute between the parties; (b) A Request for Alternative Dispute Resolution; (c) A notice that the party receiving the Request for Resolution is required to respond thereto within thirty (30) days of receipt or the request will be deemed rejected; and (d) If the party on whom the request is served is the owner of a separate interest, a copy of Civil Code 5925 et seq. shall be provided.
3. The service of the Request for Resolution shall be either by personal delivery, first class mail, express mail, facsimile transmission, or other means reasonably calculated to provide actual notice to the party on whom the request is served.
4. The party receiving the Request for Resolution shall have thirty (30) days to accept or reject the request. In the event no such response is received, the Request is deemed "rejected."
5. If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within ninety (90) days after receipt of the acceptance by the party initiating the request, unless this period is extended by written stipulation signed by both parties.
6. The costs of the alternative dispute resolution shall be borne by the parties.
7. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action (as defined by Civil Code §5925(b) the time limitation is tolled during the following periods: (a) The period provided in Section 5935 for response to a Request for Resolution, (b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated by the parties pursuant to Section 5940.
8. At the time of commencement of an enforcement action (as defined in Civil Code §5925(b)), the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) Alternative dispute resolution has been completed in compliance with this article; (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution; (3) Preliminary or temporary injunctive relief is necessary.

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

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

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY CALIFORNIA CIVIL CODE SECTION 4525* **

Mutuals 1-12 and 14-17 contract with Golden Rain Foundation to provide administrative assistance, including, but not limited to, addressing Civil Code Section 4525 requirements (i.e., this Document Disclosure Summary Form), and oversight of the Mutuals' finances, periodic disclosures to the membership, rule violation notices, and maintenance and repair issues, all at the ultimate direction of the Mutuals' Board of Directors.

The seller (Shareholder) may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser (Member), at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller (Shareholder).

A seller (Shareholder) may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Property Address: _____

Owner (Shareholder) of Property: _____

Owner's (Shareholder's) Mailing Address (If known or different from property address.): _____

Provider of the Section 4525 Items:

Print Name: _____ Position or Title: _____ Association or Agent: Golden Rain Foundation

Date Form Completed: _____, 20____

Check or Complete Applicable Column or Columns Below:

<u>Document</u>	<u>Civil Code Section</u>	<u>Included</u>	<u>Fee</u>	Not Available(N/A) or Not Applicable (N/App), or directly provided by seller and confirmed in writing by seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	X	\$10.00	
Trust Agreement	Section 4525(a)(1)	X	\$15.00	
**CC&Rs	Section 4525(a)(1)	X	\$15.00	
Bylaws	Section 4525(a)(1)	X	\$15.00	
Operating Rules	Section 4525(a)(1)	X	\$15.00	
Age restrictions	Section 4525(a)(2)	X	\$8.00	
Rental restrictions	Section 4525(a)(9)		\$8.00	
Annual budget report or summary, including reserve study	Section 5300 and 4525(a)(4)	X	\$25.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	X	\$20.00	
Financial statement review	Sections 5305 and 4525(a)(3)	X	\$25.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	X	\$10.00	
Insurance summary	Sections 5300 and 4525(a)(3)	X	\$10.00	
Regular assessment	Section 4525(a)(4)	X	Included w/required statement of fees	
Special assessment	Section 4525(a)(4)		Included w/required statement of fees	

Emergency assessment	Section 4525(a)(4)		Included w/required statement of fees
Other unpaid obligations of seller	Section 5675 and 4525(a)(4)		Included w/required statement of fees
Approved changed to assessments	Sections 5300 and 4525(a)(4),(8)	X	\$25.00
Settlement notice regarding Common Area defects	Sections 4525(a)(6), (7) and 6100		\$8.00
Preliminary list of defects	Sections 4525(a)(6), 6000 and 6100		\$8.00
Notice(s) of violations	Section 5855 and 4525(a)(5)		\$8.00
Required statement of fees	Section 4525	X	\$150.00
Minutes of regular meetings of the Board of Directors conducted over the previous 12 months, if requested	Section 4525(a)(10)		\$35.00
Total fees for these documents:			<u>\$395.00</u>

*The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately. Note, Golden Rain Foundation

**This document is applicable to Mutual Seventeen, only.

Request for Annual Notice of Address, Representative and Rental Status

Civil Code, Section 4041 requires each owner of a separate interest to provide written notice to the Association of all the following information annually. Please provide the information in the form below and return the completed form to the Association within 30 days. If the requested information is not provided, the property address of the Owner's separate interest will be used for notices.

1. The address or addresses to which notices from the Association are to be delivered.

2. An alternate or secondary address to which notices from the Association are to be delivered.

3. The name and address of your legal representative, if any, including any person with power of attorney, or other person who can be contacted in the event of your extended absence from the separate interest.

4. Is the separate interest --

- ☐ Owner-occupied? ☐ Rented out? ☐ Developed, but vacant?
☐ Undeveloped?

5. Member Name

Property Address

6. Return form to:

GOLDEN RAIN FOUNDATION

Seal Beach, California

Consent to Receive Notices by Electronic Communication

This form ("Consent") is to authorize Golden Rain Foundation, on behalf of itself and the 16 Mutuals, ("GRF") to communicate with the undersigned via Electronic Communication in lieu of first-class mail or other methods. The phrase "Electronic Communication" includes communication by electronic mail (facsimile and e-mail); televised meetings; conference calling; webcams; electronic message board, network and website; and any other similar means of electronic communication.

The undersigned is a member of GRF and the below referenced Mutual and consents to receive from GRF the following documents by Electronic Communication:

- 1. Notices of meetings of members and/or of the board and committees of GRF/Mutual.**
- 2. Documents concerning GRF/Mutual operations required to be mailed pursuant to their Governing Documents (Articles of Incorporation, Bylaws and/or CC&Rs (Mutual 17) and/or the *Davis-Stirling Common Interest Development Act*.**

The undersigned bears the responsibility to provide notice to the GRF should his/her information change, so as to have a current email address on file with the GRF. This form or the undersigned's consent to receive notice by Electronic Communication may be submitted by electronic communication. The undersigned understands that this authorization will remain in effect until consent to receive notice by Electronic Communication is revoked, in writing (including by Electronic Communication).

Execution of the Consent waives rights to receipt of information by first class mail. The undersigned is authorized to execute this Consent on behalf of all record owners of the property whose address is below. The undersigned authorizes GRF to communicate to the following electronic addresses:

DATED: _____, 202__

Member's name (signature)

Member's name (print)

Email(s): _____

Member's Mutual

Member's address