

SEAL BEACH MUTUAL NO. ONE

Rules and Regulations



**SEAL BEACH MUTUAL NO. ONE
RULES AND REGULATIONS**

April 25, 2024

(April 2024)

SEAL BEACH MUTUAL NO. ONE

Rules and Regulations

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

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

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

Co-Occupants: Approved person residing with the stockholder. Owner Senior citizens, as defined in California Civil Code Section 51.3 (b)(1), who are not Shareholders of the Mutual, but are approved by the Mutual to reside with a shareholder. In order to comply with section 51.3 of the California Civil Code, the following people may reside in the Mutual as a co-occupant: A person who is 55 years of age or older; a person who has completed the Co-Occupant Application; a person who has written authorization from the Mutual President, or any Mutual Officer so designated by the Mutual President, to reside in the Unit; a person who has paid the required Amenities Fee to the GRF; has completed the Co-Occupant Application. Co-Occupants shall be entitled to use all of the community facilities upon payment of a fee equal to the Amenities Fee.

Commercial Vehicles: A motor vehicle of a type required to be registered and used or maintained for the transportation of persons for hire, compensation, or profit or designed, used, or maintained primarily for the transportation of property. A Commercial Vehicle shall also mean any type of vehicle, which includes without limitation, a truck, van, or trailer as defined by GRF policy.

Common Areas: Describes that portion of a real estate development that is shared with respect to both use and title.

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

Exclusive Use Common Area: Common Area designated for the exclusive use of one or more, but fewer than all of the Members.

Golf Cart: A motor vehicle having not less than three wheels in contact with the ground, having an unloaded weight of less than 1,300 pounds, which is designated to be and is operated at no more than 20 mph, and has a maximum width of 48".

Internal Dispute Resolution: California Civil Code §5910 and §5915 provides that the Mutual Boards shall provide a "fair, reasonable and expeditious" procedure for resolving disputes

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between the Mutual and its members without charging a fee to the member participating in the process. The process is referred to as “Internal Dispute Resolution” (IDR) or “Meet and Confer.”

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

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

Motor-Driven Cycle: A motor-driven cycle has 149cc or less engine size and has to be registered.

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

Noncommercial signage: Unlike commercial signage, a noncommercial sign (usually political signage) may be posted or displayed from the yard, window, door, balcony, or outside wall of the separate interest. (Civ. Code §4710.)

Nonresident Co-Owner: Any person who has an ownership interest in a Unit but cannot legally reside within that Unit. Purchase of a share of stock in MUTUAL and a membership in FOUNDATION to be held in joint tenancy with right of survivorship; and pursuant to the Bylaws and Articles of MUTUAL and FOUNDATION and the rules and regulations of FOUNDATION upon signing the Restriction of Rights and Waiver of Occupancy Agreement

Parking Rules Violation (PRV) Panel: The Mutual Board has established a committee consisting of required number of Mutual directors. An alternate may be designated.

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

Pets: any domesticated bird, cat, dog; or an aquatic animal kept within an aquarium, or other animal as agreed to between the Mutual and the shareholder.

Porch: is the space under the roof of the structure open to the outside or enclosed from the weather.

Patio: is any surface other than garden material that is attached or adjacent to the outside wall structure of the unit's structure.

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A porch and a patio can be built as a continuous structure, but the portion outside the roofline will be considered and maintained as a patio.

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

Restricted Signage: Although political signage and speech is allowed, the following kinds of signs can be restricted: commercial signs/obscenity/fighting words.

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

Secondhand Smoke: smoke and aerosols inhaled involuntarily from burning or heating tobacco through a cigarette, cigar, pipe, hookah, or electronic cigarette. They also come from the air a smoker exhales while smoking.

Separate Interest. When someone buys a unit, their "real property" is typically defined as a cube of air bounded by the unfinished surfaces of the perimeter walls, ceilings, and floors. All improvements contained in that space, such as carpets, cabinets, light fixtures, plumbing fixtures, etc., are part of the real property defined as the owner's "separate interest" because it is separate from real property that is owned in common with other members of the association, i.e., common areas.

Shareholder: Any person who meets the age requirements as set forth in California Civil Code Section 51.3 et seq.; has been approved by the Mutual Board for occupancy of a Unit, pursuant to the terms of the Governing Documents; is a Shareholder of the Mutual; and resides in a Unit. Shareholders shall be entitled to use all of the community facilities upon payment of a fee equal to the Amenities Fee.

Signage Commercial: A commercial sign is one that displays a message on behalf of a company or individual for the intent of making a profit. It is economic in nature and usually has the intent of convincing the audience to purchase a specific product or service.

Signage Real Estate: Even though signs advertising property for sale or for lease constitute commercial speech, real estate signs are allowed under the Davis-Stirling Act.

Size of Signs: An association may prohibit noncommercial signs and posters that are more than 9 square feet in size and noncommercial flags or banners that are more than 15 square feet in size.

Third Hand Smoke: Residue from tobacco smoke that collects on surfaces.

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Traffic, Vehicle Operation and Assigned Parking: A defined parking location that has been designated for the use of a specific individual or group by the GRF.

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

Trust Streets: Streets with names.

Unassigned Parking: Not an Assigned Parking space.

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

Unit: A dwelling unit owned by the Mutual, which a Shareholder has the exclusive right to occupy pursuant to the Occupancy Agreement between the Mutual and the Shareholder

Unoccupied: unit containing contents but not occupied on a regular basis such as second or vacation home or office space. Unoccupied kicks in after 90 days of not being occupied.

Vacant: unit does not contain enough personal property in them, or the shareholders are not there on a regular basis. Vacancy kicks in after 60 days of vacancy.

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

Visitor: A person invited by a Member to visit the Unit. Visitors may not stay longer than 60 days in a twelve-month period and have very limited use of GRF facilities/amenities and must be accompanied by resident.

ARTICLE II. SHAREHOLDER REGULATIONS

1. LIABILITY INSURANCE

All Shareholders must carry general liability insurance (in the form of an HO6 policy) with proper liability coverage.

The general liability insurance policy shall cover the entirety of the contents within the Unit, any damage to the interior of the Unit, any damage to property owned by third-parties, and any personal injury occurring in the Shareholder's Unit or adjacent property, for which the Shareholder is responsible.

The general liability insurance policy requirements are set out below. The Shareholder shall:

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Obtain and maintain a general liability insurance policy, at his/her/its sole expense; in an amount sufficient to cover personal injury to other persons who may be injured in their unit or any other property for which the shareholder is responsible.

Be liable for the cost of any deductible their policy has with respect to any claim for which a Shareholder is insured and is liable.

A shareholder will be responsible for any structural repairs to mutual property. If it is determined that the shareholder is the cause of damage, such as fire or flood, and you do not have HO6/ personal liability coverage of \$50,000 or more the Mutual will use its insurance to immediately start the process of repair/clean up. You will be responsible to pay the mutual insurance deductible of \$50,000 or more.

The shareholder is liable for any personal items such as, but not limited to electric carts, scooters, etc.

Shareholder should consult with their insurance agent when purchasing insurance to ensure adequate coverage.

The Shareholder must provide the Mutual with proof of insurance within thirty (30) days from the date the Shareholder executes the Occupancy Agreement. The Shareholder is **not** relieved of any liability due to the Shareholder's failure to insure their property.

Annually, during each safety inspection, the shareholder will provide a current certificate evidencing the required coverage in this rule and regulation.

Notwithstanding any other provision in the Governing Documents, each Shareholder shall be liable for one's own negligent or intentional actions resulting in damage to property or personal injury, including the cost of any Mutual insurance deductible that Shareholder causes the Mutual to incur.

The Shareholder is solely responsible for the cost of any damage caused by one's own negligent or intentional actions, including repairing or replacing any damage one's causes to any personal property in the unit, including without limitation, furnishings, interior improvements, floor and wall coverings, appliances, fixtures and any damage to the unit, any other unit, or the building caused by water intrusion from whatever source, fire, or any other cause.

The Mutual shall only be responsible for the routine maintenance, repair, or replacement of Common Areas or facilities and for its own or its agents' negligent or intentional acts.

Shareholder is responsible for any damage caused by the failure of Shareholder's non-standard and upgraded fixtures, appliances, and plumbing systems.

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Shareholders are responsible for any non-standard non-structural items in the unit. If the unit has been expanded structurally, the expansion is part of the Mutual's buildings and would be rebuilt in case of a covered peril, but shareholder would be responsible for any non-standard items within the expansion or original space such as, but not limited to, upgraded doors, bay windows, triple-pane windows, flooring, window treatments, counter tops, appliances, etc.

Although a Shareholder may be unable to occupy the Unit while repairs are being made, the Shareholder shall, nonetheless, be responsible for any living expenses incurred during repairs and the monthly assessment on the Shareholder's Unit regardless of who caused the damage.

The Shareholder, may, however, be indemnified by any and all individuals and entities who are liable for the damage making the Unit untenable.

Mutual Insurance Policy does **not** cover earthquake damage or other natural events such as, but not limited to flood, wildfire, tsunami, etc.

For clarity, Rules approved in September 21 which went into effect as of January 1, 2023 (the date of this rule) are highlighted.

2. SMOKING

The purpose of these Rules and Regulations is to address secondhand smoke within the Community. Mutual One intends to be a completely smoke-free property. Exposure to secondhand smoke, as defined below, can cause severe health effects in adults and children. In addition, exposing others to secondhand smoke creates conditions that interfere with the use and enjoyment of other shareholders units, thereby constituting a nuisance in violation of the Occupancy Agreement as well as state and local regulations. Seal Beach Municipal Code Sections 7.35.010(A)-(B) defines a public nuisance as "any violation of the code or anything injurious to health, indecent or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property by a neighborhood or by a considerable number of persons even when the damage inflicted is unequal..." and specifically includes the emission of noxious fumes or odors as a public nuisance. In addition, exposing others to secondhand smoke violates The Mutual No. One Occupancy Agreement ("Occupancy Agreement"), which states in pertinent part: "...Member[s] shall not...interfere with the rights of other occupants... nor commit or permit any nuisance on the premises..."

For the purposes of this rule, "Smoking" shall mean and include:

- The inhaling, exhaling, burning, or carrying of any lighted cigarette, cigar, or other tobacco product, marijuana, or illegal substance.
- The inhaling, exhaling, burning, or carrying of any e- cigarette, personal vaporizer, or electronic nicotine delivery system.

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- The use of any other similar type of paraphernalia related to smoking or alternatives to smoking.

For the purpose of this rule, “**Secondhand smoke**” is defined as smoke and aerosols inhaled involuntarily from burning or heating tobacco through a cigarette, cigar, pipe, hookah, or electronic cigarette. They also come from the air a smoker exhales while smoking.

For the purpose of this rule, “**Thirdhand Smoke**” is the residue from tobacco smoke that collects on surfaces.

For the purpose of this rule, “**Enclosed**” is defined as an area closed in by a roof and contiguous walls or windows, connected floor to ceiling with appropriate opening for ingress and egress.

2.1 Smoking and Nuisances

- Smoking is not permitted in any common area. Smoking is **NOT** permitted in the carport area. Smoking is not permitted on any porch or patio except for residency prior to January 1, 2023, and then only if such porch or patio is fully enclosed.
- No shareholder or occupant shall cause a nuisance to any other occupant due to his/her Smoking.
- Secondhand Smoke that emanates from one area to another constitutes a nuisance.
- Any nuisance caused by a shareholder or occupant shall be treated by the Mutual as a violation of these rules and the Occupancy Agreement.
- If the Board elects to designate sections within the common area where Smoking is allowed, shareholders and/or residents/occupants/guests may only do so in those designated as areas.
- Shareholders will NOT throw cigarette butts on the ground. Shareholder must carry a portable ashtray or dispose of extinguished cigarette butts appropriately.
- Any shareholder and/or an occupant/guest who is in violation of this rule shall be in violation of the Occupancy Agreement. The shareholder is entirely responsible for ensuring that the rules, regulations, and policies are followed by anyone they allow into the community. This includes, but not limited to, any Co-occupant, guest, care provider, vendor, invitee, or contactor.
- Shareholders are responsible for any damage and/or liability arising from the emission of Secondhand Smoke by such shareholder or their occupant/guest.

2.2 Phase Out of Smoking Units

Smoking within units is only permitted for those who are currently resident shareholders prior to January 1, 2023.

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Any unit that is vacated or transferred after January 1, 2023 will permanently become a smoke-free unit. Therefore, persons who become shareholders are not permitted to Smoke within their units.

2.3 Enforcement

- Upon receiving a complaint that any shareholder is causing a potential nuisance with Secondhand Smoke, the Mutual and/or GRF will conduct an informal investigation regarding the allegations and facts.
- Following the investigation, if GRF and/or the Mutual determines the complaint is valid, the shareholder who is the subject of the complaint will be provided the opportunity to insulate his/her Unit, at his/her expense. The installation of a HEPA filter and closing the unit windows will be required.
- All insulation of shareholder Units as set forth above shall be conducted by GRF and/or a vendor of GRF, who will then invoice the shareholder for the cost.
- In no case shall the Mutual pay for the insulation of a Unit, and/or the mitigation of the effects of a shareholder's Secondhand Smoke.
- In the event of a violation of these rules, the Mutual reserves the right to pursue any remedy under the law and its Governing Documents, including, but not limited to, levying a monetary penalty after notice and hearing, and engaging in internal dispute resolution pursuant to Mutual Policy among other things.

2.4 Exceptions

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

3. UNSANITARY PREMISES AND FIRE LOADING CONDITIONS

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

Unsanitary or rodent and insect inviting conditions or fire- loading conditions are described as the excessive acquisition and collection of large amounts of objects. Such collections of objects may include, but are not limited to stacked paper goods, newspapers, books, magazines, mail, trash, stored cardboard boxes, plastic trash bags, food stuffs, cleaning aids, clothing and

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collectables, pet waste or unclean pet cages, and a lack of ingress and egress at windows and doors.

Shareholders shall not store within their Unit, or on their patio/porch, any incendiary items such as grease, oil, gasoline, paint, or paint thinner, or any other liquids or substances noted to be flammable, or any large amount of hobby materials.

Working on hobbies in Unit or patio/porch will be permitted by the Board on a case-by-case basis, considering the health, safety, welfare, and aesthetics of all shareholders affected.

Storage of construction materials, including but not limited to, stacked wood, siding, metal pieces, welding tools, or any items in support of conducting or practicing a business upon the premises, is also prohibited.

4. CAREGIVERS

In order to work as a caregiver in the Mutual, a caregiver must comply with the following:

- Must have a valid Identification Card or driver's license when working in Leisure World.
- Business License. The Mutual recommends that all Caregivers have a valid business license, issued by the City of Seal Beach and/or work for an agency with a valid business license, issued by the City of Seal Beach. **Exceptions** A family member of a Shareholder, who is acting in the capacity of a caregiver is exempt from possessing a business license but must apply and receive a caregiver's pass and badge.
- Any caregiver working in the Mutual must have a valid driver's license if driving a vehicle in Leisure World.
- Proof of current auto insurance is required.
- Pass and Badge Requirements. All caregivers (including family members without a business license) as an individual, or through an agency, must apply and receive a caregiver's pass and clear badge holder through the GRF Stock Transfer Office. The Pass must:
 - Be renewed every six (6) months and returned to GRF Stock Transfer office if no longer employed.
 - Be worn in clear sight at all times and may not be transferred or lent to anyone.
 - To be eligible as a Family 24 Hour Caregiver the family member cannot otherwise be employed.

4.1 Caregiver's Use of Laundry Facilities

- Part-time caregivers may use laundry facilities for Shareholder's laundry only. Part-time caregivers who use Mutual laundry facilities for their personal or family use will be permanently banned from the Mutual.

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- Caregivers who serve as 24-hour caregivers, and live within the Shareholder's Unit, may use washers and dryers for their personal use, but may not use the washers and dryers for other family members or friends.

4.2 Caregiver Actions

Caregivers, as an invitee of the Shareholder, must act in compliance with the Rules and Regulations of the Mutual at all times. Specifically:

- Caregiver must cease any noise that could be considered disruptive (i.e., no loud televisions, radios, or talking, so as not to disturb the quiet enjoyment of other Qualifying Residents and Shareholders), after 10:00 p.m.
- Caregivers are not allowed to have guests or invitees, including without limitation, family members or friends, to the Unit or anywhere within the Mutual
- Caregivers shall not bring any pets into the Mutual and/or Leisure World.
- Caregivers shall not utilize any Mutual and/or GRF community facilities.

4.3 Caregiver Parking

If a Shareholder does **NOT** own a vehicle, the Shareholder's caregiver may use the carport space associated with the Shareholder's Unit, for purposes of parking their own vehicle, as follows:

- Obtaining a temporary parking permit through the GRF Stock Transfer Office. Such temporary parking permit must always be clearly displayed on dashboard of the caregiver's vehicle.

Mutual One will allow the Stock Transfer Office to issue Caregiver Parking Passes. All Caregiver Parking Passes will expire on the same date as the Caregiver Pass, Caregiver ID, or Caregiver Badge that was expired.

5. PORCHES, PATIOS, GARDEN EXPANSIONS, PERGOLAS, RETRACTABLE AWNINGS AND GOLF CART PADS

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

Patio: A patio is any surface other than garden material that is attached to, or adjacent to the outside wall structure of a unit.

A porch and a patio can be built as a continuous structure; however, the portion outside the roofline will be considered and maintained as a patio.

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Personal Gardens in Common Areas: (See Landscaping Rules and Regulations: Shareholder's "set limits" for shareholder garden areas set by the existing garden border.

The purpose of these Rules and Regulations is to provide guidelines for the maintenance of porches and patios that are user friendly, increase the value to the Mutual, and improve the aesthetics of the Mutual community. In accordance with California Civil Code Section 4600(3)(E), these Rules and Regulations address the process under which Mutual One will permit shareholders to temporarily use and maintain the common area property in front/side of their unit, which is generally inaccessible to and not of general use to other shareholders, subject to the limitations described herein.

While this Policy grants shareholders a revocable license (and not an Easement) to use the common area in front/side of their unit for their personal use for patios, porches and/or gardens, such patios and gardens shall remain common area property at all times. Mutual One's Board of Directors ("Board") may revoke permission to use the common area for patios or gardens at any time. In no case will the granting of permission for modification of Common Property constitute a waiver of Mutual ownership of the Common Property. Shareholders will be required to acknowledge this as part of the documentation of permission to modify Common Property. Knowing that some shareholders would like to enhance the areas adjacent to their own unit, the following Guidelines are provided to help owners who wish to seek permission for patios or personal gardens in Common Areas.

5. 1 Porch/Patio Area Rules and Regulations

- Porches/patios may not be used as a bedroom, kitchen, storage closet, art studio, workshop, etc. If enclosed, it must be permitted by physical properties and approved by the board.
- Only items that are appropriate for outdoor use, such as patio chairs and lounges with cushions, are permitted on porches/patios.
- Storage containers designed for outdoor use are permitted, however such storage containers may not exceed two (2) feet in width by six (6) feet in length and the height must not exceed the height of the wall. Storage containers must comply with earthquake safety guidelines. Storage sheds are NOT allowed on patios.
- Mutual building permits are required for any alterations of the porch/patio, including resurfacing the floor. The top surface must be constructed of a material that is non-skid when wet.
- Any changes or deviations from the approved plans must be submitted to the Board and approved prior to implementation.
- Potted plants may be kept on outside walls and may not be in nursery pots.
- The following items are not permitted to be stored on the porch/patio: newspapers, magazines, paper, plastic bags, cardboard, and food or perishables. This list will be subject to amendment by the Board as needed.

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- Any item on the porch/patio that conflicts with this policy must be removed by the shareholder within 30 days of receiving notice from the Board. If the item is not removed after the 30-day period, the Mutual will have the right to remove the item at the shareholder's expense.
- Natural gas/electric barbeques, hibachis, and electric smokers may be kept on porches/patios and must be used according to the Mutuals barbecue policy.
- Charcoal barbecues and hibachis are not permitted.
- No open flame, propane, and/or electric heaters or chimineas are permitted.
- Items must not block walkways or remain on lawns overnight.

5.2 Approval Process

All requests for porches/patios must be submitted to the Golden Rain Foundation (GRF) Physical Property Department at least three (3) weeks prior to a regularly scheduled Board Meeting.

The GRF Physical Property Inspector will submit the plans to the Architectural Design Review Team for review and approval at least two (2) weeks prior to a regularly scheduled Board Meeting.

Upon written approval by the Board and the Architectural Design and Review Team, the shareholder must obtain a permit using a contractor approved by the GRF.

Porch and patio plans must be professionally drawn to be easily understood and include all dimensions including the walls, wall caps, and gates if applicable.

Patios will be unique and will be approved on a site-specific basis, taking into consideration all the factors listed below.

In determining whether or not to approve a porch and patio request, the Board will consider the following:

- Aesthetic, conformity, and financial value to the Mutual
- Functionality for the shareholder
- Utility boxes
- Sprinkler systems
- Sprinkler valves/plumbing
- Sidewalks
- Landscaping
- HVAC units

All Patios and Pergolas require flooring and must be DCOF equal to or greater than 0.42. Wood flooring is NOT allowed.

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The shareholder will sign the indemnity agreement prior to any construction. If the mutual or its agents need to access any utilities; the shareholder whose patio is constructed over the utility may be required to remove the patio at the shareholder's own expense. Upon sale of the unit the purchasing shareholder must sign the Licensing and Indemnity Agreement.

5.3 Pergolas

In order to approve Pergola requests the Board will review the request on a site-specific basis and consider the following:

- Pergolas shall meet all City requirements and must be painted in a solid, white, or neutral color. The color must also be approved by the Mutual.
- The size, design and scale of the pergola must be compatible with the unit and the neighborhood, and proportional to the available open space. These structures may not be appropriate on the front of the home or front yard; however, the Mutual will consider requests for such structures on a case-by-case basis.
- The sides of these structures shall not be enclosed except where the wall of the main house forms a natural side.
- All Patios and Pergolas require flooring and must be DCOF equal to or greater than 0.42. Wood flooring is NOT allowed.
- The overhanging horizontal structures cannot extend over the sidewalk.
- Pergolas may be constructed of Alumawood[®], vinyl or other materials as approved by the Mutual. Other materials including wood, straw, bamboo, palm fronds, plastic, Fiberglass, Plexiglas[®], reed or other temporary materials are NOT permitted.
- Pergolas may not be used to house or shield (from the weather or view from the Common Area or other property) a boat, recreational vehicle, car, truck, motorcycle, trailer, storage, pet enclosures, construction materials, trash, equipment, wood supplies and/or any other item(s) not otherwise permitted to remain outside or visible from the Common Area or other property.
- All modifications are required to have any permits and inspections required by GRF Physical Properties Department and the City of Seal Beach in addition to review by the Mutual 1 Architectural Design Review Committee (ADRC).
- All structures must be properly anchored to prevent them from moving or falling over pursuant to the manufacturer specifications,
- All structures shall be maintained in an attractive and safe condition. Unsightly or unsafe structures must be repaired or removed at the owner's expense.
- Pergolas are typically stand-alone structures with architectural details. They do not have a solid (rain shedding) roof, and while they may be allowed to attach to the house for structural support, are not considered a part of the main residence.
- Since pergolas typically have a flat cover design, they should not extend above the the eaves.

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A retractable awning is a cover with a frame that retracts against a building or other structure to which it is entirely supported.

An awning valance is the little curtain that hangs down a short distance from the actual awning.

In order to approve Retractable awning with wind sensor requests the Board will review the request on a site-specific basis and consider the following:

- All modifications are required to have any permits and inspections required by GRF Physical Properties Department and the City of Seal Beach in addition to approval by the Mutual One (1) Architectural Committee.
- Awnings are restricted for use over patios that have hard patio surfaces as approved per rules and regulations.
- These structures may not be appropriate on the front of the home or front yard; however, the Mutual will consider requests for such structures on a case-by-case basis.
- Awnings must be equipped with an electric motor and manual override (hand crank) and equipped with a wind sensor, installed pursuant to the awning manufacturer's specification.
- Awning materials: Acrylic fabrics or synthetic composite materials are required, in solid, neutral colors to match the roof, exterior color, or trim of the unit. The fabric must be plain, that is, without any pattern, stripes, logos, or decoration. An awning may have a valance on the front edge of the same color fabric as the awning itself. The type of valance must be included with the written request for approval.
- The color of the frame of the retractable awning should be a neutral tone and/or coordinated with the color of the awning fabric.
- Required mounting locations are on the soffit, or on the vertical exterior wall of the unit. Roof mounted retractable awnings are prohibited.
- The installation shall be performed in such a manner that complies with the full extent of the manufacturer's written warranty.

Approval of an awning is considered a change in use, and may be withdrawn for violation of rules and regulations, including but not limited to:

- Failure to maintain the awning in good working order.
- Installation of an awning that differs from the awning submitted for approval.
- Creation of a nuisance
- Failure of a subsequent owner to sign the Licensing and Indemnity Agreement before purchasing the unit.

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If approval is withdrawn, the board may use any and all enforcement procedures available to have the awning removed, and all costs incurred, legal or other, shall be the obligation of the current owner.

The owner of the retractable awning agrees to the following requirements:

- No items to be hung from the awning and/or awning frame at any time.
- Must be retracted overnight and when the unit is unoccupied for more than two hours.
- The owner is responsible for the regular maintenance, cleaning, care, repair, and replacement of the awning to ensure that the unit operates electrically, as well as with a hand crank, and the wind sensor is functioning, and the awning fabric is in good condition. Inspections to confirm satisfactory operation and condition are to be performed by the owner each year when the awning is first used.
- Damage to the unit caused by installation and/or installation of an awning is the responsibility of the owner. The owner shall indemnify and hold the Mutual harmless from and against all costs, damages, and liabilities incurred with respect to this exterior modification.
- If the awning is damaged, it must be repaired within a 30-day period and restored to its original condition. If the repair time is estimated to be longer than 30 days, the owner must provide a written estimate (from the repair company/parts provider) with an explanation of what needs to be done to get the unit operating again. Owners must request relief from the Board if the awning cannot be repaired during the 30-day period, and the owner may be granted up to an additional 30-day extension to make the necessary repairs. If the awning cannot be repaired in the time agreed upon by the Board with the owner, the awning must be removed. If the damaged awning is removed because it cannot be repaired, installation of a replacement awning will require a new application to the Board.

When the residence is to be sold, the seller agrees to disclose to the buyer that the buyer is required to sign the License and Indemnity agreement in order to retain approval of the awning on the unit.

5.5 Porch Use: Rules and Maintenance Requirements

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

Any item on the porch/patio that conflicts with this policy must be removed by the shareholder within 30 days of receiving notice from the Board. If the item is not removed after the 30-day period, the Mutual will have the right to remove the item at the shareholder's expense. In addition, shareholders violating this policy may be subject to monetary penalties.

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After the initial 30 day move-in period, the following items may NOT be stored or placed in or on any porch (enclosed or unenclosed):

- Any type of unauthorized container and/or cabinets such as, but not limited to untreated wood used for long term storage. (Authorized containers include sheds constructed by a contractor with a GRF Building Permit). Shelving may not be supported/anchored off the building walls.
- Newspapers, magazines, paper, plastic bags, items for recycling, and perishables.
- Open food containers, including pet food.
- Charcoal or highly flammable chemicals. Gasoline operated equipment or gas cans.
- Refrigerators or freezers in a non-working condition. A refrigerator or freezer in working condition, plugged directly into a wall socket is permitted in the porch area of a non-expanded unit and must be placed in an area that does not impede passage or detract from the ambiance of the building. A Mutual inspector must approve the placement of the refrigerator or freezer.
- Vacuum cleaners/rug shampooers
- Electric tools on a permanent basis, saws, gas operated tools or equipment.
- Extension cords strung across a porch or use of multiple extension cords, except those used for the charging of electric golf carts.
- Charcoal barbecues, hibachis, etc.
- Laundry hung for airing or drying.
- Hot tubs, Jacuzzis, saunas, fire pits, chimineas, green houses, work benches, hobby centers and golf carts.
- Exercise equipment require board approval, and the Board may approve such items on a case-by-case basis.
- Hanging obscene objects or stationery is prohibited.

Sheds must be made of plastic, resin or polyurethane (not wood or metal), and must be no larger than five (5) feet deep and seven (7) feet wide. The color of the shed must be an approved neutral color that matches the existing color of the unit's exterior walls.

Screens, panels, or drapes on open porches must meet the following criteria:

- Constructed of a material rated for outdoor use.
- Be a-neutral tone and/or coordinated with the color of the exterior wall.
- Maintained in good condition.

Any existing coverings that are deemed a violation of this policy will be removed/replaced at the shareholder's expense.

Porch gates must be approved by the Mutual inspector.

SEAL BEACH MUTUAL NO. ONE**Rules and Regulations****5.6 Patio Use: Rules and Maintenance Requirements**

- When a unit is sold, the new buyer must agree to manage, maintain, and ensure the cost of the patio or the patio will be removed at the seller's and/or buyer's expense.
- All existing patios must be brought into compliance at the sale or transfer at seller's expense. The new buyer/transferee must sign the License and Indemnity Agreement provided by the Mutual Board.
- Patios must slope away from the building with adequate weep holes in the walls for proper drainage.
- Walls enclosing patios, including caps, can be up to 35 inches high. Gates must not be higher than 36 inches and must not detract from the ambiance of the building.
- Walls in center units may extend to their garden border (out to 35 inches) and board approval is site specific. (Addition of a garden extension must follow garden rules within these Rules and Regulations).
- If access to the utilities is needed, the shareholder may be required to remove the patio at such shareholder's own expense.
- Shareholders shall bear any and all costs of the patio including, but not limited to, the maintenance of the patio, sprinkler relocation, grass replacement, tree replacement, walkway/ flooring /flower bed repairs.
- As a condition of the patio approval, shareholders must obtain and maintain liability insurance that covers lawsuits relating to the patio. The Shareholder is not relieved of any liability due to the Shareholder's failure to insure their property.
- The shareholder must agree and sign the Licensing and Indemnity Agreement provided by the Mutual.
- A majority vote of the Board of Directors is required to approve a patio.

5.7 Garden Expansion Approval Process

- All requests for garden expansions or removals must be submitted to the Golden Rain Foundation (GRF) Physical Property Department.
- The GRF Physical Property Inspector must submit the plans for approval to the Board of Directors prior to a regularly scheduled Board Meeting.
- Upon approval by the Board of Directors a permit must be obtained through a contractor approved by the Golden Rain Foundation.
- Garden plans must be professionally drawn to be easily understood with dimensions. Pictures can accompany plans.
- All garden areas must maintain a distance of at least one foot (1'). An entrance walkway garden expansion will be considered on a site-specific basis.
- Shareholders may landscape their garden area to their own preference as long as their plants, shrubs, and ground cover (both living and solid structural material) do not cause any damage to buildings, etc., do not affect the natural slope for drainage and do not obviously disrupt the character of the Mutual. Shareholders should request a consultation

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with Mutual's landscaping service for suggestions on replacement plants which do not grow too large for designated area or cause root damage to walls, pipelines, sewage system, pavement, or foundations and require minimal watering. All garden expansions must have the required four (4) inch concrete strip and or border.

- Garden areas must be maintained to preserve and protect the attractive appearance of the Mutual. Plants must be trimmed to prevent growth which extends over/into the common area or walkways, and when the plants detract from the surroundings. Plants for gardens should be selected with discretion to prevent problems. Shareholders will be billed for any damage to walls or walkways by branches or roots from plants.
- Vegetable or fruit plants in pots are permitted. Please refer to Landscaping Rules and Regulations.
- Fences are not permitted.

All garden requests will be considered by the Board of Directors on a site-specific basis, taking into consideration, but not limited to the following:

- Aesthetic/financial value to the Mutual
- Functionality for the shareholder
- Utility boxes
- Electrical enclosures/panels
- Sprinkler systems
- Sprinkler valves/plumbing
- Telephone pull boxes/equipment
- Sidewalks
- Laundry rooms
- Landscaping

As a condition of garden expansion approval, the shareholder must obtain and maintain liability insurance covering any and all lawsuits involving the garden. The Shareholder is not relieved of any liability due to the Shareholder's failure to insure their property.

The shareholder must agree and sign the Licensing and Indemnity Agreement provided by the Mutual.

Costs for repairs or relocation of damaged buried electrical lines, cables, sprinklers, water lines, etc. are entirely the responsibility of the shareholder. Repairs must be made immediately. If the Mutual must accomplish these repairs to restore service immediately to neighbors, the shareholder causing the damage will be billed for all costs.

Natural barrier to globe lights or special circumstances will be considered and will be limited to landscaping (i.e., bulbs, annuals, perennials, shrubs, potted trees. No plantings of invasive species will be allowed).

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Plants must not overhang the planting area or interfere in any other way with mowing equipment. Shareholders are responsible for garden maintenance such as, but not limited to, weeding, drip line watering, trimming. Gardens must be tended and kept neat in appearance. Plant materials must be cleared appropriately.

Chemicals used on personal gardens must be only those certified as safe for use (people and pets). The shareholder agrees to not hold Mutual One or GRF (and its employees and contractors) responsible for any damage to their personal gardens.

Personal gardens in Common Areas that have not been approved by the Board may be removed by the Mutual and the costs of removal may be billed to the shareholder. Approved gardens which are not properly maintained also may be removed by the mutual at the shareholder's expense.

5.8 Electric Cart Pad

A permanent concrete slab for the parking or charging of an electric cart will not be permitted on Mutual property.

- Shareholders must obtain approval from the Mutual Inspector and a permit from the GRF Physical Property Department before installing a temporary pad to park or charge an electric cart.
- If modifications to the existing sprinkler system are required to install an approved parking or charging pad, such modification shall be at the shareholder's expense.

A temporary parking or charging pad may be located adjacent to unit if the following guidelines are met:

- The temporary parking or charging pad shall be constructed of concrete grid paving slab or solid interlocking paving stones.
- The location of the parking or charging pad must be approved by the Mutual inspector and the GRF Physical Property Department.
- Specifications for the installation of an electric cart parking or charging pad may be obtained in the GRF Physical Property Department.
- The parking or charging pad shall not exceed five (5) feet in width.
- The cost of installing a parking or charging pad will be at the shareholder's expense.
- The parking or charging pad shall be removed upon the sale or transfer of the shareholder's rights to the unit, at the seller's expense, unless the buyer wants the parking or charging pad to remain and agrees to such in writing.
- Upon a sale of a unit, any concrete parking or charging pads that installed prior to the latest approval date of this policy may be required to be removed and the turf or grass area must be returned to the existing garden line at the selling shareholder's expense.
- The shareholder must agree and sign the Licensing and Indemnity Agreement provided by the Mutual.

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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.

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.

- All members of the reptile and monkey families, as well as any raucous-voiced birds, are prohibited.
- 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.

Definition of Rules for Pet Ownership

Similar rules have been enacted pursuant to law by the Federal Government substantially to the same effect as the California law, and under the federal rules there have been developed 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:

The **number** of quadruped pets per apartment shall be restricted to one. The number of birds per apartment shall be restricted to two.

- 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.
- Pets are prohibited from common area facilities, such as clubhouse facilities, library, Golf course, health care center, Amphitheater, swimming pool area, Administration.
- Building, lobbies, and laundry rooms. In all other permitted areas, the pet must be on a leash not longer than six feet and under the control of, and accompanied by, a resident and/or adult agent of the resident pet owner and/or responsible adult.
- While traversing the streets or sidewalks of the Mutual Corporation while making ingress

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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.

- In accordance with Seal Beach City Code, Section 3-10.26 - Maintaining Sanitary Conditions, persons allowing their dog or cat to defecate on property other than their own property, shall remove such feces immediately or be subject to a city fine of \$25.
- The resident pet owner shall immediately, and forthwith, remove any pet waste deposited by the pet in all common areas where said pet is permitted.
- The Mutual 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.
- The Mutual Corporation may impose a fine pursuant to the Fine Schedule per Occurrence on any resident pet owner who violates any of the pet rules and regulations.
- The imposed fine shall be paid by the resident pet owner to the Mutual Corporation.
- 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.
- All quadruped pets brought into the Mutual by a resident pet owner shall have been spayed or neutered.
- 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.
- 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 applicable to Mutual One only:

- Any permitted pet must, at all times, be accompanied and under the full control of their owners, no animal shall be left unattended in any fenced, gated or enclosed patio. Pet doors leading to the outdoors and onto open and enclosed patios are not permitted.
- Pet doors shall not be installed through front doors, sliding glass doors, windows or walls of any unit or building. All pet doors previously installed prior to 2/1/13 at the discretion of the Board shall be removed at the shareholder's expense to the satisfaction of the Mutual within 30 days after receiving notice from the Mutual Administration Manager.
- 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.

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Said licensing shall be pursuant to all applicable local and state laws and regulations.

- All properly registered pets (cats and dogs) shall also be required to wear a bright-colored Mutual tag on their collar along with the license tag, thereby showing proof of registration with GRF.
- Pets not owned by a resident shall not be brought upon the premises of the Mutual Corporation.
- Residents may not, even temporarily, keep a non-registered pet owned by another person in their dwelling unit.
- It shall not be permissible to maintain a pet in a residence unless sanitary standards are maintained governing the disposal of pet waste.
- 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.
- 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.
- 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,
- Complete and sign a Pet Ownership Registration Form as prepared by the Golden Rain Foundation and the Seal Beach Mutual Corporation in which resident resides pursuant to the Orange County Fair Housing Authority (OCFHA) and Department of Housing and Urban Development (HUD).
- 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.
- 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.
- 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.
- 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.
- Resident pet owners must display a pet ownership decal in a prominent location near the

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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.

- 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.
- In the event of any emergency related to a pet, and in the event there is no state or local authority (or designated agent of such an authority), the Mutual Corporation reserves the right to remove a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of other residents of Seal Beach Leisure World, and/or their guests. Subject to execution of an agreement by the resident pet owner, a representative of the 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.
- 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:
- Payment of any legal expenses incurred by the Mutual Corporation and Golden Rain Foundation in the enforcement of this policy and provisions.
- 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.
- 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.

REGISTRATION OF QUADRUPED PETS

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

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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:

- 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.
- Information sufficient to identify the pet, and to demonstrate that it is a common household pet.
- 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.
- 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.
- ⊖ 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.

VIOLATION OF PET OWNERSHIP POLICY

- 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.
- 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:
 - Correct the violation (including, in appropriate circumstances, removal of the pet).
 - Make a written request to hold a meeting with the Mutual Board of Directors to discuss the alleged violation.
 - The resident pet owner is entitled to be accompanied by another person of his/her

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choice at a meeting, if a meeting is requested.

- 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.
- 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 Section, Service Animals.

ARTICLE IV - SERVICE ANIMALS

- 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:
- 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.
- 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.
- 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 counterbalance.
 - 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.
- 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

¹ Americans with Disabilities Act, Rules and Regulations regarding service animals, Code of Federal Regulations (28 CFR Part 36-Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities), Subpart A-General, Section 36.104, Definitions

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for the use of a service animal within the confines of the Seal Beach Leisure World Mutual Corporation common area properties:

- Upon request, each service animal owner shall provide the Stock Transfer Agent's Office with an original "Physician's Declaration" form describing, under penalty of perjury, the requirements and the need for a service animal as defined by The A.D.A. The "Physician's Declaration" form shall include a full description of the physical tasks to be performed by the trained service animal for its disabled owner. Please see blank Physician's Declaration attached.
- 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.
- The Mutual Corporation may require that service animals qualify for this exemption, and shall grant this exemption if:
 - 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;
 - The animal has been trained to assist persons with that specific disability; and
 - The animal actually assists the person with that disability.
- Reserved
 - Nothing in this Subpart B will:
 - Limit or impair the rights of persons with disabilities;
 - Authorize GRF and Mutual Corporations to limit or impair the rights of persons with disabilities; or
 - 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.

7. VISITORS

- Pursuant to California Civil Code Section 51.3, Mutual 1 shall permit a member-resident to have a visitor or visitors in their unit cumulatively for a maximum of up to sixty (60) days per twelve-month period, and

² Code of Federal Regulations, Title 24, Volume 1, Parts 0 to 199, Revised as of April 1, 2000, Housing and Urban Development, Part 5, Subpart C, Pet Ownership for the Elderly or Persons with Disabilities, General Requirements, Section 5.303, Exclusion for animals that assist persons with disabilities.

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- The permission to have a visitor or guest includes the requirement that the visitor-guest shall only be permitted to visit while the resident member is in residence and present at the unit.
- The resident member may not vacate or be absent from the residence and import others to be in the residence as a guest in the absence of the member-resident.
- At a time when the visiting person is spending the night at the unit, both the guest and the resident must be present in the unit.
- A waiver may be granted that a resident may allow visitors to remain in the apartment during brief and temporary absences of the resident. The absence of the resident must be less than 48 hours and is to be for a part of the visitor's stay.
- A waiver may be granted if the resident will be absent from the apartment for more than 48 hours during a visitor's stay, or if the resident is deceased or incapacitated, if the request for a waiver is directed to any Officer of the Board with notification given to the President.

8. WILDLIFE

Prohibition on Feeding Non-Domesticated Wildlife. In compliance with California Code Section 251.1, no Shareholder shall feed any non-domesticated wildlife on Mutual property.

For purposes of this Article, non-domesticated wildlife is described as:

- All members of the wild bird family, including but not limited to, hawks, owls, pigeons, doves, crows, and black birds, as well as other wildlife such as rabbits, opossums, raccoons, squirrels, rats, coyotes, and feral cats.
- Pet food and standing water sources are prohibited on porches, in carport areas, and in gardens.
- Bird feeders with bird seed, preferably shell-free type, are allowed at the unit.
- A hummingbird-type feeder with liquid food is permitted at a Unit.

9. CARPORT RULES AND REGULATIONS

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

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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.

- 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).
- Any vehicle that is in non-compliance with these rules may be towed at the owner's expense and as specified in CVC § 22658.
- 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.
- 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.
- Mechanical repairs on vehicles are not permitted, except for simple flat tire repair or jumping of a battery.
- No person shall park any vehicle in any carport not assigned to him/her without permission from the Mutual One Board of Directors.
- 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.
- 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 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.
- 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.
- Any damage sustained to the carport is the responsibility of the assigned resident, not a renter of a carport.
- Overhead car covers are NOT permitted. Existing car covers will be removed at the time of painting.
- Only a bicycle, tricycle, folding shopping cart, or ladder may be stored under the cabinet in the resident's assigned or rented space.
- 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

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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.

- 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.
- 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.
- 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 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.

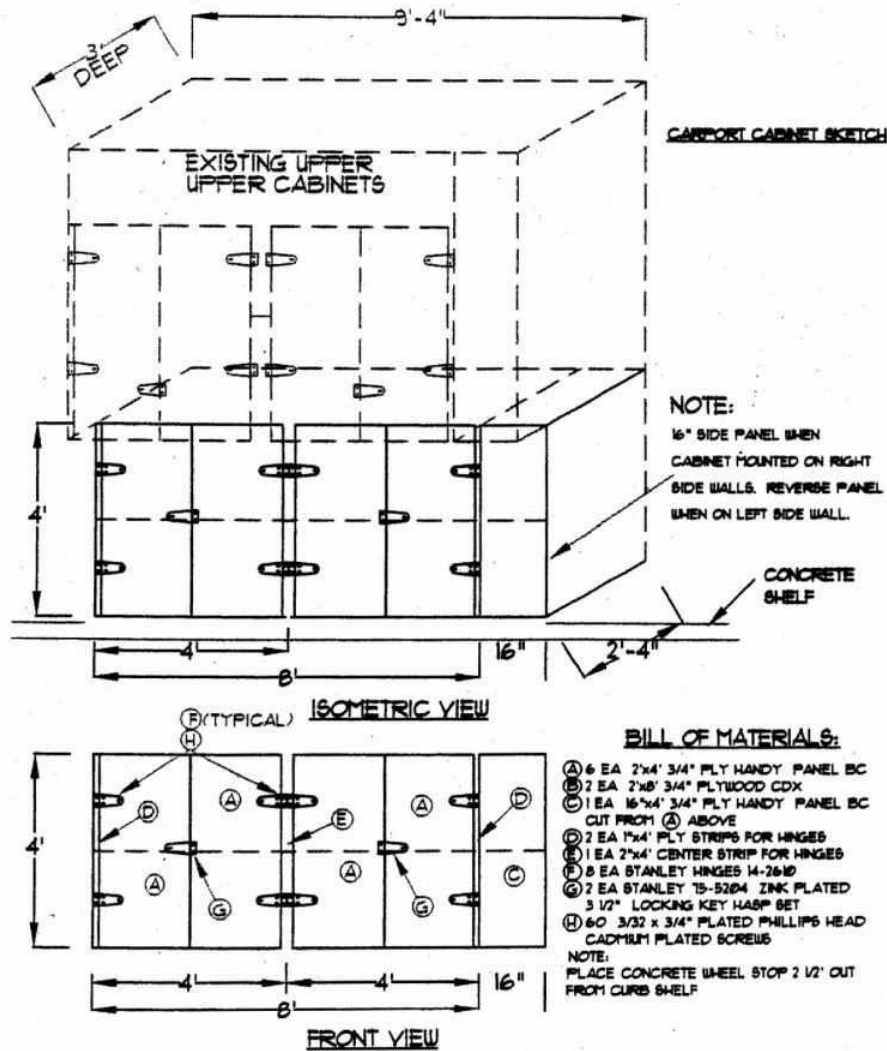
9.1 Secondary Carport Storage Cabinets

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 below as shown in existing policy

- 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.

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9.2 Electric Carts

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.

- Electric carts cannot be parked on a walkway or grass while being charged.
- Electric cords for charging cannot be placed across any walkway.
- Electric carts should not be parked in such a way as to interfere with the entry into or the exit from an apartment.

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- 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.
- Any electric cart being used in Mutual One must have sufficient liability and property damage insurance in case of accident.
- The owner is personally responsible for any property damage or personal injury to another resident or person or pet.
- Plans for the construction of a charging pad must be approved by the Golden Rain Foundation Physical Property Department.
- 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.
- 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.
- 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 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.
- 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.

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.

9.3 Fine Schedule/Carports

A resident who fails to comply with the Carport Regulations may be fined by the Mutual Board pursuant to the cumulative fine schedule outlined in Appendix A. Fine Schedule.

10. TRAFFIC**10.1 Limitation of Vehicles Per Unit**

Mutual One will only approve one car per person per unit. At the time of Escrow closing, the shareholder will sign a document acknowledging this agreement. Security will only issue decals for the number of members per unit. In the event of any errors on the part of GRF security, the Mutual One rules and regulations regarding one car per person per unit will prevail.

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10.2 Towing Vehicles

A towing program is hereby established which permits the Security Department to remove and store vehicles parked on Mutual property that are inoperable, abandoned, blocking a fire lane, or are parked in such a manner as to constitute a hazard. The authority for this action is contained in Section 22658(a) of the California Vehicle Code (CVC).

In conformance with the CVC, an appropriate sign will be posted at both entrance gates warning all who enter Leisure World that it is private property, and unauthorized or illegally parked vehicles will be towed away at the vehicle owner's expense.

10.3 Abandoned or Inoperable Vehicles

Prior to removing an abandoned or inoperable vehicle, the Security Department will:

- Attach a 72-hour warning notice to the vehicle advising of the violation and intent to tow.
- After a 72-hour follow-up is made, a registered letter will be sent advising the registered and legal owner of the intent to tow the vehicle away in 10 days if not moved. (See attached form letter.)
- Before any vehicle is towed, Security personnel will contact the Seal Beach Police Department advising them of intention to tow. They will describe the circumstances and the vehicle, including license plate number, the towing company and at which location the vehicle will be stored.
- A California Highway Patrol Form 180, Storage Report, will be completed by Security personnel at that time.
- A tow truck will be called to remove the vehicle and store it at the designated tow storage facility.
- The Security Department will maintain a current log of all towing transactions in order to provide registered owners information concerning stored vehicles.

Immediate action will be taken to tow vehicles when they are:

- Parked in such a manner as to constitute a hazard.
- Blocking a fire lane.
- Parked in a carport, not their own without permission from the shareholder.

The Golden Rain Foundation and Mutual One liability will cease when the towing service removes the vehicle from Leisure World property.

SEAL BEACH MUTUAL NO. ONE**Rules and Regulations****10.4 Roller Skates, Rollerblades, Skateboards, Bicycles, Electric Bicycles, Scooters, Tricycles.**

Due to potential safety hazards, visitors in the Mutual who are the responsibility of the Shareholders may not use roller skates, roller blades or skateboards or scooters (motorized or other) on Mutual sidewalks or streets.

Visitors residing outside of Leisure World, may ride Bicycles or Tricycles on Mutual sidewalks or streets only if accompanied by a Shareholder.

11. USE OF LAUNDRY FACILITIES

Laundry room facilities are available for use solely by Shareholders of the Mutual, except that a caregiver, hired help, or family member of a Shareholder may use the laundry room facilities to do that Shareholder's laundry (refer to Caregivers Rules and Regulations).

Shareholders must oversee and instruct the caregiver, hired help, or family member when the Shareholder's laundry is being done. Caregivers, hired help, or family members may not wash their own laundry in the Mutual's laundry room.

Shareholders are responsible for any damage to the laundry room facilities when Shareholder, their caregiver, their hired help, or their family member is doing the shareholder's laundry. Laundry room facilities are to be used for washing and/or drying only.

11.1 Out of Order Machines. When a washer or dryer is out of order, place an "Out of Order" sign on the machine, call the posted number for the contracted service company and report the out of order machine.

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

11.3 Prohibited Items. The following items may not be washed in the washers or dried in the dryers.

- Fiberglass curtains or drapes
- Sleeping bags
- Heavy blankets, quilts, comforters
- Car covers
- Carpet runners
- Other oversized items.
- Any clothing or fabric that has been cleaned in a flammable liquid may not be washed in the washers or dried in the dryers.

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- Clothing or other items which contain grease, gritty dirt, polishes, or waxes may not be washed or dried in the machines.
- Dying/Tinting Fabrics Prohibited. Clothing or fabrics may not be dyed or tinted in the washers or dried in the dryers.

Athletic shoes may be washed in the washers, but not dried in the dryers.

Bathmats or kitchen rugs that are 2.5' by 3.5' or smaller may be washed in the washers, but they may not be dried in the dryers (these rugs may be hung on the clothesline for drying). Hand-washed clothing or other items may **not** be placed in the dryers due to the excessive amount of water contained in them. Use the exterior clothesline for hand-washed items.

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

The cost of cleaning and/or disinfecting machines will be at the expense of the offending shareholder.

The Shareholder is responsible for cleaning up after himself/herself. If the Shareholder feels a dangerous situation or safety problem presents itself in a laundry room that cannot be corrected by the Shareholder, the Shareholder may call a Mutual director.

Smoking is prohibited in or around the laundry rooms and exterior clothes drying areas.

Clean the dryer filter after each use and dispose of lint in the trash containers.

Remove clothing or other items from a washer and dryer within 30 minutes of completion or they may be removed from the dryer by the next person waiting to use the machine.

12. BBQ's

12.1 Use of Barbecues: Propane, butane or electric barbecues shall only be used in an outdoor location that is at least 10 feet away from all structures. After barbecuing, the barbecue may be left in place overnight to allow the appliance to cool down. Charcoal barbecues are not permitted.

12.2 Prohibited Use of Barbecues: Propane, butane or electric barbecues shall not be used under a porch roof due to the possibility of large flare-up flames while cooking. Barbecues shall not be used underneath the eaves. Propane, butane, or electric barbecues shall never be used inside a Unit for cooking, heating, or storage purposes.

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12.3 Storage of Barbecues: Propane, butane or electric barbecues may be stored on the outside, open porch of a Unit, but never stored in an enclosed porch. If a Unit has no porch, the barbecue must be covered and stored in the shareholder garden area adjacent to the main entry walkway. Propane, butane, or electric barbecues shall not be stored inside a Unit. Propane, butane, or other compressed gas shall not be stored on an enclosed porch or inside a Unit.

13. ESTATE/PATIO SALES

Estate Sale (Liquidation): A sale to dispose of a substantial portion of the materials owned by a person who is recently deceased or who must dispose of his or her personal property to facilitate a move.

Patio Sale: Sale of used goods by private individuals in which sellers are not required to obtain business licenses or collect sales tax but does require approval by Mutual President or their designee.

A Shareholder who wishes to conduct a patio/estate sale must comply with the following:

- Complete the “Request for Permission to Conduct Patio/Estate Sale” form and “Patio/Estate Sale Inventory” form (collectively consisting of 4 pages) and submit said documents for approval to the Mutual President or their designee. Forms are found on the GRF Website.
- Original documents are given to Mutual President.
- Give copy of approved documents to 1) Security Department 2) Golden Rain News * by Thursday a week before sale date if desired 3) Post copy at place of sale/unit.
- Approval of Request for Permission to Conduct Patio/Estate Sale (consisting of 4 pages) must be completed by Thursday, one week before the dates of sale.
- No more than one sale on the same premises in any calendar year.
- No new merchandise acquired solely for the purpose of resale, can be sold at the patio sale.
- Sales may last no longer than two consecutive days, only Thursday and Friday between the hours of 9:00 am to 3:00 pm.
- One sign advertising the sale is allowed on the shareholder premises only. Two directional signs are additionally permitted.

14. SECURITY CAMERAS/DRONES/SATELLITE DISH**14.1 Installation of Security Cameras**

- No Shareholder may install a surveillance camera or make any other alteration to the Mutual’s property.

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- Accordingly, no cameras may be installed on the exterior of a building or anywhere outside the boundaries of a unit.
- Shareholders may place cameras inside their unit windows, subject to the following restrictions:
- No camera may be trained or focused on the interior of another Unit, on another Unit's front door, or anywhere else other Shareholders have a reasonable expectation of privacy.
- Security cameras shall not encroach upon common areas of the Mutual or another Shareholder's Unit.
- The use of cameras for surveillance or security purposes is done at the installing Shareholder's own risk and such Shareholders understand that cameras may serve as a deterrent but may not actually prevent crime.
- Shareholders are responsible for all costs associated with the installation, operation, and maintenance of the security cameras.

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

- Shareholders may not install security cameras in a manner that increases maintenance costs for the Mutual.
- Shareholders shall be responsible for all repairs and maintenance costs incurred due to the installation of security cameras wherever located.
- Shareholders shall indemnify the Mutual and/or its Shareholders for loss or damage caused by the installation, maintenance or use of the security cameras, including but not limited to any injuries sustained and/or medical costs incurred to any persons installing, maintaining and/or removing security cameras.
- Any Contractor employed by Shareholders to provide security camera installation, maintenance or removal services must hold all licenses which may be required by state law and/or local ordinance, and maintain a current policy of public liability, workers compensation, and property damage insurance which does not contain any endorsements or exclusions for work performed at common interest developments. The Mutual, the Mutual's managing agent, and the installing Shareholder(s) shall be named as additional insureds on the installer's policy of insurance.
- If the security camera is removed for any reason, the Shareholders shall remediate any holes and/or penetrations that were made relative to the installation of the security camera. Shareholders shall be solely responsible for restoring the exterior of the Unit, any Mutual property, and/or any common area within the Mutual to its original condition, prior to the installation.

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- When a Shareholder sells his/her Unit, the Shareholder shall require the new Shareholder to accept responsibility in writing or to remove the security camera and its associated components of the installation and restore the property as described above. Should the new Shareholder fail to accept such responsibility, the Shareholder is responsible for removing any security cameras installed.
- Any video footage recordings made by the Shareholder's security cameras are the sole property and responsibility of the Shareholder. The Mutual shall bear no responsibility nor have any liability for the recordings. The Shareholder shall indemnify the Mutual and its managing agents in the event any loss or damage is caused due to any unlawful recording and/or dissemination of video footage obtained by the security camera, by the Shareholder and/or any third party.
- Pursuant to California Penal Code section 632, it is unlawful to use a recording device to record the communication between parties, without the consent of all parties to a confidential communication. Individuals may have an expectation of privacy in their conversations and any security camera installed should not record audio.
- All installations of security cameras shall be completed so that no damage is sustained to the Mutual property, common area, and/or the property of any Shareholder, or in any way impair the integrity of any buildings, Mutual property, common areas and/or the property of any Shareholders within the Mutual. No installation of any security cameras shall void any Mutual and/or any Shareholder's warranty and/or insurance policies.

14.2 Smart Doorbells

- Shareholder may install a Smart Doorbell.

14.3 Unmanned Aerial Flight Vehicles (Drones)

The recreational flight of drone aircraft is prohibited over all Mutual property. The only circumstances under which drone aircraft may operate in the air over Mutual property are as follows:

- In the event of an emergency declared by local, state, or federal authority, or by an authorized officer of the Golden Rain Foundation, or the Executive Director of the GRF, or an officer of Mutual Board of Directors. Proper documentation of the qualifications of those operating the drone and liability insurance will be required; or
- A commercial drone flight, at the invitation of the Mutual Board, for purposes determined to be necessary and beneficial to Mutual shareholders. Proper documentation of the qualifications of those operating the drone and liability insurance will be required.

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

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14.4 Satellite Dish.

Any Shareholder that wishes to install a satellite dish, must adhere to the following:

- Shareholder must obtain a permit to install the satellite dish from the Physical Property Department of the GRF prior to having a satellite dish installed.
- Shareholder must ensure that the licensed company complies with all GRF Physical Property Department and Mutual One’s policies, rules, and regulations.
- Shareholder understands that the Mutual has the authority to remove the satellite dish at Shareholder’s expense if a permit is not obtained from the Physical Property Department.
- Any damage which may occur to the building or roof during installation, or during the operation of the satellite dish, is the responsibility of the Shareholder and will be paid by the Shareholder.
- Shareholder must maintain the satellite dish in good condition, both aesthetically and functionally. Should Shareholder fail to maintain the satellite dish in good condition, the satellite dish will be removed at the Shareholder’s expense.
- Shareholder must remove the satellite dish upon the sale or transfer of Unit, at the Shareholder’s expense, unless the purchaser of the Unit is willing to sign an indemnity and release agreement with the Mutual.
- Shareholder’s contractor must install and wire the satellite dish pursuant to the Mutual’s requirements and conditions for a satellite dish.
- Any incursion into the structure (roofs, walls, etc.) that results in damage or water/moisture penetration and any costs incurred related to such damage shall be the sole responsibility of the Shareholders to fully reimburse the Mutual to repair and remediate such damage.

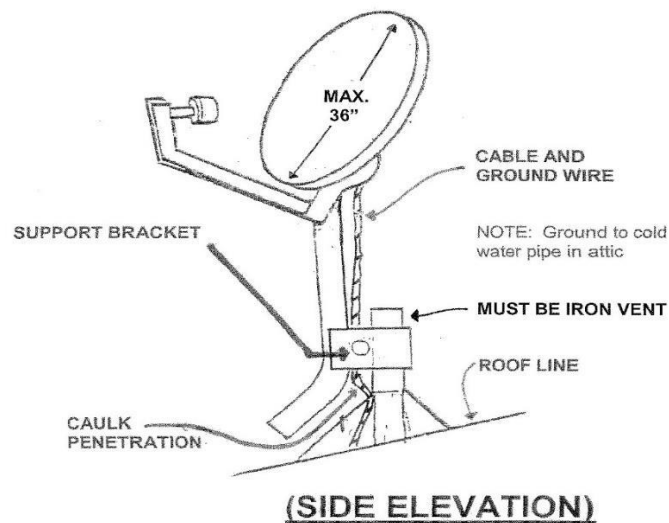
Mutual Requirements and Conditions for a Satellite Dish; Mounting Locations; Cable Routings; Groundings.
a. Obtain a GRF permit prior to the installation and authorized by Mutual One GRF inspector. Satellite dish location must be approved prior to installation by GRF inspector.
b. The maximum size of the satellite dish is not to exceed thirty-six (36) inches;
c. All satellite dishes must be stable and secure and must be able to withstand winds;

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d. The installation of the satellite dish shall be done in accordance with the current National Electrical Code, installed by a licensed television company that meets all Foundation and Mutual insurance requirements;
e. Direct roof mount is not allowed due to the required roof penetration;
f. Satellite dish requires a GRF permit and proper fittings to mount on roof vent or on stucco at the end of building. Roof vent mount is allowed. When mounting a satellite dish to a roof vent, the top of the satellite shall not be higher than three feet (3') above the top of the roof line;
g. Mounting on side of building/unit is allowed on a case-by-case basis only on the short side of "end" units (fascia mounting) for satellite dishes only.
h. Routing must not break through any roofing or framing – vent pipe flashing only;
i. All entry points into the Unit and any and all test holes must be sealed with approved sealant to prevent water seeping into the Units;
j. Fire Wall Penetration – Fire – Resistive Wall Partitions and Floors: Such penetrations shall be completed per the current Uniform Building Code (UBC), Sections 709 and 710;
k. All openings made through a ceiling for penetrations such as cables, cable tracks, conduit, pipes, or tubing shall be protected with approved through-penetration fire stops;
l. Under-eaves cable routing must run behind fascia board and be out of the normal view at street level. Cable must be fastened in a manner that will prevent penetration of the cable
m. Vent mount installations require the cable and ground wire from the dish to follow the vent pipe into the attic area. Approved tar sealant must be applied where cable enters vent pipe flashing. A half- inch slit at the top of the roof jack is allowed to feed the cable alongside of the vent pipe. Approved silicone sealant must be used around this area;
n. Local electrical installation codes and the current National Electrical Code require the satellite dish to be grounded;

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

**15. LOCK RESOLUTION**

Emergencies do arise when it is necessary for agents of the Corporation to enter units in the absence of the shareholder in order to protect the property from further damage or to render emergency service to the shareholder.

- A GRF lockbox, with an approved red reflector strip attached, containing the key to the front door of the Unit, shall be attached to a conspicuous location near the entry door of the Unit ("Lockbox") and must be positioned between three (3) to five (5) feet in an upright position. When Service Maintenance or an Inspector goes to a unit they are to reposition the lock box. In addition if it is rusty, bent, or we're unable to open the lockbox it is to be replaced at the Mutual's cost.
- All locking devices on the entrance door shall have a working key placed in the lockbox. If locking device is changed it is the shareholders obligation to report to security within 24 hours so key can be changed out in the lockbox.
- Electronic locking devices including phone access do not comply with these Rules and Regulations and the shareholder will be responsible for any emergency access costs incurred. Any removal costs will be at the expense of the Shareholder upon transfer of the unit.
- In the event that a locking device does not meet the standards of the Mutual set forth in this Section, and the nature of an emergency requires the Mutual to enter the Unit, the agents of this Mutual are authorized to gain entry by any reasonable means and the expense of repair, if any, shall be the cost of the Shareholder.

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SEAL BEACH MUTUAL NO. ONE**Rules and Regulations****16. LOCKOUT PROCEDURES DEATH OF SOLE SHAREHOLDER**

16.1 Unattended Death. If the death of the sole Shareholder is unattended – i.e., no other individuals are present at the time of death and the Unit is sealed per law enforcement or the Coroner order's, then no one, including without limitation, next of kin, trustees, Shareholders, visitors, guests, or registered caregivers, may access the Unit until otherwise directed by law enforcement or the Coroner. In the event that any individual desires to access the Unit, the Mutual reserves the right to prevent such entry pending further authorization from law enforcement or the Coroner. Security reserves the right to place a knob lock on the door. If the door is unable to accommodate a knob lock, a plywood sheet may be affixed over the door.

16.2 Attended Death. If the death of the Shareholder is attended, Security will complete a DOA Report, to identify all individuals present at the time of death. Security will instruct all individuals present, who identify themselves as having legal authority over the Unit, to visit the Stock Transfer Office, as soon as reasonably possible, in order to present evidence of the same. Security may also verify such legal authority. Notwithstanding the foregoing, Security will inform all persons present that no one may stay in the Unit overnight without Mutual permission, unless they are a registered Co-Occupant. Visitors and guests may request, from the Mutual President or designee, an emergency waiver to remain in the Unit for a limited period of time. If Security is unable to verify the party with legal authority over the Unit, all person's present will be asked to leave the Unit until legal authority is established at the Stock Transfer Office. From there, and until otherwise decided by the Stock Transfer Office, Security reserves the right to place a knob lock on, or affix a plywood sheet to, the door of the Unit.

16.3 Reporting of Death to Mutual Board. The Stock Transfer Office will report Shareholder deaths to the Mutual Board President or designee within two (2) business days, and will include the following information, without limitation:

- Name of decedent
- Date and location of death.
- Identification of persons present at Unit (if any).
- Name, relationship, and contact information of surviving Shareholder (if any)
- Name, relationship, and contact information of decedent's emergency contacts (if any)
- If legal authority has been established
- If/how the Unit was secured
- If there are any registered Co-Occupants, caregivers, or pets in the Unit.

17. UNIT FIRE INSPECTIONS AND SPECIAL UNIT INSPECTIONS

- Each Unit will be inspected annually or every other year.

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- Mutual fire/safety inspection will be conducted by the Physical Property Department or any special inspection as ordered by the Mutual Board, with a duly posted 72-hour notification to the shareholder.
- At the time of inspection, the GRF Building Inspector will verify that the smoke detector(s) are within the ten (10) year maximum life and in working condition.
- A unit or carport may be inspected at any reasonable hour of the day. The inspection shall be conducted by one Mutual Director and a GRF Inspector.
- If the Inspection Report is clean, meaning there are no Mutual, City or County violations, the report shall be returned to the Physical Property Department and filed.
- If the Inspection Report contains violations of Mutual, City or County codes that are the shareholder's responsibility, the GRF Inspector will advise the shareholder, in writing, of the violation(s) to be corrected and establish a re-inspection date.
- If the Inspection Report contains violations of City or County codes that are the Mutual's responsibility, the Mutual Director in collaboration with the GRF inspector, will generate a work order to correct the violations.
- The alleged violations(s) in the unit or carport may be photographed or videotaped by the GRF Inspector or Safety/Emergency Coordinator, if necessary.
- Any infractions will be indicated, and the shareholder will be informed to cure the infraction within thirty-two (32) days of the date of the inspection.
- A follow-up inspection of the premises will be conducted to assure compliance.
- If the violation(s) are not corrected the Mutual Board will be advised and the Mutual Board may take immediate action to eliminate the fire/safety violation(s) in the unit or carport at the shareholder's expense.
- If the shareholder refuses to comply or pay to have the violation(s) corrected, the Mutual President shall proceed with corrective actions.

ARTICLE III. SERVICE MAINTENANCE

1. SERVICE MAINTENANCE REQUESTS

All services listed as a standard service covered during the mutual orientation and are performed at the expense of the Mutual, so long as such requirement for maintenance is not a result of negligence on the part of the Shareholder.

Any request for service must be made directly to the Service Maintenance Department

If a Shareholder, requires service maintenance services during after-hours (4:30 p.m. – 8:00 a.m.), or on the weekend (Saturday and Sunday), the following applies:

- Any request for emergency services during after-hours or weekends can be made by the Shareholder, through Security, and charged to the Mutual.

SEAL BEACH MUTUAL NO. ONE**Rules and Regulations**

- Any requests for non-emergent Service Maintenance services made directly by the Shareholder will be billed to the Shareholder.

Emergency services are responded to as soon as personnel are available. Examples of emergency services are:

- Plumbing stoppages
- Water line breaks
- Electrical outages

Service maintenance personnel are bonded and entry into a unit with a passkey can result in quicker and less costly service. Shareholders should authorize passkey entry into their Unit for faster service.

The Mutual requests that Shareholders do not make arrangements directly with the individual servicemen. All service calls should be placed through the Service Maintenance Office.

Should the Shareholder request an appointment for repair from the Service Maintenance Department and cancel or fail to use the appointment, the Shareholder will be charged the current hourly charge for the cancelled or unused appointments.

2. PLUMBING STOPPAGES

The Mutual pays the charges for all stoppages except when caused by shareholder neglect or misuse.

3. PEST CONTROL

The Mutual shall be responsible for annual termite inspections, setting rodent bait stations throughout the Mutual, mole, gopher and skunk control, and the removal of bee(s) (includes carpenter bees), wasps' nests and yellow jacket hives, and fleas infesting a Common Area.

4. INSECT, ANT AND RODENT CONTROL

- An appointment for uninvited pests can be made through the Service Maintenance Department. Exterminators come by appointment only. You may request specific **contracted** day(s) of the week. You must be home if service is requested for inside your unit.
- Any request regarding bed bug treatment must be reported immediately to the Service Maintenance Department and will involve an additional charge to the Shareholder for a special service call. Payment is due at time of service by shareholder.

SEAL BEACH MUTUAL NO. ONE**Rules and Regulations**

The Shareholder is responsible for the treatment of gnats, mosquitoes, bed bugs, and fleas in or around their unit. Payment is due at the time of treatment and payable directly to the extermination company.

The Mutual shall be responsible for exterior treatments required for attics, patios, and garden areas. Shareholders requesting pest control services must contact service maintenance.

5. WILD BIRDS

California law prohibits the disturbance of nesting birds. Should birds nest on your porch, patio, or carport, they must be left in place until the young have fledged. Upon their departure, the nest may be removed, you may request the Service Maintenance Department to install anti nesting material to deter future nesting habits.

6. TEMPORARY RELOCATION

The Mutual shall not assume responsibility for relocating and/or housing Shareholders during the repair and maintenance of Common Area.

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.

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- 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.

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

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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.

1.7 Electrical Upgrades

- Any electrical additions or electrical changes relating to the installation of a ceiling fan, microwave oven or dishwasher that increase the electrical load or number of circuits on the existing electrical panel will require upgrading the service panel at the shareholder's expense.

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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 the 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.

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<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.

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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.

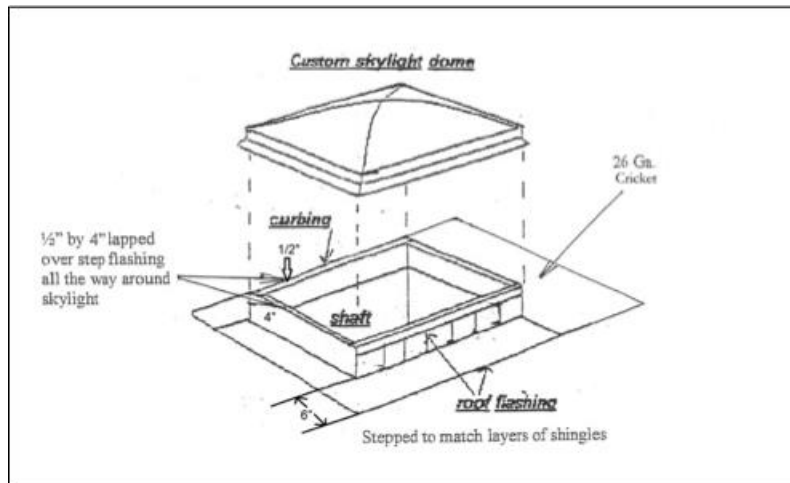
- The Shareholder and contractor must utilize the Standard Form Contract prepared by the Physical Property Department.
- The construction must conform to the plans and specifications approved by the GRF and Mutual Board.
- The Shareholder must obtain a building permit from the City of Seal Beach, and 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.

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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.
	<ul style="list-style-type: none"> • 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.

SEAL BEACH MUTUAL NO. ONE**Rules and Regulations****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.

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- 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.

SEAL BEACH MUTUAL NO. ONE**Rules and Regulations****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.

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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 the discretionary approval of the Board of Directors (the “Board”). • HVAC Units installed at units A & L shall be permitted and installed per GRF inspector approval.
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	<ul style="list-style-type: none"> • 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: 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.

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	<ul style="list-style-type: none"> • Inspection and service shall be required for all change of ownerships. In the event the Mutual incurs any costs 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. • Existing HVAC Units will require a 31/2”-thick concrete mechanical platform. The site shall be level and compacted. • Existing HVAC Units not currently on an authorized and code compliant base shall be corrected. • Existing HVAC Units will be inspected and serviced as needed and condensation drain lines and line set covers will be rodent- proofed. • Existing HVAC Units will be inspected and serviced for proper function, as well as adding attic access, rodent proof drain and line set covers and reroute drain line to trap side of sink.
<p>Applicable Codes</p>	<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.
<p>Wall Heaters</p>	<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).

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<p>Maintenance and Repairs</p>	<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.
<p>Energy-Efficiency</p>	<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).

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.

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- 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.

SEAL BEACH MUTUAL NO. ONE**Rules and Regulations****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

- 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.
- Any electrical additions or electrical changes that increase the electrical load or number of circuits on the existing electrical panel will require upgrading the service panel at the shareholder's expense
- The main electrical panel must be upgraded to a 125-amp Square D Q01241125PG with a 100-amp main breaker

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.

SEAL BEACH MUTUAL NO. ONE**Rules and Regulations****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

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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 Corporation's President or, in the absence of the President, the Vice President, Physical Properties Director or any other Board Officer on any building permit, building plan or change order issued for Unit remodeling.
- 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.

SEAL BEACH MUTUAL NO. ONE**Rules and Regulations****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.

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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.

ARTICLE V. LANDSCAPE/GARDEN RULES AND REGULATIONS

Landscape Areas, Trees, and Shrubs

PURPOSE

These rules and regulations are adopted to enhance the enjoyment of the Mutual One Living style by setting and enforcing standards for Mutual one Landscaping.

These rules and regulations outline the shared responsibilities of Mutual One and its Shareholders. The Landscape Committee is entrusted with the management of landscaping including the responsibility for inspections and enforcement of these rules and regulations.

If all Shareholders follow the rules and regulations as outlined below, the landscape areas will display what most Shareholders would consider an appealing appearance of Mutual One, a benefit to us all as a good place to live and enhancement of property values in the event of resale

GARDEN AREAS SIZES

Every Shareholder is allowed the privilege of a flowerbed area in front of their unit. Existing flowerbeds range in width from 24" to 36" and cannot be more than 36". The flowerbed must, however, conform and align with the existing flowerbeds in front of the building. Under no circumstances can flowerbeds exceed the width of the predominate flowerbeds in front of the building. The maximum permissible width of 36" is measured from the outer edge of the building/porch/patio toward the sidewalk and must be aligned with the adjacent flowerbeds in a straight and contiguous alignment. At the time of sale, transfer of stock or remodel, extensions will be returned to the permissible width in conformity with the established predominant alignment in front of the building. The work will be done by Mutual One at the Shareholder's expense when a remodel occurs or as a Seller's expense upon sale of the unit

The Mutual will advise shareholders of violations of these Rules and Regulations, in writing. If the violating shareholder does not correct the violation within 30 business days, the Mutual will make the correction(s) at the expense of the shareholder. (Refer to Appendix A – Fine Schedule).

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The Mutual's landscape contract includes routine trimming of shrubbery and cultivating and weeding. Rose bushes are pruned annually, usually in January.

1. LANDSCAPE REQUESTS

- Shareholders must contact the HELPLINE for any gardening requests or sprinkler service. Shareholders are prohibited from requesting such work directly from the landscapers.
- Shareholder's "set limits" for shareholder garden areas are set by the existing flower bed border. (Refer to Patio Rules and Regulations)
- The Mutual reserves the right to determine if a shareholder flowerbed area has become cluttered or unsightly. If so determined, the Mutual will send a 30-day written notice to the violating shareholder. If further action is needed, the Mutual will take steps to bring the shareholder flowerbed area into compliance at the expense of the shareholder and the shareholder will not be reimbursed for any discarded items. (Refer to Appendix A – Fine Schedule)
- Containers on the ground in the standard shareholder garden area must be decorative. Nursery containers are not permitted.
- Shareholders may plant greenery of their choice from the Mutual One approved planting list (page 7), at their cost, subject to the restrictions set forth in these Rules and Regulations.
- Vines (all varieties) are not permitted. Vines provide ready habitat for rats and other small animals; they also increase humidity against all surfaces, causing dry rot.
- All parts of all plantings must be at least 6" from the building/porch/patio and remain 18" below the eaves.
- All non-conforming plantings will be cut back by the Mutual at the Shareholder's expense.
- All plants/trees in the flowerbed areas with a trunk diameter of 4" or more will be removed by the Mutual at the Shareholder's expense.
- All fertilization and plant pest control within the flowerbed area are the responsibility of the Shareholder at their expense. Pesticide application requires careful attention to prevent endangerment to others as well as danger to useful insects.
- Flowerbed areas are cultivated, weeded, and trimmed by Contracted Landscaping Staff. Shareholders who desire to do that work themselves may alert Contracted Landscaping Staff by placing red flags within the flowerbed areas. Flags are available from Directors.
- The staff members of the Contracted Landscaping Service are instructed to remove weeds from all flowerbed areas, including Baby's Tears, wild mint, and plants of the spiderwort family. All these plants are capable of spreading onto the lawns or invading neighboring flowerbeds.
- In no instance are plants of any sort permitted to become entwined, lay upon, or in any manner touch a roof, an exposed beam, or any portion of a structure, as these conditions tend to invite termites, rats, and mice.

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- Any plant materials in the flowerbed areas whose roots are damaging the building structure, walkways, lawn area, or retaining wall must be removed at the expense of the Shareholder and the damages repaired at the expense of the Shareholder.
- Plants not already trimmed to acceptable standards will be cut back, at the Shareholder's expense, when the structure is painted or repaired.
- No more than 15 pots/containers will be allowed per side of personal flowerbed area of common areas of an individual unit (end units 15 in front and 15 on side). Under no circumstances should potted plants prohibit unit ingress or egress.
- Any potted plants placed in the flowerbed areas must be in decorative pots - they may not be left in nursery containers. Potted plants are to be kept trimmed and in a healthy state. The flowerbeds are to be kept in an attractive state to avoid an overabundance of plants that can be an eyesore and attract black widow spiders, other spiders, bugs and rodents.
- Care must be exercised to avoid over-planting flowerbed areas.
- Patio furniture is not permitted in the flowerbed area.
- Containers that have no drainage holes and standing water are not permitted; they are breeding grounds for mosquitoes.
- Freestanding inanimate objects are permitted in shareholder flowerbed areas, but shall be limited to six (6) objects.
- Hanging objects on porches are limited to six (6).
- Shareholders are prohibited from leaving unused gardening material/equipment, empty pots, fertilizer, pavers, trash, newspapers, household items, water dishes or food of any kind in their gardens and common areas. Units with outside storage cabinets cannot store fertilizers in the storage units or carport storage units (fire hazard). If not removed within 30 days a 30-day written notice to correct will be issued
- At all times, entrance walkways, from the sidewalk to the structure/porch/patio, must be kept clear of potted plants and all other impediments, including electric carts. Nothing that will in any way impede the full use of the 36-inch-wide walkway and entry from the sidewalk to the entrance onto the porch is permitted to remain on the walkway. Plant materials must not extend outside the flowerbed limits, over scallop borders, walkways, turf areas, or onto neighboring flowerbed areas.
- Block, brick or concrete must border each decorative walkway and between Shareholder flowerbed area and turf. Edging must be approved by the Architectural Committee, prior to installation.
- Plants are not permitted on top of the Padmount transformer, cable vaults, and telephone vaults, hung or placed on Padmount enclosures (per policy 7492), telephone poles, or adjacent areas.
- All plants and trees must remain at least eighteen inches (18) below the eaves to allow access for inspection and maintenance (i.e., painting).
- A maximum of six (6) hanging items is permitted which includes flower baskets, wind chimes or other artifacts. Plants must be kept trimmed, healthy and on nonrusting hangers.

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- Shareholder's of units A, and L, upon prior written Board approval, may be allowed to plant in the areas adjacent to the ends or sides (triangles in A and L) of their units. If the Shareholder has written permission to use the area, the Shareholder must follow the rules as to what plants are permitted and care for the planting, so as to keep them aesthetically appealing. Approval for these special areas may be revoked by the Board and the plants removed at any time without reimbursement to the Shareholder for the items removed. A 36" unencumbered aisle or dirt walkway will be maintained from the sidewalk to the front window of the 2nd bedroom to ensure unobstructed access for emergency personnel. Violation of this requirement is not protected by a "grandfather" clause and any such plantings will be removed at the Shareholder's expense without compensation
- Watering flowerbed areas is the Shareholder's responsibility. Slow watering of plants all day or all night is not permitted. Watering plants without attendance is not permitted; this is to prevent flooding and over watering of the area. Hoses may not be left unattended if the water is on, and soaker hoses are not permitted.

2. TRANSFORMER/VAULT/METER PANEL AREAS

- Edison pad mount transformers, cable vaults, and telephone vaults must be kept accessible and any objects on them must be easily removable.
- Meter panels must not be obstructed.
- Plants must never rub against the building structure, stucco, or deco blocks.
- All non-conforming plantings will be cut back by the Mutual.
- All plants, vines, and trees must remain at least twelve inches (12") below the eaves to allow access for inspection and maintenance (i.e., painting).
- Climbing or espalier (trellis) plants in pots are allowed above ground but must be confined to a free-standing trellis that is clear of the building.
- For a list of trees, plants, flowers, and bushes that may NOT be planted in the ground see website: <https://www.cal-ipc.org/plants/profiles/>

3. WALKWAYS

- Potted plants may not block the 36-inch entry and walkway requirement.

4. EDGING

- Block, brick, or concrete must border each decorative walkway and between shareholder garden area and turf.
- Edging must be approved by the architectural committee prior to installation.
- If a flowerbed is deemed to be an eyesore by the Landscape Committee and provides hiding places for spiders and rodents, then the Shareholder will be asked, in writing, to clean it out. If the Shareholder does not clean out the "overgrown" flowerbed and/or overabundance of potted plants, then the Mutual will do it at the Shareholder's expense,

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and the Shareholder will not be reimbursed for any plants, pottery, containers or non-authorized "items" in the flowerbed.

5. LIGHTING

- Flowerbed patio solar lighting must be installed that such lighting does not interfere with mowing or edging.
- Maintenance of solar lighting is the responsibility of the Shareholder.
- The landscape contractor and/or Mutual will not reimburse the shareholder for damages to any garden and/or patio lighting.
- Any electrical lighting installations must be permitted by the Golden Rain Foundation Physical Property Department.

6. HOLIDAY DÉCOR

- Shareholders may install holiday lighting and decorations in their flowerbed and/or patio areas only with materials that are approved for outdoor usage.
- Decoration of the walkway light poles and tight globes is prohibited. Decorating or blocking the light in these walkway lights in any way can limit the necessary and appropriate light for safe passage through the area. Items that are placed on, in or around the walkway lights/poles (i.e., painting the globes, potted plants, planting in the ground, ornamental items or items that block the light, placed around the poles, will be removed with no compensation to the Shareholder.

7. GARDEN AREAS

- Shareholders who wish to maintain their shareholder garden areas themselves, can obtain a red flag from a Director or contact the helpline (landscaping) to indicate to the gardeners to pass over the unit's garden area.
- Any tree or plant in the shareholder garden area if deemed by the Physical Property Inspectors and/or Landscape Committee to have roots that will cause damage to the building infrastructure, plumbing, walkways, lawn area, or retaining walls must be removed within 30 days of notice or will be removed at the expense of the shareholder.
- Drip lines may be added within the shareholder garden area. Installation and maintenance expenses are the responsibility of the shareholder and must be done or inspected by mutual landscaper. Installation must be attached to the shareholder's water system and faced away from all building structures. Slow watering of plants all day or all night or without attendance is not permitted; this is to prevent flooding and over watering of the area.
- When the Notice of Intent to Withdraw, sell or transfer is submitted, the unit undergoes an inspection.

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8. SHAREHOLDER GARDEN AREA SIZES

If a shareholder garden area is to be converted into a patio by any means (concrete, tiles, stones, etc.) or any echo-friendly garden alignment changes or expansions; before work begins, it must be permitted and approved by the Board. (See patio rules and regulations)

9. TREES

- The limited planting area around shareholders' units does not allow for the planting of trees in the ground.
- Trees are allowed (above ground in pots) but cannot have roots extend through the pot into the soil of the flowerbed area and cannot come into contact with the unit walls or exterior decor.

10. PLANTS IN POTS

- Plants in decorative pots are allowed above ground in the garden areas.

11. LAWN ORNAMENTS, DECORATIONS, OUTSIDE LIGHTING, SIGNS, FLAGS, AND INANIMATE OBJECTS

Free-standing, hanging, and inanimate objects are permitted within the shareholder garden area with following limitations:

- Limit of 6.
- May not flash, blink, spin, rotate, or cause a public nuisance of any kind.
- Decorations including holiday decorations; landscape or accent lighting; wall-mounted flags and lanterns; for sale, for rent, garage sale, yard sale, and political campaign signs, as long as erected and taken down in a timely manner.
- No signs may be placed on common property.
- Every effort should be made not to disturb or adversely affect neighbors with the installation and operation of flood or security lights.
- The Board may request a homeowner to remove an item(s) if surrounding homeowners complain.
- Commercial advertising signs and flags are prohibited.

12. COMMON AREA MAINTENANCE & USE

- The maintenance of all Mutual common areas (including carport garden areas) is the responsibility of the Mutual Board of Directors and/or Landscape Committee.
- Shareholders are not permitted to place, install, hang, remove, or relocate plants or any other landscaping materials in the common area and around common area trees without

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Board approval. (This includes lawn furniture). If any these items are placed in common areas, they automatically become property of the mutual without financial compensation and may not be removed by any shareholder. Any damages or fees incurred by the Mutual for items placed in common area by shareholder will be the responsibility of the shareholder.

- Common area trees will be removed due to age or disease and replaced with approval from the Board of Directors.
- When making a recommendation for tree removal, pertinent facts shall be supplied to the Board, by the Landscape Committee.
- Some of the facts include whether the tree is diseased, whether the tree can be treated without excessive expense, whether the tree's roots are threatening to invade the sewers or concrete, and whether the tree is growing in such a way that it is unsightly and, therefore, displeasing to the surrounding neighbors.
- Some of the Mutual's trees will require trimming.
- The Landscape Committee, working with an arborist, shall prepare a list of those trees to be trimmed, to be presented to the Board for approval.
- Shareholders of units A, L, F, and G, upon prior written Board approval, may be allowed to plant in the areas adjacent to the ends or sides (triangles in A & L) of their units.
- If the shareholder has permission to use this area, the shareholder must follow the rules as to what plants are permitted and care for the planting so as to keep them aesthetically appealing.
- Approval for these special areas may be revoked by the Board and the plants removed at any time without reimbursement to the shareholder for the items removed.
- A 36-inch unencumbered aisle or dirt walkway will be maintained from the sidewalk to the front window of the 2nd bedroom to ensure unobstructed access for emergency personnel. Violation of this requirement is NOT protected by a "grandfather" clause and any such plantings will be removed at shareholder's expense without compensation unless deemed otherwise by Internal Dispute Resolution committee (IDR).
- Temporary usage of the turf/lawn areas by shareholders for parties/events, moving or construction material requires prior approval from a Director. Shareholders must ensure the area is free of any trash and debris at the conclusion of the event.
- The Mutual has the right to periodically apply fertilizer, herbicides, insecticide, or pesticides to the Mutual lawn areas and will post flyers in the lawn areas, laundry rooms and online when the application start/end.
- Common areas/turf areas are described as the ground areas located outside the unit's flowerbed area. The Mutual is responsible for the maintenance of this area. Laundry room planters are a part of the Mutual's landscape/lawn property - they are not for the Shareholders' use. If a Shareholder infringes upon this area, the Mutual will ask the Shareholder to remove such infringements and removed with no compensation to the Shareholder.
- Shareholders are not permitted to install, maintain, remove, or relocate plants or any other landscaping or non-landscaping materials in the common or turf areas, around trees,

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irrigation corners on greenbelts, or around walkway light poles. Any items, including plants and other landscaping material that is placed in the common/turf area by a Shareholder may be removed at the Shareholder's expense. Directors have the authority to authorize such removal.

- Shareholders are not permitted to install, relocate, or adjust common/turf area sprinklers. Shareholders are not permitted to hand water common/turf areas except for areas inadequately irrigated by the sprinkler system.
- The Mutual will not plant or replace trees in common or turf areas that have less than an eight foot clearance from planting to the sidewalk and/or entrance walkway.
- Temporary use of common/turf areas by Shareholders, requires prior written approval by a Director (examples could include a picnic, party, moving, construction material storage, etc.).
- Walkway lights may not be decorated, have anything attached to them or any items (plants or decorative) placed at the base of the walkway light pole on common/turf areas.
- Any damages or fees incurred by the Mutual for items placed in the common or turf areas by Shareholders will be the responsibility of the Shareholder.
- Common/turf area trees will be removed due to age or disease and may be replaced with approval from the Board of Directors. Shareholders can speak to the Landscape Chairperson about donating a tree to the Mutual greenbelt area.

13. APPROVED AND PROHIBITED PLANTS

The list of approved plants is shown below (no other plants are to be placed in the flowerbeds). If a Shareholder has a question about a plant that does not appear on the approved list, the Shareholder needs to contact the Mutual One Landscape Chairperson for clarification and obtain written approval from the Chairperson prior to planting. If planted without prior written approval, the Mutual will remove, at its discretion, the offending plant(s) at the Shareholder's expense.

Approved Plant List:

If a Shareholder has a question about a plant that does not appear on the approved plant list, the Shareholder needs to contact the Landscape Director for clarification and written approval prior to planting. If planted prior to written approval, the Mutual will remove, at its discretion the offending plant, at the Shareholder's expense

- | | |
|-------------------------|------------------------|
| Agepanthus | Holy Family |
| Daylily | Mexican Sage |
| Echeveria | Aloe |
| Euonymus Variegated | Impatiens |
| Fuchsia | Hydrangea |
| Heaven's Breath | Blonde Ambition |
| Hot Lips Sage | Lantana Little Lucky |
| Kniphofia-Red Hot Poker | Carex (Foothill Sedge) |

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Nandia – Gulfstrea	Duranta
Penniselium Fairy Tails	Pink Muhlygrass
Pyracantha	Cape Honeysuckle
Raphilolepis - Pink Lady	Heather - Mexican Heather
Roses	Lily of the Nile
Santa Barbara Nandia Gulfstream	Marjorie Channon Pittosporum
Statice Plant	Carrissa Green Carpet
Verbena	Linrope
Vinca	

PROHIBITED PLANT LIST

Flowers or plants on the non-approved list shall not be planted in the garden area effective as of the date of the adoption of these rules. Additional prohibited flowers and plants may, in the future, be added to the list by the Board of Directors. The common name of the non-approved plants will be listed first, and the botanical or Latin names will follow in parentheses.

Asparagus Fern (Myer's Asparagus) *Asparagus densiflorus*, Myer's Cactus, large cactus
 Ivy (*Hedera helix*)
 Wild Mint (*Mentha arvensis*)
 Spiderwort (*Tradescantia Virginiana*)
 Bamboo (*bambusa vulgaris*)
 Ficus (*Ficus spp.*)
 Palms with a trunk diameter larger than 4 inches
 Elephant Ears (*Colocasia Esculenta*)
 Firestick Plant (*Euphorbia Tirucalli*)
 Split Leaf Philodendron (Jade)
 All vines

NOTE: Any tree or plant will be removed if deemed by the landscaper or Physical Property Inspectors to have roots that will cause damage to the sewers or infrastructure.

14. ENFORCEMENT

Any shareholder that does not adhere to the garden Rules and Regulations requirements will be advised, in writing, of the problem(s) that need to be corrected. If the shareholder does not correct the problem(s), the Mutual will cause the correction to be made at the Shareholder's expense. The IDR process is available for any disputes or concerns.

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At the time of sale or transfer of the share of unit, any vegetation not in compliance with this Rules and Regulations, including fruit trees, in shareholders garden area, shall be removed and remediated at the seller's expense.

Final inspection and signing of escrow shall not take place until the above changes have been completed.

15. ADMONITIONS

Use of leaf blowers by shareholders is strictly prohibited.

Legally, shopping carts from stores and markets that are brought into Leisure World are considered stolen property. TAKE THEM BACK.

Shareholders with a four-legged pet must clean up after their pet if it relieves itself in any area of the Mutual. Defecated material destroys grass and is a costly hazard to the landscapers.

Easily transported trash or other small items for disposal should be placed into the trash bins provided. Trash or other items may NOT be left on the ground, on the cover of a trash bin, or on the wall of the trash enclosure.

ANY and all electronic waste (computers, toasters, televisions, household furniture, etc., must be take to the Maintenance Yard (located at the very end of Golden Rain Road) and disposed of properly. DO NOT LEAVE THESE ITEMS IN THE TRASH BIN AREA

Large, heavy items not destined for donation and pick-up by some organization must not be placed into a dumpster or left on the ground adjacent to the dumpster. These types of items must be takes to a special dumpster located on the street opposite the Mini-Farm. If that is inconvenient, contact a Director who will arrange for the item(s) to be transported to the Mini-Farm area (Shareholder will be charged a fee for this service).

If large, heavy trash items are abandoned at or near a dumpster in the Mutual, the cost to properly dispose of these items will be charged to the owner, if the owner is identified. If the owner is not identified then the Mutual will have to pay for it and that means that all of Mutual One Shareholders pay for the removal of your abandon items when you leave them at the dumpster.

Be careful with hanging baskets, pots, hummingbird feeders (no other type of bird feeders are permitted), and any other items that hang from the eaves. If the item is too heavy, it may damage the eaves. If not well-fastened, it may be blown off by a strong wind and break a window or injure someone.

SEAL BEACH MUTUAL NO. ONE**Rules and Regulations****ARTICLE VI. RULES FOR THE ELECTION AND REMOVAL OF DIRECTORS BY SECRET BALLOT**

In connection with the election and removal of directors, and in accordance with the California Civil Code Section 5100 et seq., the following rules and procedures shall apply:

1. Frequency

Elections for a seat on the Board of Directors shall be held at the expiration of the corresponding director's term.

2. Meeting at Which Secret Ballots Shall be Tabulated

The inspector(s) of election or their designee(s) shall tabulate the ballots for the election and/or recall of directors at the annual meeting of the owners or a special meeting of the owners or at a special meeting of the Board of Directors duly noticed for the purpose of counting ballots.

The Board of Directors shall determine the date, time and place of said annual or special meeting of the owners and/or the special meeting of the Board of Directors in accordance with the Association's Bylaws.

The voting period for elections shall be at least thirty (30) days. The polls shall open and close as stated on the secret ballot distributed for each election or, if not stated, the polls shall open at the time of the meeting, and close at a reasonable period thereafter, as determined by the inspectors of election.

3. Qualifications and Nominations of Candidates

Notwithstanding anything to the contrary set forth in the Association's Bylaws, the only qualifications to be a candidate for election to the Board are as follows:

- A candidate shall be a "Member" of the Association. If title to a unit is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person to be a "Member" for purposes of election to the Board.
- Each candidate must not be delinquent (as defined in the Association's collection policy) in the payment of any regular or special assessment levied by the Association (but not for nonpayment of monetary penalties, monetary penalties renamed as assessments, collection charges, late charges, or costs levied by a third party). For purposes hereof, a Member shall not be disqualified for failure to be current in payment of regular and special assessments if either of the following circumstances is true: (1) the Member has paid the

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regular or special assessment under protest pursuant to Civil Code Section 5658; or (2) the Member has entered into a payment plan pursuant to Civil Code Section 5665.

- A person may not be a candidate if the candidate discloses, or if the Association is aware of, or becomes aware of, a past criminal conviction that would either prevent the Association from purchasing the fidelity bond coverage required by Civil Code Section 5806 should the person be elected or terminate the Association's existing fidelity bond coverage as to that person should the person be elected.
- A person may not be a candidate if such person, if elected, would be serving on the Board at the same time as another person who holds a joint ownership interest in the same unit as the person and the other person is either properly nominated for the current election or an incumbent director.
- The Association shall not disqualify a person from nomination if the person has not been provided the opportunity to engage in internal dispute resolution pursuant to Civil Code Section 5900 et seq.
- Owners may nominate themselves or another person. Any candidate nominated by another person will be contacted to confirm that such candidate consents to having his or her name placed in nomination for election to the Board and meets the foregoing qualifications for candidacy.
- All candidates who wish to serve on the Board of Directors and, if appropriate, have confirmed their willingness to run for election to the Board of Directors, shall be listed on the secret ballot if their candidate nomination form is received by the date stated on the form.
- Write-in candidates and nominations from the floor of the meeting are prohibited
- The Candidate Nomination Form must be returned to the Association at the address provided on, and by the deadline stated on, such form.

4. Voter List and Candidate List; Right to Verify Accuracy of Individual Information

- The Association shall prepare a candidate registration list following the deadline for returning nominations. The Association shall also prepare a voter list at least thirty (30) days before the secret ballots are mailed, which list shall include for each owner, the name, voting power, and either the physical address of the voter's separate interest, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list if it differs from the physical address of the voter's separate interest or if only the parcel number is used.
- The Association shall retain, as Association election materials, both the candidate registration list and the voter list. The Association shall permit members to verify the accuracy of their individual information on both lists at least thirty (30) days before the ballots are distributed. The Association or member shall report any errors or omissions to either list to the inspector or inspectors who shall make the corrections within two (2) business days.

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The Board of Directors shall appoint one (1) or three (3) independent third parties as inspectors of election before the secret ballots are mailed to all of the owners. An independent third party includes but is not limited to: a volunteer poll worker with the county registrar of voters; a licensee of the California Board of Accountancy; or a notary public. An independent third party may include a member of the Association provided such member is not a member of the Board of Directors or a candidate for the Board of Directors or related to a member of the Board of Directors or a candidate for the Board of Directors. An independent third party may not be a person, business entity, or subdivision of a business entity who is currently employed or under contract to the Association for any compensable services other than serving as an inspector of elections.

Upon appointment, the inspector(s) of election shall meet to determine, among other things, who shall prepare and deliver the nomination procedures, candidate nomination forms, notices, ballots, and other information required by the Act (collectively, "Election Materials") to the members and to whom the Election Materials shall be returned on behalf of the inspector(s) of election (the "Ballot Collector"). The inspector(s) of election may delegate the task of preparing and delivering the Election Materials to a third party and may designate that Election Materials be returned to the inspector(s) of election in care of a third party. Only the inspector(s) of election shall be authorized to open and tabulate secret ballots.

The inspector(s) of election shall also do all of the following:

- Determine the number of memberships entitled to vote and the voting power of each (note: the voting rights of an owner may not be suspended under any circumstances).
- Determine the authenticity, validity, and effect of proxies, if any.
- Receive ballots.
- Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
- Count and tabulate all votes.
- Determine when the polls shall close.
- Determine the result of the election.
- Perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section, the Corporations Code and all applicable rules of the Association regarding the conduct of the election that are not in conflict with this section.
- An inspector of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, as expeditiously as is practical, and in a manner that protects the interest of all members of the Association. The decision or act of a majority shall be effective in all respects as the decision or act of all.
- Any report made by the inspector(s) is prima facie evidence of the facts stated in the report.

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- The Board of Directors may remove and replace any inspector of election prior to the tabulation of ballots if an inspector of election resigns or if the Board of Directors reasonably determines that an inspector of election will not be able to perform his or her duties impartially and in good faith.
- The inspector(s) of election may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the inspector(s) of election deem appropriate, provided that the additional persons are independent third parties as defined herein.

6. Election Timeline and Mailings

The election timeline for delivering all of the statutorily required documents to members is approximately 105 days.

7. Nominations Procedures/Candidate Nomination Form

At least 105 days before the date of the meeting at which the secret ballots for the election of directors or the vote to remove directors(s) and elect his/her/their replacement shall be tabulated, the Association shall, by individual notice, deliver to all members notice of the procedure and deadline for submitting a nomination, and a Candidate Nomination Form. The deadline for returning the Candidate Nomination Forms shall be at least 30 days from the date of the mailing.

8. Mailing Prior to Secret Ballot Distribution

At least sixty (60) days before the election (i.e., at least thirty (30) days before the secret ballots are mailed to owners), the Association shall provide general notice to the members of all of the following:

- The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the inspector or inspectors of elections.
- The date, time, and location of the meeting at which ballots will be counted.
- The list of all candidates' names that will appear on the ballot.

Individual notice of the above paragraphs shall be delivered pursuant to Section 4040 if individual notice is requested by a member.

9. Secret Ballot Procedure; Record Date

The inspector(s) of election shall cause the Association to mail by first-class mail or deliver to each member not less than thirty (30) days prior to the election:

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- Ballots and two (2) preaddressed envelopes with instructions on how to return ballots.
- A copy of these election rules.

Delivery of the election operating rules may be accomplished by either of the following methods:

- Posting the election operating rules to an internet website and including the corresponding internet website address on the ballot together with the phrase, in at least 12-point font: “The rules governing this election may be found here.”
- Individual delivery.

Ballots must ensure the confidentiality of the voters. A voter may not be identified by name or separate interest identifier on the ballot. The ballot shall not require the signature of the voter.

The ballot itself is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left-hand corner of the second envelope, the voter shall sign his or her name, indicate his or her name and indicate the address or separate interest identifier that entitles him or her to vote. The second envelope is addressed to the inspector(s) of election, who will be tallying the votes.

Owners may return their secret ballot by mail, hand deliver it to the meeting or complete the ballot at the meeting; provided, only those ballots which are delivered to the inspector(s) of election prior to the polls closing shall be counted.

A member may request a receipt for delivery of his or her ballot. The record date for purposes of voting shall be the date the ballots are mailed to all of the owners.

10. Campaigning

Association funds may not be used for “campaign purposes” in connection with any board election. The term “campaign purposes” is defined to include, without limitation, (1) “expressly advocating the election or defeat” of any candidate that is on the ballot; or (2) “including the photograph or prominently featuring the name of a candidate on a communication” from the association (except the ballot and voting materials and equal access communications sent pursuant to this Section).

If any such access is provided at all, all candidates or members advocating a point of view during a campaign, including those not endorsed by the Board of Directors, shall be provided equal access to Association media, newsletters, or internet websites (if any) for purposes that are reasonably related to the election. The Association may not edit or redact any content from these communications but may include a statement specifying that the candidate or member, and not the Association, is responsible for that content.

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All candidates, including those who are not incumbents, and all members advocating a point of view, including those not endorsed by the Board of Directors, for purposes reasonably related to the election, shall be provided equal access to any common area meeting space, if any exists, during a campaign at no cost.

11. Handling of Ballots

As secret ballots are returned to the Ballot Collector, the Ballot Collector shall check off on a sign-in sheet that a ballot has been received for such unit. Subject to validation by the inspector(s) of election, once a secret ballot is received by the inspector(s) of election, it shall be irrevocable. Any subsequent ballots received for the same unit shall be deemed invalid and shall be discarded.

The sealed ballots at all times shall be in the custody of the inspector(s) of election or at a location designated by the inspector(s) until delivered to the inspector(s) at the meeting for the opening of the ballots and the tabulation of the vote.

No person, including a member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.

The inspectors of election shall not:

- Deny a ballot to a member for any reason other than not being a member at the time when ballots are distributed.
- Deny a ballot to a person with general power of attorney for a member.

After the tabulation of the vote and for one (1) year after the election or removal, election ballots shall be kept in the custody of the inspector(s) of election. After such time, the custody shall be transferred to the Association. If there is a recount or other challenge to the election process, the inspector(s) of election shall, upon written request, make the ballots available for inspection and review by an Association member or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

12. Tabulation of Votes; Quorum Requirement

All votes shall be counted and tabulated by the inspector(s) of election or their designee(s) in public at a properly noticed open meeting of the members or of the Board of Directors. A quorum of members or a quorum of Board members, as the case may be, must be present if required by the Association's governing documents. Each ballot received by the inspector(s) of election shall be treated as a member present at a meeting for purposes of establishing a quorum.

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The inspector(s) of election shall confirm that no more than one (1) ballot was returned for each unit, and that:

- The printed name of the member on the upper left-hand corner of the envelope is legible and matches the name of at least one of the record owners of the property as shown on the Association’s membership list.
- The member’s signature is on the address envelope.
- The address shown on the address envelope corresponds to the member’s address on the Association’s membership list.

If, in the sole discretion of the inspector(s), the requirements above are not met, the envelope will not be valid for any purpose, including establishing a quorum.

The ballot of a person with general power of attorney for a member shall be counted if returned in a timely manner.

Any candidate or other member of the Association may witness the counting and tabulation of the votes from a reasonable distance.

In order for the vote for the election of directors to be valid, ballots must be returned by at least a quorum of the owners if a quorum is required by the Association’s governing documents. If a quorum of ballots is not received, the ballots will not be counted.

13. Announcement Results

The results of the election shall be promptly reported to the Board of Directors and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by members of the Association.

Upon certification of the election results by the inspector(s) of election, the newly elected Board members shall be deemed to have taken office.

Within 15 days of the election, the board shall give members general notice pursuant to Civil Code Section 4045 of the tabulated results of the election.

14. Retention of Voting Materials

The sealed (or, after tabulation, returned) ballots, signed voter envelopes, voter list, proxies, and candidate registration list shall at all times be in the custody of the inspector or inspectors of elections or at a location designated by the inspector or inspectors until after the tabulation of the vote, and until the time allowed by Section 5145 for challenging the election has expired, at which time custody shall be transferred to the Association. If there is a recount or other challenge

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to the election process, the inspector or inspectors of elections shall, upon written request, make the ballots available for inspection and review by an Association member or the member's authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote. Signed voter envelopes may be inspected but may not be copied.

15. Other Voting/Campaign Issues

Cumulative Voting. Cumulative voting is permitted.

Proxies. The Association's Bylaws permit an owner to give a proxy to another person to vote a secret ballot on the owner's behalf. However, proxies shall not be construed or used in lieu of a secret ballot. In such a situation, the proxyholder will fill out the ballot and enclose it in the "secret ballot" envelope.

This envelope will then be enclosed in the second envelope, as discussed above. In the upper left-hand corner of the second envelope, the proxyholder will sign his or her name, indicate his or her name and indicate the address or separate interest identifier that entitles the owner to vote; however, as the "voter", the proxyholder will sign and print his/her name underneath the name and address of the owner. The proxy must be returned with the ballot, but NOT placed inside the "secret ballot" envelope. If any instruction is given in a proxy issued for an election (or other vote) that directs the manner in which the proxyholder is to cast the vote, such instruction shall be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain. A proxy may be revoked by the owner prior to the receipt of the secret ballot by the inspector(s) of election. If a proxy and a secret ballot are received for the same separate interest, the proxy shall be deemed to have been revoked and the secret ballot shall be counted (if verified by the inspector(s) of election pursuant to these rules). If more than one proxy is received on behalf of a separate interest, the most currently dated proxy shall be counted.

16. Voting on Other Matters

The Association may, but is not obligated to, vote by secret ballot on any other topic which requires the vote of the Owners.

ARTICLE VII. CORRECTIVE MEASURES AND FINES

1. Basic Compliance Policy

The objective of this Compliance Policy shall be to promote and seek voluntary compliance of shareholders for themselves, those qualified to reside with them and the shareholders' visitors including, but not limited to guests, employees and delivery personnel with the Seal Beach

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Mutual No. One Occupancy Agreement, Bylaws, 7000 Series Policies, and Rules and Regulations, all as amended and supplemented (collectively, “Governing Documents”).

2. Reporting Violations

Any resident shareholder, including any shareholder serving on the Board, may report violations. Contact Security, Community Administration, or the Board of Directors.

Such reports shall constitute a complaint and will be documented in writing to include the time, date, nature of violation, circumstances, and location and address of person or persons responsible. The complaint will be provided to the Mutual for review and, if necessary, enforcement action.

3. Enforcement Procedures

The Mutual may, in the Board’s discretion, enforce any violation of the “Governing Documents” by pursuing, without limitation anyone, or combination of, the remedies described below in paragraphs, One, Two, or Three (1, 2, or 3). Notices described in One and Two below shall include a statement inviting the shareholder to a hearing or their right to request a hearing.

1. Send an initial notice of violation letter to the resident shareholder stating the nature of the alleged violation. In the event that the shareholder does not take corrective action and continues to be non-compliant, the notice will include a reasonable date within which to voluntarily comply.
2. At the request of the Shareholder Resident or of the Mutual 1 Board of Directors, an internal Dispute Resolution (IDR) hearing* will be scheduled. Hearings can be in person, or on-line (using ZOOM application) the shareholders request. If the resident has a scheduling conflict, the resident can request one deferent to no later than 2 weeks after the scheduled hearing. Requests can be via email or in writing. Failure to attend a scheduled or deferred hearing results in waiver of resident’s right to a hearing. The result of the hearing will be provided by Mutual 1 in writing to the Resident Shareholder. Either with potential imposed fines or closing of the hearing with the understanding the violation will be remedied.
3. In the event the violation is not remedied, send a 2nd notice of violation and ~~intent to~~ impose a fine. Fines will be imposed in accordance with the Mutual’s Violation Fine Schedule. An action in law or in equity to recover the sums due for damages, injunctive relief or any other appropriate legal or equitable relief that may be available to the Mutual.

The following procedure will apply to all violations and infractions of the Governing Documents. At the time a violation is noted or reported, action will be taken as follows:

1. Warning: First Violation – The Board shall give written notice to the shareholders. The notice will identify the violation, and, if appropriate, a time frame for correcting the

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violation. Notwithstanding the foregoing, under circumstances involving conduct that constitutes (a) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring shareholders; (b) a traffic or fire hazard, or (c) a threat of material damage to, or destruction of, the Common Area (collectively, a "Safety Violation"), the Board may forego a warning letter, and proceed immediately with corrective or enforcement action

2. Repeat Violation – If the same violation is repeated (as such term is defined below) within a twelve-month period or in the event of a Safety Violation, the Board shall give the shareholder a written notice of the violation personally or by mail sent by first class or registered mail, return receipt requested, at least 10 days before the proposed hearing on said violation. Said notice shall contain (a) an explanation in clear and concise terms of the nature of the alleged violation; (b) reference to the provisions of the Mutual's governing documents the member is alleged to have violated, (c) the proposed discipline (e.g. imposition of a monetary penalty based on the Fine Schedules below, suspension of privileges, and/or termination of occupancy, etc.), and (d) the date, time and location of the hearing concerning such alleged violation.

The hearing shall be conducted by the Board, in executive session, affording the member a reasonable opportunity to be heard and enabling the Board to evaluate the evidence concerning the alleged violation. At the hearing, the Board shall allow the shareholder to present oral or written evidence concerning the alleged violation. If the Board concludes that the alleged violation occurred, the Board may impose monetary penalties, temporarily suspend common area privileges for a period not to exceed thirty (30) days or take any other disciplinary action permitted by the Governing Documents. However, no such penalty imposed by the Board shall take effect sooner than five days after the date of the hearing. The Board will provide the shareholder notice of the disciplinary action taken against him within 15 days after the Board's decision. The Board's notice of decision shall provide a written explanation of the fine, suspension, termination or conditions, if any, imposed by the Board.

For the purposes of this Fine Schedule, a "repeated violation" shall be one which is assessed to a single unit within a twelve-month period. However, should a twelve month period pass without any violations, a first notice to correct the violation must be sent by the Mutual prior to imposing any fines.

3. On-Going Violation – If a violation is not corrected within the time frame referenced in the warning letter or in the event of a Safety Violation, the Board shall give the shareholder written notice of the violation personally or by mail sent by first class or registered mail, return receipt requested, at least 10 days before the proposed hearing on said violation. Said notice shall contain (a) an explanation in clear and concise terms of the nature of the alleged violation; (b) reference to the provisions of the Mutual's Governing Documents the member is alleged to have violated, (c) the proposed discipline (e.g. imposition of a

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monetary penalty based on the Fine Schedules below, suspension of privileges, and/or termination of occupancy, etc.) and (d) and the date, time and location of the hearing concerning such alleged violation.

The hearing shall be conducted by the Board, in executive session, affording the member a reasonable opportunity to be heard and enabling the Board to evaluate the evidence concerning the alleged violation. At the hearing, the Board shall allow the shareholder to present oral or written evidence concerning the alleged violation. If the Board concludes that the alleged violation occurred, the Board may impose monetary penalties, temporarily suspend common area privileges for a period not to exceed thirty (30) days or take any other disciplinary action permitted by the Governing Documents. However, no such penalty imposed by the Board shall take effect sooner than five days after the date of the hearing. The Board will provide the shareholder notice of the disciplinary action taken against him within 15 days after the Board's decision. The Board's notice of decision shall provide a written explanation of the suspension, fine or conditions, if any, imposed by the Board.

If the violation continues past the hearing and first fine stage, additional fines may be assessed on a daily, weekly or monthly basis as provided for, and at the rates set forth, below in the Fine Schedule without further hearing until the violation is abated by the shareholder. For the purposes of this Fine Schedule, "continuing violations" shall refer to violations that remain unchanged and ongoing until abated by the shareholder.

4. Legal Counsel: Alternative Dispute Resolution – At any time, the Board may refer a matter to the Mutual's legal counsel for enforcement or pursue any other remedy provided by the Mutual's Governing Documents or law. Additionally, if required by Civil Code Section 5925 et seq., mediation or arbitration will be offered. If a lawsuit is filed, the shareholder may be liable for Mutual's legal costs and fees

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

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

Fines for violations may be levied in accordance with the following schedule:

Invoices for fines are due and payable immediately.

APPENDIX A

FINE SCHEDULE

	1st Offense	2nd / Repeated Violation	On-Going Violation (if the violation continues past the hearing and first fine stage)
Residency/Occupancy Violations (e.g., unauthorized occupants, guests)	Notice to Comply in 48 hours	\$500.00	\$500.00 May be imposed on as frequently as a daily basis until corrected, cumulative; 1 st month \$500, 2 nd month an additional \$500 for a

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residing longer than permitted)			total of \$1,000, etc., with no limit on total fine amount; or \$100, 2 nd month additional \$100 for a total of \$200. With no limit on total amount.
Violation of Mutual Occupancy Agreement & all other Policies	Written Warning	\$100.00	\$500.00 May be imposed on as frequently as a daily basis until corrected, cumulative; 1 st month \$500, 2 nd month an additional \$500 for a total of \$1,000, etc., with no limit on total fine amount; or \$100, 2 nd month additional \$100 for a total of \$200. With no limit on total amount.
Carport Driveway	\$50.00	\$50.00	\$75 for the first 30 days past the hearing and first fine stage \$100 each month thereafter until corrected
Walls by Trash Area	Written Warning	\$25.00	\$25.00 May be imposed on as frequently as a daily basis until corrected.
Laundry Room Areas	\$25.00	\$25.00	\$25.00 May be imposed on as frequently as a daily basis until corrected.
Garden Violations	Written Warning	\$25.00	\$25.00 May be imposed on as frequently as a daily basis until corrected.
All other Violations of Rules	Written warning	\$25.00	\$25.00 May be imposed on as frequently as a daily basis until corrected.

ARTICLE VIII. COLLECTION RULE

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COLLECTION POLICY

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:

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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.

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Document History

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