

SEAL BEACH MUTUAL NO. ELEVEN

Rules and Regulations

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1. ARTICLE I – GOVERNANCE AND CORPORATE STRUCTURE

1.1. Section 1.1 – Governance

Seal Beach Mutual No. Eleven is a stock cooperative housing corporation organized under the California Corporation Law (“Mutual”) and is a General California Corporation providing housing on a non-profit basis. The Mutual is comprised of three hundred and twelve (312) shares of stock. The Golden Rain Foundation is not a housing corporation, but a corporation that manages the shared community facilities. Each owner of a share of stock in the Mutual (hereinafter “Shareholder”) is a shareholder of the mutual as well as a member of the Golden Rain Foundation. The Mutual has its own set of governing documents, filed with the Secretary of State and transferred to each shareholder through escrow.

1.2. Section 1.2 – Senior Housing Development

According to California Civil Code Section 51.3, in order to reside in a senior housing development at least one (1) occupant must be fifty-five (55) years of age or older; all other persons who reside must be at least forty-five (45) years of age, unless the other occupant is: (1) a spouse or registered domestic partner; or (2) a primary provider of physical health care. Any person wishing to reside in the community must meet the above qualifications and obtain prior approval from the Board of Directors.

1.3. Section 1.3 – Governing Documents

The Mutual’s governing documents include these Rules and Regulations, the Articles of Incorporation, Bylaws, and an Occupancy Agreement between the Mutual and each Qualifying Resident (hereinafter collectively the “Governing Documents”). The Mutual leadership consists of a six (6) member Board of Directors (hereinafter “Mutual Board”), elected by the shareholders of the Mutual.

1.4. Section 1.4 – Golden Rain Foundation

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

1.5. Section 1.5 – Additional Definitions

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

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- 83 of the Shareholder’s Unit, whether due to the election of sale and/or the
- 84 Qualifying Resident’s demise.
- 85 **2.4.1.** If the Unit is to be sold, a “Notice of Intention to Withdraw” must be
- 86 filled with the Stock Transfer Office in the Administration Building.
- 87 **2.4.2.** All trash must be removed from the Unit and porch area and disposed
- 88 of in the trash bins located at the carports. All trash must be
- 89 completely contained within these trash bins. Discarded items may
- 90 not be left outside the trash bins. For large items that cannot be
- 91 contained within these trash bins, a large dumpster is located in the
- 92 garden area at the northwest corner of Leisure World on Nassau
- 93 Street (behind Mutual Nine).
- 94 **2.4.3.** Televisions, electronics, paint and other combustibles or chemicals
- 95 may not be placed in any trash trash dumpster within Mutual
- 96 Eleven. Items of this type and liquids containing hazardous
- 97 materials must be disposed of at a hazardous waste facility.
- 98 Contact: Huntington Beach Hazardous Waste Collection Center at
- 99 (714) 847-3581 for information (on Nichols Street, west of Beach
- 100 Boulevard and south of Warner Avenue), or the Orange County
- 101 Integrated Waste Management Department at (714) 834-6752.
- 102 **2.4.4.** Refrigerator must be emptied and washed inside and out, be turned
- 103 off, and the doors propped open to vent and dry the interior. If the
- 104 refrigerator doors are not propped open, the refrigerator must be left
- 105 on.
- 106 **2.4.5.** All food products must be removed from the cupboards and
- 107 disposed of properly.
- 108 **2.4.6.** Cook top must be cleaned, and grease or drippings removed from
- 109 under the burners. Exhaust filter must be thoroughly washed or
- 110 replaced. Replacement filters may be obtained through the GRF
- 111 Purchasing Department located at the west end of Golden Rain
- 112 Road.
- 113 **2.4.7.** Oven must be cleaned, and the grates and broiler pan/cover
- 114 thoroughly washed.
- 115 **2.4.8.** Kitchen and bathroom countertops, sinks, tub, shower enclosures
- 116 and toilets must be thoroughly cleaned.
- 117 **2.4.9.** Interior surfaces in Unit are to be cleaned, and the carpet
- 118 vacuumed.
- 119 **2.4.10.** Only porch furniture may be left on the porch during this interim
- 120 period.
- 121 **2.4.11.** Electricity must be left on during the sale period to allow the electric
- 122 smoke detector system to remain operational.
- 123 **2.4.12.** Carport storage locker must be cleaned out and left unlocked.

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2.5. Section 2.5 – Lockout Procedures

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

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

2.5.2. Death of Sole Shareholder

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

2.5.2.2. Attended Death. If the death of the Qualifying Resident/Shareholder is attended, Security will complete a DOA Report, to identify all individuals present at the time of death. Security will deliver the Bereavement Book to the Unit. Security will instruct all individuals present, who identify themselves as having legal authority over the Unit, to visit the Stock Transfer Office, as soon as reasonably possible, in order to present evidence of the same. Security may also verify such legal authority. Notwithstanding the foregoing, Security will inform all persons present that no one may stay in the Unit overnight without Mutual permission, unless they are a Qualifying Resident, Qualified Permanent Resident, or registered Co-Occupant. Visitors and guests may request, from the Mutual Board, an emergency waiver to remain in the Unit

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165 for a limited period of time. If Security is unable to verify the
 166 party with legal authority over the Unit, all person's present
 167 will be asked to leave the Unit until legal authority is
 168 established at the Stock Transfer Office. From there, and
 169 until otherwise decided by the Stock Transfer Office,
 170 Security reserves the right to place a knob lock on, or affix
 171 a plywood sheet to, the door of the Unit.

172 **2.5.3. Reporting of Death to Mutual Board.** The Stock Transfer Office will
 173 report Qualifying Resident/Shareholder deaths to the Mutual Board
 174 within two (2) business days, and will include the following
 175 information, without limitation: (1) name of decedent; (2) date and
 176 location of death; (3) identification of persons present at Unit (if any);
 177 (4) name, relationship and contact information of surviving Qualifying
 178 Resident/Shareholder (if any); (5) name, relationship and contact
 179 information of decedent's emergency contacts (if any); (6) if legal
 180 authority has been established; (7) if/how the Unit was secured; and
 181 (8) if there are any registered Co-Occupants, caregivers or pets in
 182 the Unit.
 183

184 **2.6. Section 2.6 – Listing Inspections**

185 The Mutual shall charge a fee for the inspection process when a Share of
 186 Stock is listed for sale, per the attached fee schedule in Exhibit "E".
 187

188 **2.7. Section 2.7 – Withdrawal Fee**

189 All Shareholder who wishes to sell his/her Mutual Stock must first obtain
 190 Board waiver of option before the Stock is listed for sale. The Board of the
 191 Mutual requires that any Broker who accepts a listing of Stock must complete
 192 the following steps before this listing is executed: (1) deliver to the Stock
 193 owner, requesting the listing, a copy of the Mutual Waiver of Option form.
 194 Notify the Shareholder that this form must be executed by the Mutual before
 195 the listing can be taken; (2) explain to selling Shareholder that a listing
 196 inspection will be made. Give the Shareholder a blank copy of the inspection
 197 form; (3) upon completion of the inspection, a copy of the completed
 198 inspection form will be sent to the selling Shareholder; and (4) when the
 199 selling Shareholder receives the completed inspection form, he/she should
 200 contact the Sales Representative that initially made contact and supplied the
 201 listing form.
 202

203 **2.8. Section 2.8 – Inspection of Vacant, Unoccupied or Seasonal-Use Units**

204 Any vacant, unoccupied or seasonal-use unit in Mutual Eleven shall be
 205 inspected every ninety (90) days by a GRF Building Inspector and the Mutual

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206 director assigned to the respective building. Inspections shall be conducted
 207 during the months of January, April, July and October. The inspection in April
 208 may be waived during the years that the Fire/Safety Inspection is conducted.
 209 The inspection of vacant units for sale will not be posted. The inspection for
 210 unoccupied and seasonal-use units will be posted at least twenty-four (24)
 211 hours prior to the inspection. Letters for posting are available through the
 212 Physical Property Department office. During the inspection, if any violations
 213 are found that are the responsibility of the Shareholder, the Shareholder must
 214 affect the repairs, maintenance or replacements as needed within the
 215 timeframe specified. In accordance with the Qualifying Resident’s Occupancy
 216 Agreement, if the shareholder fails to affect the repairs, maintenance or
 217 replacements in a manner satisfactory to the Mutual, the Mutual may do so
 218 and add the cost thereof to the Shareholder’s next monthly Assessment.
 219

220 There will be a maintenance/inspection charge for vacant, unoccupied or
 221 occasional use Units in the amount of twenty-five dollars (\$25.00) per
 222 inspection.
 223

2.9. Section 2.9 – Co-Occupant

225 The community facilities of the GRF are maintained for the use of members of
 226 GRF and Qualifying Residents of the Mutual(s), subject to the following
 227 exceptions:

2.9.1. Co-Occupants

229 **2.9.1.1.** Senior citizens, as defined in California Civil Code
 230 Section 51.3 (b)(1), who are not Shareholders of the
 231 Mutual, but are approved by the Mutual to reside with a
 232 Qualifying Resident, shall be entitled to use all of the
 233 community facilities upon payment of a fee equal to the
 234 Amenities Fee.

235 **2.9.1.2.** In order to comply with Section 51.3 of the California Civil
 236 Code, the following people may reside in the Mutual: (1) a
 237 person who is fifty-five (55) years of age or older; (2) a
 238 person who has completed the Co-Occupant Application;
 239 (3) a person who has written authorization from the
 240 Mutual President, or any Mutual Officer so designated by
 241 the Mutual President, to reside in the Unit; (4) a person
 242 who has paid the required Amenities Fee to the GRF.

243 **2.9.2. Qualified Permanent Residents.** Qualified Permanent Residents
 244 are persons who are not senior citizens as defined in Civil Code
 245 Section 51.3(b)(1), who can present proof that they are eligible to
 246 be classified as Qualified Permanent Residents under Civil Code

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247 Section 51.3(b)(2). Such Qualified Permanent Residents shall be
 248 entitled to use all of the community facilities upon payment of a fee
 249 equal to the Amenities Fee.

250 **2.10. Section 2.10 – Health Care Providers (Caregivers)**
 251 In order to work as a caregiver in the Mutual, a caregiver must comply with the
 252 following:

253 **2.10.1. Business License.** The Mutual recommends that all Caregivers
 254 have a valid business license, issued by the City of Seal Beach
 255 and/or work for an agency with a valid business license, issued by
 256 the City of Seal Beach.

257 **2.10.1.1.** Exceptions to 2.10.1. A family member of a Qualifying
 258 Resident, who is acting in the capacity of a caregiver is
 259 exempt from possessing a business license but must
 260 apply and receive a caregiver’s pass and badge.

261 **2.10.2. Driver’s License.** Any caregiver working in Mutual Eleven must
 262 have a valid driver’s license if driving a vehicle into Leisure World.

263 **2.10.3. Pass and Badge Requirements.** All caregivers (including family
 264 members without a business license) as an individual, or through an
 265 agency, must apply and receive a caregiver’s pass and clear badge
 266 holder through the GRF Stock Transfer Office. The Pass must: (1)
 267 be renewed every six (6) months; (2) be worn in clear sight at all
 268 times; and (3) may not be transferred or lent to anyone.

269 **2.10.4. Caregiver’s Use of Laundry Facilities**

270 **2.10.4.1.** Part-time caregivers may use laundry facilities for
 271 Shareholder’s laundry only. Part-time caregivers who use
 272 Mutual laundry facilities for their personal or family use
 273 will be permanently banned from the Mutual.

274 **2.10.4.2.** Caregivers who serve as 24-hour caregivers, and live
 275 within the Qualifying Resident’s Unit, may use washers
 276 and dryers for their personal use, but may not use the
 277 washers and dryers for other family members or friends.

278 **2.10.5. Qualifying Resident’s Requirements.** In order to establish that a
 279 Qualifying Resident requires 24/7 care from a Caregiver, the
 280 Qualifying Resident must present a doctor’s note, stating that 24/7
 281 care is necessary. The note must be on the doctor’s original
 282 letterhead and must be an original document. The requirement to
 283 obtain a doctor’s note does not apply to a Qualifying Resident that
 284 requires part-time care.

285 **2.10.6. Caregiver Actions.** Caregivers, as an invitee or the Qualifying
 286 Resident, must act in compliance with the Rules and Regulations of
 287 the Mutual at all times. Specifically, a Caregiver must cease any

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

296 **2.10.7. Caregiver Parking.** If a Qualifying Resident does not own a
 297 vehicle, the Qualifying Resident’s caregiver may use the carport
 298 space associated with the Qualifying Resident’s Unit, for purposes
 299 of parking their own vehicle, only after obtaining a temporary
 300 parking permit through the GRF Stock Transfer Office. Such
 301 temporary parking permit must always be clearly displayed on
 302 dashboard of the caregiver’s vehicle.
 303

304 **2.11. Section 2.11 – Non-Qualifying Resident Shareholder Residency –**
 305 **Inheritance of Share of Stock**

306 If a Non-Qualifying Resident Shareholder inherits a Share of Stock and
 307 desires to become a Qualifying Resident of the Mutual and member of the
 308 Golden Rain Foundation, such individual shall meet the eligibility criteria with
 309 reference to age, financial ability, health and character as set forth in the
 310 Mutual’s Rules and Regulations and/or Policies and the Golden Rain
 311 Foundation Policies, subject to an interview by representative(s) of the Mutual.
 312 The Unit related to the inherited Share of Stock will be inspected by the
 313 Mutual to determine whether it has been properly maintained, repaired and
 314 meets the Mutual regulations. Unless any such repairs are a Mutual
 315 responsibility, items noted in the inspection as being deficient will be corrected
 316 at the Shareholder’s expense. The Mutual will charge the inheriting
 317 Shareholder a fee of two hundred fifty dollars (\$250.00) for the inspection
 318 process.
 319

320 **2.12. Section 2.12 – Personal Property Liability Insurance**

321 All Shareholders (whether residing in the Unit or not) must carry general
 322 liability insurance (either in the form of an HO6 policy or a renter’s policy) with
 323 proper liability coverage. The general liability insurance policy shall cover the
 324 entirety of the contents within the Unit, any damage to the interior of the Unit,
 325 any damage to property owned by third-parties, and any personal injury
 326 occurring in the Shareholder’s Unit or adjacent property, for which the
 327 Shareholder is responsible. The general liability insurance policy requirements
 328 are set out below. The Shareholder shall: (1) obtain and maintain a general

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329 liability insurance policy, at his/her/its sole expense; (2) be liable for the cost
 330 of any deductible their policy has with respect to any claim for which a
 331 Shareholder is insured and is liable; (3) obtain general liability insurance in an
 332 amount sufficient to cover personal injury to other persons who may be injured
 333 in their Unit or on other property for which the Shareholder is responsible, but
 334 in no event less than three hundred thousand dollars (\$300,000.00); (4)
 335 ensure that the general liability insurance policy covers personal property
 336 stored or parked on the street or in the carport, such as property stored in or
 337 under the storage cabinets; (5) if a pet owner, policy must cover the
 338 Shareholder in the event Shareholder’s animal causes bodily injury or
 339 property damage to a third party; and (6) obtain coverage for additional living
 340 expenses, for no less than twelve (12) months, should the Shareholder be
 341 unable to occupy the Unit for any period of time while repairs are made to the
 342 Unit.

343
 344 The Shareholder and/or Qualifying Resident must provide the Mutual with
 345 proof of insurance within thirty (30) days from the date the Qualifying Resident
 346 executes the Occupancy Agreement, or within thirty (30) days from the date
 347 the Mutual demands a copy of the same. The Shareholder is not relieved of
 348 any liability due to the Shareholder’s failure to insure their property.

349
 350 Notwithstanding any other provision in the Governing Documents, each
 351 Shareholder shall be liable for his/her/its own negligent or intentional actions
 352 resulting in damage to property or personal injury, including the cost of any
 353 Mutual insurance deductible that Shareholder causes the Mutual to incur. The
 354 Shareholder is solely responsible for the cost of any damage caused by
 355 his/her/its own negligent or intentional actions, including repairing or replacing
 356 any damage he/she/it causes to any personal property in the unit, including
 357 without limitation, furnishings, interior improvements, floor and wall coverings,
 358 appliances, fixtures and any damage to the unit, any other unit, or the building
 359 caused by water intrusion from whatever source, fire, or any other cause.

360
 361 The Mutual shall only be responsible for the routine maintenance, repair, or
 362 replacement of Common Areas or facilities and for its own or its agents’ and
 363 employees’ negligent or intentional acts. Shareholder is responsible for any
 364 damage caused by the failure of Shareholder’s standard fixtures, appliances
 365 and plumbing systems.

366
 367 Although a Shareholder may be unable to occupy the Unit while repairs are
 368 being made, the Shareholder shall, nonetheless, be responsible for any living
 369 expenses incurred during repairs and the monthly assessment on the

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Shareholder’s Unit regardless of who caused the damage. The Shareholder, may, however, seek indemnification from any and all individuals and entities who are liable for the damage making the Unit inhabitable.

3. ARTICLE III – ARCHITECTURAL GUIDELINES

3.1. Section 3.1 – Contractor’s License

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

3.2. Section 3.2 – 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 must submit an application for issuance of a building permit to the Physical Property Department and obtain a GRF Permit for the alterations and/or additions. The Shareholder must provide the Physical Property Department with a written, signed proposal and contract between the Shareholder and the contractor performing the work, which describes the work to be done by the contractor, the fees to be paid, and the commencement and completion dates of the work. Such contract must be in the form of the appropriate Standard Form Contract provided by GRF and must be properly completed and signed by the Shareholder and contractor proposing to do the work.

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

Mutual requires the signature of the Mutual President or designee on any building permit, building plans, and change orders issued for Unit remodeling and approved by GRF.

No Shareholder shall make any structural alterations in the Unit or Mutual premises, or in the water, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements or fixtures from

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411 the Unit or Mutual premises, without the prior written consent of the Mutual and
 412 GRF.

413
 414 **3.3. Section 3.3 – Mutual not Responsible for Damage**

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

418
 419 **3.4. Section 3.4 – Installation of Showers/Bathtubs**

420 Shareholders may install a bathtub within the Shareholder’s Unit at the
 421 Shareholder’s own expense, so long as the bathtub meets the requirements
 422 set forth in this section. The bathtub must have a minimum inside width of
 423 nineteen inches (19”). A Shareholder may install a shower door (piano hinge)
 424 within the Shareholder’s Unit, when shower cut-downs are performed in the
 425 Shareholder’s Unit, at the Shareholder’s own expense.

426
 427 **3.5. Section 3.5 – Skylights**

428 Subject to the approval requirements contained herein, a Shareholder may
 429 install a skylight over specified locations in the existing roof structure of the
 430 Shareholder’s Unit, at the expense of the Shareholder. The Shareholder and
 431 contractor must utilize the Standard Form Contract prepared by the Physical
 432 Property Department. The construction must conform to the plans and
 433 specifications approved by the GRF and Mutual Board. The Shareholder must
 434 obtain a building permit from the City of Seal Beach, California. The
 435 Shareholder must agree that title to the remodeling and addition shall vest in
 436 the Mutual.

437
 438 At the time of installation or replacement of skylights or skylight domes, single-
 439 sided foam tape must be applied between the frame and skylight dome.
 440 Further, the skylights must meet the following specifications: (1) size must be
 441 thirty-two inches (32”) by sixty-four inches (64”); (2) number of skylights per
 442 Unit: one (1) bedroom Units may have two (2) skylights and two (2) bedroom
 443 Units may have three (3) skylights; (3) location must be over entry way, over
 444 front patio, in front of bedroom, in front of living room, kitchen, and/or
 445 bathroom; and (4) position must be thirty inches (30”) in from building stucco
 446 wall/long side of skylight parallel with rafters/a long side of skylight across the
 447 rafters (middle rafter may be cut and headered in).

448
 449 **3.6. Section 3.6 – Microwave Ovens**

450 A Shareholder may install a special model microwave in the kitchen of the
 451 Shareholder’s Unit, at the Shareholder’s own expense, in place of the stove

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hood. The installed microwave will be a permanent installation to be maintained by the Shareholder and must have a separate circuit. On resale of the Mutual Share related to the Unit, the new Shareholder will assume responsibility for the maintenance.

3.7. Section 3.7 – Ceiling Fans

Ceiling fans may be installed in any location provided that they meet the City of Seal Beach’s specifications of a six feet (6’), eight inches (8”) 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.

3.8. Section 3.8 – Notification of Remodeling

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

3.9. Section 3.9 – Washers and Dryers in Unit

Washers and dryers may be installed in a Shareholder’s Unit by contacting the Physical Property Department for a permit. Washers and dryers shall not be installed on a shared/common wall. Any washer and 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 thoroughly cleaned and free of lint for clear passage of air flow from machine to roof top areas. A sticker with the date of cleaning must be affixed to the cleanout cover every time a cleaning is performed by Service Maintenance or an outside vendor.

In addition, all washing machine hoses and fittings must be checked every two (2) years 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 with a follow- up by the GRF Building Inspector to verify completion. In all closes of escrow and changes of stock, all hoses must be changed prior to closing. The maintenance fee for this work shall be borne by the Shareholder. Further, during the fire inspections conducted every other year, the GRF Building Inspector will compile a list of all units containing a washer and dryer.

New washers and dryer installations shall be submitted to the Physical Property Department with a plan describing the proposed connection to the

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493 sewer. All washers shall be installed with a battery powered water alarm
 494 behind the washing machine unit at the floor. Only braided metal supply hoses
 495 are allowed for the appliance. Dryer vents must go to the roof and have a clean
 496 out accessible within the Unit. All venting must be galvanized pipe with a short
 497 flex line used for the connection to the appliance. This ensures that the
 498 appliance may be pulled out and serviced without breaking the vent seal. The
 499 contractor may cut a hole for the vent from within the attic but may not have
 500 access to the roof of the Mutual building. The contractor must then contact the
 501 Mutual roofer to have it flashed with the approved damper cap. An insulation
 502 inspection must occur to verify the presence of the soundproofing before the
 503 GRF Building Inspector will sign off on the project. The Shareholder and/or
 504 Qualifying Resident assumes full responsibility for any damage incurred as a
 505 result of the installation and/or use of a personal washer and/or dryer in their
 506 Unit.

507
 508 **3.10. Section 3.10 – Walk-In Therapeutic/Jacuzzi-Type Bathtubs**

509 A Shareholder may install a walk-in therapeutic bathtub or Jacuzzi and the
 510 related equipment/ appurtenances, at the Shareholder’s expense, within the
 511 Shareholder’s Unit. The Shareholder shall assume financial responsibility in
 512 case the licensed installation company fails to comply with all provisions of the
 513 permit and all GRF and Mutual Rules and Regulations and agrees to return the
 514 Mutual property to its original condition or satisfactorily complete the installation
 515 upon demand by the Mutual.

516
 517 The Mutual has the authority and authorization to remove the bathtub/Jacuzzi
 518 and related equipment/appurtenances and return the shower/tub area to its
 519 original condition at the Shareholder’s expense if the installation does not
 520 comply with the provisions of this Section.

521
 522 The walk-in therapeutic bathtub/Jacuzzi shall have: (1) a Sound insulation
 523 board applied to all surrounding walls, floor to ceiling, with drywall mud and
 524 tape; (2) the shower trap shall be replaced using an all-glue ABS trap and a
 525 two-inch (2”) trap with accessible clean out shall be maintained; (3) all new
 526 water piping shall be copper pipe. Water tie-ins shall be in the attic with ball
 527 valve shut offs; (4) a twenty-four inches (24”) by twenty-four inches (24”) attic
 528 access shall be provided in the bathroom for access to the shut off valves. The
 529 attic access cover shall be a combination of plywood laminated to a 5/8-inch
 530 type X drywall with the drywall facing the attic side; (5) the bathtub/Jacuzzi
 531 faucets shall have quarter turn shut offs that are accessible. The discharge of
 532 water shall be by gravity drain. A pump may only be used if the discharge rate
 533 does not exceed seven (7) gpm. Air injection jets may only be installed if they

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do not exceed a 44-decibel sound level. If they are an integral part of the bathtub/Jacuzzi, they must be disabled if they do not meet this sound level; (6) a non-standard 50-gallon water heater shall be installed with a re-circulating pump for the bathtub/Jacuzzi unless an alternate source for maintaining adequate hot water temperature at the bathtub/Jacuzzi is provided such as a tank-less booster water heater at the bathtub/Jacuzzi. The installation and maintenance shall be at Shareholder’s expense; and (7) the main electrical panel must be upgraded to a 125-amp square D electrical panel with a 100-amp main breaker, if necessary, to provide sufficient circuit breakers. A sub-panel is not permitted.

3.11. Section 3.11 – Pre-Demolition

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

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

3.12. Section 3.12 – Demolition

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

3.13. Section 3.13 – Concrete

Any new concrete work being done at a Unit must include a twelve-inch (12”) concrete apron along the front of the garden. With the apron, the hose bib line will need to be changed to copper Type “L” with an approved hose bib. The copper line must pass through the concrete with a sleeve of ABS larger than

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575 the copper pipe. All new concrete defined as foundations, patios, aprons, and
 576 walkways shall be doweled into existing slabs a minimum of 24-inch on center
 577 with a #4 rebar and at least a 6-inch embedment.

3.14. Section 3.14 – Framing

578
 579 At framing inspection, the contractor shall treat the exposed framing for termite
 580 resistance with a product such as Tim-bor. Tim-bor must be applied by brush
 581 or spray as follows: two (2) applications of a ten percent (10%) solution when
 582 drier than normal; one application of fifteen percent (15%) solution when
 583 normal moisture.
 584

585
 586 When a Unit is remodeled, the architect, engineer, and/or contractor shall
 587 design and construct all the ceiling systems in such a way that allows for a
 588 minimum of one-inch (1”) unobstructed flow of air from the eave vents up to the
 589 ridge vent. No framing material or insulation shall obstruct this air flow. If the
 590 insulation is going to close this one-inch (1”) space, then a plastic baffle shall
 591 be installed to maintain it. No wood trim or coverings will be allowed on the
 592 exterior. Only termite resistant products shall be allowed on the exterior finish.
 593 Cement fiber trim and hard panel siding are standard. However, composites
 594 may be reviewed by the Mutual Board for approval. The only wood to remain
 595 for an exterior remodel is the original roof overhang that includes vent blocks,
 596 rafters, fascia, and plywood. If these are damaged or repaired by the
 597 contractor, the contractor shall replace wood to match existing and paint to
 598 match. Wood must be primed and painted with the approved paint. The Mutual
 599 will maintain the maintenance responsibility for the exterior wood members
 600 upon completion and approval of the work.
 601

3.15. Section 3.15 – Drywall

602 All drywall at common walls, ceilings, skylight shafts shall be 5/8 Type X.
 603

3.16. Section 3.16 – Plumbing

604
 605 The Shareholder shall ensure that if any work is to be done on exposed original
 606 plumbing, (water/sewer) that the plumbing shall be changed to either copper
 607 Type “L” with sweat joints or ABS with no hub connections. Full remodels shall
 608 have a brass ball valve main shut off installed for the cold water entering the
 609 unit. From this location, all cold-water systems shall be in copper Type “L” and
 610 be directed to the kitchen and bathrooms.
 611

612
 613 If localized remodels occur for the kitchen or bath, a valve shall be used for the
 614 cold water servicing these locations. All valves shall be easily accessible. The
 615 shut off valve for the hot water shall be at the cold-water supply to the water

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heater and easily accessible through a panel. The water heater shall be easily accessible for service and have a drip pan and water alarm installed by the contractor for any plumbing remodel. Only metal braided supply lines with 1/4 metal angle stops are allowed for all plumbing fixtures. Toilet supply lines shall have metal nuts.

3.17. Section 3.17 – Electrical

If a new circuit is required and space cannot be found within the existing panel, then a new panel will be necessary and shall only be Square D Q0124L125A 24 spaces/24 circuits with 100-amp main shut off. No sub panels when remodeling. All electrical boxes in the common walls shall be metal, not plastic. All remodels shall require high efficiency lighting such as LED, Gu24, or fluorescent tube. No screw in bulbs will be permitted.

3.17.1. Electrical Panel Inspection and Maintenance

3.17.1.1. Standard Interior Electrical Panels. All standard interior electrical panels shall be serviced and maintained for proper use and function at the time of escrow or at fire inspections (whichever comes first) and will receive a dated service sticker affixed to the interior electric panel at the time of service. All standard interior electrical panels will then be serviced and maintained every five (5) years, per the maintenance schedule providing a dated service sticker affixed to the interior electrical panel at the time of service. All expenses associated with said services will be paid for by the Mutual, including any necessary repair costs.

3.17.1.2. Non-Standard Interior Electrical Panels. All non-standard interior electrical panels shall be serviced and maintained for proper use and function at the time of escrow or at fire inspections (whichever comes first) and will receive a dated service sticker affixed to the interior electrical panel at the time of service. All non-standard interior electrical panels will then be serviced and maintained every five (5) years per maintenance schedule providing a dated service sticker affixed to the interior electrical panel at the time of service. All expenses associated with inspection services will be paid for by the Mutual. Any repair cost will be borne by the Shareholder. A qualified electrician will identify that proper hardware equipment is standard mounted to the structure, and that the electrical components are connected and energized

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correctly and to code, along with proper grounding. Any items not in compliance with city code and/or manufacturing installation specifications must be repaired immediately and noted.

3.17.2. Padmount Transformers. Transformers are mounted on cement pads throughout the Mutual which provide electrical power for the Mutual. Such Transformers are the property of, and under the control of, the Southern California Edison Company. The Southern California Edison Company has served notice that the immediate area around the transformers must be kept clear of any material that could interfere with the safe entry by workmen. The Mutual, all Qualifying Residents and Shareholders must comply with any laws and directives of the Southern California Edison Company by keeping the area in front of the transformer door clear to a distance of eight feet (8'), keeping any shrubbery growing near the transformer sides trimmed to prevent any growth from hanging down inside any fence around the transformer, removing any potted plants that might be placed on top of any such fence, and completely removing any growth that would interfere with the safe access to the transformer door. The Mutual's landscaping company is instructed and authorized to prune and trim from time to time as necessary to comply with State safety laws and Southern California Edison Company directives.

3.18. Section 3.18 – Draft Stopping
Draft Stopping will be required within the attic space along the sides of the unit, but not at the attic corridor under the ridge. Draft Stopping may be a minimum of 5/8 OSB, plywood, or Type X drywall from the top plate and extend to the underside of the roof sheeting. Draft Stopping need only be installed in such a manner as to remain in place with minimal framing/backing required.

3.19. Section 3.19 – Insulation/Sound Proofing/Fireproofing
All common walls shall be insulated for soundproofing and fireproofing. The common walls, when open in a remodel, shall be filled with a mineral wool such as Roxul Safe 'n Sound. Any penetrations for plumbing or electrical shall be sealed with approved fireproof sealant or spray foam. All electrical boxes in common walls shall be metal.

3.20. Section 3.20 – Flooring
Shareholders must apply for and receive a GRF Building Permit prior to installing flooring within their Units. A GRF Building Permit is required for the

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698 installation of all flooring types, including carpet. Shareholder must include a
 699 sample of all flooring to be installed, and flooring manufacturer’s specifications,
 700 which must be attached to the application for the GRF Building Permit. Outside
 701 porches require a crack isolation barrier. Porch flooring transition to entry walks
 702 are Shareholder’s responsibility and must be made flush by raising concrete
 703 entry walls. The Shareholder understands that the Mutual is not responsible for
 704 damage to or failure of flooring purchased and installed by the Shareholder, or
 705 any previous Shareholder of a Unit.
 706

707 **3.21. Section 3.21 – Dishwashers**

708 Shareholders may have any make or model built-in dishwasher installed in
 709 their Units at their own expense by a licensed contractor approved by the GRF
 710 Physical Property Department after securing the necessary permits from the
 711 GRF Physical Property Department prior to beginning work. The dishwasher
 712 requires a separate electrical circuit. The Shareholder assumes full
 713 responsibility for any damage incurred as a result of a dishwasher, whether
 714 built-in or portable in their unit.
 715

716 **3.22. Section 3.22 – Appliances**

717 A Qualifying Resident that has lived in his/her Unit for six (6) months or less,
 718 and received new appliances from the Mutual, may not remove the appliances
 719 in a remodel unless they refund the Mutual the full value of the appliances at
 720 the time of installation.
 721

722 No appliance which is Mutual property may be sold, given away, or disposed of
 723 by the Qualifying Resident and/or the contractor. The Qualifying Resident or
 724 contractor must notify a director on the Mutual Board or the GRF Building
 725 Inspector to confirm what options are authorized. This notification must be
 726 made at least seven (7) days prior to the removal of the appliances. If any
 727 appliance is stored in the Unit, it must continue to be cleaned and left
 728 undamaged until the Mutual picks up the appliance. Mutual appliances are
 729 defined as: stoves, ovens, hoods, refrigerators, garbage disposals, water
 730 heaters, sinks, faucets, lighting fixtures, and ceiling heater/vent/light units.
 731

732 All expansions or permanent fixtures and appliances to the unit become Mutual
 733 property when attached to the building. The Mutual and/or GRF will not be
 734 responsible for any reimbursement of any expansions or fixtures which become
 735 Mutual property.
 736

737 **3.23. Section 3.23 – SmartBurners**

738 All Units shall have SmartBurners installed at the Mutual’s cost. If the standard

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stove top is not present in the Unit, the Mutual will provide some other fire safety option, when reasonable. Deviation from a Mutual standard stove top requires: (1) approval from the Building Inspector in regard to fire safety; and (2) that Shareholder must return the full set of four (4) SmartBurners to the Mutual. The Shareholder shall be responsible for replacement costs if any of the four (4) SmartBurners are missing.

3.24. Section 3.24 – Exterior Coverings and Blinds

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

3.25. Section 3.25 – Gutters

A patch to a gutter is not permitted in any remodel which alters the gutter or moves a downspout. A contractor may reuse and modify the downspout. Full lengths of gutter without patches must be installed by the contractor. A contractor must contact the Mutual-approved roofer and have the roofer install full lengths of gutter without patches on new roofs that have gutters with one (1) seam at the middle of the building. The install will be at least one half (1/2) 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. All rain gutters shall be replaced on remodeled Units. A five-inch (5”) rain gutter shall be placed the entire length of the unit with no seams above the walkway (entryway). A 24-inch hole shall be drilled in the gutter and a proper downspout inserted. Caulking shall be done with Rain-buster Caulking or another approved caulking.

3.25.1. Downspouts. One (1) downspout is required on all one-bedroom units. Two (2) evenly spaced downspouts are required on two-bedroom units. The proper grade is to be on the lower downspout elbow, with extension over the flowerbed terminating at the outer edge of the scallop edging.

3.26. Section 3.26 – Equipment Standards

The Mutual has approved a revised standardization of appliances list. This list

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780 may be updated by the Purchasing Department from time to time as
 781 manufacturers improve, modify or replace models, thereby altering the current
 782 applicable model numbers. The revised list will be published annually. It is
 783 attached hereto as Exhibit "A".
 784

785 **3.27. Section 3.27 – Smoke Detectors**

786 When all or any remodel work is done to a Unit, ALL smoke detectors/alarms
 787 must be replaced with a Kidde i9010 Tamperproof 10-Year Sealed Lithium
 788 Battery-Operated Smoke Alarm and/or Kidde 12010S Worry-Free Hardwired
 789 Interconnected Smoke Alarm Sealed Lithium Battery Backup, where
 790 applicable, or an equal and equivalent device approved by the Mutual Board.
 791

792 **3.28. Section 3.28 – Performance Bonds for Construction Work over Ten
 793 Thousand Dollars**

794 Permits for any construction work performed in the Mutual valued at more than
 795 ten thousand dollars (\$10,000.00) shall require a Performance Bond. The bond
 796 shall provide sufficient funds in the event the work is not completed on time, in
 797 accordance to approved plans, and/or to the satisfaction of the Mutual, for any
 798 reason. Exceptions to this bond requirement are as follows: (1) the contractor
 799 is listed on the Physical Property list of approved contractors; and (2) the
 800 contractor has completed more than one hundred thousand dollars
 801 (\$100,000.00) per year in contracts in Leisure World for the last three (3) years.

802 **3.28.1. Working Hours – Contractors.** Contractors engaged by a
 803 Qualifying Resident and/or Shareholder for the purpose of
 804 performing interior or exterior remodeling or installing or removing
 805 equipment and/or appliances associated with such work on the Units
 806 will be permitted to do so only between the hours of 8:00 a.m. and
 807 5:00 p.m., Monday through Friday.
 808

809 **3.29. Section 3.29 – Roof Extensions**

810 A Shareholder may apply to extend the roof structure to cover the existing
 811 porch area adjacent to the Shareholder's Unit. The construction must conform
 812 to the plans and specifications approved by the architect of the Los Angeles
 813 Office of the Federal Housing Administration and a building permit must be
 814 obtained from the City of Seal Beach, California. The Shareholder agrees that
 815 title to the remodeling and addition shall vest in the Mutual.
 816

817 **3.30. Section 3.30 – Roof Leaks**

818 When a roof leak occurs in a Mutual building, and if a roofing contractor fails to
 819 effect warranty repairs within fifteen (15) working days from notification by the
 820 Physical Property Department, the Service Maintenance Department will make

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821 such repairs.

822
 823 A Qualifying Resident should report any known or suspected roof leaks to the
 824 Mutual Board and/or the Service Maintenance Department. The leak will then
 825 be recorded in the Roof Leaks Log by the Physical Property Department. The
 826 Physical Property Department Secretary will report the leak to the appropriate
 827 GRF Building Inspector, and the GRF Building Inspector will initiate a Roof
 828 Leak Report. The GRF Building Inspector will determine whether the leak is
 829 under warranty and, if not, whether it is the responsibility of the Mutual or the
 830 Qualifying Resident to repair.

831
 832 If the leak is under warranty, the GRF Building Inspector will provide written
 833 notice to the contractor holding the warranty. The contractor is given a period
 834 of fifteen (15) working days to repair the leak.

835
 836 If the leak is not repaired within fifteen (15) working days by the contractor
 837 holding the warranty, the Inspector must notify the Service Maintenance
 838 Department to perform the work. Upon completion, the Service Maintenance
 839 Department will prepare a monthly status report on assigned roofs and will
 840 issue a copy to the Mutual and Physical Property Department and forward a
 841 service repair order to accounting to invoice the contractor. The Inspector will
 842 notify the Physical Property Department Secretary to record the job as
 843 complete in the Roof Leaks Log.

844
 845 If the leak is not under warranty and is the responsibility of the Mutual, the GRF
 846 Building Inspector must report the leak to the Service Maintenance
 847 Department. The Service Maintenance Department will perform the work and
 848 prepare a monthly status report on assigned roofs and will issue a copy to the
 849 Mutual and Physical Property Department. The Service Maintenance
 850 Department will generate a service repair order and invoice. The GRF Building
 851 Inspector will notify the Physical Property Department Secretary to record the
 852 job as complete in the Roof Leaks Log.

853
 854 **3.31. Section 3.31 – Roof and Attic Access**

855 No person shall access the roof or attic areas of any building in the Mutual
 856 without the express permission and approval of the GRF Physical Property
 857 Department or Mutual President or designee. The only person within this
 858 Physical Property Department who may give such permission or approval is
 859 the GRF Building Inspector or the GRF Physical Property Facilities Director, or
 860 their specific and assigned designees. This prohibition includes: (1) any
 861 Shareholder, even if such Shareholder is an occupant of the building whose

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862 roof or attic is being accessed; (2) any other person related to, or associated
 863 with, any other resident or Shareholder such as a caregiver, a relative, or
 864 guest; (3) any contractor of any sort for whom access had been requested or
 865 granted for an existing contract, any prior contract, or for the purpose of bidding
 866 on a future contract; and (4) any public official such as an inspector or other
 867 legal authority without proper, documented permission. Emergency
 868 circumstance to protect person or property, of course, preempt and all such
 869 restrictions and limitations.

870
 871 **3.32. Section 3.32 – Filled Concrete Block and Footings**

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

877
 878 **3.33. Section 3.33 – Liners for Decorative Block Walls**

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

881
 882 **3.34. Section 3.34 – Bay Windows**

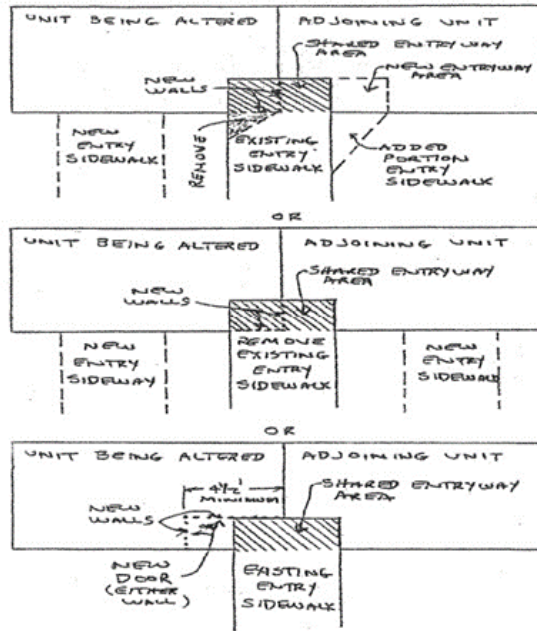
883 All bay windows presently covered with T-111 plywood, distressed plywood, or
 884 wood siding, and any other wood product that complements the bay windows
 885 such as corbels and decorative trim, shall be removed and replaced with
 886 stucco when the bay window framing and covering are infested with termites.
 887 All remodels that include bay windows shall be constructed with stucco as the
 888 exterior covering and shall be “bay to grade” construction. The expense of the
 889 entire remodel and “bay to grade” construction shall be the responsibility of the
 890 Shareholder.

891
 892 **3.35. Section 3.35 – Common Entry Walkways**

893 When two (2) units are side-by-side and share a common entrance walkway
 894 and one Shareholder wants to relocate their entry walkway, that Shareholder
 895 must obtain permission, in writing, from the Shareholder of the other affected
 896 adjacent unit. The entrance for the adjacent unit shall be relocated at the sole
 897 expense of the Shareholder whose unit is being altered to provide the
 898 minimum/maximum four feet (4’), six inches (6”). The total width will include
 899 three-inch (3”) buffers on each side if decorative stone is being used.
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3.36. Section 3.36 – HVAC

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

3.36.1. All heat pump systems must: (1) be ductless; (2) meet requirements for energy usage to qualify for a rebate when Southern California Edison rebates are available; (3) meet requirements for acceptable sound levels; and (4) not disturb the present ceiling heat system so it can be reactivated, if required.

3.36.2. A duct heating and cooling system is part of a complete Unit remodel if: (1) installation of HVAC (Heating, Ventilating and Air Conditioning) units to be installed with the outside Unit located inside the drip line and as close to the center of the Unit as practical, or near the deco or stucco at the end of the Unit near the storage area. Corner Units may select which side they want. End Units may choose to install them on the side. The exposed lines should be attached to the deco, stucco or wooden post, the location to be approved by the Mutual Board. Repair and maintenance to be the responsibility of the

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925 Qualifying Resident; (2) the compressor is to be installed on a 4-inch
 926 cement slab when remodeling outside walls or on two inches (2") to
 927 three inches (3") plastic slab when not remodeling outside walls
 928 (cement slab preferred); (3) ground must be tamped (compressed)
 929 firmly so that the unit will not shift.

930 **3.36.3.** The concrete pad for split duct systems (heating/air) shall be a total
 931 of six and a half inches (6.5") thick: either three inches (3") below
 932 grade and three and a half inches (3.5") above grade or three and a
 933 half inches (3.5") level with the grade; and the fiberglass pad
 934 supplied by the manufacturer, anchored to the concrete pad, shall be
 935 used in a proper fashion.

936 **3.36.4.** Exposed areas: All exposed refrigerant lines on the exterior walls or
 937 ceiling of the building shall be covered by a sheet metal cover. All
 938 exposed lines (beginning and end) must be covered with either sheet
 939 metal and/or expandable foam so these areas are flame proof, insect
 940 and vermin proof, and rot resistant.

941 **3.36.5.** The compressor is not to exceed fifty-four 54 decibels and the air
 942 handler unit in the attic cannot exceed 44-decibel sound level, per
 943 City of Seal Beach Building Code. If the noise level exceeds either of
 944 these decibel sound levels, the Qualifying Resident is responsible to
 945 have the HVAC unit or units repaired immediately. If the Qualifying
 946 Resident does not have the HVAC unit or units repaired, the
 947 Qualifying Resident may not use his/her HVAC unit(s). If the Mutual
 948 has to repair the HVAC unit, due to the failure of the Qualifying
 949 Resident to repair the unit, the Qualifying Resident will be billed for
 950 all expenses incurred with such repair, including without limitation,
 951 attorneys' fees. If the heating part does not work, the Qualifying
 952 Resident is responsible for providing alternate heat, if a Qualifying
 953 Resident of that Unit has had the Mutual ceiling heat made
 954 inoperable.

955 **3.36.6.** Attic access. There must be inside attic access from the inside of the
 956 Qualifying Resident's Unit or from the outside (for end Units only), so
 957 the HVAC unit may be serviced and maintained (as it is the
 958 responsibility of the Qualifying Resident to maintain it). Condensate
 959 line in the attic must be rodent-proof. If the attic access has to be cut
 960 in, the attic access cover shall be a combination of plywood
 961 laminated to a 5/8-inch type X drywall; the drywall facing the attic
 962 side.

963 **3.36.7.** Exterior heat pumps (permit required) shall be placed in front of a
 964 Unit, unless the Mutual Board grants an exception. All new
 965 installations of air conditioners and heat pumps shall be mounted on

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966 a 4-inch concrete slab and have a 6-inch wide, 6-inch deep footing
 967 installed under the front side of the slab and comply with City of Seal
 968 Beach regulations.

969 **3.36.8.** On the occasion of change of ownership and with a charge against
 970 escrow, existing heat pumps not currently on a concrete base with a
 971 footing as described above shall be corrected by installing a
 972 manufactured fiberglass base over a concrete footing which is six
 973 inches (6”) wide and six inches (6”) deep across the full front edge of
 974 the fiberglass base. Central air conditioning and forced air units still
 975 require an 8-inch concrete footing.

976 **3.36.9.** Permits are required for wall heaters. In all construction work where
 977 wall heaters replace the original heating source, metal conduit or
 978 armored cable shall be used for the last six feet (6’) of line running
 979 from the breaker box to the wall heater(s).

3.37. Section 3.37 – Unsanitary Premises and Fire Loading Conditions

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

990 For purposes of this Section 3.37, unsanitary or rodent and insect inviting
 991 conditions or fire-loading conditions are described as the excessive acquisition
 992 and collection of large amounts of objects. Such collections of objects may
 993 include, but are not limited to: stacked paper goods, newspapers, books,
 994 magazines, mail, trash, stored cardboard boxes, plastic trash bags, food stuffs,
 995 cleaning aids, clothing and collectables, pet waste or unclean pet cages, and a
 996 lack of ingress and egress at windows and doors.

998 Qualifying Resident’s shall not create an unsanitary or rodent and insect
 999 inviting condition or fire-loading conditions, as defined in this Section 3.37 or in
 1000 Section 1001.11 of the 1997 Uniform Housing Code referenced above. Further,
 1001 a Qualifying Resident shall not store within their Unit, or on their porch, any
 1002 large amounts of incendiary items such as grease, oil, gasoline, paint or paint
 1003 thinner, or any other liquids or substances noted to be flammable, or any large
 1004 amount of hobby materials. Working on hobbies in Unit or patio will be
 1005 permitted by the Board on a case-by-case basis, considering the health, safety,
 1006 welfare, and aesthetics of all residents affected.

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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.

3.38. Section 3.38 – Unit Fire Inspections and Special Unit Inspections

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

3.39. Section 3.39 – Plumbing Stoppages

The Mutual shall be responsible for any cost related to all plumbing stoppages, unless such stoppage is caused by the negligence or misuse of the Qualifying Resident, Shareholder and/or guest, except that all costs related to any toilet stoppages in the Mutual are the responsibility of the Qualifying Resident/Shareholder.

4. ARTICLE IV – PORCHES/PATIOS/GOLF CART PADS

4.1. Section 4.1 – Patios

Qualifying Residents may submit an application to construct a patio, or may request, from the Board, the right to temporarily use common area patios for the Qualifying Resident’s personal use, and the Board, in its sole discretion, may grant such request, subject to the execution of a use and indemnity agreement; however, patios shall remain common area property at all times. Any use permission of the patios granted by the Board may be revoked by the Board at any time, should the Qualifying Resident fail to comply with the terms included in the Governing Documents and the use and indemnity agreement. The Qualifying Resident’s plans and specifications must be in accordance with the Mutual’s requirements as set forth in the Governing Documents. Pursuant to Section 3.1 of these Rules, all construction work related to the construction of patios must be done by a contractor licensed and insured in the State of California.

4.1.1. Patio Definition. A “Patio” is defined as an area outside of, and adjacent to, the exterior walls of an individual Unit, and which is covered by a hard, non-grass surface, as more particularly described herein.

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4.2. Section 4.2 – Patios Sizes

4.2.1. Front Patio

A Front Patio may be seven feet (7'), six inches (6") deep, as measured from the building wall, and may be no more than fourteen feet (14') wide in hardscape including any paving edge. A planted border or hedge, up to eighteen inches (18") wide (including a required six-inch (6") mow strip), and up to thirty inches (30") high, is permitted,

4.2.2. End Patio

End Patios are only applicable to corner units. End Patios may be ten feet (10') deep, as measured from the building wall, and may be no more than fourteen feet (14') wide in hard scape including any paving edge. A planted border or hedge, up to eighteen inches (18") wide (including a required six-inch (6") mow strip), and up to thirty inches (30") high is permitted.

4.3. Section 4.3 – Patios Rules

4.3.1. Use Restrictions.

The Board retains sole discretion regarding items that may be stored and/or placed on patios.

4.3.2. Items to be Stored on Patios.

The following list of prohibited items and permitted items is not comprehensive. If a Qualifying Resident and/or Shareholder is unsure whether a particular item may be stored on the Patio, he/she must contact the Board. It is the Qualifying Resident and/or Shareholder's responsibility to remove any items that violate this Section 4.3.2 within ten (10) days of notice of such violation.

4.3.2.1. Prohibited Items. Bicycles, golf carts, walkers, shopping carts, appliances, (including refrigerators), cabinets, work benches, carpeting, rugs, or Astro-turf may NOT be stored or placed on Patios at any time.

4.3.2.2. Permitted Items. Barbeques, patio furniture (in good condition), one (1) table, one umbrella, and potted plants may be placed on Patios.

4.4. Section 4.4 – Maintenance of Patios

The maintenance, repair and replacement of any components of the patio will be the responsibility of the Qualifying Resident/Shareholder.

4.5. Section 4.5 – Patio Liability

The Qualifying Resident/Shareholder is responsible and agrees to be liable and indemnify the Mutual for all damage to any persons or property located

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- 1089 within Leisure World caused by the Qualifying Resident/Shareholder’s use of
 1090 the patio area. The Qualifying Resident/Shareholder shall secure liability
 1091 insurance coverage with regard to the use of any Patio area. Such insurance
 1092 policy or policies shall contain a policy limit of no less than three hundred
 1093 thousand dollars (\$300,000.00) in coverage, and shall cover a risk of loss.
- 1094 **4.6. Section 4.6 – General Patio Requirements**
- 1095 **4.6.1.** Patios must be removable.
- 1096 **4.6.2.** Construction of Patios can be done with the use of individual stones,
 1097 brick, or composite, planking or the like, laid on a gravel and sand
 1098 bed, or laid on a poured slab. Wood cannot be used to construct a
 1099 patio. Interlocking pavers may be used when installed per
 1100 manufacturer’s instructions.
- 1101 **4.6.3.** Patios, including border, mow strip or paving edge, shall be set back
 1102 at least thirty-six inches (36”) from any sidewalk.
- 1103 **4.6.4.** Patio plans must be reviewed by the Landscape and Architecture
 1104 Committee and authorized by the Board. Approval of Patio plans will
 1105 be on a site-specific basis and in the Board’s sole discretion. Any
 1106 plans not approved within sixty (60) days shall be deemed denied.
- 1107 **4.6.5.** Patios must be installed by a licensed contractor, with all required
 1108 permits, including, without limitation, any permit required by the
 1109 Mutual, the GRF, and/or the City of Seal Beach. Contractors must be
 1110 insured and bonded, with no exclusions or endorsements which
 1111 would preclude payment of claims and must name the Mutual as an
 1112 additional insured.
- 1113 **4.6.6.** Each Qualifying Resident/Shareholder hereby acknowledges that,
 1114 due to the location, size, and purpose of Patio areas, that Patio
 1115 areas are generally inaccessible and not for general use to the
 1116 Shareholders of the Mutual at-large.
- 1117 **4.7. Section 4.7 – Porches**
- 1118 A “Porch” is the surface covered by the building roofline and may not extend
 1119 beyond the roofline. A Porch is allowed for exclusive use by the terms of the
 1120 Occupancy Agreement for each unit.
- 1121 **4.8. Section 4.8 – Maintenance of Porches**
- 1122 The maintenance, repair and replacement of any components of the Porch will
 1123 be the responsibility of the Qualifying Resident/Shareholder.
- 1124 **4.8.1. Emergency Egress – Windows and Walkways**
- 1125 All Porch window spaces, both inside and outside, must be kept
 1126 clear for emergency exit and entrance. A clear path of at least four
 1127 feet (4’) must be maintained from the entrance of the Porch to the
 1128 entry door of the unit. Walkways must have a clean, unobstructed
 1129 pathway, free of potted plants or other items.

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4.8.2. Emergency Egress – Doors

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

4.8.3. Storages – Open Patios

After the initial 30-day move-in period, the following items may not be stored or placed on open Porches: (1) any type of food, including birdseed, dog or cat food except in airtight containers; do not leave pet dishes with food on the Porch; (2) cardboard boxes; (3) highly flammable items, old newspapers, magazines, etc. (unless stored in approved containers). Gasoline-operated equipment or gas cans, flammable chemicals; (4) laundry hung for airing or drying; clothing or other items may not be hung on shareholders’ patios; (5) nonworking refrigerators or freezers; (6) on un-gated patios: unattended pets or pets in permanent outdoor kennels or caged (including birds); (7) spas or hot tubs, indoor upholstered furniture;

4.8.4. Patio Décor

Screens, panels, or drapes to block the sun must be of outdoor fire-retardant fabric and must be maintained. Porch décor must be in good taste, and obscene or offensive objects are prohibited.

4.8.5. Prohibited Activities

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

4.9. Section 4.9 – Golf Cart Pads

A temporary parking or charging pad (“Golf Cart Pad”) may be installed adjacent to a Unit, pursuant to the following requirements: (1) all Golf Cart Pad requests must be submitted in writing to the Mutual Board and must be

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1171 accompanied by a photo of the proposed location. Board approval will be on a
 1172 case-by-case basis; (2) a permit must be obtained from the GRF Physical
 1173 Property Department before a Golf Cart Pad is installed; (3) the Golf Cart Pad
 1174 shall be constructed of interlocking concrete pavers that sit on a bed of sand;
 1175 (4) the Golf Cart Pad must not exceed five feet (5') wide; (5) the cost of
 1176 installing a Golf Cart Pad will be at the Qualifying Resident/Shareholder's
 1177 expense; (6) any modifications to the existing sprinkler system required as a
 1178 result of the approved construction of the Golf Cart Pad installation, shall be
 1179 done at the expense of the Qualifying Resident/Shareholder. Any such work
 1180 must be performed by the Mutual's contracted landscaper; (7) in no case shall
 1181 more than one Golf Cart Pad per Unit be approved; (8) Golf Cart Pads can only
 1182 be used for parking and charging electric carts. All other uses of the pad are
 1183 prohibited; (9) Golf Cart Pads must be removed by the Qualifying
 1184 Resident/Shareholder, at his or her expense, if Qualifying
 1185 Resident/Shareholder no longer has an electric cart; (10) all electric carts must
 1186 have an approved Leisure World decal from the GRF Security Department;
 1187 (11) all electric carts shall have a rear-view mirror, directional signals,
 1188 headlights, taillights and brake lights in good operating condition. Headlights
 1189 shall be used when driving in darkness; (12) the Board requires that any
 1190 electric cart owner obtain sufficient insurance to protect themselves in case of
 1191 personal injury or damage to the Mutual's property or another person's
 1192 property; (13) the Golf Cart Pad shall be removed upon the resale or transfer of
 1193 the Share of Stock, at the seller's expense, unless the buyer has an electric
 1194 cart and agrees, in writing, to adhere to the requirements contained in the
 1195 Governing Documents.

Parking of an electric cart may be permitted on the grass temporarily.

5. ARTICLE V – LANDSCAPE MAINTENANCE MANUAL

5.1. Section 5.1 – Gardens

A garden is a planting area, of soil, pavers, or pots/plants only, outside the building and uncovered, except for the roofline.

5.2. Section 5.2 – Garden Area Sizes

All Qualifying Residents/Shareholders have the privilege of a garden area (or flower bed area) in front of their Unit defined by this policy as being up to seven and a half feet (71/2') deep, including concrete, stone or brick mowing edge, along the outside frontage length of the unit measured from the face of the building toward the sidewalk. End of building garden units may be the same maximum seven and a half feet (71/2'). All garden areas must maintain a

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1212 distance of at least three feet (3') from any common sidewalk. All garden areas
 1213 are site-specific and must be approved by the Board. Shareholders expanding
 1214 garden areas beyond the "set limits" (four feet (4') front, five feet (5') side/end)
 1215 are responsible for maintenance of the entire garden area. Failure to
 1216 adequately maintain said garden area will result in the Mutual doing so at the
 1217 Qualifying Resident/Shareholder's expense.

1218
 1219 **5.3. Section 5.3 – Prohibited Uses of Garden Area**

1220 Front and side gardens may not be used as storage areas. Items such as
 1221 garden soil, empty pots, garden tools, potting tables, cabinets, scaffolding,
 1222 shelving, bikes, kayaks and/or surf boards are prohibited in front and side
 1223 gardens and may not block Unit windows. However, a box with earthquake
 1224 material is allowed.

1225
 1226 **5.4. Section 5.4 – Entrance Walkways**

1227 Entrance walkways, from the sidewalk to the structure/porch, must be kept free
 1228 always of potted plants and all other impediments, including electric carts.
 1229 Nothing that will in any way impede the full use of the thirty-six inches (36")
 1230 wide walkway and entry from the sidewalk to the entrance onto the porch is
 1231 permitted to remain on the walkway. Plant materials must not extend outside
 1232 the flower bed limits over scallop borders, walkways, turf areas, or into
 1233 neighboring flower beds.

1234
 1235 **5.5. Section 5.5 – Garden Use**

1236 Hedges are permitted up to thirty inches (30") high by eighteen inches (18")
 1237 wide. A maximum of eight (8) hanging containers or baskets are permitted
 1238 (including wind chimes and other artifacts, provided noise does not bother your
 1239 neighbors). Plants must be kept trimmed, healthy, and be on non-rusting
 1240 hangers. Seed-type bird feeders are not permitted as they attract mice and
 1241 other rodents. Hummingbird feeders are permitted.

1242 **5.5.1.** Containers on the ground in garden area must be decorative.
 1243 Decorative pots must be at least six inches (6"), but not more than
 1244 twenty-two inches (22") in diameter. A maximum of fifteen (15)
 1245 containers in the specified sizes combined are permitted. Nursery
 1246 containers are not permitted. Containers that have no drainage holes
 1247 and standing water are not permitted; they are breeding grounds for
 1248 mosquitoes.

1249 **5.5.2.** Freestanding inanimate objects are permitted in garden area but
 1250 shall be limited to six (6) objects are not to be higher than thirty
 1251 inches (30") tall unless authorized by the Board.

1252 **5.5.3.** Plants and other items of any kind may not be hung from trees or

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lampposts.

5.6. Section 5.6 – Turf Areas

Planting in turf areas and around common area trees requires Board permission. No pots of any kind may be placed in turf areas or around common area tree wells.

5.7. Section 5.7 – Maintenance of Garden Areas

After cleaning garden areas or raking leaves, Shareholders should place the leaves or debris in the proper trash bins. At the time of escrow or transfer of stock to a new Shareholder, the Mutual Inspector and the Mutual Board will signify any plants, shrubs or trees that need to be removed. The cost of such removal will be the expense of the seller or transferee of ownership. Planting will be in accordance with the current Mutual Rules and Regulations. If the new Shareholder wishes to do the planting, it will be at his/her expense.

5.8. Section 5.8 – Pest Control and Fertilization within Garden Areas

Fertilization and plant pest control within the garden area are the responsibility of the Shareholder. Watering the garden area is also the responsibility of the Shareholder. At the Shareholder’s expense, sprinklers may be added within the garden area. Maintenance of sprinklers will be at the Shareholder’s expense. Contact your Mutual Director for gardening requests or sprinkler service. Refrain from giving instructions to gardeners.

5.9. Section 5.9 – Garden Planting

The limited planting area in front of a Shareholders’ Unit does not allow the planting of trees. Vines that climb or cling to deco blocks or buildings are not allowed, unless confined to a staked trellis that clears the building and roofline by six inches (6”). See Exhibit “C” for a list of plants that are not permitted in garden areas. Additional prohibited plants or flowers may, in the future be added to this list by the Board. See Exhibit “B” for a list of approved plants for garden areas.

5.10. Section 5.10 – Mowing and Edging

In general, the scalloped edge stones or concrete paving, bricks or stone edging will provide an edge for the mowing and edging equipment and must be maintained at the Shareholder’s expense. Concrete or concrete pavers, bricks or stone are the only materials approved for paved edging and must be six inches (6”) wide and four inches (4”) deep in the soil. All approved edging must be pre-approved for installation by the Board and installed by an authorized contractor.

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5.11. Section 5.11 – Maintenance

Shareholders are responsible for any damage to wood and stucco surfaces as a result of watering hanging plants. Brackets may not be attached to wood or the building for the purpose of building shelves or other scaffolding, except the type of bracket normally used for the American flag, mailbox, water hose, and unit number plates.

5.11.1. The Mutual landscape contractor has the responsibility to prune flowers around common area trees when they are in need of trimming. The Mutual contracted gardeners will trim bushes, rake, and cultivate routinely. Rose bushes are pruned annually, usually in January. Spraying and tending flowers are not standard services provided by the gardeners.

5.12. Section 5.12 – Enforcement

Any Qualifying Resident/Shareholder that does not adhere to the garden policy requirements will, in writing, be advised of the problem(s) to be corrected. If the Qualifying Resident/Shareholder does not correct the problem(s), the Mutual will cause the correction to be made at the Shareholder’s expense.

At the time of sale or transfer of the share of unit, any vegetation not in compliance with this policy, 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.

6. ARTICLE VI – TRAFFIC, VEHICLE OPERATION AND PARKING

6.1. Section 6.1 – Applicability

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

6.2. Section 6.2 – Enforcement of California Vehicle Code

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

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6.3. Section 6.3 – Definitions Applicable to this Article

- 1335 **6.3.1.** Alternative Dispute Resolution (ADR): A method of resolving
- 1336 disputed other than by litigation involving a neutral third party
- 1337 pursuant to Civil Code Sections 5925-5965.
- 1338
- 1339 **6.3.2.** Assigned Parking: A defined parking location that has been
- 1340 designated for the use of a specific individual or group by the GRF.
- 1341 **6.3.3.** Bicycle/Tricycle: A device with two (2) or three (3) wheels,
- 1342 respectively, upon which any person can ride propelled exclusively
- 1343 by human power through a belt, chain or gears.
- 1344 **6.3.4.** Caregiver: A non-shareholder hired or identified by a Shareholder as
- 1345 providing part-time or full-time care. This person must be registered
- 1346 with Stock Transfer.
- 1347 **6.3.5.** Commercial Vehicles: A motor vehicle of a type required to be
- 1348 registered and used or maintained for the transportation of persons
- 1349 for hire, compensation, or profit or designed, used, or maintained
- 1350 primarily for the transportation of property. A Commercial Vehicle
- 1351 shall also mean any type of vehicle, which includes without limitation,
- 1352 a truck, van or trailer that has one or more of the following traits: (1)
- 1353 larger than one (1) ton carry weight; (2) bares a prominent business
- 1354 name or advertisement. If the graphic medium is removable, such as
- 1355 a magnetically attached sign, this element does not apply when all
- 1356 such signage is removed and stored out of view; (3) normally
- 1357 employed or designed for commercial business use, whether or not a
- 1358 business name or advertisement is displayed; (4) racks, materials,
- 1359 ladders, tool boxes and/or tools are visible on the exterior of the
- 1360 vehicle; (5) used to haul any hazardous materials; and/or (6)
- 1361 designed to carry more than fifteen (15) passengers.
- 1362 **6.3.6.** Due Process: An established course for judicial proceedings or other
- 1363 governmental activities designed to safeguard the legal rights of the
- 1364 individual.
- 1365 **6.3.7.** Electric Bicycle: Two-wheeled vehicle supplemented with an electric
- 1366 motor. It may not be driven on sidewalks.
- 1367 **6.3.8.** Golf Cart: A motor vehicle having not less than three (3) wheels in
- 1368 contact with the ground, having an unladed weight of less than one
- 1369 thousand three hundred (1,300) pounds, which is designated to be
- 1370 and is operated at no more than twenty (20) mph, and has a
- 1371 maximum width of forty-eight inches (48”).
- 1372 **6.3.9.** Internal Dispute Resolution (IDR): California Civil Code Section 5910
- 1373 and Section 5915 provides that the Mutual Boards shall provide a
- 1374 “fair, reasonable and expeditious” procedure for resolving disputes

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1375 between the Mutual and its Shareholders without charging a fee to
 1376 the Shareholder participating in the process. The Shareholder may
 1377 request the Mutual Board to meet and confer in an effort to resolve a
 1378 dispute. The request shall be in writing. A Shareholder may refuse a
 1379 request to meet and confer with the Board. The Board may not
 1380 refuse a request to meet and confer with a Shareholder. The Board
 1381 shall designate a minimum of two (2) Directors to meet and confer
 1382 with the Shareholder. The Shareholder may bring another person
 1383 and/or legal representative to the meet and confer. The parties shall
 1384 meet promptly at a mutually convenient time and place to explain
 1385 their positions to each other in an effort to resolve and dispute. Any
 1386 proposed resolution of the dispute shall be memorialized in writing
 1387 and brought to the next Mutual Monthly Meeting for the Board’s
 1388 consideration and final approval. All such IDR’s are considered to be
 1389 confidential and may only be discussed in Executive Session. Any
 1390 final agreement between the Board and the Shareholder shall be in
 1391 writing and signed by all parties.

6.3.10. Low-Speed Vehicle (LSV): A motor vehicle which is designed to
 1392 travel in excess of twenty (20) mph with a maximum speed of twenty-
 1393 five (25) mph. LSV’s less than forty-eight inches (48”) in width shall
 1394 be driven in accordance with the rules and regulations established
 1395 for Golf Carts. LSV’s that are more than forty-eight inches (48”) in
 1396 width are prohibited from all walkways and sidewalks.

6.3.11. Mobility Scooter: A vehicle that is propelled by an electric motor with
 1397 a battery pack on the vehicle. This vehicle is self-propelled.

6.3.12. Motorcycle: A motorcycle has more than a 150cc engine size, and no
 1398 more than three (3) wheels and has to be registered with the
 1399 Department of Motor Vehicles (“DMV”).

6.3.13. Motor-Driven Cycle: A motor-driven cycle has 149cc or less engine
 1400 size (CVC Section 405) and has to be registered.

6.3.14. Non-Resident: A person without the right under the governing
 1401 documents and applicable law to occupy a dwelling within the
 1402 Mutual.

6.3.15. Parking Permit Binder: A register maintained by the Security
 1403 Department to document vehicles granted a limited exception to
 1404 certain parking rules. (Examples of exceptions noted in Parking
 1405 Permit Binder: Extended Qualifying Resident’s absence, overnight
 1406 RV parking, late night calls for overnight guests without a parking
 1407 permit.)

6.3.16. Parking Rules Violation (PRV) Panel: The Mutual Board has

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- 1415 established a committee consisting of a facilitator, three (3) Mutual
- 1416 directors and an alternate as may be designated from time to time by
- 1417 the Board and assigned to meet on a rotating schedule to hear
- 1418 Shareholder disputes regarding Parking Rules Violation notices
- 1419 issued by Security Department.
- 1420 **6.3.17.** Pedestrian: Any person who is afoot or who is using a means of
- 1421 conveyance propelled by human power other than a bicycle. This
- 1422 also includes any person operating a self-propelled wheelchair,
- 1423 motorized scooter, tricycle or quadricycle.
- 1424 **6.3.18.** Prohibited Vehicles:
- 1425 **6.3.18.1.** Aircraft;
- 1426 **6.3.18.2.** Boats, personal watercraft, and their trailers, except as
- 1427 specifically allowed by these Rules in limited
- 1428 circumstances;
- 1429 **6.3.18.3.** Inoperable Vehicle: A vehicle that lacks a functioning
- 1430 engine or transmission, or non-functioning wheels, tires,
- 1431 doors, windshield, or any other major part or equipment
- 1432 necessary to operate safely on the highways;
- 1433 **6.3.18.4.** Off-road vehicle (not street licensed) other than a Golf Cart
- 1434 or Golf Car;
- 1435 **6.3.18.5.** Unregistered Vehicle: no current valid State registration;
- 1436 **6.3.18.6.** Vehicle designed to carry 12 (twelve) or more passengers,
- 1437 except any buses or limousines to load or offload
- 1438 passengers with approval from the Security Department or
- 1439 Recreation Departments.
- 1440 **6.3.19.** Recreational Vehicle (“RV”): A motor vehicle or trailer for recreational
- 1441 dwelling purposes; a motor home or other vehicle with a motor home
- 1442 body style which has its own motor power or is towed by another
- 1443 vehicle. Recreational Vehicle shall not include van camper
- 1444 conversions, which are permitted within the Mutual.
- 1445 **6.3.20.** Reserved Parking: A parking location that is marked as such by a
- 1446 sign, or curb or pavement marking and is set-aside for use only by
- 1447 the designated user(s).
- 1448 **6.3.21.** Rules Violation Notice (Citation): A written notification of a violation
- 1449 of GRF parking policies placed on the violating vehicle. Citation
- 1450 information is forwarded to the Mutual President.
- 1451 **6.3.22.** Trust Property: All land operated by GRF on behalf of the Mutuals.
- 1452 **6.3.23.** Trust Streets: Streets outside of Mutual property.
- 1453 **6.3.24.** Unassigned Parking: Not an Assigned Parking space.
- 1454 **6.3.25.** Unauthorized Vehicle: A vehicle not permitted to be on Mutual or
- 1455 Trust property.

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1456 Vehicle Use for Recreation (“VUFR”): Boats, boat trailers, all-terrain
 1457 vehicles (“ATVs”), trailers used to transport ATVs.
 1458

6.4. Section 6.4 – Prohibited Vehicles

1459 No Prohibited Vehicle shall be parked on Mutual or Trust Property. At no time,
 1460 shall any vehicle be parked on Mutual Property if it is leaking any fluids other
 1461 than clear water. Any Prohibited Vehicle parked within the Mutual is subject to
 1462 immediate towing at the owner’s expense.
 1463
 1464

6.5. Section 6.5 – Parking Permits

1465 Security shall not issue a Leisure World parking permit to any Qualifying
 1466 Resident of Seal Beach Leisure World unless and until said Qualifying
 1467 Resident shall have furnished the Security Office with the following: (1)
 1468 California State car license number (or other State, if not in conflict with
 1469 California requirements); (2) a valid State Operator’s license number (California
 1470 or other state) with the expiration date for each driver of the vehicle; and (3)
 1471 satisfactory proof of liability insurance coverage in the minimum limit pertaining
 1472 to the operation of motor vehicles upon the roads of the state of California.
 1473

1474 **6.5.1.** Temporary Parking Permits. All parking permits must be visibly
 1475 displayed on the dashboard of a vehicle or on the king pin of a fifth
 1476 wheel or the tongue of a trailer. The following parking permits are
 1477 issued by Security Department: (1) Shareholders for use on rental or
 1478 new vehicle; (2) guest of Shareholders; (3) overnight parking permit
 1479 at request of Shareholder for guest.
 1480

6.6. Section 6.6 – General Parking Rules

1481 **6.6.1.** All Shareholders, Qualifying Residents, guests and invitees shall
 1482 park safely. At no time may a vehicle be parked in a manner creating
 1483 a traffic hazard.
 1484

1485 **6.6.2.** No animal or child is allowed to be left alone in any parked vehicle on
 1486 Mutual Property. Animal Control or Seal Beach Police will be called
 1487 immediately in either circumstance.

1488 **6.6.3.** Fire Hydrant – At no time may a vehicle be parked within fifteen feet
 1489 (15’) of a fire hydrant. Vehicles in violation are subject to immediate
 1490 tow-away at owner’s expense.

1491 **6.6.4.** Sidewalk – No vehicle may be parked with any portion of it on a
 1492 sidewalk.

1493 **6.6.5.** Off Pavement – At no time may a vehicle be parked with any portion
 1494 of it off pavement.

1495 **6.6.6.** Curb or Parking Stall – Vehicles may park in a designated parking
 1496 stall or along a curb or sidewalk, unless otherwise provided herein.

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- 1497 **6.6.7.** Vehicles on a two-way travel roadway must be parked with the
- 1498 passenger side wheels within eighteen inches (18”) of the curb or
- 1499 sidewalk.
- 1500 **6.6.8.** Vehicle must be parked completely within the marked boundaries of
- 1501 a parking space.
- 1502 **6.6.9.** A vehicle may be parked in a location that is not a marked stall;
- 1503 however, at no time may it be parked in a manner that creates a
- 1504 traffic hazard, interferes with other vehicle access, Pedestrian traffic,
- 1505 or access to facilities or equipment.
- 1506 **6.6.10.** Any vehicle without proof of current valid State registration may not
- 1507 be parked on Mutual Property at any time.
- 1508 **6.6.11.** Any vehicles without a GRF decal on windshield or pass displayed
- 1509 on the dash may not be parked on Mutual Property.
- 1510 **6.6.12.** Trailers not connected to a vehicle are not permitted to be parked on
- 1511 Mutual Property. Such trailers may be parked in the Permit section at
- 1512 Clubhouse four (4) only with a permit issued by the Security
- 1513 Department.
- 1514 **6.6.13.** Pods, moving trailers or similar portable storage units are not
- 1515 permitted on Mutual Property without Security Department
- 1516 authorization.
- 1517 Vehicles in violation are subject to immediate tow away at the vehicle
- 1518 owner’s expense.
- 1519
- 1520 **6.7. Section 6.7 – Parking Zones**
- 1521 **6.7.1.** Red Zones – Vehicles parked in red zones are subject to immediate
- 1522 tow away at owner’s expense.
- 1523 **6.7.2.** Fire Hydrant or Fire Lane: No person shall park or leave standing
- 1524 any vehicle within 15 (fifteen) feet of a fire hydrant even if the curb is
- 1525 unpainted.
- 1526 **6.7.3.** Non-Fire Lanes: A vehicle may not be left unattended.
- 1527 **6.7.4.** Bus Stops: No person shall park or leave standing any vehicle within
- 1528 30 (thirty) feet of a bus stop on bus stop side of the street to provide
- 1529 for loading and unloading of buses.
- 1530 **6.7.5.** Drive-Up Mailboxes: No person shall park or leave unattended any
- 1531 vehicle within 15 (fifteen) feet of the mailbox.
- 1532 **6.7.6.** Blue Zone (Handicapped): Vehicles must display a valid,
- 1533 government-issued disabled (handicapped) license plate or placard.
- 1534 **6.7.7.** Green Zone: Parking may not exceed time limit posted by sign or
- 1535 curb marking. Notwithstanding the foregoing, unlimited time parking
- 1536 in a Green Zone is permitted only when the vehicle is displaying a
- 1537 valid government-issued disabled (handicapped) license or placard.

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- 1579 the front of trailers or equipment.
- 1580 **6.12.4.** The following vehicles and equipment are prohibited from parking on
- 1581 Trust or Mutual Streets at any time between the hours of 12:00 a.m.
- 1582 and 7:00 a.m., unless otherwise addressed in these Rules: (1)
- 1583 vehicles not displaying a valid GRF decal or Overnight Parking
- 1584 Permit; (2) Recreational Vehicles – except as provided below in
- 1585 Section 6.13, “Recreational Vehicles Restrictions”; and (3)
- 1586 Commercial Vehicles, construction/maintenance equipment, storage
- 1587 and disposal units, building materials.
- 1588
- 1589 **6.13. Section 6.13 – Recreational Vehicles (RV) or Vehicle Use for Recreation**
- 1590 **(VUFR) Restrictions**
- 1591 An RV or VUFR may be parked on Mutual Property only when meeting all of
- 1592 the following conditions:
- 1593 **6.13.1.** RV parked at any Mutual Property facility **MUST** have Security
- 1594 Department-issued decal or a parking permit.
- 1595 **6.13.2.** RV or VUFR is parked up to 48 (forty-eight) hours for the purpose of
- 1596 loading or unloading.
- 1597 **6.13.3.** RV or VUFR must be parked with engine and accessory equipment
- 1598 (e.g. exterior lights, air conditioner, audio and video equipment) shut
- 1599 off. The generator may **ONLY** be used between the hours of 8:00
- 1600 a.m. and 8:00 p.m. while loading or unloading the vehicle.
- 1601 **6.13.4.** Extensions such as slide-outs, tilt-outs, and awnings must be closed.
- 1602 Steps must not block the sidewalk.
- 1603 **6.13.5.** RV or VUFR may not be attached to any external power supply.
- 1604 **6.13.6.** Leveling jacks, if used, must include a base plate sufficient to
- 1605 prevent damage to pavement.
- 1606 **6.13.7.** No animals or children are to be left unattended on or within any RV
- 1607 or VUFR at any time.
- 1608
- 1609 **6.14. Section 6.14 – “For Sale” Signs**
- 1610 “For Sale” signage shall not be displayed on any vehicle on Mutual Property.
- 1611
- 1612 **6.15. Section 6.15 – Repairs**
- 1613 Vehicles may not be rebuilt or rehabilitated, major service may not be
- 1614 performed, and fluids may not be changed on any Mutual Property.
- 1615
- 1616 **6.16. Section 6.16 – Washing**
- 1617 All washing of vehicles must be done at the car and RV washing areas behind
- 1618 Clubhouse 2 (Two). Vehicles must have a GRF decal. Non-Residents shall not
- 1619 be permitted to wash their vehicle anywhere on Mutual Property.

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6.17. Section 6.17 – Bicycles/Tricycles

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

6.18. Section 6.18 – Carport Use.

Carports are to be used for parking of self-propelled land vehicles in operating condition. Any stored items in the carports must be completely contained in the carport cabinets. Current fire regulations prohibit the storage of fuel oil or any combustible material in the carport areas. All vehicles, when parked in the carports, must be headed in, except motorcycles and golf carts may face out. Bicycles and tricycles in operating condition may be parked under the cabinets in the resident’s assigned or rented space. Items such as motorcycles, mopeds, electric carts, electric chairs or scooters, bicycles, tricycles, or wheelchairs may not be parked between self-propelled land vehicles in adjacent carport spaces due to infringement upon another occupant’s vehicle space.

6.18.1. A ladder or step stool for access to storage, or shopping cart may be stored in front of the car. Various grease and other contaminants from vehicles may be dried and contained by sprinkling cat box litter which can then be swept up, bagged, and dropped off at the Transportation Department located in the Service Maintenance Department Yard. A clean, dry carport floor is the responsibility of every shareholder.

A motorcycle, electric chair, scooter or electric cart may occupy a carport car space in the absence of a vehicle, but not in addition to a vehicle. As in the case of a car, such parking is the shareholder’s responsibility. In the absence of a vehicle, 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 a carport. Parking vehicles in the carport that extend beyond the dripline is prohibited. Car covers are not permitted unless the license plate and LW sticker are visible.

Any damage sustained to the carport is the responsibility of the

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1661 assigned resident, not a renter of a carport.

1662
1663 During each inspection of the carports by the Mutual Board, a notice
1664 will be given to any Qualifying Resident whose carport space is
1665 found in violation of this policy. Grease and/or oil drippings on the
1666 floor, and improperly stored material, must be removed within ten
1667 (10) days or the material will be removed at the Qualifying
1668 Resident/Shareholder’s expense.

1669
1670 Qualifying Residents/Shareholders are permitted to build a
1671 downward extension to the existing carport cabinet, but the
1672 specifications shall be held at the Physical Property Department, and
1673 approval shall be obtained from the Board and the Physical Property
1674 Department.

1675
1676 **6.19. Section 6.19 – Carport Assignments**

1677 Carport assignments are controlled by the Mutual and a record of such
1678 assignments is kept in the Stock Transfer Office of GRF. Any vehicle parked in
1679 a carport must bear a current vehicle decal issued by the GRF Security
1680 Department and a current state license plate and registration. No person shall
1681 park any vehicle in any carport not assigned to him/her without permission from
1682 the Board. Shareholders desiring to change carport assignments must
1683 negotiate the new arrangement on their own and obtain approval from the
1684 other Shareholder and record the exchange in the Stock Transfer Office. The
1685 request for a carport reassignment, if approved, is only temporary and is valid
1686 only so long as both participating parties agree to the temporary change. One
1687 party determining to withdraw from the agreement may do so, as may the
1688 successor owner of that party’s apartment. The Mutual retains, at all times, the
1689 authority to revoke and cancel this temporary change of carport assignment at
1690 its discretion. The reassignment of carport spaces, herein provided, will
1691 automatically become null and void in the event of a sale of the stock
1692 representing the other apartment, with absolutely no exceptions to the rules
1693 herein provided.

1694
1695 Carport space may not be rented, exchanged, or used by anyone who is not a
1696 verified Qualifying Resident of Mutual Eleven.

1697
1698 The Mutual Board may allow temporary, short-term parking of a vehicle used
1699 by a house guest in conjunction with a temporary parking permit issued by the
1700 Mutual President.

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6.20. Section 6.20 – Carport Cleaning

Carports are cleaned monthly by the Mutual. It is the responsibility of each Qualifying Resident to have their vehicle removed from the carport on the posted date and time for cleaning.

It shall be the responsibility of the assigned Qualifying Resident to maintain the carport floor free of excessive rust deposits, oil, or other foreign matter.

When a carport is found to have excessive matter, the assigned Qualifying Resident shall be notified to clean up the carport.

When an assigned Qualifying Resident is notified and fails to clean up the carport of excessive matter, the Mutual shall have it cleaned and will bill the assigned Qualifying Resident/Shareholder for all costs.

6.21. Section 6.21 – Secondary Carport Storage Cabinets

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

6.22. Section 6.22 – Electric Carts & Golf Carts

Shareholders who own oversized golf carts or low speed vehicles (“LSVs”) that are designed to carry more than four (4) people must park these vehicles on the street or in the carport. Any cart damaging a sprinkler will result in the owner being responsible for any damage. Shareholders may park any electric vehicle, including automobiles in their assigned carport space.

6.23. Section 6.23 – Sidewalk Traffic Restrictions

6.23.1. Gasoline-Powered Vehicles. Gasoline-powered vehicles, including two-wheeled gasoline-powered vehicles, are prohibited from using sidewalks in the Mutual. Exceptions shall be limited to the following: (1) emergency medical vehicles belonging to the Health Care Center; (2) service vehicles designated for sidewalk use belonging to GRF; (3) service vehicles designated for sidewalk use belonging to contractors or vendors doing business with Qualifying Residents,

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1743 Shareholders or corporations (such as newspaper carriers). This
1744 exception does not include mopeds and motor scooters.

1745 **6.23.2.** Roller Skates, Rollerblades, Skateboards, Scooters. Due to potential
1746 safety hazards, visitors in the Mutual who are the responsibility of the
1747 Qualifying Residents may not use roller skates, roller blades or
1748 skateboards or scooters (motorized or other) on Mutual sidewalks or
1749 streets. Except that employees working in Leisure World, and visitors
1750 residing outside of Leisure World, may ride Bicycles or Tricycles on
1751 Mutual sidewalks or streets only if accompanied by a Qualifying
1752 Resident.

1753 **6.23.3.** Golf Carts or LSVs. Shareholders may operate a golf cart or LSV
1754 less than forty-eight inches (48”) in width on a sidewalk only from the
1755 point of origin to the nearest driveway or place of exit to the street.
1756 Larger golf carts or LSVs are not permitted to be operated on
1757 sidewalks. Shareholders should never exceed five (5) miles per hour
1758 on any sidewalk regardless of the time of day. Unless an emergency
1759 exists, Shareholders driving golf carts, LSVs, or any other vehicle
1760 may not use a sound device to alert pedestrians of their presence.
1761 Passing a pedestrian on a sidewalk is acceptable ONLY if the
1762 pedestrian acknowledges the driver’s presence and invites them to
1763 pass. Only soft-voice alerts such as “good morning” are acceptable
1764 to alert pedestrians of the vehicle’s presence. Pedestrians always
1765 have the right-of-way on sidewalks, followed by, in order of priority,
1766 non-powered wheelchairs, power wheelchairs, mobility scooters,
1767 Tricycles and Bicycles. Golf carts or LSVs cannot obstruct any
1768 portion of sidewalks.

1769 **6.23.4.** Shareholder Responsible for Injury or Damage. Damage caused by
1770 a Shareholder or a Shareholder’s caregiver, family member, guest,
1771 or vendor shall be the responsibility of the Shareholder.

1772 **6.23.5.** Health Care Center and/or GRF Golf Carts or LSVs. Golf carts or
1773 LSVs that are designed for sidewalk use and belong to the Health
1774 Care Center (“HCC”), GRF, or contractors or vendors doing business
1775 with Shareholders of the Mutual may use Mutual sidewalks for
1776 business-related purposes. Damage caused by contractors or
1777 vendors must be reported immediately to the GRF Security
1778 Department and a Mutual Director or risk being permanently banned
1779 from the Mutual. Damage caused by contractors or vendors shall be
1780 their responsibility.

1781 **6.23.6.** Newspaper Carrier Golf Carts or LSVs. Newspaper carriers and the
1782 like using golf carts or LSVs shall use Trust Streets and carport
1783 roadways whenever possible. Carriers shall adjust their routes of

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travel whenever noise complaints are lodged against the carrier. The Mutual reserves the right to restrict the use of motorized vehicle deliveries or newspapers prior to 8:00 a.m.

6.24. Section 6.24 – Towing

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

6.24.1. Towing Signage. In conformance with Vehicle Code Section 22658, appropriate signage will be posted at all entrance gates warning all who enter Leisure World that it is private property and unauthorized or illegally parked vehicles will be towed away at the vehicle owner’s expense. The towing signage will also contain all information required by Vehicle Code Section 22658.

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

6.24.3. Towing Procedure. If a parking violation does not require immediate action or removal, the Security Department will attach a 72-hour warning notice to the vehicle, informing the vehicle owner of the violation and intent to tow upon non-compliance. A copy of the 72-hour warning notice will be provided to the Mutual Administration Department for processing. After the 72-hour period, Security Department will check for compliance and report their findings back to the Mutual Administration Department. If the Mutual approval to remove the vehicle is received upon confirming non-compliance to

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the 72-hour tow notice and/or receipt of the registered letter, a tow truck will be appointed to remove and store the vehicle. Security Department will maintain a current log of all towing transactions to direct vehicle owners to the appropriate towing company. This Section 4.25 applies to all vehicles - automobiles, motorcycles, Vespa-type scooters, golf carts, scooters – any motor operated vehicle – whether parked in carports, on Mutual streets and/or in marked parking areas.

6.24.4. Violations of Article VI. The Board will review the case of any Mutual Qualifying Resident whose record of violation is referred to the Board, and take one or more of the following actions: (1) direct a letter of warning to the offender; (2) appoint a Director or a Committee to confer with and warn the offender; (3) summon the offender to a regular or special Board meeting for a conference/warning; (4) take Board action to find the offender in violation of the Occupancy Agreement and order eviction. Anyone (1) violation can be immediately referred to the Board for action. The Security, Bus and Traffic Committee of GRF will be informed of action taken and its apparent results in each instance cited above.

7. ARTICLE VII – USE OF LAUNDRY ROOMS

7.1. Section 7.1 – Use of Facilities

Laundry room facilities are available for use solely by Shareholders of the Mutual, except that a caregiver, hired help, or family member of a Shareholder may use the laundry room facilities to do that Shareholder’s laundry. Shareholders must oversee and instruct the caregiver, hired help, or family member when the Shareholder’s laundry is being done. Caregivers, hired help, or family members may not wash their own laundry in the Mutual’s laundry room, unless they are a live-in caregiver. 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.

7.2. Section 7.2 – Dying/Tinting Fabrics Prohibited

Clothing or fabrics may not be dyed or tinted in the washers or dried in the dryers.

7.3. Section 7.3 – Items with Metal Buttons/Clips

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

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7.4. Section 7.4 – Out of Order Machines

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

7.5. Section 7.5 – Hours of Operation

Laundry room facilities are available for use between the hours of 7:00 a.m. and 9:00 p.m. only. No machines shall be run after 9:00 p.m.

7.6. Section 7.6 – Prohibited Items

The following items may not be washed in the washers or dried in the dryers: fiberglass curtains or drapes, sleeping bags, heavy blankets, quilts, comforters, car covers, carpet runners, and other oversized items. Athletic shoes may be washed in the washers, but not dried in the dryers. Any clothing or fabric that has been cleaned in a flammable liquid may not be washed in the washers or dried in the dryers. Bathmats or kitchen rugs that are two and a half feet (2.5’) by three and a half feet (3.5’) or smaller may be washed in the washers, but they may not be dried in the dryers (these rugs may be hung on the clothesline for drying). Hand-washed clothing or other items may not be placed in the dryers due to the excessive amount of water contained in them. Use the exterior clothesline for hand-washed items, if desired.

7.7. Section 7.7 – Safety

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

8. ARTICLE VIII – SECURITY CAMERAS/DRONES/SATELLITE DISH

8.1. Section 8.1 – Installation of Security Cameras

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

8.1.1. No camera may be trained or focused on the interior of another Unit, on another Unit’s front door, or anywhere else other Shareholders

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1907 have a reasonable expectation of privacy. Security cameras shall not
 1908 encroach upon common areas of the Mutual or another
 1909 Shareholder’s Unit.
 1910 **8.1.2.** The use of cameras for surveillance or security purposes is done at
 1911 the installing Shareholder’s own risk and such Shareholders
 1912 understand that cameras may serve as a deterrent but may not
 1913 actually prevent crime.
 1914 **8.1.3.** Allowing Shareholders to install cameras within their own units, in no
 1915 way implies any responsibility whatsoever on the part of the Mutual.
 1916 The Mutual shall not be held liable, or otherwise responsible, for
 1917 damaged property, illegal activity, and/or risk to life or limb, or any
 1918 safety or security problem. All Qualifying Residents and their guests
 1919 are encouraged to provide their own security measures and take
 1920 safety precautions as necessary, subject to the limitations set forth in
 1921 the Mutual’s Governing Documents. Each Shareholder is responsible
 1922 for providing their own insurance coverage in the case of criminal
 1923 activity, property damage, and/or liability.
 1924 **8.1.4.** Shareholders are responsible for all costs associated with the
 1925 installation, operation, and maintenance of the security cameras.
 1926 **8.1.5.** Shareholders may not install security cameras in a manner that
 1927 increases maintenance costs for the Mutual. Shareholders shall be
 1928 responsible for all repairs and maintenance costs incurred due to the
 1929 installation of security cameras wherever located.
 1930 **8.1.6.** Shareholders shall indemnify the Mutual and/or its Shareholders for
 1931 loss or damage caused by the installation, maintenance or use of the
 1932 security cameras, including but not limited to any injuries sustained
 1933 and/or medical costs incurred to any persons installing, maintaining
 1934 and/or removing security cameras.
 1935 **8.1.7.** Any Contractor employed by Shareholders to provide security
 1936 camera installation, maintenance or removal services must hold all
 1937 licenses which may be required by state law and/or local ordinance,
 1938 and maintain a current policy of public liability, workers
 1939 compensation, and property damage insurance which does not
 1940 contain any endorsements or exclusions for work performed at
 1941 common interest developments. The Mutual, the Mutual’s managing
 1942 agent, and the installing Shareholder(s) shall be named as additional
 1943 insureds on the installer’s policy of insurance.
 1944 **8.1.8.** Any incursion into the structure (roofs, walls, etc.) that results in
 1945 damage or water/moisture penetration and any costs incurred related
 1946 to such damage shall be the sole responsibility of the Shareholders
 1947 to fully reimburse the Mutual to repair and remediate such damage.

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Directors. Proper documentation of the qualifications of those operating the drone and liability insurance will be required; or

8.2.2. 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.

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

8.3. Section 8.3 – Satellite Dish

Any Shareholder that wishes to install a satellite dish, must adhere to the following: (1) Shareholder must obtain a permit to install the satellite dish from the Physical Property Department of the GRF prior to having a satellite dish installed; (2) Shareholder must ensure that the licensed company complies with all GRF Physical Property Department and Mutual Eleven’s policies, rules and regulations; (3) Shareholder understands that the Mutual has the authority to remove the satellite dish at Shareholder’s expense if a permit is not obtained from the Physical Property Department; (4) any damage which may occur to the building or roof during installation, or during the operation of the satellite dish, is the responsibility of the Shareholder and will be paid by the Shareholder; (5) Shareholder must maintain the satellite dish in good condition, both aesthetically and functionally. Should Shareholder fail to maintain the satellite dish in good condition, the satellite dish will be removed at the Shareholder’s expense; (6) Shareholder must remove the satellite dish upon the sale or transfer of Unit, at the Shareholder’s expense, unless the purchaser of the Unit is willing to sign an indemnity and release agreement with the Mutual; and (7) Shareholder’s contractor must install and wire the satellite dish pursuant to the Mutual’s requirements and conditions for an 18-inch satellite dish.

8.3.1. Mutual Requirements and Conditions for a Satellite Dish; Mount Locations; Cable Routings; Groundings.

8.3.1.1. Obtain a GRF permit prior to the installation;

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

8.3.1.3. The southern view must not be obstructed at any time. There can be no obstructions, such as trees or structures, between the dish and the satellite. Seasonal foliage, future growth of existing trees, possible remodeling or

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- 2028 additions to the Shareholder’s Unit or adjacent units and
- 2029 changes in landscaping must be considered when
- 2030 installing the satellite dish;
- 2031 **8.3.1.4.** All satellite dishes must be stable and secure and must be
- 2032 able to withstand winds;
- 2033 **8.3.1.5.** The installation of the satellite dish shall be done in
- 2034 accordance with the current National Electrical Code,
- 2035 installed by a licensed television company that meets all
- 2036 Foundation and Mutual insurance requirements;
- 2037 **8.3.1.6.** Direct roof mount is not allowed due to the required roof
- 2038 penetration;
- 2039 **8.3.1.7.** Roof vent mount is allowed. When mounting a satellite
- 2040 dish to a roof vent, the top of the satellite shall not be
- 2041 higher than four feet (4’) above the top of the roof line;
- 2042 **8.3.1.8.** Routing must not break through any roofing or framing –
- 2043 vent pipe flashing only;
- 2044 **8.3.1.9.** All entry points into the Unit and any and all test holes
- 2045 must be sealed with approved sealant to prevent water
- 2046 seeping into the Units;
- 2047 **8.3.1.10.** Fire Wall Penetration – Fire – Resistive Wall Partitions and
- 2048 Floors: Such penetrations shall be completed per the
- 2049 current Uniform Building Code (UBC), Sections 709 and
- 2050 710;
- 2051 **8.3.1.11.** All openings made through a ceiling for penetrations such
- 2052 as cables, cable tracks, conduit, pipes or tubing shall be
- 2053 protected with approved through-penetration fire stops;
- 2054 **8.3.1.12.** Vent mount installations require the cable and ground wire
- 2055 from the dish to follow the vent pipe into the attic area.
- 2056 Approved tar sealant must be applied where cable enters
- 2057 vent pipe flashing. A half- inch slit at the top of the roof
- 2058 jack is allowed to feed the cable alongside of the vent pipe.
- 2059 Approved silicone sealant must be used around this area;
- 2060 **8.3.1.13.** Local electrical installation codes and the current National
- 2061 Electrical Code require the satellite dish to be grounded;
- 2062 **8.3.1.14.** Use ground wire to connect the satellite dish to a metal
- 2063 cold water pipe using a grounding clamp and following the
- 2064 guidelines.
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9. ARTICLE IX – WILDLIFE

9.1. Section 9.1 – Prohibition on Feeding Non-Domesticated Wildlife

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

9.2. Section 9.2 – Pet Food and Standing Water

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

9.3. Section 9.3 – Bird Feeders

Bird feeders with bird seed of any type are not allowed at the unit or anywhere on Mutual property including hanging from trees or other support devices. A hummingbird-type feeder with liquid food is permitted at a Unit, but not on common area Mutual property, including but not limited to hanging from trees or other support devices.

10. ARTICLE X – BARBECUES

10.1. Section 10.1 – Use of Barbecues

Propane or butane barbecues shall only be used in an outdoor location that is at least ten feet (10') away from all structures. Charcoal barbecues are not permitted.

10.2. Section 10.2 – Prohibited Use of Barbecues

Propane or butane barbecues must be stored on the outside, open porch/patio of a ground floor Unit. Such items can never be stored in an enclosed porch or storage shed. If a Unit has no patio/porch, the barbecue must be covered and stored in the garden area adjacent to the main entry walkway. Propane or butane 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.

11. ARTICLE XI – PETS

11.1. Section 11.1 – Definition of Pet

A pet is any domesticated bird, cat, dog, aquatic animal kept within an aquarium, or other animal as agreed to between the Mutual and the

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homeowner.

11.2. Section 11.2 – Number of Quadruped Pets

The number of quadruped pets per Unit shall be restricted to one (1).

11.3. Section 11.3 – Number of Birds

The number of birds per Unit shall be restricted to two (2).

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

11.4. Section 11.4 – Prohibited Animals

All members of the reptile, arachnid and monkey families, as well as any raucous-voiced birds, are prohibited; however, a reptile, such as a small lizard or turtle that is housed in a terrarium or aquarium, is permitted. At no time shall it be appropriate for Shareholders to house or maintain within the confines of the Mutual any animal commonly known as a farm animal, domesticated farm animal, or any animal commonly maintained on a farm for the purpose of breeding for its fur, feathers, byproducts, or for human consumption, or as may be found in specialty meat markets. Farm animals may include, but are not limited to: duck, goose, chicken, potbellied pig, piglet, cow, calf, goat, rabbit, lamb, miniature horse, pony, etc.

11.5. Section 11.5 – Weight Restrictions

No pet which is expected to weigh in excess of twenty-five (25) pounds at full maturity may be kept within the Mutual, except a service animal.

11.6. Section 11.6 – Pets Prohibited in Common Area

Pets are prohibited from common area facilities, such as clubhouse facilities, library, Golf course, health care center, amphitheater, swimming pool area, Administration Building, lobbies, and laundry rooms. In all other permitted areas, the pet must be on a leash not longer than six feet (6’) and under the control of, and accompanied by, a Qualifying Resident and/or adult agent of the Qualifying Resident pet owner and/or responsible adult.

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11.7. Section 11.7 – Pet Waste

In accordance with Seal Beach City Code Section 3-10.26 – Maintaining Sanitary Conditions, persons allowing their dog or cat to defecate on property other than their own property, shall remove such feces immediately or be subject to a city fine of twenty-five dollars (\$25.00). The Qualifying Resident pet owner shall immediately, and forthwith, remove any pet waste deposited by the pet in all common areas within the Mutual where said pet is permitted. The Mutual will impose a fine, per occurrence, on any Qualifying Resident pet owner who fails to immediately remove any such pet waste deposited by their pet. The imposed fine shall be twenty-five dollars (\$25.00), per occurrence or the actual amount charged by the janitorial services company to have one (1) of its employees remove the pet waste, if greater than twenty-five dollars (\$25.00). The imposed fine shall be paid by the Qualifying Resident pet owner to the Mutual. It shall not be permissible to maintain a pet in a residence unless sanitary standards are maintained governing the disposal of pet waste. Qualifying Resident pet owners with properly registered pets shall be permitted to walk their pet while the pet is on a leash not longer than six feet (6') for the purpose of exercising and/or depositing pet waste on any lawn area. At all times, the Qualifying Resident pet owner or responsible adult must have on their person, in plain view a plastic bag and/or a poop scoop device for the purpose of immediately removing any pet waste deposited on any lawn or ground area.

11.8. Section 11.8 – Requirements

All quadruped pets brought into the Mutual by a Qualifying Resident pet owner shall have been spayed or neutered. Qualifying Resident pet owners are required to control noise and odor caused by a pet. Any noise or odor which adversely affects any other resident is not permitted. No quadruped pet may be left unattended in any dwelling area for more than four (4) hours. All pets must be under the Qualifying Resident pet owner’s control in a Unit, so as not to be a hazard to security officers, maintenance staff, fire inspectors, paramedics, mail carriers or service providers, or other employees requiring access to a Unit where there are pets. Qualifying Resident pet owners who, on a temporary basis, allow a neighbor to assume responsibility for their pet for a period longer than four (4) consecutive hours must notify the Security Department of the temporary arrangement and provide a sign for the neighbor to post on the exterior of the neighbor’s residence, near the front door, notifying service providers and employees who require access to the Unit in an emergency that a pet is temporarily being housed inside the Unit.

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11.9. Section 11.9 – License Requirements

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

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

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

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11.10. Section 11.10 – Non-Resident Animals

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

11.11. Section 11.11 – Cat Litter

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

11.12. Section 11.12 – Insurance Requirement

Qualifying Resident pet owners owning a cat or dog pursuant to these regulations shall procure a policy of liability insurance in an amount sufficient for the indemnification of other persons who may be injured by the pet of the Qualifying Resident with coverage in an amount sufficient to cover their personal liability.

11.13. Section 11.13 – Pet Ownership Decal

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

11.14. Section 11.14 – Move Out Cleaning Requirements

Resident pet owners, upon the sale of their Unit shall have the Unit treated professionally by a licensed pest control company prior to the close of escrow, at the pet owner’s expense.

11.15. Section 11.15 – Mutual’s Right to Remove Pets

In the event of any emergency related to a pet, and in the event there is no state or local authority (or designated agent of such an authority), the Mutual reserves the right to remove a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of other residents of Seal Beach Leisure World, and/or their guests. Subject to execution of an agreement by the Qualifying Resident pet owner, a representative of the Mutual, along with the Security Department, may enter the premises, if necessary, to remove the pet only if the Qualifying Resident pet owner refuses to remove the pet at the Mutual

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2274 Corporation’s request, or if the Mutual Corporation cannot contact the
 2275 Qualifying Resident pet owner to make a removal request, and may take such
 2276 action with respect to the pet as may be permissible under federal, state and
 2277 local laws, which may include placing the pet in a facility that will provide care
 2278 and shelter for a period not to exceed thirty (30) days. If the health or safety of
 2279 a pet is threatened by the death or incapacity of the Qualifying Resident pet
 2280 owner, or by other factors that render the Qualifying Resident pet owner unable
 2281 to care for the pet, and pursuant to the authorization in the Pet Ownership
 2282 Registration Form, the Mutual may contact a responsible party or parties listed
 2283 on the Pet Ownership Registration Form for the purpose of removing and
 2284 caring for the animal. If the responsible party or parties are unwilling or unable
 2285 to care for the pet, the Mutual may contact the appropriate state or local
 2286 authority and request the removal of the pet. If there is no state or local
 2287 authority, the Mutual Corporation may remove the pet and place it in a facility
 2288 that will provide care and shelter until the responsible party or representative
 2289 may be contacted, or the Qualifying Resident pet owner is able to assume
 2290 responsibility for the pet, but not for longer than thirty (30) days. The cost of the
 2291 animal care shall be borne by the Qualifying Resident pet owner. In the event
 2292 that no resolution, as related to the care of the pet under and pursuant to the
 2293 above is made within thirty (30) days, the Mutual and/or GRF are authorized to
 2294 deliver the pet to any local humane society or association, either private, state,
 2295 federal, or county.

11.16. Section 11.16 – Pet Owner Liability

2297 The Qualifying Resident pet owner or Qualifying Resident pet owner’s estate
 2298 shall remain responsible for any and all damages, injuries and related
 2299 expenses caused by the pet, which may include the payment of any legal
 2300 expenses incurred by the Mutual and GRF in the enforcement of these Rules.
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11.17. Section 11.17 – Violation of this Article IX

2303 In the event of a determination of a violation of these Rules, the Mutual shall
 2304 serve a written notice of the pet rule violation on the Qualifying Resident pet
 2305 owner. The written notice shall contain a statement of the factual basis for
 2306 determining which violation has occurred to constitute alleged violation of these
 2307 pet Rules. The written notice shall state that the Qualifying Resident pet owner
 2308 has ten (10) days from the effective date of service of the notice to: (1) correct
 2309 the violation (including, in appropriate circumstances, removal of the pet); or (2)
 2310 make a written request to hold a meeting with the Mutual Board to discuss the
 2311 alleged violation. The Qualifying Resident pet owner is entitled to be
 2312 accompanied by another person of his/her choice at a meeting, if a meeting is
 2313 requested. The Qualifying Resident pet owner’s failure to correct the violation,
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2315 to request a meeting, or to appear at a requested meeting, may result in an
2316 initiation of procedures to terminate the Qualifying Resident pet owner’s
2317 occupancy in the Mutual.
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11.18. Section 11.18 – Service Pets

2319 These Rules and Regulations concerning pets, including without limitation,
2320 Sections 11.2 and 11.3 related to number of pets, and Section 11.5 related to
2321 weight restrictions, shall have no application to a Qualifying Resident with a
2322 bona fide service animal or animal required because of a physical disability of
2323 the Qualifying Resident, who requires a service animal specifically trained to
2324 assist the Qualifying Resident or to a Qualifying Resident or QPR who is
2325 otherwise entitled to a reasonable accommodation from complying with these
2326 Rules under applicable State or Federal law. Such Qualifying Resident or QPR
2327 may make such request for reasonable accommodation to the Mutual, which
2328 will consider each request on a case-by-case basis.
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12. ARTICLE XII – ELECTION AND VOTING RULES AND REGULATIONS

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2331 The Board of Directors (“Board”) of Seal Beach Mutual No. Eleven (“Mutual”) has
2332 adopted these Election and Voting Rules and Regulations (“Election Rules”), in
2333 accordance with Civil Code §5105, et seq., to establish certain procedural rules for the
2334 successful management of meetings of the Mutual’s shareholders (“Shareholders”) and
2335 the implementation of the relevant provisions of the Mutual’s Bylaws concerning
2336 elections and voting. These Election Rules are not intended to replace or supersede the
2337 provisions of the Mutual’s Bylaws. Notwithstanding the foregoing, these Election Rules
2338 were revised and adopted by the Board to comply with the changes to California Civil
2339 Code §§ 5100; 5105; 5110; 5115; 5125; and 5145 which take effect on January 1,
2340 2020, pursuant to California Senate Bill 323. As such, any inconsistency between these
2341 Election Rules and the Bylaws shall be governed in accordance with the Civil Code.
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2344 These Election Rules shall not be amended less than ninety (90) days prior to an
2345 election.
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12.1. Section 12.1 – Qualification of Candidates and Directors/Elected Positions

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2348 **12.1.1.** Candidates for election to the Board shall be Shareholders of the
2349 Mutual, and the Board shall be composed of six (6) persons who
2350 shall, at all times, be Shareholders of the Mutual.
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2352 **12.1.2.** In order to be a candidate for election for Director or any other
2353 elected position, such Shareholder, as of the date ballots are
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distributed: (a) must be current in the payment of Regular and Special assessments ; (b) must not have a joint ownership interest, either directly or indirectly, in the same separate interest as another candidate or incumbent Director; (c) must have been a Shareholder of the Mutual for not less than one (1) year; (d) must not have a past criminal conviction that, if elected, would either prevent the Mutual from purchasing the fidelity bond coverage required by Civil Code §5806, or terminate the Association’s existing fidelity bond coverage. If title to a separate interest 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 Shareholder for purposes of running for and serving on the Board. Notwithstanding the foregoing, the candidate shall not be disqualified for election for Director for failure to be current in payment of Regular and Special assessments if either of the following circumstances is true:

12.1.2.1. The candidate has paid the Regular or Special assessment under protest pursuant to Civil Code §5658;

12.1.2.2. The candidate has entered into a payment plan pursuant to Civil Code §5665. Furthermore, the Mutual shall not disqualify the candidate pursuant to this Section 1(b) if he or she has not been provided the opportunity to engage in Internal Dispute Resolution pursuant to Civil Code §§5900-5920.

12.1.3. In order to remain qualified to serve on the Board, at all times during such Shareholder’s term as a Director, the Shareholder must: (a) remain current in the payment of Regular and Special assessments; (b) not enter into a joint ownership interest, either directly or indirectly, in the same separate interest as another Director; (c) must remain a Shareholder of the Mutual; (d) must not be convicted of a crime that would either prevent the Mutual from purchasing the fidelity bond coverage required by Civil Code §5806 or terminate the Mutual’s existing fidelity bond coverage. Notwithstanding the foregoing, the Director shall not be disqualified for failure to be current in payment of Regular and Special assessments if either of the following circumstances is true:

12.1.3.1. The Director has paid the Regular or Special assessment under protest pursuant to Civil Code §5658;

12.1.3.2. The Director has entered into a payment plan pursuant to Civil Code §5665. Furthermore, the Mutual shall not disqualify the Director pursuant to this Section 1(c) if he or she has not been provided the opportunity to engage in

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Internal Dispute Resolution pursuant to Civil Code §§5900-5920. The Board may declare vacant the seat of any Director who ceases to meet the qualifications for a Director set forth in this Section upon the occurrence of the non-qualifying event, and the Director’s seat shall then be deemed vacant in accordance with the Association’s Bylaws and/or the Corporations Code.

12.1.4. The Board may declare vacant the seat of any Director who ceases to meet the qualifications for a Director set forth in this Section upon the occurrence of the non-qualifying event, and the Director’s seat shall then be deemed vacant in accordance with the Association’s Bylaws and/or the Corporations Code.

12.2. Section 12.2 – Nomination Process

12.2.1. The Association shall send to all Shareholders a request-for-candidates form, seeking nominations for candidates for the Board and providing general notice of the procedure and deadline for submitting a nomination for election to the Board at least thirty (30) days before any deadline for submitting a nomination. Individual notice shall be delivered pursuant to Civil Code §4040 if individual notice is requested by a Shareholder.

12.2.2. Nominations will be valid so long as the nominee has either nominated himself or herself or provides notice of acceptance of the nomination prior to the close of nominations.

12.2.3. If a person or entity nominated is not qualified to serve on the Board pursuant to Section 1(b) of these Election Rules, and the candidate has been provided the opportunity to engage in Internal Dispute Resolution pursuant to Civil Code §§5900-5920, that candidate’s name shall not appear on the ballot and that person or entity will not be permitted to serve if elected.

12.2.4. The Inspector shall retain, as Mutual election materials, both a candidate registration list and a voter list. The voter list shall include the name, voting power, and either the physical address of the Shareholder’s Unit, 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 Shareholder’s Unit or if only the parcel number is used. The Mutual shall permit Shareholders to verify the accuracy of their individual information on both lists at least thirty (30) days before the ballots are distributed. The Mutual or Shareholder shall report any errors or omissions to either list to the Inspector or Inspectors who shall make the corrections within two (2)

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business days.

12.3. Section 12.3 – Voting Qualifications of Shareholders

12.3.1. All Shareholders shall be entitled to vote in any Shareholder vote.

12.3.2. These Election Rules expressly:

12.3.2.1. Prohibit the denial of a ballot to a Shareholder for any reason other than not being a Shareholder at the time when ballots are distributed;

12.3.2.2. Prohibit the denial of a ballot to a person with general power of attorney for a Shareholder;

12.3.2.3. Require the ballot of a person with general power of attorney for a Shareholder to be counted if returned in a timely manner; and,

12.3.2.4. Require the inspector or inspectors of elections to deliver, or cause to be delivered, at least thirty (30) days before an election, to each Shareholder both of the following documents:

- a. The ballot or ballots;
- b. A copy of these Election Rules. Delivery of these Election Rules may be accomplished by either of the following methods:
 - Posting these Election 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:”
<http://www.lwsbmutual11.com//>
 - Individual delivery.

12.3.3. Each Shareholder shall have one (1) vote per stock owned. In no event shall more than one (1) vote be cast with respect to any stock. When more than one (1) person holds a stock, all such persons shall be deemed Shareholders, provided however, that the vote for such stock shall be exercised as a unit, in accordance with the provisions of the Mutual’s governing documents. If two or more ballots are received for any one stock, the first ballot received shall be counted and the additional ballot(s) discarded.

12.4. Section 12.4 – Inspector of Election

12.4.1. At an open meeting, the Board shall appoint one (1) or three (3)

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- 2478 persons to serve as independent Inspector(s) of Election
 2479 (“Inspector(s)”).
- 2480 **12.4.2.** The Inspector must be an independent third party who is not:
 2481 **12.4.2.1.** Currently a member of the Board or a candidate for the
 2482 Board;
 2483 **12.4.2.2.** Related to a member of the Board or a candidate for the
 2484 Board; or
 2485 **12.4.2.3.** A person, business entity, or subdivision of a business
 2486 entity who is currently employed or under contract to the
 2487 Mutual for any compensable services other than serving
 2488 as an Inspector of Elections.
- 2489 **12.4.3.** The Board may select as the Inspector(s), Mutual Shareholder(s), a
 2490 volunteer poll worker with the County registrar of voters, a licensee
 2491 of the California Board of Accountancy, a notary public, or any other
 2492 independent third-party authorized to serve as Inspector(s) under
 2493 these Election Rules.
- 2494 **12.4.4.** The Board, in its discretion, may remove and replace the
 2495 Inspector(s) at any time prior to the date of any election.
- 2496 **12.4.5.** The Board may pay reasonable compensation to a non-Shareholder
 2497 third-party Inspector. If the Board determines that it will appoint and
 2498 pay non-Shareholder third-party Inspector, the following terms must
 2499 be fulfilled:
 2500 **12.4.5.1.** A formal written contract for the Inspector, stating that the
 2501 Inspector is an independent contractor;
 2502 **12.4.5.2.** The Inspector will maintain insurance with at least \$1
 2503 million CGL coverage, including completed operations
 2504 coverage, and \$1 million D&O/E&O (naming the Mutual
 2505 and GRF as additional insureds on both policies); and
 2506 **12.4.5.3.** The contract shall require the Inspector to indemnify the
 2507 Mutual for gross negligence and willful and/or malicious
 2508 misconduct.
- 2509 **12.4.6.** If an Inspector is unwilling, unable, or does not perform his/her duties
 2510 as stated in these rules or becomes ineligible to be an Inspector at
 2511 any time after appointment, the Board may remove that Inspector
 2512 without notice, and may appoint another Inspector in his or her place.
- 2513 **12.4.7.** The Inspector shall perform his/her duties impartially, in good faith, to
 2514 the best of his or her ability, and as expeditiously as is practical.
- 2515 **12.4.8.** The Inspector shall have the duty to:
 2516 **12.4.8.1.** Determine the number of Shareholders entitled to vote and
 2517 the voting power of each;
 2518 **12.4.8.2.** Determine the authenticity, validity, and effect of proxies, if

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- 2519 required by statute;
- 2520 **12.4.8.3.** Receive ballots;
- 2521 **12.4.8.4.** Verify the Shareholder’s information and the presence of a
- 2522 signature on the outer envelope. For mailed ballots, the
- 2523 Inspector(s) may verify the Shareholder’s information and
- 2524 presence of a signature on the outer envelope prior to the
- 2525 election;
- 2526 **12.4.8.5.** Determine the existence of a quorum, if required by statute
- 2527 or the governing documents. For the purposes of
- 2528 determining a quorum, each ballot received by the
- 2529 Inspector(s) shall be treated as a Shareholder present,
- 2530 except in the case of duplicate ballots or multiple ballots
- 2531 from the same stock;
- 2532 **12.4.8.6.** Hear and determine all challenges and questions in any
- 2533 way arising out of or in connection with the right to vote;
- 2534 **12.4.8.7.** Count and tabulate all votes;
- 2535 **12.4.8.8.** Determine when the polls shall close, consistent with the
- 2536 governing documents;
- 2537 **12.4.8.9.** Determine the tabulated results of the election;
- 2538 **12.4.8.10.** Report the tabulated results of the election or balloting
- 2539 promptly to the Board of Directors to ensure that the Board
- 2540 can publicize the results to the Shareholders within fifteen
- 2541 (15) days of the election; and
- 2542 **12.4.8.11.** Perform any acts as may be proper to conduct the election
- 2543 with fairness to all Shareholders in accordance with Civil
- 2544 Code section 5110, the Corporations Code, and all
- 2545 applicable rules of the Mutual.
- 2546 **12.4.9.** The Inspector may meet and discuss election issues amongst
- 2547 themselves and/or with Mutual counsel.
- 2548 **12.4.10.** If there are three (3) Inspectors, the decision or act of two (2) or
- 2549 more Inspectors shall be effective in all respects as the decision or
- 2550 act of all.
- 2551 **12.4.11.** The Inspector may appoint and oversee additional persons to verify
- 2552 Shareholders’ information and signatures and to count and tabulate
- 2553 votes as the Inspector deems appropriate.
- 2554 **12.4.12.** The Inspector’s report of the election, once signed to certify the
- 2555 election, is prima facie evidence of the facts stated in the report.
- 2556
- 2557 **12.5. Section 12.5 – Access to Association Media**
- 2558 **12.5.1.** No candidate or Shareholder shall be provided access to Mutual
- 2559 media, newsletters or internet web sites during the campaign except

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- 2560 with the express consent of the Board, and solely for purposes that
 2561 are reasonably related to that election. The Board’s consent may be
 2562 withheld at its sole discretion and for any reason.
- 2563 **12.5.2.** In the event access to Mutual media, newsletter or internet web sites
 2564 is granted to any candidate or Shareholder advocating a point of
 2565 view, during any campaign for purposes that are reasonably related
 2566 to that election, then all candidates and Shareholders advocating a
 2567 point of view, including those not endorsed by the Board, shall be
 2568 provided equal access for purposes reasonably related to that
 2569 election.
- 2570 **12.5.3.** In the event access to Mutual media, newsletter or internet websites
 2571 is granted, the Mutual shall not censor, edit or redact any content
 2572 from the communications of the candidates and Shareholders
 2573 advocating a point of view, but may include a statement specifying
 2574 that the candidate or Shareholder, and not the Association, is
 2575 responsible for the content of the message. The following statement
 2576 may be published by the Mutual: “The views expressed are those of
 2577 its author and do not reflect the view of the Mutual, its directors,
 2578 managers, employees or agents. The author is solely responsible for
 2579 its content. The Mutual was required by law to publish the
 2580 communication as written, regardless of content.”
- 2581
- 2582 **12.6. Section 12.6 – Access to Common Area Meeting Space**
 2583 If any Common Area meeting space exists within the Mutual, access to such
 2584 meeting space shall be made available at no cost to all candidates, including
 2585 those who are not incumbents, and to all Shareholders advocating a point of
 2586 view, including those not endorsed by the Board, for purposes reasonably
 2587 related to the election or vote, upon reasonable request.
- 2588
- 2589 **12.7. Section 12.7 – Mutual Funds**
 2590 Mutual funds shall not be used for campaign purposes in connection with any
 2591 election except to the extent necessary to comply with the duties of the Mutual
 2592 imposed by law.
- 2593
- 2594 **12.8. Section 12.8 – Proxies**
 2595 The Mutual is not required to prepare and distribute proxies. All proxies shall
 2596 be in writing, dated and filed with the Secretary before the appointed time of
 2597 each meeting. Each proxy shall be revocable and shall automatically cease
 2598 upon conveyance by the Shareholder of his or her stock, or upon receipt of
 2599 notice by the Secretary or the Board of the death or judicially declared
 2600 incompetence of a Shareholder, or upon the expiration of three (3) years from

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the date of the proxy. The authenticity, validity and effect of proxies submitted by Shareholders shall be determined by the Inspector(s), consistent with the Mutual's Governing Documents and any statutory requirements. If a Shareholder submits both a proxy and a ballot to the Inspector(s), the ballot will supersede the proxy. Proxies may not be used in lieu of a ballot. Proxies may not be revoked once a proxyholder has submitted a ballot to the Inspector(s). Only a Shareholder may serve as a proxyholder.

12.9. Section 12.9 – Voting Period

12.9.1. The Board shall generally determine the dates upon which polls will open and close, consistent with the governing documents and applicable law.

12.9.2. The Mutual shall provide general notice of all of the following at least thirty (30) days before the ballots are distributed:

12.9.2.1. The date and time by which, and the physical address where, the ballots are to be returned by mail or handed to the Inspector or Inspectors of Elections;

12.9.2.2. The date, time, and location of the meeting at which ballots will be counted;

12.9.2.3. The list of all candidates' names that will appear on the ballot;

12.9.2.4. Individual notice of the above shall be delivered pursuant to Civil Code §4040 if individual notice is requested by a Shareholder.

12.9.3. All candidates shall have a reasonable opportunity to communicate their qualifications to Shareholders and to solicit votes.

12.10. Section 12.10 – Secret Balloting Procedures

12.10.1. The Mutual shall utilize a secret ballot process pursuant to Civil Code section 5115 for the following matters:

12.10.1.1. A vote of the Shareholders regarding assessments per Civil Code section 5605; (ii) Election of members of the Board; (iii) Amendments to the governing documents; (iv) Grant of Exclusive Use Common Area pursuant to Civil Code section 4600; (v) Removal of Directors; and (vi) Any other Shareholder vote which the law requires to be conducted via the secret ballot process;

12.10.1.2. Notwithstanding Paragraph 12.10.1 herein, the Mutual may utilize a secret ballot process for any other Shareholder vote, if allowed by law or the governing documents.

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- 12.10.1.3.** A ballot and two pre-addressed envelopes (Envelopes # 1 and # 2) with instructions on how to return the ballot shall be mailed by first-class mail or delivered by the Mutual to every Shareholder at least thirty (30) days prior to the deadline for voting.
- 12.10.1.4.** The ballot shall contain the names of any candidates known to the Mutual at the time the ballot is mailed. If no candidates are known or if there are fewer candidates than the number of Directors to be elected, the Mutual will send out a ballot which has the names of the known candidates.
- 12.10.1.5.** Cumulative voting is permitted in all elections.
- 12.10.1.6.** Write-in candidates and nominations from the floor shall not be permitted.
- 12.10.1.7.** A voter may not be identified by name, unit number, or address on the ballot.
- 12.10.1.8.** The ballot itself is not signed by the Shareholder voting, but rather, is to be inserted into Envelope # 1 that is sealed by the Shareholder. Envelope # 1 is then inserted into Envelope # 2, which is then sealed by the Shareholder.
- 12.10.1.9.** Envelope # 2 is addressed to the Inspector(s). In the upper left-hand corner of Envelope # 2, the voter shall sign his or her name, print his or her name, and indicate the address or separate interest identifier that entitles him or her to vote.
- 12.10.1.10.** Envelope # 2 may be mailed or delivered by hand to a location specified by the Inspector(s). The Shareholder may request a receipt for delivery.
- 12.10.1.11.** Once a ballot has been cast, it cannot be revoked.
- 12.10.1.12.** Only the Mutual's ballots and envelopes which are sent out to the Shareholders by the Mutual or are provided by the Mutual at the membership meeting will be accepted by the Inspector(s).

12.11. Section 12.11 – Vote Tabulation

- 12.11.1.** All votes shall be counted and tabulated by the Inspector(s), or the duly authorized persons appointed by the Inspector(s), in public at a properly noticed Shareholders meeting.
- 12.11.2.** The ballots shall not be opened or otherwise reviewed prior to the time and place which the ballots are counted and tabulated.
- 12.11.3.** Any candidate or Shareholder may witness the counting and tabulation of the votes. Shareholders are prohibited from speaking

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- 2683 to the Inspector(s) of Elections or their designee(s) during the
 2684 tabulation process or from interrupting the tabulation process in any
 2685 way.
 2686 **12.11.4.** The Inspector(s), or his or her designee, may verify the
 2687 Shareholder’s information and signature on Envelope #2 prior to the
 2688 meeting at which ballots are tabulated.
- 12.12. Section 12.12 – Election Results**
- 2689 **12.12.1.** The Inspector(s) shall promptly report the results of the election to
 2690 the Board. The Board shall record the results of the election in the
 2691 minutes of the next Board meeting and make them available to the
 2692 Shareholders for review.
 2693
 2694 **12.12.2.** Within fifteen (15) days of the election, the Board shall publicize the
 2695 results of the election in a communication directed to all
 2696 Shareholders.
 2697
- 12.13. Section 12.13 – Custody, Storage and Retention of Ballots**
- 2698 **12.13.1.** The sealed ballots, signed voter envelopes, voter list, proxies, and
 2699 candidate registration list (collectively referred to as “election
 2700 materials”) shall, at all times be in the custody of the Inspector(s), or
 2701 at a location designated by the Inspector(s), until after the tabulation
 2702 of the vote, and until the time allowed by Civil Code §5145 for
 2703 challenging the election has expired, at which time the ballots shall
 2704 be transferred to the Mutual.
 2705
 2706 **12.13.2.** If there is a recount or other challenge to the election process, the
 2707 Inspector(s) shall, upon written request, make the ballots available
 2708 for inspection and review by an Shareholder or his or her authorized
 2709 representative. Any recount shall be conducted in a manner that
 2710 preserves the confidentiality of the vote.
 2711
 2712 **12.13.3.** After the transfer of the ballots to the Mutual, the election materials
 2713 shall be stored by the Mutual in a secure place for no less than three
 2714 (3) years following the date of the election.
 2715
 2716 **12.13.4.** The Inspector shall retain, as Mutual election materials, both a
 2717 candidate registration list and a voter list. The voter list shall include
 2718 the name, voting power, and either the physical address of the
 2719 voter’s Unit, 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 Unit or if only the parcel number is used.

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SB 323 GENERAL REFERENCE ELECTION TIMELINE

120 Days Prior	Deadline for giving notice of any amendment to the Election Rules requiring a 28-day comment period.
110 Days Prior	Send out call for candidates and procedure for nominations by general notice* (provide 30 days to return nominations).
90 Days Prior	Cut-off for adopting amendment to Election Rules.
80 Days Prior	Cut-off for receipt of nominations.
79 Days Prior	Send out notice of disqualification to any nominees who are not qualified to run, advising that nominee has 7 days from date of notice to request IDR in writing, which, if requested, will be completed within 15 days of the date of the notice of disqualification.
64 Days Prior	Deadline for completing IDR with disqualified candidates. Candidate list finalized.
60 Days Prior	<ul style="list-style-type: none"> • Provide general notice* containing all of the following: <ul style="list-style-type: none"> ○ The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the inspector; ○ The date, time and location of the meeting at which ballots will be counted; and ○ The list of all candidates' names that will appear on the ballot. • Deadline for members to verify the accuracy of their individual information on the candidate registration list and voter list upon request.
30 Days Prior	<ul style="list-style-type: none"> • Ballots and double envelopes sent to members. • Copy of election operating rules delivered to members by either of the following methods: <ul style="list-style-type: none"> ○ Posting the election operating rules to a website and including the website address on the ballot together with the phrase, in at least 12-point font: "The rules governing the election may be found here;" or ○ Individual delivery.
Day of Election	Inspector opens and counts ballots at open meeting.
Within 15 days After Election	Provide general notice* of election results to members.

****If a member has requested individual delivery of all Association notices, the Association will have to provide individual notice to any member so requesting.***

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13. ARTICLE XIII – ESTATE/PATIO SALES

13.1. Section 13.1 – Shareholder Estate/Porch Sales

A Shareholder who wishes to conduct an estate or porch sale must comply with the following and submit the following documents to the Board for approval: (1) Complete four (4) copies of the “Request for Permission to Conduct Estate Sale” and three copies of “Estate Sale Inventory” (collectively, the “Forms”); (2) give one (1) copy of each of the Forms to the Mutual President; (3) give one (1) copy of “Request for Permission to Conduct Estate Sale” to the Golden Rain News, if advertising the sale in the News; (4) give one (1) copy of “Request for Permission to Conduct Estate Sale” to the Security Department. Person conducting sale must be present at sale site at all times during the estate sale.

14. ARTICLE XIV – VISITORS

14.1. Section 14.1 – Visitors

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

14.2. Section 14.2 – Visitors Permitted

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

However, a waiver may be granted in an emergency for a limited period of time, and any request for a waiver shall be directed to the Board for approval.

14.3. Section 14.3 – Immediate/Collateral Family of Qualified Permanent Residents

Pursuant to California Civil Code Section 51.3, the Mutual is a fifty-five (55) and over housing development and from time to time, a Qualified Permanent Resident (“QPR”), as defined in said section, may become a resident in one of the Units. However, there is no provision in Civil Code Section 51.3 requiring that the Mutual permit immediate or collateral family of a QPR to also reside with the QPR. No member of any immediate or collateral family in any relationship with a QPR shall live with the QPR while such QPR resides with a Qualifying Resident as permitted under California Civil Code Section 51.3.

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15. ARTICLE XV – PENALTIES, FINES AND FEES

15.1. Section 15.1 – General Violations

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

15.1.1. Violations. If there is a violation of the Governing Documents, including the Occupancy Agreement or these Rules, any Shareholder may contact the Mutual Board or GRF, in order to report the alleged violation to the Mutual Board. Violation reports should be in writing and should describe the violation, identify the alleged violator, and identify the individual making the report. Please note that Shareholders do not have the right to remain anonymous when reporting an alleged violation. Upon receipt of a violation report, the Mutual Board will commence the enforcement process and determine whether a violation has occurred. The Mutual Board has complete discretion to decide whether or not to take action on a written violation complaint and what action, if any, will be taken. The Mutual Board may investigate any reported violation in order to determine whether the alleged violation has potential merit and, if so, whether the violation warrants action by the Board. Violations may also be noted by members of the Mutual Board, GRF, and/or staff during regular walkthroughs of the Mutual.

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

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

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- 15.1.2.2. The Mutual shall send a notice of hearing to the Respondent stating the nature of the alleged violation, referencing the specific provision of the Governing Documents which the Respondent is alleged to have violated, and inviting the Respondent to appear at a hearing before the Mutual Board to be held no sooner than fifteen (15) days from the date of the notice. The notice shall further advise the Respondent of his or her right to attend the hearing, submit a statement of defense to the Mutual Board in advance of the hearing or present a statement of defense and supporting witnesses at the hearing. If the Respondent does not attend the hearing, the Respondent waives these rights.
- 15.1.2.3. The Mutual Board shall conduct the hearing in executive session (unless requested otherwise by the Respondent) and shall afford the Respondent a reasonable opportunity to be heard.
- 15.1.2.4. If the Shareholder is found to be in violation of the Governing Documents following the hearing, the Mutual Board may do any of the following, as noted in the hearing notice:
 - a. Impose a monetary fine against the Shareholder pursuant to the Fine Schedule.
 - b. Levy a special reimbursement assessment against the Shareholder pursuant to the Governing Documents.
 - c. Declare the Shareholder to be not in good standing as set forth in these Rules.
 - d. Suspend the Qualifying Resident/Shareholder’s rights to use the recreational facilities if and as provided in the Mutual Governing Documents.
 - e. Any combination of the above.

15.1.3. Fine Schedule. The schedule of monetary penalties which the Mutual Board may impose for general violations in accordance with the above procedures is attached to these Rules as Exhibit “D”. The Mutual Board reserves the right to revise the Fine Schedule at any time through a rule change procedure and the most recent Fine Schedule shall be distributed to the Shareholders on an annual basis. Fines for parking violations are not included in Exhibit “D” but, rather, are set forth below in Section 15.2.6 of these Rules.

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15.2. Section 15.2 – Parking Violations

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

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

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

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

15.2.4. The Shareholder has the right to examine and refute evidence. The photos may be viewed in the Security Office by appointment. The Security Department will have a representative present to explain all

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

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

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

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

15.2.6.2. Additional citations may be issued after each 24-hour period.

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

Violation	1st Offense	2nd and each subsequent and/or continuation of
Assigned Parking Space or restricted parking Space.	\$25.00	\$25.00
Blocking Crosswalk	\$25.00	\$25.00

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Expired or Invalid State Vehicle Registration (Fine will be waived on first offense if sticker and/or paperwork that was current at time of Citation is presented. The Security Services Director has the right to waive the first offence fine if needed paperwork is presented)	\$50.00	\$50.00
Flat Tires	Fix-It	\$25.00
“For Sale” sign on Vehicle	\$20.00	\$20.00
Handicap Parking without Placard or Handicap ID Displayed	\$100.00 (Fine will be waived on first offense if placard and/or paperwork that was current at time of Citation is presented. The Security Services Director has the right to waive the first offence fine if needed paperwork is presented to them.)	\$200.00
Hazardous Materials Leaking	\$50.00	\$50.00
Limited Time Parking	\$20.00	\$20.00
Maintenance or Repair	\$25.00	\$25.00
No Valid GRF Vehicle Decal or Parking Permit Displayed	\$20.00	\$20.00
Parked on Sidewalk or Grass	\$25.00	\$25.00
Parked in RED Zone (Bus Stop)	\$25.00	\$25.00
Parked in RED Zone (Fire Hydrant)	\$100.00	\$200.00

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Parked in RED Zone (Mailbox)	\$25.00	\$25.00
RV or VUFR – Generator Running 8pm-8am	\$50.00	\$50.00
RV or VUFR – Jack Support: None or Inadequate	\$50.00	\$50.00
RV or VUFR – Parked over seventy- two (72) hours on	\$40.00	\$40.00
Washing any vehicle on Trust Property (except in designated	\$20.00	\$20.00
Washing a Non-Qualifying Resident Vehicle at Car Wash	\$20.00	\$20.00

15.3. Section 15.3 – Reporting Violations

Any Qualifying Resident or Shareholder, including any director serving on the Mutual Board, may report violations by contacting Security or the Mutual Board. Such reports shall constitute a complaint and will be documented in writing to include the time, date, nature of violation, circumstances, and location and address of person or persons responsible. The complaint will be provided to the Mutual Board for review and, if necessary, enforcement action. Individuals reporting violations may not remain anonymous.

15.4. Section 15.4 – Enforcement Procedures

In addition to the procedures and remedies set forth herein, the Mutual may take an action in law or in equity to recover damages, obtain injunctive relief, or obtain any other appropriate legal or equitable relief that may be available to the Mutual. If the Unit is to be sold, a “Notice of Intention to Withdraw” must be filed with the Stock Transfer Office in the Administration Building.

16. ARTICLE XVI – COLLECTION POLICY

16.1. Section 16.1 – Regular and Special Assessments

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

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16.2. Section 16.2 – Late Charges

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

16.3. Section 16.3 – Interest

An interest charge at a rate not to exceed ten percent (10%) per annum will be assessed against any outstanding balance, including delinquent Assessments, late charges, and cost of collection, which may include attorney's fees. Such interest charges shall accrue thirty (30) days after the Assessment becomes due and shall continue to be assessed each month until the account is brought current.

16.4. Section 16.4 – Additional Charges, Costs and Attorney's Fees

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

16.5. Section 16.5 – Application of Payments on delinquent Assessments

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

16.6. Section 16.6 – Special Assessment

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

16.7. Section 16.7 – Unlawful Detainer

If the delinquent Shareholder does not bring the account current within thirty

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2988 (30) days of notice of the delinquency, the Mutual can seek unlawful detainer
 2989 and eviction pursuant to the terms of the Shareholder's Occupancy Agreement.
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16.8. Section 16.8 – Partial Payments

2991 Any Assessment payments received from a delinquent Shareholder will be
 2992 applied to that Shareholder's account. However, absent receipt of payment in
 2993 full of all amounts due, the Mutual will proceed with any unlawful detainer
 2994 action initiated against the Shareholder's separate interest, or the delinquent
 2995 Shareholder personally, pursuant to and consistent with the requirements of
 2996 California statutory and case law unless the payments are remitted pursuant to
 2997 a written payment plan approved by the Mutual Board.
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16.9. Section 16.9 – Lawsuit

3000 The Mutual may, at any time, determine to file a personal lawsuit against the
 3001 delinquent Shareholder to recover all delinquent charges pursuant to relevant
 3002 law. All costs and attorneys fee in connection with the lawsuit, in addition to the
 3003 delinquent charges and other collection costs, will be sought from the
 3004 delinquent Shareholder.
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16.10. Section 16.10 – Attorney's Fees

3006 If a lawsuit or unlawful detainer action is initiated by the Mutual to recover
 3007 Assessments, the Mutual is entitled to recover not only the amount in default,
 3008 but also reasonable costs of collection, including title company charges and
 3009 attorney's fees as provided for by statute, as well as the Mutual's Bylaws, the
 3010 Shareholder's Occupancy Agreement, and/or other Governing Documents.
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16.11. Section 16.11 – Suspend Privileges and Voting Rights

3013 The Board may, having provided the Shareholder with a Notice of Hearing
 3014 pursuant to Civil Code Section 5855, suspend the common area privileges and
 3015 voting rights of any Shareholder who is more than thirty (30) days delinquent in
 3016 paying any Assessment. Common area privileges and voting rights will remain
 3017 suspended until the delinquency, including any accumulated penalties, interest
 3018 and costs of collection, has been paid in full.
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16.12. Section 16.12 – Secondary Address

3021 Shareholders have a right to identify in writing to the Mutual a secondary
 3022 address for purposes of, without limitation, collection notices delivered
 3023 pursuant to this Article XVI. Upon receipt of a written request from a
 3024 Shareholder identifying a secondary address, the Mutual shall send notices to
 3025 that secondary address.
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16.13. Section 16.13 – No Right of Offset

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

16.14. Section 16.14 – Charges and Fees Subject to Change

All charges and fees set forth in this Article XVI are subject to change. Upon rule change notification to the Shareholders.

16.15. Section 16.15 – Dismissal of Action Upon Payment

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

16.16. Section 16.16 – Right to Receipt

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

16.17. Section 16.17 – Overnight Payments

Payments may be made by overnight mail to the following address: Leisure World, Attn: Cashier, Finance Officer, P.O. Box 2069, Seal Beach, California 90740.

17. ARTICLE XVII – LEASING RULES AND REGULATIONS

INTRODUCTION

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

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

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

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

Rules and Regulations**17.1. Leasing of Units**

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

17.2. Residential Purpose.

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

17.2.1. Vehicle Limit. Tenant may not park more than two (2) vehicles within the Mutual, including the one (1) vehicle that is parked in the Carport assigned to the Unit occupied by the Tenant.

17.2.2. If Tenant is a roommate contemplated under Section 5.3 of these Leasing Rules, the Tenant may only park one (1) vehicle within the Mutual.

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17.3. Addendum to Occupancy Agreement

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

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

17.4. Restriction on Number of Units Leased

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

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

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

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

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

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- 17.4.2.4.** If a Shareholder who has been approved to rent his or her Unit fails to rent his or her Unit within ninety (90) days of the date of rental approval, the Shareholder’s written approval to rent from the Board shall expire. In such event, the Shareholder shall be required to submit a new written request to rent his or her Unit in accordance with the foregoing provisions.
- 17.4.2.5.** If a Lease for an approved rental of a Shareholder’s Unit expires or terminates and the Shareholder does not enter into a new Lease for the Shareholder’s Unit within ninety (90) days of the expiration or termination of the prior Lease, the Shareholder’s written approval to rent shall expire. In such event, the Shareholder shall be required to submit a new written request to rent his or her Unit in accordance with the foregoing provisions.
- 17.4.2.6.** At no time may a prospective Shareholder or any non-Shareholder be added to the Wait List.

17.5. Lease Requirements

- 17.5.1.** Subject to the Leasing Cap, and the provisions set forth above, a Shareholder may rent his or her Unit pursuant to a Lease that is: (A) in writing; (B) for a term of at least thirty (30) days (the “Minimum Lease Term”); and (C) subject in all respects to the Governing Documents, including, but not limited to, the Occupancy Agreement, provided it does not conflict with the terms contained herein.
- 17.5.2.** The Shareholder is required to provide the Tenant with a copy of all Governing Documents, and any amendments thereto for the duration of the tenancy and Lease and ensure that the Tenant understands and acknowledges, and agrees to be bound by the same. The Shareholder must provide the Mutual with written confirmation of the foregoing. The Lease shall include a statement that any failure by the Tenant to comply with the Governing Documents will constitute a default under the Lease. The following paragraph, or a substantially similar paragraph, shall be included in each Lease: “In accepting this Lease, Tenant acknowledges that Tenant has received, read, and understands Occupancy Agreement for Unit ____ , dated ____ , and any addendum thereto, and the Bylaws, rules, regulations, and policies of Seal Beach Mutual No. Eleven (the “Governing Documents”). Tenant agrees to comply with the terms of the Governing Documents, and acknowledges that any failure by Tenant, or Tenant’s family members, social guests, houseguests,

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3193 servants, employees, or agents, to comply with the terms of the
 3194 Governing Documents shall constitute a material default under this
 3195 Lease and may result in the early termination of this Lease.”
 3196 **17.5.3.** No less than the entirety of a Unit may be rented under a Lease, or
 3197 otherwise. Notwithstanding the foregoing, one (1) roommate paying
 3198 rent to a Shareholder may reside simultaneously with a Shareholder
 3199 in the Shareholder’s Unit. Any roommate contemplated under this
 3200 Section 5.3 must also meet all requirements of a Tenant as set forth
 3201 in these Leasing Rules, including without limitation, all age
 3202 requirements set forth in California Civil Code Section 51.3, et.seq.
 3203 The foregoing shall only apply to Units with two (2) bedrooms.
 3204 **17.5.4.** No sub-rental or sub-lease of a Unit shall be permitted, and no Unit
 3205 may be used for vacation rentals (for example only, listed on Airbnb,
 3206 VRBO or a similar website) or rented to a corporate housing
 3207 company.
 3208 **17.5.5.** No Unit may be leased for hotel or transient purposes.
 3209 **17.5.6.** The Lease must provide that upon the notice of intent to transfer
 3210 Stock, the Lease shall terminate, and the Tenant must vacate the
 3211 premises and remove all personal property within thirty (30) days.
 3212 The transfer of Stock cannot take place unless and until Tenant has
 3213 vacated the Unit.
 3214 **17.5.7.** Each Shareholder shall be responsible for any and all violations of
 3215 the Governing Documents committed by any Tenant, or any guest or
 3216 invitee of Tenant, of the Shareholder’s Unit.
 3217 **17.5.8.** Each Shareholder shall be deemed to have agreed to save, hold
 3218 harmless, indemnify, and defend the Mutual and its Directors,
 3219 officers, agents, representatives, attorneys and employees from and
 3220 against any and all claims, demands, actions, causes of action,
 3221 liabilities, damages, and expenses arising out of, or incurred as a
 3222 result of, the rental/leasing of the Shareholder’s Unit, together with all
 3223 costs, expenses, and actual attorneys’ fees resulting therefrom.
 3224 **17.5.9.** Tenant must acknowledge the Mutual’s right to initiate an unlawful
 3225 detainer action against the Shareholder in the event: (1) the Tenant
 3226 fails to abide by the terms of the Mutual’s Governing Documents and
 3227 the Shareholder fails to initiate an unlawful detainer action within
 3228 thirty (30) days of notice from the Mutual Board of the same; and/or
 3229 (2) the Shareholder’s Share of Stock is terminated. Any expenses
 3230 and attorneys’ fees incurred by the Mutual, shall be paid as set forth
 3231 in Section 17.7.2 of these Leasing Rules.

17.6. Exemptions; Enforcement

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- 17.6.1.** Upon application by a Shareholder to rent his or her Unit, the Board shall be authorized and empowered, in its sole and reasonable discretion, to grant a hardship exemption for the Shareholder with respect to the Leasing Cap. For purposes of this subsection, a “hardship” shall be defined as the need of a Shareholder to rent his or her Unit as a result of an unforeseeable event and/or because enforcement of the Leasing Cap, against the Shareholder could reasonably subject the Shareholder to suffer a severe financial difficulty.
- 17.6.2.** If a Shareholder rents his or her Unit without approval from the Board, or otherwise in violation of the provisions of these Leasing Rules, the Mutual is authorized to pursue all of its available legal rights and remedies against the Shareholder to enforce such violation and the Shareholder shall be subject to disciplinary measures, including, but not limited to: (a) a monetary penalty in an amount to be determined by the Board; (b) other disciplinary measures; (c) termination of the Occupancy Agreement; (d) injunctive relief; and/or (e) a Reimbursement Assessment in an amount equal to the costs incurred by the Mutual related to addressing such violation, including, without limitation, attorneys' fees and costs, irrespective of whether the Mutual is able to obtain a court order to evict the Tenant or otherwise effectuate the legal eviction of the non-compliant Shareholder and/or Tenant from the Shareholder's Unit.
- 17.6.3.** Notwithstanding anything to the contrary contained in these Leasing Rules, the Leasing Cap shall not apply to: (a) any Shareholder exempted from the Leasing Cap under the Davis-Stirling Act; and (b) the Mutual.

17.7. Unlawful Detainer

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

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Rules shall be considered a cost of collection of delinquent Assessments, for which the applicable Shareholder shall be responsible.

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

17.9.4. Payment of Rents to Mutual. Each Shareholder irrevocably consents that the Tenant or Tenants under a Lease for the Shareholder’s Unit, upon receiving from the Mutual notice of an assignment of rents pursuant to these Leasing Rules, shall pay the Rents to the Mutual without incurring any liability for the failure to determine the actual existence of any Assessment delinquency claimed by the Mutual. Each Shareholder further agrees that such Tenant or Tenants shall not be liable to the Shareholder for nonpayment of the Rents to the Shareholder for Rents paid to the Mutual pursuant to these Leasing Rules. The full amount of the Rents received by the Mutual shall be applied to the Shareholder’s account; however, application of the Rents to particular Assessments and charges owed by the Shareholder to the Mutual shall be at the Mutual’s discretion to the extent not dictated by law.

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

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

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17.10. Shareholder Insurance Requirements

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

17.10.2. Renter’s and Landlord’s Insurance. A Shareholder whose Unit is subject to a Lease shall require as a term of the Lease that the Tenant is required, at all times during the Tenant’s tenancy and occupancy of the Shareholder’s Unit, to obtain and maintain “renter’s insurance” of no less than fifty thousand dollars (\$50,000.00), insuring, including without limitation, the Tenant for general liability, property damage, and the replacement value of the Tenant’s personal property and belongings located in the Unit from damage and loss. Such Shareholder shall also be required to maintain “landlord’s insurance” during the period of the Lease, under an insurance policy that covers the Shareholder’s Unit from financial losses connected with the Unit; such policy shall cover standard perils such as fire, and, to the extent commercially available, include coverage for accidental damage, malicious damage by tenants, and rent guarantee insurance.

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

17.10.4. Lack of Insurance. The Mutual shall not be responsible for any

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

17.11. Tenant Eligibility

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

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

17.12. Board’s Right to Impose Additional Rules and Regulations

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

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17.13. Tenant Not Entitled to Take Over Rights of Shareholders

- 17.13.1. Mutual Meetings and Events.** Tenants may not participate in, or attend, meetings of the Mutual, including without limitation, any townhall meeting, open Board meeting, or any event intended only for the Shareholders of the Mutual.
- 17.13.2. Tenant and Shareholder Required to Attend Orientation.** All new Tenants within the Mutual are required to attend a New Tenant Orientation. All leasing Shareholders will be required to attend such Orientation with the Tenant. The Mutual is entitled to charge a fee for such New Tenant Orientation, at the discretion of the Board.
- 17.13.3.** Except in case of emergency, Tenant shall not contact the Director(s) of the Mutual or any vendor of the Mutual, including without limitation any employees or representatives of the GRF, for a maintenance issue. Tenant must contact the Shareholder-Landlord for any non-emergency maintenance issues.
- 17.13.4.** Tenant is not permitted to have overnight guests.

17.14. Forfeiture of Shareholder Rights

Shareholder cannot utilize any common areas of the Mutual, including without limitation, laundry rooms, use of carport and storage cabinets therein, if a shareholder elects to lease out his/her unit to a tenant.

17.15. Documents to Mutual

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

- 17.15.1. Lease.** The Shareholder shall provide the Mutual with a copy of the executed Lease.
- 17.15.2. Tenant Contact Information.** The telephone number and e-mail address, if applicable, of the Tenant, and information related to any vehicle of the Tenant, including the make, model, color, and license plate number.

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

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18. EXHIBIT "A"

**Exhibit "A"
Standardized Appliance List**

REFRIGERATORS

DESCRIPTION

3480	Kenmore 46-60502	Top Freezer, 18.0-cu ft., White
3481	Kenmore 46-60504	Top Freezer, 18.0-cu ft.
3482	Bisque Kenmore 46-60509 (special order)	Top Freezer, 18.0-cu ft.
3483	Black Whirlpool WRT318FZDW (alternate only)	Top Freezer, 18.2-cu ft.,
3484	White Whirlpool WRB329DMBW (special order)	Bottom Freezer, 18.7-cu ft.,
3485	White Whirlpool WRB329DMBB (special order)	Bottom Freezer, 18.7-cu ft.,
3486	Black Whirlpool WRB329DMBM (special order)	Bottom Freezer, 18.7-cu ft.,
3487		Stainless Steel

ELECTRIC OVENS

DESCRIPTION

3488	Sears Kenmore Brand	White 22-49402 Black 22-49409
3489	SS 22-49403	

ELECTRIC COOKTOPS

DESCRIPTION

3490	Sears Kenmore Brand	White 22-41202 Black 22-41209
3491	SS 22-41203	

WASTE DISPOSALS

DESCRIPTION

3492	Insinkerator, 3/4 H.P. Pro Essential – PRO ES	
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KITCHEN FAUCETS

DESCRIPTION

3493	Delta #100-LF-HDL	Without hose
3494	Delta #300-DST	With sprayer

KITCHEN SINKS

DESCRIPTION

3495	Kohler K5950W	White
3496	Kohler K5950A	Almond
3497	Kohler K5950B	Bisque

BATHROOM FAUCETS

DESCRIPTION

3498	Delta B510LF	
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BATHROOM SHOWER FIXTURES

DESCRIPTION

3499	Delta Shower Head 59462	White
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BATHROOM SINKS

DESCRIPTION

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3521	Mansfield 249 4"	Round – Bone and White
3522	Mansfield 249 4"	Oval – Bone and White
3523		
3524	BATHROOM TOILET BOWLS & TANKS	DESCRIPTION
3525	Toto C715 #01 Bowl	White Standard
3526	Toto C715#03 Bowl	Bone Standard
3527	Toto C744 #01 Bowl	White Hi-Boy
3528	Toto C744 #03 Bowl	Bone Hi-Boy
3529	Toto ST743 #01 Tank	White, 1.28gpf
3530	Toto ST743 #03 Tank	Bone, 1.28gpf
3531		
3532	BATHROOM FAN/HEATER	DESCRIPTION
3533	Nutone	Model 9965
3534		
3535	ELECTRIC WATER HEATERS	DESCRIPTION
3536	30-Gallon 3000W, Low Boy	American Standard E30L-2-12
3537	40-Gallon 3000W, Low Boy	American Standard E40L-2-12
3538	50-Gallon 4500W, Tall	American Standard E50T-6
3539		
3540	WATER HEATER ALARMS	DESCRIPTION
3541	Model PWA 4NE49	Pro Series
3542	Sonin Water Alarm with Dual Sensor	Model 00702
3543		
3544	SMOKE DETECTORS	DESCRIPTION
3545	BRK/First Alert, Hardwired, Battery Back-up	Model 9120B
3546	Kidde, Wireless, 10-year Battery	Model i9010
3547	Kidde, Hard-Wired, 10-year Battery Back-up	Model i12010S
3548		
3549	WASHERS	DESCRIPTION
3550	Maytag Model MVW18PDAWW	Top Load, Digital
3551	Maytag Model MVW18CSAWW	Top Load, Coin Slide WASHER
3552	Maytag Model MHN30PD	Front Load, Digital
3553	Maytag Model MVW18MNAWW	Top Load, Non-Coin
3554	Whirlpool Model CAE2763BQ	Top Load, Coin Slide
3555	Whirlpool Model CAE2793BQ	Top Load, Non-Coin
3556	Speed Queen Model SWNBC2SP112TW01	Top Load, Digital, Stainless Tub
3557	Speed Queen Model SWNBC2PP112TW01	Top Load, Digital, Porcelain
3558	Tub Speed Queen Model SWNSX2SP112TW01	Top Load, Coin Slide, Stainless Tub
3559		
3560	Speed Queen Model SWNSX2PP112TW01	Top Load, Coin Slide, Porcelain

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3561		Tub
3562	Speed Queen Model LWN432SP113TW01	Top Load, Non-Coin, Standard,
3563		No Electronics
3564		
3565	DRYERS	DESCRIPTION
3566	Maytag Model MDE18CSAYW	Coin Slide
3567	Maytag Model MDE18MNAYW	Non-Coin
3568	Whirlpool Model CEM2763BQ	Coin Slide
3569	Speed Queen Model SDET07W	Digital Speed Queen Model
3570		LDE30RGS173TW01 Non-Coin
3571		

19. EXHIBIT "B"

EXHIBIT "B"
Approved Plants

- 3572
- 3573
- 3574
- 3575
- 3576 1. Agapanthus
- 3577 2. Ajuga
- 3578 3. Azalea
- 3579 4. Camellia
- 3580 5. Chrysanthemum
- 3581 6. Dahlia
- 3582 7. Daylilies Duranta Repens
- 3583 8. Escallonia
- 3584 9. Flax
- 3585 10. Fuchsia
- 3586 11. Gardenia
- 3587 12. Heavenly Bamboo
- 3588 13. Hibiscus
- 3589 14. Hidcote Lavandula
- 3590 15. Holly Family
- 3591 16. Hydrangea
- 3592 17. India Hawthorn
- 3593 18. Heather
- 3594 19. Lily of the Nile
- 3595 20. Lily of the Valley
- 3596 21. Mandevilla Splendens
- 3597 22. Mirror Plant
- 3598 23. St. John's Wort
- 3599 24. Verbena
- 3600

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- 3601 Annual and Perennial Flowering:
 3602 1. Geraniums
 3603 2. Marigold
 3604 3. Wax Begonia Impatients
 3605 4. Vinca

20. EXHIBIT "C"

**EXHIBIT "C"
Non-Approved Plants**

- 3610
 3611 1. Asparagus Fern
 3612 2. Baby Tears
 3613 3. Bamboo
 3614 4. Plastic Plants
 3615 5. Bird of Paradise
 3616 6. Cactus (Large)
 3617 7. Citrus of any kind
 3618 8. Fruit of any kind
 3619 9. Ivy
 3620 10. Baby Tears
 3621 11. Citrus of any kind
 3622 12. Spiderwort
 3623 13. Bamboo
 3624 14. Trees of any kind
 3625 15. Vegetables
 3626 16. Wild mint
 3627 17. Ficus
 3628 18. Most Palms
 3629 19. Elephant Ears
 3630 20. Firestick Plant

21. EXHIBIT "D"

**EXHIBIT "D"
FINE SCHEDULE**

3635
 3636 Including, but not limited to property alterations and/or improvements made without
 3637 approval, repair and upkeep of property, unauthorized signs, and all other violations of
 3638 the Mutual's Governing Documents, except as otherwise set forth herein, may be
 3639 assessed a monetary penalty in the following amounts:
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Violation	1st Offense	2nd and each subsequent and/or continuation of offense
Residency/occupancy violations (e.g., unauthorized occupants, guests residing longer than permitted)	Notice to Comply in 48 hours	Notice and hearing and fine of up to \$500 and up to \$100 per/day for each additional day of non-compliance, for a maximum of 20 days.
Violation of Roof and Attic Access	Notice and hearing and up to \$1,000 and removal of unauthorized installation or non-compliant equipment if applicable	
Violation of Mutual Occupancy Agreement & all other Rules and Regulations	Written warning	Notice and hearing and fine of up to \$100 and up to \$100 per/day for each additional day of non-compliance, for a maximum of 20 days
Violation of Leasing Rules	Notice and hearing and fine of up to \$2,500.00	Notice and hearing and fine of up to \$5,000.00
Violation of Leasing Rules – Lease for Less than Thirty Days (Short-Term Rental)	Notice and hearing and fine of up to \$5,000.00	Notice and hearing and fine of \$2,500.00 to \$7,500.00

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22. EXHIBIT “E”

**EXHIBIT “E”
FEE SCHEDULE**

TYPE OF FEE	AMOUNT
Withdrawal Inspection Process Fee	\$1,000.00
Withdrawal Inspection Repair Deposit	\$8,000.00
New Tenant Orientation	\$750.00

Document History

Adopted: 21 May 20

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Keywords: Mutual Eleven Rules and Regulations

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