

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL FIVE**  
**August 15, 2018**  
**Meeting begins at 9:00 a.m.**  
**Building Five Conference Room B**

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
2. SHAREHOLDER COMMENTS (2-3 minutes per shareholder agenda items only)
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):  

Mr. Gould, GRF Representative  
Ms. Hopkins, Mutual Administration Director  
Mr. Meza, Building Inspector  
Mrs. Aquino, Recording Secretary
5. APPROVAL OF MINUTES:  
**Regular Meeting Minutes of July 18, 2018**  
**Special Meeting Minutes of August 6, 2018 (p. 3)**
6. BUILDING INSPECTOR'S REPORT Mr. Meza  
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (p. 4-6)
7. GRF REPRESENTATIVE Mr. Gould
8. **UNFINISHED BUSINESS**
  - a. Discuss and vote to adopt Policy 7585.05 – Protocol for Enforcing Governing Documents (p. 7-14)
  - b. Discuss and vote to amend Policy 7465.05 – Skylights & Sola Tubes for Kitchens, Bathrooms, and Permanent Patio Extensions (p. 15-19)
  - c. Mutual Five Project Updates:
    - i. Roofing
    - ii. Re-pipe
    - iii. Swale
    - iv. Budget and Reserve Study
  - d. Further discuss tree removal at Unit 99-L
  - e. Discuss and vote to rescind resolution dated June 20, 2018 (p. 20)
9. **NEW BUSINESS**
  - a. Discuss and vote to approve/deny Mr. C's Towing agreement for 2018-2019 (p. 21)
  - b. Discuss and vote to resolve and enforce Occupancy Agreement Article 23 Late Charges/Cost (p. 22)

**NEW BUSINESS (continued)**

- c. Discuss and vote to adopt Policy 7490.pb.05 – Payment and Performance Bond (p. 23-24)
- d. Discuss and vote to adopt Policy 7541 – Co-Occupants, Qualified Permanent Residents and Health Care Providers (p. 25-40)
- e. Discuss Email Address/Phone Number Supplied by GRF

**STAFF BREAK BY 11:00 a.m.**

- 10. SECRETARY / CORRESPONDENCE Ms. Boryta
- 11. CHIEF FINANCIAL OFFICERS REPORT Ms. Tran
  - a. Discuss and vote to approve/deny investment of short term CD's (p. 41)
  - b. Discuss and vote to approve/deny transfer of funds from Morgan Stanley to US Bank (p. 42)
  - c. Discuss and vote to approve/deny transfer of funds from Roofing to Infrastructure (p. 43)
- 12. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
- 13. ANNOUNCEMENTS  
**NEXT MEETING: September 19, 2018, at 9:00 a.m.  
Building Five – Conference Room B**
- 14. COMMITTEE REPORTS
- 15. DIRECTORS' COMMENTS
- 16. SHAREHOLDER(S) ' COMMENTS (2-3 MINUTES)
- 17. ADJOURNMENT
- 18. EXECUTIVE SESSION

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

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL FIVE**

**August 6, 2018**

In accordance with the Corporation Bylaws, and pursuant to due notice to the Directors, a Special Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President Coven on August 6, 2018, at 9:30 a.m. in the Physical Property Conference Room, 2<sup>nd</sup> Floor.

Those Directors present were: President Coven, Secretary Boryta, CFO Tran, and Directors Cude, and Powell. Vice President Van Wyk and Director Deady were absent

The purpose of this meeting was to select a contractor for the roofing of three Buildings, 109, 111 and 118.

Following a discussion, and upon a MOTION duly made by Secretary Boryta and seconded by CFO Tran, it was

RESOLVED, To award Standard Roofing a \$282,938 contract to roof three Buildings, 109, 111 and 118 beginning October/November of 2018.

The MOTION passed.

Following further discussion, and upon a MOTION duly made by Secretary Boryta and seconded by CFO Tran, it was

RESOLVED, That the Building Inspector will supervise and add new insulation per unit per Building to this contract.

The MOTION passed with one "no" vote (Coven)

President Coven adjourned the meeting at 2:25 p.m.

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Attest, Joan Boryta, Secretary  
SEAL BEACH MUTUAL FIVE  
ka:08/08/18

## INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(05) FIVE** INSPECTOR: **Mike Meza**

MUTUAL BOARD MEETING DATE: **AUGUST, 2018**

### PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	Improvement Values	RECENT INSPECTION	CONTRACTOR
91-L	KITCHEN REMODEL		08/22/17	02/09/18	\$7,000		BERGKVIST
110-D	REMODEL	BOTH	09/11/17	12/18/17	\$17,673	02/28/18 LATH/PLUMB	ROBERTS CONSTRUCTION
110-A	KITCHEN/BATH REMODEL	BOTH	09/30/17	04/17/18	\$37,000	FINAL 05/21/18	TOM JEAN CONSTRUCTION
95-L	COUNTER TOP	BOTH	10/02/17	02/02/18	\$5,325		WESTBY4HOMES
112-F	LOWER CARTPORT STORAGE	GRF	10/05/17	11/15/17	\$500		HANDYMAN
91-E	HEAT PUMP	BOTH	10/09/17	01/20/18	\$3,300		GREENWOOD
111-F	EZ ACCESS TUB	BOTH	10/10/17	12/13/17	\$1,410	FINAL 01/12/18	NUKOTE
121-F	REMODEL	BOTH	11/20/17	05/25/18	\$160,000		HADI CONSTRUCTION
125-I	WINDOWS/SLIDER	BOTH	11/20/17	05/25/18	\$6,650	03/01/18 FINAL	SEAPORT WINDOWS
71-C	EZ ACCESS TUB	BOTH	12/01/17	01/11/18	\$1,410	FINAL 01/12/18	NUKOTE
115-A	EZ ACCESS TUB	BOTH	12/05/17	01/12/18	\$1,410	FINAL 01/12/18	NUKOTE
91-L	COUNTER TOP	BOTH	01/05/18	02/15/18	\$15,050		GRANITE TRANSFORMATI
118-K	WASHER/DRYER	BOTH	01/05/18	02/15/18		ROUGH 01/19/18	OGAN
118-K	WASHER/DRYER	BOTH	01/05/18	02/15/18		01/19/18 FRAM/ELEC/PLUMB	OGAN
118-K	WASHER/DRYER	BOTH	01/05/18	02/15/18	\$10,400	03/07/18 FINAL	OGAN
111-F	BATHROOM REMODEL	BOTH	01/08/18	06/15/18		03/06/18 FRAM/ELEC/PLUMB	NATIONWIDE PAINTING
111-F	BATHROOM REMODEL	BOTH	01/08/18	06/15/18	\$15,000	FINAL 04/03/18	NATIONWIDE PAINTING
121-D	ENTRY DOOR	GRF	01/10/18	03/10/18	\$600		LW DÉCOR
106-H	EZ ACCESS TUB	BOTH	01/10/18	02/22/18	\$1,410		NUKOTE
72-A	FLOORING	GRF	01/11/18	02/28/18	\$1,400		BIXBY PLAZA
103-F	HEAT PUMP	BOTH	01/11/18	04/24/18	\$3,540		GREENWOOD
118-K	HEAT PUMP	BOTH	01/26/18	03/30/18	\$7,350	FINAL 04/06/18	GREENWOOD
111-J	CART PATH	GRF	02/05/18	03/05/18	\$210	FINAL 08/01/18	JOHNS LANDSCAPE
113-I	PATIO DOOR	GRF	02/17/18	03/30/18	\$600	03/14/-18 FINAL	LW DÉCOR
103-K	WALL HEATER	GRF	02/26/18	03/28/18	\$1,700		BERGIN ELECT.
118-K	EZ ACCESS TUB	BOTH	03/07/18	03/07/18	\$1,410		NUKOTE
121-K	HEAT PUMP	BOTH	03/09/18	06/20/18	\$2,900	FINAL 04/09/18	GREENWOOD
97-I	ROOM ADDITION	BOTH	03/10/18	07/06/18	\$79,000	FINAL 06/14/18	MP CONSTRUCTION
97-C	REMODEL	BOTH	04/02/18	06/11/18		04/16/18 FRAM/ELEC/PLUMB	CAL CUSTOM INTERIORS
97-C	REMODEL	BOTH	04/02/18	06/11/18	\$67,073	04/17/18 DRYWALL & LATHE	CAL CUSTOM INTERIORS
93-F	SKYLIGHT	BOTH	04/11/18	06/29/18	\$3,750	FINAL 08/01/18	B.A. CONSTRUCTION
96-I	BATH REMODEL/WINDOWS	BOTH	05/01/18	08/31/18		05/09/18 FRAM/ROUGH PLUMB	LOS AL BUILDERS
96-I	BATH REMODEL/WINDOWS	BOTH	05/01/18	08/31/18	\$13,110	FINAL 06/27/18	LOS AL BUILDERS
101-G	WASHER/DRYER & CLOSET	BOTH	05/01/18	07/02/18		05/16/18 plum/elec/framing	LOS AL BUILDERS
101-G	WASHER/DRYER & CLOSET	BOTH	05/01/18	07/02/18		05/21/18 DRYWALL	LOS AL BUILDERS
101-G	WASHER/DRYER & CLOSET	BOTH	05/01/18	07/02/18	\$10,740	FINAL 06/21/18	LOS AL BUILDERS
111-J	HEAT PUMP	BOTH	05/01/18	06/01/18	\$5,600	FINAL 05/11/18	ALPINE
100-K	BATH FLOORING	GRF	05/05/18	06/01/18	\$1,100	FINAL 05/10/18	MP CONSTRUCTION
96-B	KITCHEN CABINET/WINDOWS	BOTH	05/07/18	07/23/18		06/14/18FRAM/SHEAR/FLASH	MP CONSTRUCTION
96-B	KITCHEN CABINET/WINDOWS	BOTH	05/07/18	07/23/18		06/21/18 LATH/INSULATION	MP CONSTRUCTION
96-B	KITCHEN CABINET/WINDOWS	BOTH	05/07/18	07/23/18	\$26,000	FINAL 07/23/18	MP CONSTRUCTION
106-G	HEAT PUMP	BOTH	05/07/18	06/07/18	\$7,400	FINAL 05/09/18	ALPINE
108-C	FLOORING/CARPET	GRF	05/07/18	05/30/18	\$3,000	FINAL 05/16/18	KARY'S CARPETS
94-I	FLOORING	BOTH	05/21/18	06/21/18	\$838	FINAL 06/08/18	G.L. GUNDERSON CARPET.
100-D	WASHER/DRYER	BOTH	05/21/18	07/15/18	\$6,500		J.C. KRESS
120-K	WINDOWS/SLIDER	BOTH	05/25/18	06/25/18	\$3,250	FINAL 06/08/18	BROTHERS GLASS
111-D	FLOORING	GRF	05/25/18	06/25/18	\$1,980	FINAL 06/05/18	KARY'S CARPETS
115-A	WINDOWS/SLIDER	BOTH	05/31/18	07/01/18	\$6,750	FINAL 06/08/18	SWENMAN COMPANY
92-E	FLOORING	GRF	06/01/18	07/01/18	\$3,600	FINAL 06/13/18	KARY'S CARPETS
95-L	GARDEN PAD	GRF	06/07/18	07/07/18	\$601		ANGUIANO LAWN CARE
114-H	SKYLIGHT REPLACE	GRF	06/15/18	07/15/18	\$1,700		M&M CONSTRUCTION
105-C	REMODEL	BOTH	06/20/18	11/15/18		07/16/18 GOUND/PLUMB	J.C. KRESS
105-C	REMODEL	BOTH	06/20/18	11/15/18		07/23/18 FRAM/ELEC/INSUL	J.C. KRESS

## INSPECTOR MONTHLY MUTUAL REPORT

<b>MUTUAL: (05) FIVE</b>		<b>INSPECTOR: Mike Meza</b>					
<b>MUTUAL BOARD MEETING DATE:</b>		<b>AUGUST, 2018</b>					
105-C	REMODEL	BOTH	06/20/18	11/15/18			J.C. KRESS
105-C	REMODEL	BOTH	06/20/18	11/15/18	\$101,425		J.C. KRESS
121-H	FLOORING	GRF	06/20/18	06/27/18	\$3,734	FINAL 06/27/18	V&S CARPET
119-B	WINDOWS/SLIDER	BOTH	06/20/18	07/06/18	\$3,200		BROTHERS GLASS
123-K	HEAT PUMP	BOTH	06/22/18	09/22/18	\$2,850		GREENWOOD
90-G	FLOORING	GRF	06/22/18	06/29/18	\$5,200	FINAL 06/28/18	MP CONSTRUCTION
71-G	HEAT PUMP	BOTH	06/25/18	07/25/18	\$6,500		ALPINE
71-E	SOLAR TUBE	BOTH	06/25/18	07/16/18	\$1,400	FINAL 07/09/18	MP CONSTRUCTION
92-L	KITCHEN REMODEL	BOTH	06/25/18	07/03/18	\$7,384	FINAL 07/02/18	GRANITE TRANSFORMATI
106-D	FLOOR/KIT/BATH REMODEL	BOTH	06/30/18	09/18/18	\$19,815		LOS AL BUILDERS
116-A	KITCHEN REMODEL	BOTH	06/30/18	09/30/18	\$14,445	FINAL 07/30/18	LOS AL BUILDERS
70-E	HEAT PUMP	BOTH	07/05/18	08/05/18	\$7,900		ALPINE
100-D	FLOORING	GRF	07/15/18	08/15/18	\$5,637		KARY'S CARPETS
104-G	FLOORING	GRF	07/16/18	09/16/18	\$7,438		BIXBY PLAZA
94-A	HEAT PUMP	BOTH	07/31/18	08/31/18	\$5,800	FINAL 08/07/18	ALPINE
101-D	SKYLIGHT DOME	GRF	08/01/18	08/30/18	\$990		M&M CONSTRUCTION
95-I	DOOR/WINDOW/WASH/DRY	BOTH	08/08/18	12/31/18		08/06/18 GRD/ROU PLUMB	LOS AL BUILDERS
95-I	DOOR/WINDOW/WASH/DRY	BOTH	08/08/18	12/31/18	\$18,350		LOS AL BUILDERS
96-I	HEAT PUMP	BOTH	08/09/18	11/09/18	\$7,150		GREENWOOD
95-L	HEAT PUMP	BOTH	08/09/18	11/09/18	\$3,000		GREENWOOD
97-I	HEAT PUMP	BOTH	08/14/18	09/14/18	\$3,500		ALPINE
116-C	EZ ACCESS TUB	BOTH	08/15/18	09/15/18	\$1,610		NUKOTE
123-D	EZ ACCESS TUB	BOTH	08/16/18	09/16/18	\$1,610		NUKOTE
108-I	HEAT PUMP	BOTH	08/03/18	11/03/18	\$3,350		GREENWOOD
108-C	HEAT PUMP	BOTH	08/20/18	11/20/18	\$7,500		GREENWOOD
108-C	FLOORING	GRF	08/31/18	10/31/18	\$3,500		MAMUSCIA CONSTRUCTION

### ESCROW ACTIVITY

Unit #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
69-K		05/18/18	07/24/18	07/26/18	08/07/18		
70-J		07/19/18					
71-K		05/18/18	06/19/18	06/19/18	06/21/18	07/30/18	
72-D		07/10/17					
90-G		02/09/18	06/05/18	06/05/18	06/15/18		
95-H		03/29/18					
96-K	04/24/18						
97-J		03/21/18	06/12/18	06/12/18	06/21/18		
99-J		07/19/18					
106-D		05/18/18					
107-B		06/07/18					
108-C		04/12/18	06/26/18	06/28/18	07/11/18		
110-L		02/23/18	05/08/18	05/09/18	05/21/18	06/11/18	
111-D		04/12/18	08/07/18	08/07/18			
112-D		03/16/18	05/15/18	05/16/18	05/25/18		
114-L		03/13/18					
115-A		04/26/18	05/01/18	05/18/18	06/11/18	06/11/18	
120-K		04/04/18	04/17/18	04/30/18	05/10/18	07/16/18	
121-B		05/18/18					
123-E		07/19/18					
126-C		07/19/18					

**SHADED AREAS HAVE BEEN SIGNED OFF**

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

## INSPECTOR MONTHLY MUTUAL REPORT

<b>MUTUAL: (05) FIVE</b>		<b>INSPECTOR: Mike Meza</b>
<b>MUTUAL BOARD MEETING DATE:</b>	<b>AUGUST, 2018</b>	

### CONTRACTS

CONTRACTOR		PROJECT
BRIGHT VIEW	2020	Landscaping
EMPIRE PIPE	2020	
FENN	2020	Insect, and Pest Control
ERC INC.	August 2018	Building 71 starting 08/27/18
CALIFORNIA RE-PIPE SPECIALIST	August 2018	Building 71 starting 08/29/18
PAINTING	August 2018	Building 71 starting 08/04/18
ROOFING STANDARDS INC.	October 1st, 2018	Preparing contract to re-roof 3 buildings 109, 111, & 118.
MJ JURADO		Swale between M-4 & M-5.
MJ JURADO		Concrete sidewalk near M-96-F

### SPECIAL PROJECTS

Unit #	Contractor	Discription of Work

### Calls and Visits to Units

	<b>40</b>	
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\*COMPLETED PATIO INSPECTIONS THRU OUT MUTUAL

# Mutual Corporation No. Five

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO ADOPT POLICY 7585.05 – PROTOCOL FOR ENFORCING GOVERNING DOCUMENTS  
(UNFINISHED BUSINESS ITEM A)  
**DATE:** AUGUST 15, 2018  
**CC:** MUTUAL FILE

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At the August 15, 2018 Board Meeting, the Board of Directors will vote to adopt Policy 7585.05 – Protocol for Enforcing Governing Documents (attached).

*I move to adopt Policy 7585.05 – Protocol for Enforcing Governing Documents on a preliminary basis until the 30-day posting period is completed.*

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Any activity, instance or circumstance that is an alleged violation of the governing documents will generally be processed according to the procedures outlined herein.

In the event any member of the Board of Directors or a Shareholder of Mutual 5 files an Alleged Violation Report form with the Board, the following steps will be taken:

Step No. 1 Director Complainant: Director shall make the complaint via email or letter to the President. The information to be included: Name (if known), Unit #, Nature of the violation, Policy violated (if known), Picture (if possible), any other supporting documents or complete the Alleged Violation Report. Shareholder Complainant: Shareholder shall complete the Alleged Violation Report.

Step No. 2. If it is determined that the alleged violation has potential merit, proceed with Step No. 3.

Step No. 3 Warning to Correct The President shall arrange for Mutual Administration to send a "Warning to correct" letter, which shall include:  
a) nature of the **alleged** Violation,  
b) specific governing document violated (Policy Number, Occupancy Agreement, Bylaws, etc.) and  
c) the notice to "immediately correct but in no event later than 30 days." **If the alleged violation is not one that is "correctible", Step No. 4 will be followed.**

**Step No. 4** Notice of Intent to Impose Discipline (see attached form) When **an alleged** violation has not been corrected by the 30<sup>th</sup> day: (or fewer days if so warned,) **or if the alleged violation is not "correctible"**, send the "Notice of Intent to Impose Discipline" to the shareholder stating the nature of the alleged violation and the member's right to appear before the Board of Directors at a hearing in executive session on at least 10 days' notice by first class mail or by personal delivery, **concerning the potential imposition of** monetary fine and/or any other discipline.



**Step No. 5.** A hearing with the Board of Directors will be held, at the shareholder's option, so that the member may be heard and may present pertinent evidence, along with the testimony and evidence of interested persons.

**Step No. 6.** If the shareholder is found to be in violation of the Association's governing documents, the Board may exercise any of the following options:

(a) choose to correct (or cause to be corrected) the violation and assess the shareholder for the costs and expenses of doing so, including attorney's fees; and/or

(b) impose and assess monetary fine(s) against the shareholder pursuant to the Fine Schedule;

(c) suspend the shareholder's voting or other privileges (if applicable).

(d) seek a remedy in the legal system, including, without limitation, the imposition of a lien and/or foreclosure on the shareholder's property, where allowed by law;

**Step No. 7.** The shareholder will be notified as to any disciplinary action rendered by the Board of Directors within 15 days after such action.

**NOTE:** The governing documents are defined as the Bylaws, the Occupancy Agreement and the Policies.

**ALLEGED VIOLATION REPORT**

DATED: \_\_\_\_\_

**I. PERSON MAKING REPORT  
(Complainant)**

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

**II. Time, Place & Nature of Alleged Violation (fill in as completely as possible)**

DATE: \_\_\_\_\_ TIME: \_\_\_\_\_

LOCATION: \_\_\_\_\_

NATURE OF VIOLATION: \_\_\_\_\_

**III. VIOLATOR'S DESCRIPTION:  
(Respondent)**

NAME: \_\_\_\_\_

PHONE NO.: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

**IV. ADDITIONAL WITNESSES:**

NAME: \_\_\_\_\_

ADDRESS/PHONE: \_\_\_\_\_

NAME: \_\_\_\_\_

ADDRESS/PHONE: \_\_\_\_\_

**V. OTHER EVIDENCE (PHOTOGRAPHS, DOCUMENTS, ETC.) SUPPORTING  
THE ALLEGED VIOLATION:** \_\_\_\_\_

\_\_\_\_\_

**VI. SPECIFIC GOVERNING DOCUMENT VIOLATED (Cite exact provision of  
Declaration of Covenants, ByLaws, Rules or Regulations violated):**

\_\_\_\_\_

VII. ORIGINAL COMPLAINANT:

The original complainant (person making this complaint) acknowledges that he or she must agree to appear as a witness at any formal hearing hereon or the Board may refuse to consider the alleged violation.

It is so acknowledged: \_\_\_\_\_  
(Signature of Complainant)

DRAFT

**NOTICE OF INTENT TO IMPOSE DISCIPLINE**

To Shareholder:

\_\_\_\_\_

Please be advised that you are hereby given notice that the Board of Directors will hold a hearing on:

\_\_\_\_\_ (Date)  
\_\_\_\_\_ (Time)  
\_\_\_\_\_ (Place)  
\_\_\_\_\_

to consider the imposition of a formal warning or a monetary fine or other disciplinary measure against you concerning an alleged violation of the Association's governing documents, that is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

You have the right to attend the hearing and address the Board of Directors and to present any pertinent evidence on your behalf.

Please acknowledge your receipt of this notice and indicate, by checking the appropriate box (1) if you will contest the alleged violation and if so (2) if you desire the hearing to be held in executive session.

Very truly yours,

**BOARD OF DIRECTORS**

I hereby acknowledge my receipt of this notice and:

- will not oppose the alleged violation or
- will oppose the alleged violation and
- desire a hearing in executive session.

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_

## PROCEDURE FOR SHAREHOLDER HEARING

1. Statement of alleged violation(s) by acting chairperson.
2. Shareholder in alleged violation decides to hold hearing in executive session or not.
3. (a) Each party will be entitled to make an opening statement, starting with the complainant's case;  
(b) Each party will be entitled to produce documentary evidence and testimony and to cross-examine the opposing party and the opposing party's witnesses;  
(c) Each party will be entitled to make a closing statement;  
(d) Formal rules of evidence will not apply and all relevant evidence should be admitted, although hearsay evidence, by itself, will not be sufficient to support a finding;  
(e) Any party will be permitted to waive the right to exercise his or her rights in any part of the hearing process, and the Board will be entitled to exercise its reasonable discretion in specifying the rules by which the hearing will be conducted, as long as the alleged violator is given an opportunity to confront and to cross-examine the evidence introduced by the opposing party and to be heard in his or her own defense.
4. Alleged violator, complainant and witnesses are excused.
5. Discussion and decision by the Board, or, that the matter will be taken under submission with a determination within 35 days after the hearing. Notice to shareholder given within 15 days of the imposition of disciplinary action, if any.
6. Adjournment.

### DOCUMENTATION

Name of Shareholder: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Address: \_\_\_\_\_

Factual Findings on Issues:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Board ruling on any discipline to be imposed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Additional Comments:

\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

SIGNATURE OF CHAIRPERSON

## FINE SCHEDULE

1. If a member does not oppose the alleged violation or if the result of the hearing is a decision that a violation of the governing documents existed, a fine of \$100.00 may be imposed for each separate violation of the governing documents, subject to the following:
  - (a) If the violation is of a continuous nature and necessitates remedial action, the failure of the member to remedy the underlying situation or circumstance within 60 days of the imposition of the first monetary fine, will constitute a new and separate violation, subject to an additional fine of \$200.00. The failure of the member to correct the **violation** within 120 days of the imposition of the first monetary fine will constitute a third separate violation, subject to an additional fine of \$400.00.
  - (b) If a member violates the same provision of the governing document on two separate occasions within any 12 month period of time, the fine for the second offense will be \$200.00. If the member violates the same provision three or more times within any 12 month time period, the fine for the third and subsequent violations will be \$400.00 each.
2. At any point, the Board may choose to use the legal system or cause a correction of a violation to effect a remedy or cure, and the member may be assessed the costs and expenses incurred by the Mutual, including attorney's fees.
3. Should a violation occur which causes the Mutual to incur a financial obligation or expense, then the member responsible for the violation shall be assessed the amount of the obligation or expense incurred by the Mutual. For example, if a member damages any common property, the repair and replacement costs will be assessed to the member.
4. The Mutual may also, under appropriate circumstances, suspend voting privileges.

# Mutual Corporation No. Five

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO ADOPT POLICY 7465.05 –SKYLIGHTS & SOLA TUBES FOR KITCHENS, BATHROOMS, AND PERMANENT PATIO EXTENSIONS (UNFINISHED BUSINESS ITEM B)  
**DATE:** AUGUST 15, 2018  
**CC:** MUTUAL FILE

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At the August 15, 2018 Board Meeting, the Board of Directors will vote to adopt Policy 7465.05 – Skylights & Sola Tubes for Kitchens, Bathrooms, and Permanent Patio Extensions (attached)

*I move to adopt Policy 7465.05 –Skylights & Sola Tubes for Kitchens, Bathrooms, and Permanent Patio Extensions on a preliminary basis until the 30-day posting period is completed.*

**MUTUAL OPERATIONS****AMEND****PHYSICAL PROPERTY****Skylights and/or Sola Tubes for Kitchens, Bathrooms, and permanent Patio Extensions – Mutual Five****Permit**

Whereas Article 12 of the Occupancy Agreement states that: "The Member shall not, without the written consent of the Corporation, make any structural alterations in the premises. . ." Therefore, in order to make any structural changes to the building, the shareholder must request permission to remodel the roof of the building in which they reside in order to install skylights or sola tubes.

The Physical Property Department of the Golden Rain Foundation is hereby authorized to: (a.) approve individual requests by shareholders for the installation of skylights and/or Sola tubes in any room, in permanent patio roof extensions and (b.) is authorized to issue a building permit subject to the following conditions:

1. All skylight and Sola tube installations require a permit from the City of Seal Beach and the Physical Property office of Golden Rain Foundation.
2. The contractor performing the work must be a contractor licensed in the State of California as a General Contractor and the work to be performed at the expense of the requesting shareholder.
3. The contract form to be used will be the standard contract form as developed by the Physical Property Department.
4. The construction will conform to the plans and specifications approved by the Mutual Board and the Physical Property Department.
5. Shareholder agrees that title to the remodeling and addition shall vest in the Mutual Corporation. However, the dome remains the responsibility of a homeowner.
6. Skylights with an electric motor: the motor is to be maintained by the shareholder.

**Location and Size:**

7. A skylight may be placed in any room of a unit when the Mutual Board determines attic space at the place of choice does not inhibit a particular installation. In the kitchen and original bathroom area, a skylight shall not exceed 24" x 24" and the "tunnel" may be flared. In other approved locations the skylights may be 36" x 60" and the tunnel may be flared unless allowed by the Mutual Board.



MUTUAL OPERATIONS**AMEND****PHYSICAL PROPERTY****Skylights and/or Sola Tubes for Kitchens, Bathrooms, and permanent Patio Extensions – Mutual Five****Number:**

8. Mutual Five permits a maximum of three (3) skylights per two-bedroom unit and a maximum of two (2) skylights in a one bedroom unit. **The board may increase the maximum number by Resolution at any Board Meeting, after proper notification, if extenuating circumstances warrant.**

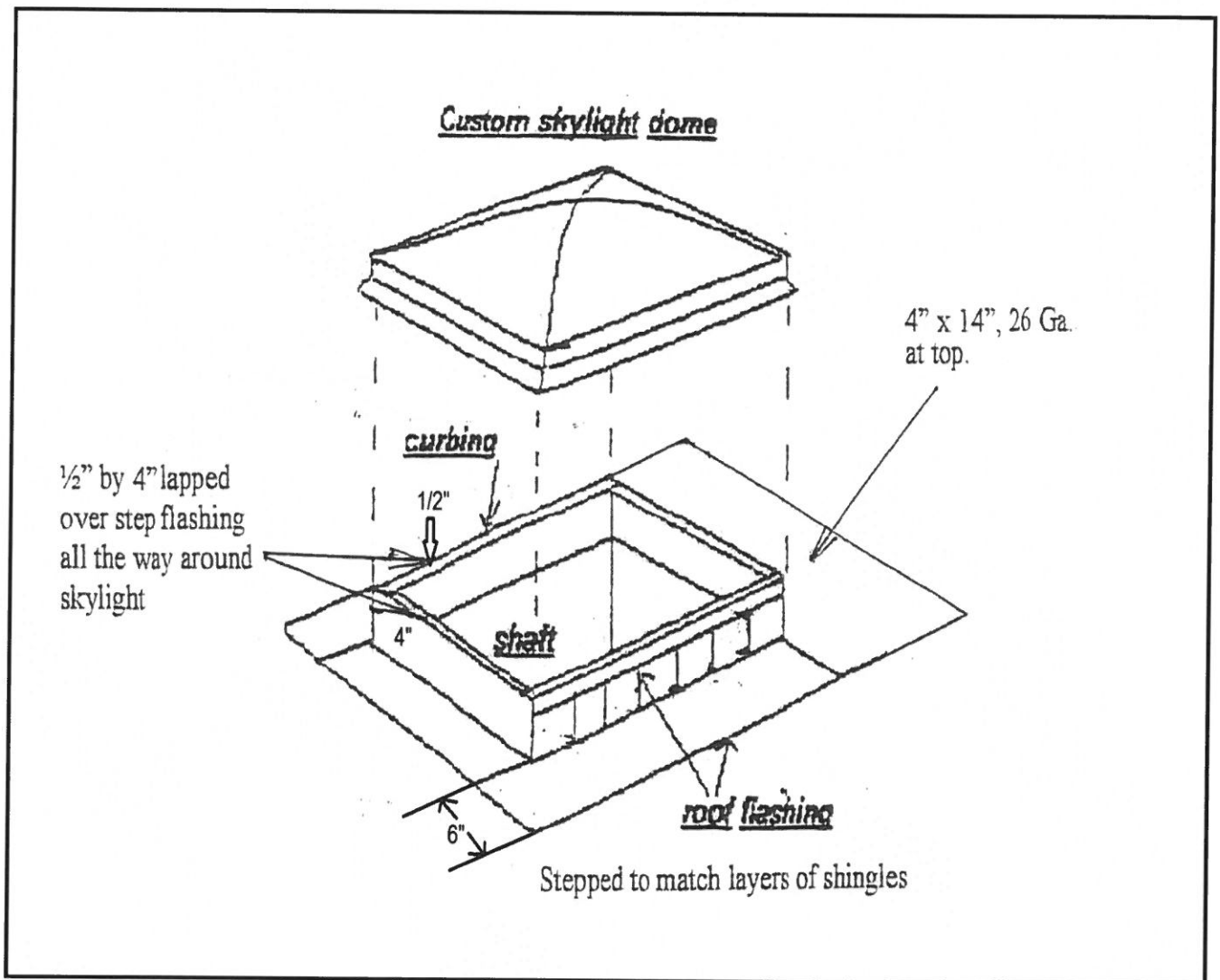
**SOLA TUBES****Responsibilities:**

9. Whereas Article 11 of the occupancy agreement states that pertaining to the maintenance of the roofs (a) (3) "The member agrees to repair and maintain his dwelling unit at his own expense as follows: any repairs or maintenance of floors and ceiling of the dwelling unit."
10. Skylights and Sola tubes must be installed using the manufacturers specifications and conform to all applicable building codes.
11. During the warranty period, the contractor is responsible for the entire Skylight and Sola tube installation. After the warranty period, the following responsibilities apply:
- a. Mutual: The Mutual is responsible for the curbing and flashing since this will normally be changed when the building is reroofed.
  - b. Shareholder: The shareholder is responsible for the skylight dome, the skylight operating mechanism, the shaft (including painting), and the ceiling grid (**See Diagram 1**).
  - c. Shareholder is responsible for the Sola tube dome and shaft.
  - d. In the event of a roof leak as a result of the Skylight or Sola tube installation, the shareholder shall be responsible for all associated costs to repair and maintain the system, including labor and material costs.
12. Preventive Maintenance: At the time of the fire inspections, the Physical Property Inspector shall identify and provide Service Maintenance with a list of units that have cracked or faulty Skylights or Sola tubes. Maintenance and repairs shall be at the expense of the shareholder.
13. All fasteners at the roof flashing shall be self-sealing screws by use of a rubber grommet and shall have sealant applied over the top of the fastener.

(draft created on 08-07-18 ka)

MUTUAL OPERATIONS**AMEND****PHYSICAL PROPERTY****Skylights and/or Sola Tubes for Kitchens, Bathrooms, and permanent Patio Extensions – Mutual Five**

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



(draft created on 08-07-18 ka)

MUTUAL OPERATIONS

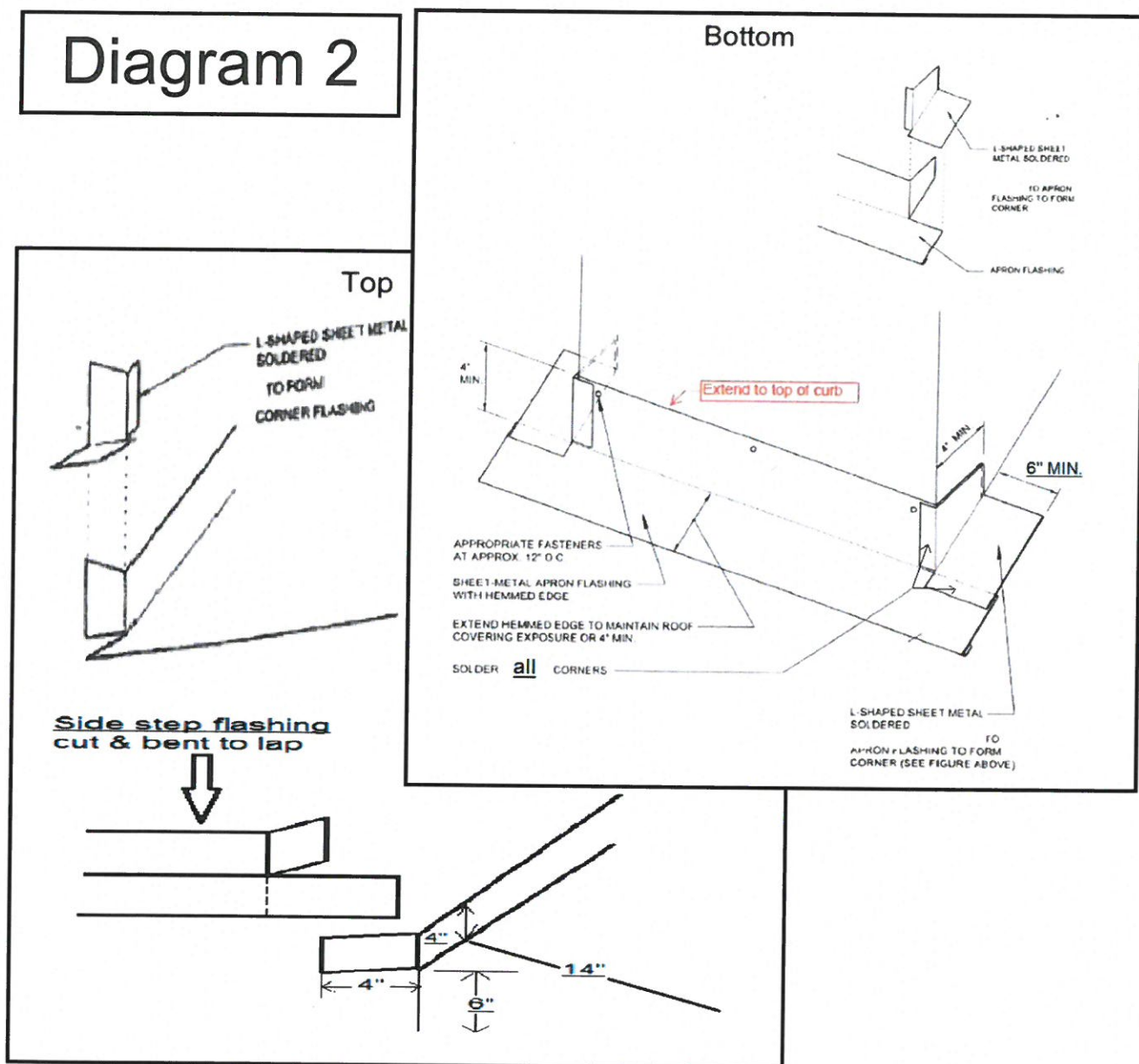
**AMEND**

**PHYSICAL PROPERTY**

**Skylights and/or Sola Tubes for Kitchens, Bathrooms, and permanent Patio Extensions – Mutual Five**

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

**Diagram 2**



MUTUAL ADOPTION

AMENDMENT(S)

FIVE: 03-15-17

(draft created on 08-07-18 ka)

# *Mutual Corporation No. Five*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RESCIND RESOLUTION DATED JUNE 20, 2018  
(UNFINISHED BUSINESS ITEM E)  
**DATE:** AUGUST 15, 2018  
**CC:** MUTUAL FILE

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At the June 20, 2018 Board Meeting, the Board of Directors passed the following: *RESOLVED, To approve to spend no more than \$20,000 to landscape the green on Golden Rain Road between buildings 91 and 92.*

On August 15, 2018, the Board of Directors will vote to rescind this resolution.

***I move to rescind the following resolution dated June 20, 2018; RESOLVED, To approve to spend no more than \$20,000 to landscape the green on Golden Rain Road between buildings 91 and 92.***

# *Mutual Corporation No. Five*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY MR. C'S TOWING AGREEMENT FOR 2018-2019 (NEW BUSINESS ITEM A)  
**DATE:** AUGUST 15, 2018  
**CC:** MUTUAL FILE

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At the July 26, 2017 Board Meeting, the Board of Directors passed the following resolution: *RESOLVED, To approve Mr. C's Towing for towing vehicles when there is a violation of Mutual Policy, and two signatures of Board members are required with at least one of the signatures being that of an officer on the Board, effective 2017-2018.*

***I move to approve the Mr. C's Towing Agreement for the towing of vehicles when there is a violation of Mutual Policy, effective 2018-2019 and authorize the President to sign the Agreement.***

# Mutual Corporation No. Five

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RESOLVE AND ENFORCE OCCUPANCY AGREEMENT ARTICLE 23 LATE CHARGES/COST (NEW BUSINESS ITEM B)  
**DATE:** AUGUST 15, 2018  
**CC:** MUTUAL FILE

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*I move to approve/deny the enforcement of implementing of late fees per the Occupancy Agreement Article 23: "The Member covenants and agrees that, in addition to the other sums that have become or will become due, pursuant to the terms of this agreement, the Member shall pay to the Corporation a late charge of \$10.00 or 10%, whichever is greater, for each month of delinquency for each payment of Assessments, or part thereof, more than 10 days in arrears or such other amount as the Board of Directors in its discretion may determine. In the event member fails to pay any amounts hereunder when due, the unpaid amount shall bear interest thereon at the rate of 1% per month per annum until paid in full.*

# Mutual Corporation No. Five

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO ADOPT POLICY 7490.PB.05 – PAYMENT AND PERFORMANCE BOND (NEW BUSINESS ITEM C)  
**DATE:** AUGUST 15, 2018  
**CC:** MUTUAL FILE

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At the August 15, 2018 Board Meeting, the Board of Directors will vote to adopt Policy 7490.pb.05 – Payment and Performance Bond (attached).

***I move to adopt Policy 7490.pb.05 – Payment and Performance Bond on a preliminary basis until the 30-day posting period is completed.***

**MUTUAL OPERATIONS****ADOPT DRAFT****PHYSICAL PROPERTY****Payment and Performance Bond – Mutual Five**

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

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

**MUTUAL****ADOPTION**

FIVE:

(draft created on 08-01-18 ka)

Page 1 of 1



# Mutual Corporation No. Five

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO ADOPT POLICY 7541- CO-OCCUPANTS, QUALIFIED PERMANENT RESIDENTS AND HEALTH CARE PROVIDERS  
(NEW BUSINESS ITEM D)  
**DATE:** AUGUST 15, 2018  
**CC:** MUTUAL FILE

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At the August 15, 2018 Board Meeting, the Board of Directors will vote to adopt Policy 7541 – Co-Occupants, Qualified Permanent Residents and Health Care Providers (attached).

***I move to adopt Policy 7541 – Co-Occupants, Qualified Permanent Residents and Health Care Providers on a preliminary basis until the 30-day posting period is completed.***

**MUTUAL OPERATIONS****DRAFT****RESIDENT REGULATIONS****Co-Occupants, Qualified Permanent Residents and Health Care Providers**

The community facilities of the Golden Rain Foundation are maintained for the use of members of Leisure World Seal Beach with the following exceptions:

**1. Co-Occupants**

- a. Senior citizens, as defined in California Civil Code Section 51.3 (c)(1), who are not members but are approved by the Mutuels to reside with a stockholder, shall be entitled to use all of the community facilities upon payment of a fee equal to the Amenities Fee listed in Policy 5061-31. (Forms 9001 and 9002)
- b. In order to comply with section 51.3 of the California Civil Code, the following classes of citizens may reside in Leisure World Seal Beach.
  - i.) Is 55 years of age or older
  - ii.) Has completed the Co-Occupant Application
  - iii.) Has written authorization from the Mutual President, or any Mutual Officer so designated by the Mutual President, to reside in the dwelling unit.
  - iv.) Has paid the required Amenities Fee to the Golden Rain Foundation

**2. Qualified Permanent Residents**

- a. Persons who are not senior citizens as defined in California Civil Code Section 51.3(c)(1), who can present proof that they are eligible to be classified as Qualified Permanent Residents under California Civil Code Section 51.3(c)(2), shall be entitled to use all of the community facilities upon payment of a fee equal to the Amenities Fee listed in Policy 5061-31. (Forms 9003 and 9004)

**3. Health Care Providers**

- a. Permitted health care residents, as defined in California Civil Code Section 51.3(c)(6), shall be required to obtain Service Passes and are not entitled to use any of the community facilities. The administration shall furnish each Mutual a monthly report of those health care providers residing in the Mutual.

**COMMUNITY OPERATIONS****USE OF COMMUNITY FACILITIES****Co-Occupants and Qualified Permanent Residents**

The community facilities of the Golden Rain Foundation are maintained for the use of stockholder/members of Seal Beach Leisure World with the following exceptions:

1. Co-Occupants

Senior citizens, as defined in California Civil Code Section 51.3 (c)(1), who are not stockholders/members but are approved by the Mutuels to reside with a stockholder, shall be entitled to use all of the community facilities upon payment of a fee equal to the Amenities Fee listed in Policy 5061.

2. Qualified Permanent Residents

Persons who are not senior citizens as defined in California Civil Code Section 51.3(c)(1), who can present proof that they are eligible to be classified as Qualified Permanent Residents under California Civil Code Section 51.3(c)2), shall be entitled to use all of the community facilities upon payment of a fee equal to the Amenity Fee listed in Policy 5061.

3. Health Care Providers

Permitted health care residents, as defined in California Civil Code Section 51.3(c)(6), shall be required to obtain Service Passes and are not entitled to use any of the community facilities. The administration shall furnish each Mutual a monthly report of those health care providers residing in the Mutual.

**Policy**

Adopted: 31 Jan 95

Amended: 22 May 18

**GOLDEN RAIN FOUNDATION****Seal Beach, California**

(May 18)

Page 1 of 1

**COMMUNITY OPERATIONS**

**RESIDENT CO-OCCUPANTS**

**Co-Occupant Agreements**

In order to comply with Section 51.3 of the California Civil Code, the following classes of citizens may reside in Seal Beach Leisure World:

1. Co-Occupant – a person who meets all of the following qualifications:
  - a. Is 55 years of age or older.
  - b. Has completed the co-occupant application
  - c. Has written authorization from the Mutual President, or any Mutual officer so designated by the Mutual President, to reside in the dwelling unit.
  - d. Has paid the required Amenities fee to the Golden Rain Foundation.

**Policy**

Adopted: 12 Jun 85  
Amended: 15 Apr 86  
Amended: 12 Apr 94  
Amended: 22 May 18

**GOLDEN RAIN FOUNDATION  
Seal Beach, California**

# Application & Approval Co-Occupant

The following signed documents pertain to an application by a Shareholder-Members to seek approval by the Mutual Board to include a Co-Occupant in the residency of their unit. Note: A Co-Occupant has no ownership rights in the Leisure World unit. Please fill out the following attached documents:

- Sign Cover Sheet Disclosure Pages 1-2
- Co-Occupant Application Form Pages 3-4
- Co-Occupant Agreement Pages 5-7

Shareholder-Member Name: \_\_\_\_\_

Shareholder-Member Name: \_\_\_\_\_

Co-Occupant's Name: \_\_\_\_\_

Amenities Fee \$3,054 and Setup Fee \$100.00 is paid: Receipt # \_\_\_\_\_

ID Card Received: \_\_\_\_\_ Date \_\_\_\_\_ Staff \_\_\_\_\_

**Important!** Please Sign: The Proposed Co-Occupant understands and agrees that the Shareholder-Members must be residing in the Unit full-time with the Co-Occupant and that the Co-Occupant has no rights of residency unless the Shareholder-Members are residing in the Unit full-time.

x \_\_\_\_\_ Date: \_\_\_\_\_  
Co-Occupant Signature

x \_\_\_\_\_ Date: \_\_\_\_\_  
Shareholder-Member Signature

x \_\_\_\_\_ Date: \_\_\_\_\_  
Shareholder-Member Signature

Application & Approval  
Co-Occupant

APPROVED BY SEAL BEACH MUTUAL NO \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

RECEIVED BY GOLDEN RAIN FOUNDATION

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**TERMS USED IN THIS FORM:**

**Shareholder – A person who owns one share of Mutual Corporation stock in Leisure World Seal Beach, Mutuals 1 to 16, and lives in the Mutual as a resident. This term does not apply to Mutual 17. This term was originally defined in the Mutual Bylaws. "ARTICLE X. FISCAL MANAGEMENT. Section 7. Miscellaneous. That in the By-Laws of this corporation, the term "member" and "Shareholder" are used interchangeably and shall have the same meaning and refer to those individuals owning the shares of stock of this corporation."**

**Member – A person who is a member of the Golden Rain Foundation (GRF). Only resident Shareholders can become members of the GRF. Non-resident co-owners (NRCO) are NOT members of the GRF and cannot request co-occupant approval for the unit. This term is defined in the GRF-BYLAWS ARTICLE II. Membership, SECTION III.**

**Shareholder-Member – a person who is a Shareholder and a Member of the GRF.**

# Co-Occupant Application

Golden Rain Foundation

Stock Transfer Office

Mutual/Unit: \_\_\_\_\_

Confidential Information  
Maintained In GRF Corporate File

Last Name	First Name	Middle Initial
Date of Birth	City and State of Birth	Male <input type="checkbox"/> Female <input type="checkbox"/> Other <input type="checkbox"/>
Married <input type="checkbox"/> Divorced <input type="checkbox"/> Single <input type="checkbox"/> Widow <input type="checkbox"/> Widower <input type="checkbox"/> Domestic Partner <input type="checkbox"/>		Retired: Yes <input type="checkbox"/> No <input type="checkbox"/>
	If not retired, Current Occupation	Relationship to Shareholder- Members

Home Phone ( )	E-Mail Address
Cell Phone ( )	

IMPORTANT: NEXT-OF-KIN OR EMERGENCY CONTACT INFORMATION		
Name	Address	Relationship
Home Phone ( )	Work Phone ( )	Cell Phone ( )

PLEASE ATTACH A COPY OF GOVERNMENT ISSUED PHOTO ID FOR PROOF OF AGE

## Co-Occupant Application

Does the Co-Occupant have an expectation of ownership interest in the Shareholder-Members' Unit? \_\_\_\_\_

**If yes, please describe your inheritance interest and attach any legal documents which support your future right of inheritance such as a Certification of Trust, Court Order or other.**

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We hereby certify and declare under penalty of perjury, that the foregoing information is true and correct.

Date this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at Seal Beach Leisure World.

\_\_\_\_\_  
Shareholder-Member Signature

\_\_\_\_\_  
date

\_\_\_\_\_  
Shareholder-Member Signature

\_\_\_\_\_  
date

\_\_\_\_\_  
Co-Occupant's Signature

\_\_\_\_\_  
date



# Co-Occupant Agreement

Mutual & Unit: \_\_\_\_\_

This "**AGREEMENT**" made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between Seal Beach Mutual No. \_\_\_\_\_ (hereinafter referred to as the "**CORPORATION**", a Corporation having its principle office and place of business in Orange County, CA, and the Shareholder-Member: \_\_\_\_\_ Shareholder-Member: \_\_\_\_\_ and the Co-Occupant: \_\_\_\_\_.

**WHEREAS**, the corporation was formed for the purpose of acquiring, owning and operating a cooperative housing project to be located at Seal Beach Leisure World, Seal Beach, Orange County, California, with the intent that its stockholders (Shareholder-Members) shall have the right to occupy the dwelling units thereof under the terms and conditions set forth in the Occupancy Agreement; and

**WHEREAS**, the Shareholder-Members are the owner and holder of one share of common capital stock, Series of the Corporation and have a bona fide intention to reside in the project, and the Co-Occupant is qualified as a senior citizen pursuant to Civil Code 51.3 (C) (2).

**NOW THEREFORE**, in consideration of the Mutual, promises contained herein, the Corporation hereby consents to the Co-Occupant residing with the Shareholder-Members in Unit No. \_\_\_\_\_, Seal Beach Mutual No. \_\_\_\_\_, located at Leisure World.

## ARTICLE 1. CHARGES

The Shareholder-Members hereby covenant and agrees to pay the Golden Rain Foundation an amount equal to the then current Amenities Fee payable in the same amount as is required of all Shareholder-Members at Leisure World.

## ARTICLE 2. CARRYING CHARGES

The Co-Occupant acknowledges, covenants and agrees that in order to maintain residence with the Shareholder-Members that it is necessary that all monthly carrying charges as set forth in Article 1 of the Occupancy Agreement between the Corporation and the Shareholder-Members be paid.

## ARTICLE 3. OCCUPANCY AGREEMENT

The Co-Occupant acknowledges reading the Occupancy Agreement existent between the Corporation and the Shareholder-Members and agrees to be bound by all of the terms and provisions therein contained as to residency, and the fact that said apartment is to be used for residential purposes only. The Co-Occupant agrees and acknowledges that

## Co-Occupant Agreement

the Co-Occupant, in order to maintain residence, is jointly liable with the Shareholder-Members for all such charges related to the Seal Beach Mutual unit being occupied.

### ARTICLE 4.

The Co-Occupant agrees that no right held by the Co-Occupant to reside with the Shareholder-Members may be assigned nor transferred to any other person and that no immediate or collateral family member in any relationship with the Co-Occupant will be allowed to reside with the Co-Occupant.

### ARTICLE 5.

The Co-Occupant is entitled to use any and all of the facilities furnished and provided for Members of the Foundation at Leisure World and the Co-Occupant shall be entitled to enjoy said facilities together with the right of Occupancy with the Shareholder-Members.

### ARTICLE 6.

The Co-Occupant covenants and agrees that he/she will comply with any and all pertinent corporate regulations, bylaws, and rules of the Corporation and Foundation related to occupancy, and will endeavor with the Shareholder-Members to cooperate with the other residents to bring about, for all residents of the Seal Beach Mutual in which the apartment is located, a high standard of home and community conditions. The Co-Occupant acknowledges, that by his/her acts and actions that if the occupancy is detrimental to the peace, quiet and enjoyment of the Seal Beach Leisure World community, that the same may result in the eviction of the Shareholder-Members and the Co-Occupant, and that there exists between the Shareholder-Members and the Corporation, a Landlord-Tenant relationship. The Co-Occupant acknowledges that he/she may be requested to leave the project or be evicted in the event said individual ceases to be qualified pursuant to the provisions of California Civil Code 51.3 (2) (B).

**FURTHER:** The Co-Occupant covenants and agrees that he/she has, pursuant to Civil Code, **NO RIGHT** to continue residence in the event of death, dissolution of marriage, upon hospitalization or other prolonged absence of the Shareholder-Members.

### ARTICLE 7.

Co-Occupant understands that though they have an ID card for use of the community facilities, Co-Occupant may not attend monthly or Annual Mutual Shareholder-Member Meetings, or hold office, or participate in any governing process of the Mutual Corporation in which they reside or of the Golden Rain Foundation.

Co-Occupant Agreement

\_\_\_\_\_  
Shareholder-Member Signature

\_\_\_\_\_  
date

\_\_\_\_\_  
Shareholder-Member Signature

\_\_\_\_\_  
date

\_\_\_\_\_  
Co-Occupant's Signature

\_\_\_\_\_  
date

**QUALIFIED PERMANENT RESIDENT AGREEMENT**

Mutual No. \_\_\_\_\_ Unit No. \_\_\_\_\_

This AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between SEAL BEACH MUTUAL No. \_\_\_\_\_ (hereinafter referred to as the "Corporation"), a Corporation having its principal office and place of business in Orange County, California, and \_\_\_\_\_ (hereinafter referred to as "Shareholder-Member") and \_\_\_\_\_ (hereinafter referred to as "Shareholder-Member") and \_\_\_\_\_ (hereinafter referred to as "Qualified Permanent Resident");

WHEREAS, the Corporation was formed for the purpose of acquiring, owning and operating a cooperative housing project to be located at Seal Beach Leisure World (hereinafter called "Leisure World"), Seal Beach, Orange County, California, with the intent that its stockholders (hereinafter called "Shareholder-Member(s)") shall have the right to occupy the dwelling units thereof under the terms and conditions set forth in the Occupancy Agreement; and

WHEREAS, the "Shareholder-Member(s)" is the owner and holder of one share of common capital stock, Series \_\_\_\_\_ of the Corporation and has a bona fide intention to reside in the project, and the Qualified Permanent Resident is qualified pursuant to Civil Code §51.3 to reside with the Shareholder-Member(s);

NOW THEREFORE, in consideration of the Mutual promises contained herein, the Corporation hereby consents to the Qualified Permanent Resident residing with the "Shareholder-Member(s)" in Dwelling Unit NO. \_\_\_\_\_, Seal Beach Mutual No. \_\_\_\_\_, located at Leisure World.

**ARTICLE 1. CHARGES**

The "Shareholder-Member(s)" hereby covenant and agrees to pay to the Golden Rain Foundation GRF an amount equal to the then current Amenities Fee in the same amount as is required of all Shareholder-Members at Leisure World.

**ARTICLE 2. OCCUPANCY AGREEMENT**

The Qualified Permanent Resident acknowledges reading the Occupancy Agreement existent between the Corporation and the "Shareholder-Member(s)" and agrees to be bound by all the terms and provisions therein contained as to residency, and the fact that said unit is to be used for residential purposes only. The Qualified Permanent Resident agrees and

## QUALIFIED PERMANENT RESIDENT AGREEMENT

acknowledges that the Qualified Permanent Resident, in order to maintain residence, is jointly liable with the Shareholder-Members for all such charges related to the Seal Beach Mutual unit being occupied.

### ARTICLE 3.

The Qualified Permanent Resident agrees that no right held by the Qualified Permanent Resident to reside with the Shareholder-Members may be assigned nor transferred to any other person and that no immediate or collateral family member in any relationship with the Qualified Permanent Resident will be allowed to reside with the Qualified Permanent Resident.

### ARTICLE 4.

The Qualified Permanent Resident is entitled to use any and all of the facilities furnished and provided for Shareholder-Members of the Golden Rain Foundation at Leisure World and the Qualified Permanent Resident shall be entitled to enjoy said facilities together with the right of occupancy with the Shareholder-Members.

### ARTICLE 5.

The Qualified Permanent Resident covenants and agrees that he/she will comply with any and all pertinent regulations, bylaws, and rules of Corporation and Foundation related to occupancy, and will endeavor with the Shareholder-Members to cooperate with the other residents to bring about, for all residents of the Seal Beach Mutual in which the unit is located, a high standard of home and community conditions. The Qualified Permanent Resident acknowledges, that by his/her act and actions that if the occupancy is detrimental to the peace, quiet and enjoyment of the Seal Beach Leisure World community, that the same may result in the eviction of the Member and the Qualified Permanent Resident, and that there exists between the Shareholder-Members and the Corporation a Landlord-Tenant relationship. The Qualified Permanent Resident acknowledges that he/she may be requested to leave the project or be evicted in the event said individual ceases to be a Qualified Permanent Resident pursuant to the provisions of California Civil Code §51.3.

**QUALIFIED PERMANENT RESIDENT AGREEMENT**

SEAL BEACH MUTUAL NO. \_\_\_\_\_ UNIT \_\_\_\_\_ SHAREHOLDER-MEMBER(S)

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Authorized Signature)

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Authorized Signature)

RECEIVED BY GOLDEN RAIN FOUNDATION

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Authorized Signature)

QUALIFIED PERMANENT RESIDENT

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Authorized Signature or Legal Guardian)







# *Mutual Corporation No. Five*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY INVESTMENT OF SHORT TERM  
CD'S (CHIEF FINANCIAL OFFICERS REPORT ITEM A)  
**DATE:** AUGUST 15, 2018  
**CC:** MUTUAL FILE

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*I move to approve/deny the investment of \$280,000 from Reserticted Funds to short term CD's.*

# *Mutual Corporation No. Five*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY TRANSFER OF FUNDS FROM  
MORGAN STANLEY TO US BANK  
(CHIEF FINANCIAL OFFICERS REPORT ITEM B)  
**DATE:** AUGUST 15, 2018  
**CC:** MUTUAL FILE

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*I move to approve/deny the transfer of \$203,977.46 from Morgan Stanley Bankd to Us Bank  
Restricted Account.*

# *Mutual Corporation No. Five*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE/DENY TRANSFER OF FUNDS FROM  
ROOFNG TO INFRASTRUCTURE  
(CHIEF FINANCIAL OFFICERS REPORT ITEM C)  
**DATE:** AUGUST 15, 2018  
**CC:** MUTUAL FILE

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*I move to approve/deny the transfer of \$691,000 from the Roofing Reserves to the Infrastructure Reserves to cover the cost of the attic repipe for 18 Buildings that is being completed by Californing Repipe Specialists.*