

PLEASE DO NOT DROP INTO THE MAIL SLOTS

**MINUTES OF THE REGULAR MONTHLY MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE**

May 18, 2022

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President DeRungs on Wednesday, May 18, 2022 at 9:00 a.m. followed by the Pledge of Allegiance led by President DeRungs via Zoom/Video Conference Call and Conference Room B.

ROLL CALL

Present: President DeRungs, Vice President Murphy, Chief Financial Officer Cude, Secretary Gardner, Director Gould, Director Powell (entered at 9:01 a.m.), and Director Shannon (all directors via zoom)

GRF Representative: Mr. Thompson (via zoom)

Guests: Three Mutual Five Shareholders (via zoom)
One Mutual Five Shareholder (in-person)

Staff: Mr. Meza, Building Inspector
Ms. Barua, Portfolio Specialist
Ms. Vasquez, Recording Secretary

MINUTES

The Regular Meeting Minutes of April 20, 2022 were approved by general consent of the board to stand as presented.

BUILDING INSPECTOR'S REPORT

Building Inspector Meza presented his report (attached).

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Vice President Murphy, it was

RESOLVED to amend the resolution dated January 28, 2022, "RESOLVED to approve the concrete work for sidewalks between buildings 109 and 112, sidewalks between buildings 112 and 108, and sidewalks between buildings 110 and 111 for the contract with MJ Jurado, Inc., at a cost not to exceed \$71,986.50. Funds to come from Concrete Reserves, Authorize the President to sign the contract; and authorize the necessary transfer of funds in accordance with the provisions of civil code 5502" by approving a

change order for additional work consisting of adding 3-inch drain at \$11,550, remove and replace sidewalk near Building 108, Units F & G (side) at a cost of \$8,874, and remove and replace sidewalk near Building 102, Unit J & L (side) at a cost of \$5,508, for a total cost of \$96,055. Funds to come from Infrastructure Reserves not Concrete Reserves.

The MOTION passed unanimously with ROLL CALL vote.

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Vice President Murphy, it was

RESOLVED to approve the installation of a Jacuzzi Tub / Outdoor Hot Tub for Unit 71A. Work to be done at the shareholder's expense.

The MOTION passed unanimously with ROLL CALL vote.

Following questions, Mr. Meza left the meeting at 9:32 a.m.

GRF REPRESENTATIVE'S REPORT

GRF Representative Thompson presented his report (attached).

Following questions Mr. Thompson left the meeting at 9:48 a.m.

UNFINISHED BUSINESS

No Unfinished Business.

NEW BUSINESS

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Vice President Murphy, it was

RESOLVED to acknowledge, per the requirements of the Civil Code Section 5500(a)-(f), a review of the reconciliations of the operating and reserve accounts, operating revenues and expenses compared to the current year's budget, statements prepared by the financial institutions where the Mutual has its operating and reserve accounts, an income and expense statement for the Mutual's operating and reserve accounts, the check registers, monthly general ledger, and delinquent assessment receivable reports for the month of April 2022.

The MOTION passed unanimously with ROLL CALL vote.

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Vice President Murphy, it was,

RESOLVED to propose a rule change by amending Rule 05-7425-1-Garden Areas, Turf Areas, Trees, and Shrubs and approve a 28-day posting of notice of the proposed rule change. A decision on the rule change by the Board of Directors will be made at the next scheduled monthly meeting after consideration of all shareholder comments.

The MOTION passed unanimously with ROLL CALL vote.

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Vice President Murphy, it was,

RESOLVED to propose a rule change by amending Rule 05-7413-1 – Bathtubs, Jacuzzi Tubs, and Therapeutic Walk-In Bathtubs and approve a 28-day posting of notice of the proposed rule change. A decision on the rule change by the Board of Directors will be made at the next scheduled monthly meeting after consideration of all shareholder comments.

The MOTION passed unanimously with ROLL CALL vote.

SECRETARY / CORRESPONDENCE

No correspondence received.

CHIEF FINANCIAL OFFICER'S REPORT

Chief Financial Officer Cude presented his report (attached).

PRESIDENT'S REPORT

President DeRungs provided an update.

PORTFOLIO SPECIALIST'S REPORT

Portfolio Specialist Barua presented her report (attached).

ANNOUNCEMENTS

NEXT MEETING: Wednesday, June 15, 2022, at 9:00 a.m. has been canceled due to the Annual Shareholder Meeting.

ANNUAL SHAREHOLDER'S MEETING: Tuesday, June 14, 2022, at 10:00 a.m. Registration begins at 9:00 a.m. in Clubhouse 4.

COMMITTEE REPORTS

Landscape

No report was presented.

Physical Property

Director Gould provided an update.

Laundry Rooms/Emergency Information

No report was presented.

DIRECTORS' COMMENTS

No Directors made comments.

ADJOURNMENT

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Vice President Murphy, it was,

RESOLVED to adjourn the meeting at 10:21 a.m.

The MOTION passed unanimously.

EXECUTIVE SESSION SUMMARY

The Board met in Executive Session on Wednesday, May 18, 2022, at 10:40 a.m., and took the following actions:

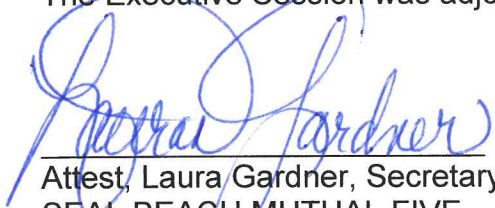
The board approved the Regular Executive Session Minutes of April 20, 2022, and Special Executive Session Minutes of April 22, 2022.

1. Legal Matters
 - a. No legal matter was discussed.
2. Contracts
 - a. No contracts were discussed.
3. Assessments / Delinquencies
 - a. Several letters were drafted.
 - b. Several accounts to monitor.
 - c. One account was closed.
4. Disciplinary Hearings
 - a. No disciplinary hearing occurred.

**BOARD OF DIRECTORS
MUTUAL FIVE**

May 18, 2022

The Executive Session was adjourned at 11:15 p.m.



Attest, Laura Gardner, Secretary
SEAL BEACH MUTUAL FIVE
KV 04/16/22
Attachments

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE	INSPECTOR: Mike Meza
MUTUAL BOARD MEETING DATE: May, 2022	

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	Improvement Values	RECENT INSPECTION	CONTRACTOR
117-J	UNIT REMODEL	BOTH	07/05/21	02/20/22	\$135,200	FINAL 04/11/22	JC KRESS
121-G	NEW PATIO	GRF	08/30/21	02/20/22	\$0	FINAL 02/09/22	MP CONSTRUCTION
121-G	UNIT REMODEL	BOTH	08/30/21	01/30/21	\$165,000	FINAL 02/09/22	MP CONSTRUCTION
103-I	KITCHEN REMODEL/WALL	BOTH	11/15/21	01/20/22	\$41,250	FINAL 02/15/22	LOS AL BUILDER
91-F	FLOORING THRU OUT	GRF	12/08/21	01/08/22	\$8,630	FINAL 02/09/22	FAMILY FLOOR
109-E	PATIO FLOORING	GRF	12/13/21	01/30/22	\$875	FINAL 02/03/22	LW DÉCOR
115-J	SOLA TUBE/ WINDOWS	BOTH	12/13/21	03/30/22	\$13,500	FINAL 03/30/22	MP CONSTRUCTION
126-K	HEAT PUMP	BOTH	12/15/21	03/15/22	\$3,800	FINAL 02/09/22	GREENWOOD
117-C	FLOORING	GRF	12/30/21	01/30/22	\$800	FINAL 05/11/22	KARYS CARPET
91-A	CEILING FAN	GRF	01/11/22	01/18/22	\$0	FINAL 02/18/22	BERGIN ELECTRIC
98-D	HEAT PUMP	BOTH	01/19/22	04/19/22	\$4,050	FINAL 03/03/22	GREENWOOD
96-L	ICE MAKER LINE	GRF	01/19/22	01/22/22	\$200	FINAL 05/11/22	OGAN CONSTRUCTION
105-D	RETRACTABLE SCREEN	GRF	01/27/22	02/27/22	\$750	FINAL 02/18/22	NATIONWIDE
117-G	CARPET FLOORING	GRF	01/30/22	03/01/22	\$1,400	FINAL 02/03/22	KARYS CARPET
113-H	PATIO CARPET	GRF	02/01/22	03/01/22	\$1,400	FINAL 02/28/22	KARYS CARPET
115-J	ENTRY DOOR	GRF	02/01/22	05/31/22	\$600		LW DÉCOR
120-K	SHOWER CUT DOWN	BOTH	02/07/21	03/07/22	\$2,815	FINAL 03/03/22	NUKOTE
112-D	SHOWER CUT DOWN	BOTH	02/09/21	03/09/22	\$3,695	FINAL 03/04/22	NUKOTE
123-K	UNIT REMODEL	BOTH	02/10/22	08/10/22	\$50,000		NATIONWIDE
115-I	HEAT PUMP	BOTH	02/14/22	05/14/22	\$3,800	FINAL 04/05/22	GREENWOOD
108-C	SHOWER CUT DOWN	BOTH	02/14/21	03/14/22	\$2,815	FINAL 05/11/22	NUKOTE
119-J	MICROWAVE	BOTH	02/14/22	02/28/22	\$745	FINAL 03/28/22	OGAN CONSTRUCTION
91-A	WASHER/DRYER FLOORING	BOTH	02/15/22	05/30/22	\$10,550		BA CONSTRUCTION
107-E	FLOORING	GRF	02/15/22	03/30/22	\$3,700	FINAL 03/01/22	KARYS CARPET
117-D	WASHER/DRYER FLOORING	BOTH	02/18/22	04/30/22	\$8,080	FINAL 04/11/22	LOS AL BUILDER
109-D	ELECTRICAL OUTLETR	BOTH	02/21/22	05/30/22	\$250		MP CONSTRUCTION
102-F	ENTRY WALK WAY	GRF	02/22/22	03/31/22	\$1,025	FINAL 03/31/22	BERGKVIST
115-D	PORCH FLOORING	GRF	02/28/22	03/30/22	\$3,000	FINAL 03/07/22	KARYS CARPET
117-L	FLOORING THRU OUT	GRF	02/28/22	04/30/22	\$7,600		KARYS CARPET
93-A	CEILING FAN CUT OUT	GRF	03/05/22	04/05/22	\$750	FINAL 04/05/22	UNIVERSAL ABATEMENT
123-K	UNIT ASBESTOS REMOVAL	GRF	03/08/22	03/31/22	\$3,200	FINAL 03/31/22	SIRRIS ABATEMENT
106-D	ENTRY DOOR	GRF	03/30/22	05/18/22	\$875		LOS AL BUILDER
72-G	PATIO ELECTRICAL OUTLET	BOTH	03/10/22	05/10/22	\$350		LW DÉCOR
103-G	KITCHEN REMODEL	BOTH	03/12/22	05/30/22	\$28,540		LOS AL BUILDER
111-L	SHOWER VALVE	BOTH	03/10/22	03/17/22	\$1,685	FINAL 03/20/22	A-1 TOTAL SERVICE
103-H	HEAT PUMP	BOTH	03/14/22	06/14/22	\$3,600	FINAL 04/05/22	GREENWOOD
103-H	FLOORING THRU OUT	GRF	03/15/22	04/30/22	\$3,750	FINAL 04/30/22	KARYS CARPET
92-C	HEAT PUMP	BOTH	03/22/22	06/22/22	\$11,123	FINAL 04/05/22	GREENWOOD
103-L	CENTRAL AIR SYSTEM	BOTH	03/25/22	06/25/22	\$7,548		GREENWOOD
90-J	HEAT PUMP	BOTH	03/31/22	06/30/22	\$4,100	FINAL 04/11/22	GREENWOOD
110-F	ADDED 3/4 BATH	BOTH	04/01/22	08/31/22	\$15,900		BA CONSTRUCTION
118-D	FLOORING	GRF	04/11/22	05/31/22	\$3,295		B&B CARPET
101-K	ADDED SHOWER	BOTH	04/11/22	05/11/22	\$15,104		REBORN CABINETS
93-I	PORCH ELECT. OUTLET	BOTH	04/12/22	06/30/21	\$600	FINAL 05/10/22	MP CONSTRUCTION
111-F	FLOORING THRU OUT	GRF	04/20/22	05/20/22	\$8,000	FINAL 04/26/22	KARYS CARPET
115-J	SLIDING DOOR	BOTH	04/20/22	07/30/22	\$2,150		LW DÉCOR
125-C	HEAT PUMP	BOTH	04/25/22	07/25/22	\$3,750		GREENWOOD
111-F	HEAT PUMP	BOTH	04/28/22	06/15/22	\$9,700		SWIFT HEATING & AIR
102-I	COUNTER TOP	BOTH	05/01/22	07/30/22	\$6,000		LW DÉCOR
104-B	PATIO FLOORING	GRF	05/01/22	06/01/22	\$3,000		KARYS CARPET
109-K	FLOORING THRU OUT	GRF	05/09/22	06/30/22	\$6,390		B&B CARPET
122-B	WINDOWS, DOORS, ELEC	BOTH	05/16/22	06/20/22	\$17,130		OGAN CONSTRUCTION
112-G	PATIO FLOORING	GRF	05/16/22	07/08/22	\$3,283		BERGKVIST

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE	INSPECTOR: Mike Meza
MUTUAL BOARD MEETING DATE: May, 2022	

ESCROW ACTIVITY							
Unit #	NMI	PLI	NBO	FI	FCOEI	ROF	ACTIVE, CLOSING, CLOSED
71-A		11/02/21	03/01/22	03/04/22	03/18/22	04/05/22	10 9 7
71-H		04/15/22					
91-A		11/08/21	12/28/21	12/28/21	01/12/22	02/12/22	
93-A		12/10/20					
94-J		03/03/22	04/13/22	04/20/22	05/04/22		
96-E		05/03/22					
101-I		07/09/21	03/10/22	03/10/22	109-K		
103-G		08/24/21					
103-L		10/01/21	03/17/22	03/21/22	04/01/22		
105-D		09/30/20					
107-E		11/19/21	01/24/22	01/25/22	02/07/22	03/22/22	
109-H		10/21/21	12/20/21	12/23/21	01/10/22	02/16/22	
110-C		10/27/20					
110-I	03/31/22						
111-F		11/05/21	02/10/22	02/10/22	02/23/22	03/09/22	
113-A		04/19/22					
113-H		02/23/22	03/22/22	04/07/22	04/21/22		
114-L		07/09/20					
115-I		01/05/22	02/09/20	02/09/20	02/24/22	03/22/22	
115-J		10/01/21	10/18/21	10/18/21	11/01/21		
116-K		02/18/22	04/14/22	04/14/22	04/27/22		
116-G		09/17/21	11/03/21	11/03/21	11/18/21		
117-G		02/18/22	03/09/22	03/14/22	3/28/22		
117-L		04/19/22					
118-D		04/26/22					
121-K		01/25/22	02/02/22	02/02/22	02/15/22	03/09/22	
123-K		10/21/21	10/26/21	11/03/21	11/18/21		

SHADED AREAS HAVE BEEN SIGNED OFF

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

CONTRACTS	
CONTRACTOR	PROJECT
J&J LANDSCAPE AUGUST 8th 2022	Landscaping & Irrigation
EMPIRE PIPE DECEMBER 31st 2022	Annual inspection
FENN MAY 31st 2023	Pest and rodent control services
ROOFING PROJECT	Buildings 70, 100, 101, 113, 120 Contract is being drafted
MJ JURADO	Replace sidewalks near building 102, 110, 109 and 112 Change order pending approval

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE

INSPECTOR: **Mike Meza**MUTUAL BOARD MEETING DATE: **May, 2022**

SPECIAL PROJECTS

[illegible]

SHAREHOLDER AND MUTUAL REQUEST

[illegible]

P.O. Box 2069
Seal Beach CA 90740

Apr Actual	Apr Budget		2022 Y-T-D Actual	2022 Y-T-D Budget
138,506	138,508	Carrying Charges	554,025	554,032
63,558	63,559	Reserve Funding	254,232	254,236
202,064	202,067	Total Regular Assessments	808,258	808,268
88	54	Financial Income	405	216
7,206	7,655	Other Income	30,534	30,620
7,294	7,709	Total Other Income	30,938	30,836
209,359	209,776	Total Mutual Income	839,196	839,104
68,369	84,639	GRF Trust Maintenance Fee	322,286	338,556
15,144	15,267	Utilities	62,390	61,068
1,423	694	Professional Fees	10,960	2,776
0	84	Office Supplies	129	336
23,803	31,341	Outside Services	93,884	125,364
16,141	14,195	Taxes & Insurance	64,562	56,780
63,558	63,559	Contributions to Reserves	254,232	254,236
188,438	209,779	Total Expenses Before Off-Budget	808,444	839,116
20,921	(3)	Excess Inc/(Exp) Before Off-Budget	30,752	(12)
13,830	0	Depreciation Expense	55,255	0
7,090	(3)	Excess Inc/(Exp) After Off-Budget	(24,503)	(12)
		Restricted Reserves		
(2,389)	0	Appliance Reserve Equity	28,226	0
687	0	Painting Reserve	312,771	0
0	0	Contingency Operating Equity	20,706	0
44,318	0	Roofing Reserve	976,642	0
(4,409)	0	Emergency Reserve Equity	70,474	0
(58,147)	0	Infrastructure Reserve	193,354	0
(19,941)	0	Total Restricted Reserves	1,602,173	0

MUTUAL 5 - APRIL 30, 2022 FINANCIAL REPORT SUMMARY

Line No. **APRIL Highlights:** [Please refer to Monthly Financial Statement (MFS) for more details and page Nos.]

- 1 At the end of the 4th month of the 2022 Fiscal Year, Mutual 5 is in a favorable financial position (under budget) with excess income of **\$30,764** as shown on page 5 of the **MFS**. This includes the GRF refund of **\$16,270** of excess income for year 2021 (page 3 of **MFS**).
- 2 The three over-budget expense items: Electricity, Legal Fees and Property and Liability Insurance, as explained in the February Financial Summary Report, are on track to even out at the end of the Budget year. The only other account shown in the expense area over budget is Maintenance Replacements. This account is funded from the Appliance Reserves and not the operating budget. Page 8 of the **MFS** shows the Appliance Reserve account including the monthly funding from shareholder assessments and the expenses of replacing appliances for the first 4 months of the year. All of the Reserve Accounts and the SRO list are monitor very closely each month for budget performance.

Water expenses are not over budge at this time of year, but the hot part of the year is still ahead. LA Times headline on 4-26-22 said: **"State still faces significant drought as summer approaches"**. Everyone needs to do their part to use water SUPER efficiently.

Please Use Water Wisely! The More WATER We Save, The More MONEY We Save!

- 3 Investment Portfolio: please see page 15 (hand written number at the bottom of page) of the **MFS** to see how the reserve Funds are invested. All of our available cash are in money-market accounts with a 0.005% interest rate.

ENDING BALANCE BANK ACCOUNTS

4	RESTRICTED RESERVES (acct ending...9690)	1,552,896.71
5	NON-RESTRICTED RESERVES (acct ending...3364)	294,352.74
6	CHECKING ACCOUNT (acct ending...3181) adjusted for outstanding checks	66,397.35

ENDING BALANCE OF MAJOR RESERVES

	Types	Ending Balance	S/H Contribution		MFS Page No.
			Monthly	per unit	
7	ROOFING	976,642.29	44,317.50	90.08	11
8	APPLIANCES	28,226.19	4,758.08	9.67	8
9	PAINTING	312,770.92	686.67	1.40	9
10	INFRASTRUCTURE	193,354.00	13,795.83	28.04	13
11	CONTINENCY OPERATING FUNDS	20,705.68	-	-	10
12	EMERGENCY RESERVES	70,474.05	-	-	12
		1,602,173.13	63,558.08	129.18	

INCOME AND EXPENSES

	From Monthly Financial Statement Pages 4, 5, 16	April Actual	April Budget	April Variance	2022 YTD Actual	2022 YTD Budget	MFS Page No.
13	MUTUAL TOTAL INCOME	209,359	209,776	(417)	629,837	629,328	5, 16
14	CONTRIBUTION TO RESERVES	63,558	63,559	(1)	190,674	190,677	4, 5, 16
15	EXPENSES *	56,511	61,581	5,070	175,415	154,743	4
16	EXCESS INCOME over(under) EXPENSES	20,621			30,752		5, 16

* Operating Expenses Do Not include reserve funded projects or GRF Carrying Charges Transfer.

CONCRETE PROJECTS - (Jurado or SM or JJ) 2022

4-31-22

Line #	Date of Work	Location	Project Cost	Date of Payments	Remarks
16					
17	Dec. 2021	Carports 60, 61,62,63 - Pavement	121,275.00	11/17/21	1/12/22 (2nd payment)
18	Dec. 2021	Carport 63 Change Order - Pavement	5,643.75	1/12/22	
19	Pending	Concrete Walks: Bldgs 102 to 112 *	96,055.00	Pending	Also Includes Bldgs 108,109,110,111
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33			* Infrastructure Reserves for Concrete Walks/Drains for 2022		
34		Total to Date:	96,055.00	2022 Budget: \$100,000; balance available: \$3,945	

	Fees Collected	Motty Budget '22	Apr '22	Mar '21	Feb '22	Jan '22	Dec '21	Nov '21	Oct '21	Sep '21
35	Buyer's Premium	2,500	3,000	3,750	2,250	2,250	3,000	3,000	3,750	2,250
36	Inspection Fees	4,700	3,600	1,200	6,000	2,400	1,200	7,200	6,000	1,200
37	Transfer Fee		250				250			250

ROOFING PROJECTS 2020 Budget Year (Construction in February- March, 2021)

	Building No. and Type	Roof Type	Roof SQ	Cost (\$) per SQ	Contract Cost (\$)
38	69 2 Bedroom	Low Slope	153	798	122,094
39	71 Laundry Room - 2 Bedrooms	Low Slope	158	798	126,084
40	99 1 and 2 Bedrooms	Low Slope	123	798	98,154
41	102 Laundry Room - 2 Bedrooms	Low Slope	158	840	132,720
42	TOTAL				479,052

Avg Cost/Apt = \$9,980

ROOFING PROJECTS 2021 and 22 Budget Year (Construction expected to start: August 22, 2022)

	Building No. and Type	Roof Type	Roof SQ	Cost (\$) per SQ	Contract Cost (\$)
44	113 2 Bedroom	Low Slope	153	941	143,973
45	120 1 and 2 Bedroom	Low Slope	123	941	115,743
46	100 2 Bedroom	Low Slope	153	941	143,973
47	101 2 Bedrooms	Low Slope	153	941	143,973
48	70 2 Bedrooms	Low Slope	153	941	143,973
	TOTAL				691,635

Avg Cost/Apt = \$11,527

Increase in cost/aprt from 2020 to 2022 =

17.9%

SUMMARY FOR REFERENCE—2022 OPERATING BUDGET

3
4-30-22

Line #

49 **EXPECTED MONTHLY M5 HOA Income: \$117,425.64** (\$238.67/month X 492 UNITS)

50 **M5 HOA Cost per month per unit \$238.67** (increase of \$12.43) for year 2022

51 **GRF HOA Cost per month per unit \$172.03** (increase of \$6.98) for year 2022

2022 OPERATING BUDGET

	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total \$ Change From 2021 to 2022
52 OPERATING EXPENSES	125.16	738,945	38,915
53 OPERATING INCOME	15.67	92,515	23,498
54 NET OPERATING COST	109.49	646,430	34,480
55 RESERVE FUNDING	129.18	762,697	38,915

2022 RESERVE FUNDING DISTRIBUTION

Project	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total Dollar Change
			Per Unit per Month
			From 2020 to 2022
56 APPLIANCE	9.67	57,097	(2.25)
57 PAINTING	1.40	8,240	1.40
58 ROOFING	90.08	531,810	2.63
59 INFRASTRUCTURE	28.04	165,550	6.18
60 TOTAL	129.18	762,697	6.59

*See Appendix B of M5 Budget

2022 LANDSCAPING BUDGET

	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total \$ Change From 2021 to 2022
61 LANDSCAPE-CONTRACT	29.70	175,349	5,432
62 LANDSCAPE-EXTRAS	3.39	20,015	(59)
63 LANDSCAPE-TREES	3.05	18,007	0
64 TOTAL	36.14	213,371	5,373

2022 SERVICE REQUEST ORDERS (SRO) BUDGET

	Average Monthly per Unit	Yearly Total for 492 Units	Total Dollar Change From 2021 to 2022
65 STANDARD SERVICE	\$18.12	\$106,980	\$3,955

4-30-22

P.O. Box 2069
Seal Beach CA 90740

1005 Seal Beach Mutual No. Five
Financial Statement Recap
04/30/2022

Page: 1

Apr Actual	Apr Budget		2022 Y-T-D Actual	2022 Y-T-D Budget
138,506	138,508	Carrying Charges	554,025	554,032
63,558	63,559	Reserve Funding	254,232	254,236
202,064	202,067	Total Regular Assessments	808,258	808,268
88	54	Financial Income	405	216
7,206	7,655	Other Income	30,534	30,620
7,294	7,709	Total Other Income	30,938	30,836
209,359	209,776	Total Mutual Income	839,196	839,104
68,369	84,639	GRF Trust Maintenance Fee	322,286	338,556
15,144	15,267	Utilities	62,390	61,068
1,423	694	Professional Fees	10,960	2,776
0	84	Office Supplies	129	336
23,803	31,341	Outside Services	93,884	125,364
16,141	14,195	Taxes & Insurance	64,562	56,780
63,558	63,559	Contributions to Reserves	254,232	254,236
188,438	209,779	Total Expenses Before Off-Budget	808,444	839,116
20,921	(3)	Excess Inc/(Exp) Before Off-Budget	30,752	(12)
13,830	0	Depreciation Expense	55,255	0
7,090	(3)	Excess Inc/(Exp) After Off-Budget	(24,503)	(12)
(2,389)	0	Restricted Reserves		
687	0	Appliance Reserve Equity	28,226	0
0	0	Painting Reserve	312,771	0
44,318	0	Contingency Operating Equity	20,706	0
(4,409)	0	Roofing Reserve	976,642	0
(58,147)	0	Emergency Reserve Equity	70,474	0
	0	Infrastructure Reserve	193,354	0
(19,941)	0	Total Restricted Reserves	1,602,173	0

16

The Golden Rain
Foundation provides an
enhanced quality of life
for our active adult
community of Seal
Beach Leisure World.



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April 26, 2022



BOARD NEWSLETTER

Approved Consent Agenda

MOVED and approved the consent agenda included • Minutes of the Physical Property Committee Meeting of March 2, 2022 • Minutes of the GRF Administration Committee Meeting of January 3, 2022 • Minutes of the Recreation Committee Meeting of March 7, 2022 • Minutes of the GRF Board Meeting of January 22, 2022 • GRF Board Report dated April 26, 2022 • The acceptance of the Interim Financial Statement, March 2022 • Approval Reserve Funds Investment Purchase

General –Approval 2022 PayGrade

MOVED to adopt the new 2022 Paygrade schedule, as presented.

General – Soil Sample and Topographic Survey

MOVED to authorize staff to proceed with conducting soil testing and a topographical survey of the area known as 1.8 for a cost not to exceed \$11,300 Capital Funding and authorize the President to sign the needed contracts.

Finance Committee - Approval Distribution of Excess Income

MOVED to distribute the 2021 GRF excess income as follows: \$300,000 to the reserve fund; \$600,000 to be kept in its operation fund and \$218,521 to be distributed to the Mutual Corporations on a pro-rata basis.

GRF Administration Committee - Approval – Appoint 2022 Inspector of Election

MOVED to confirm Accurate Voting Services, as the Inspectors of Election, for the elections, as set forth in 30-5025-3 Election Procedures.

GRF Administration Committee - TENTATIVE VOTE: Amend Policy 30-5093-1, Authorized Resident Rules of Conduct

MOVED to amend 30-5093-1, Authorized Resident Rules of Conduct, updating Rules of Conduct, under Behaviors such as the following are prohibited, Theft of any Trust Property and Egregious behavior of any kind, as presented. Pending a 28-day notification to the members, and a final decision by the GRF Board of Directors on July 26, 2022.

GRF Administration Committee - Amend Policy 30-5024-1, Committee Structure

MOVED to amend 30-5024-1, Committee Structure, updating document language as presented.

Mutual Administration Committee - Amend Policy 50-1672-4, Property & Liability Insurance Information

MOVED to amend 50-1672-4, Property & Liability Insurance Information, approving the suggested changes by the GRF Legal Counsel as presented.

Physical Property Committee - Reserve Funding Request – Clubhouse Two Renovation
MOVED to award contracts for the Clubhouse Two Renovation to Custom Glass- Replace windows at gable end black glass \$15,865, Hutton Painting-Paint the entire interior (ADRC standards) \$28,000, MJ Jurado - Replace lighting in lobby and Main Hall \$34,500 and the purchase of nineteen (19) light fixtures (ADRC approved) for a cost of \$39,978 and add a 10% contingency to the project for a cost not to exceed \$130,177 Reserve Funding and authorize the President sign the contracts.

Physical Property Committee - Capital Funding Request – Storm Drains Screens Project Resurrection

TO approve up to \$99,000 Capital Funding to install storm drain screens throughout the Community and to authorize the President to sign the commitment letter to the City of Seal Beach and Orange County Transportation Authority indicating that Golden Rain Foundation. Match of 20% is contingent upon City of Seal Beach grant request been successful.

Recreation Committee - Reserve Funding Request – Clubhouse One – Picnic Tables

MOVED to approve the purchase of replacement seats and tabletop from Seating Component Manufacturing Inc, for a cost of \$3,014, Reserve funding.

Recreation Committee - TENTATIVE VOTE: Adopt Policy 70-1487-1B, Recreational Vehicle Lot (RVL) - Rules and Regulations

MOVED to adopt 70-1487-1B, Recreational Vehicle Lot (RVL) - Rules and Regulations as presented, pending a 28-day notification to the members, and a final decision by the GRF Board of Directors on July 26, 2022.

Recreation Committee - TENTATIVE VOTE: Amend Policy 70-1487-2, Recreational Vehicle Lot (RVL)- Schedule of Fees and Monetary Fines

MOVED to amend policy 70-1487-2, Recreational Vehicle Lot (RVL)- Schedule of Fees and Monetary Fines, updating Fee and document language as presented, pending a 28-day notification to the members, and a final decision by the GRF Board of Directors on July 26, 2022.

Recreation Committee - Amend Policy 70-1487.02-1, Recreational Vehicle Lot (RVL)- Vehicle

Maintenance

MOVED to amend policy 70-1487.02-1, Recreational Vehicle Lot (RVL)- Vehicle Maintenance, adding a new rule under Safety Issue Items: Please check with the Recreation Department Head for any additional safety issues not listed, as presented.

Recreation Committee - Amend Policy 40-1487-6, RV Lot Lease Agreement

MOVED to amend policy 40-1487-6, Recreation Vehicle Lot Lease Agreement, updating document language as presented.

Security Bus & Traffic - Capital Funding Request – GRF Electric Vehicle

MOVED to approve the purchase of purchase three 2022 model-year Club Car Carryall 510 LSV electric utility vehicles, in the amount of \$65,000, including a \$3,000 contingency and to authorize the President to sign the needed contracts.

April 4, 2022, Recreation Committee

- CONCURRED the Recreation Director discussed the agenda topic Arts Studio and informed everyone that the shareholder's issues had been resolved.
- CONCURRED by the Recreation Manager discussed the agenda topic Use of Storage in Clubhouse Two and informed everyone that the shareholder's issue had been resolved.
- MOVED by the Committee to allow the picnic adjacent to Clubhouse One and Clubhouse Two correspondence to be open year-round by reservation only.
- CONCURRED by the Committee to have the Building Inspector and Recreation Manager investigate the Fencing and Backboard request and provide the information at the next scheduled meeting.
- CONCURRED by the Committee to forward the agenda topic, Loop System for Room Seven, to the Physical Property Committee and investigate Room Eight for a future remodel.
- CONCURRED by the Committee to forward the agenda topic, Adding Electrical Outlets to the Pit Stop Facility to Physical Property Committee.
- MOVED and recommended the GRF Board approve the Contract for Top-of-the-Line Golf Balls and authorize the President to sign the contract.
- MOVED and approved by the Committee to add a plaque once the Pool Shade Structure is installed.
- MOVED and approved by the Committee to replace the Bulletin Board at the RV Lot area.
- MOVED and recommended the GRF Board adopt policy 70-1487-1B Recreational Vehicle Lot (RVL)- Rules and Regulations.
- MOVED and recommended the GRF Board rescind policy 70-1487-1 Recreational Vehicle Lot (RVL)- Rules and Regulations.
- MOVED and recommended the GRF Board amend policy 40-1487-6 RV Lot Lease Agreement.
- CONCURRED by the Committee to review Policy 70-1487-2, Recreational Vehicle Lot – Schedule of fees and Monetary Fines at a work study and schedule a special Recreation meeting.
- MOVED and recommended the GRF Board amend policy 70-1487.02-1 Recreational Vehicle Lot (RVL)- Vehicle Maintenance.

April 6, 2022, Physical Properties Committee

- CONNCURRED the Facilities Director provided an update on the Pool-Update and plastering of the pool should be take place at the end of April.
- CONCURRED by the Committee to have the Facilities Director present more information about Adding Electrical Outlets to the Pit Stop Facility at the next scheduled meeting.
- CONCURRED by the Committee to have the Facilities Director present more information

about Speed Cushions at the next scheduled meeting.

- MOVED and recommended the GRF Board award contracts to Custom Glass-Replace windows at gable end black for \$15,865, Hutton Painting-Paint the entire interior (ADRC standards) for \$28,000, MJ Jurado- Replace lighting in the lobby and main hall for \$34,500 (19) light fixtures (ADRC standards GRF supplied) \$39,978 for a total cost of \$130,177, Reserve Funding, and including a 10% contingency, pending review by the Finance Committee.
- MOVED and recommended the GRF Board of Directors approve up to \$115,200, Capital Funding to install storm drain screens throughout the Community and provide a commitment letter to the City and OCTA indicating that GRF will commit to the 20% match if the grant is successful.
- CONCURRED by the Committee to have Facilities Director present more information about CalMet Trash Contract Bid at the next scheduled meet.
- CONCURRED by the Committee to have Facilities Director present more information about Trust Street Repairs at the next scheduled meet.
- CONCURRED by the Committee to have Facilities Director present more information about Northgate Traffic Flow at the next scheduled meet.
- CONCURRED by the Committee to request the President to have the Board members supply a list of areas of concerns and to have Physical Properties Department request Urban Crossroads to review the areas.
- CONCURRED by the Committee to table the Alternative Sources of Energy Sub-Committee until the July meeting.
- CONCURRED the Facilities Director provided an update concerning replacement of signal that he had reached out to Urban Crossroads and KOA to request an analysis of the area and would bring back the additional information to the next scheduled meeting
- CONCURRED by the Committee to have the Families Director add sewers to the Reserve Study at Golden Rain and Saint Andrews Drive.

April 7, 2022, GRF Administration Committee

- CONCURRED by the Committee to schedule in the next two weeks a work study to discuss the planning for the July Training session.
- CONCURRED by the Sub-Committee to bring back a report next month on their progress of updating the Glossary of Terms.
- CONCURRED by the Committee to bring back the Election Voting by Acclamation to the next scheduled meeting.
- MOVED to recommend the GRF Board to appoint Accurate Voting Services as the Inspectors of Election for the 2022 GRF Board of Directors elections, as set forth in 30-5025-3, Election Procedures.
- MOVED to reward all GRF Employees lunch recognizing their hard work with lowering accident rate, not to exceed \$2,500.
- CONCURRED by the Committee to bring back 50-3182-1, Member/ Owner Renter/Lessee – Rules to the next scheduled meeting.
- MOVED to recommend the GRF Board accept 30-5093-1, Authorized Resident Rules of Conduct, as amended, pending a 28-day notification.
- MOVED to recommend the GRF Board accept 30-5024-1, Committee Structure, as amended.

April 11, 2022, Mutual Administration Committee

- MOVED and recommended by the Committee to approve the 2022 Annual Life Options

EXPO Flyer, as amended.

- MOVED to recommend the GRF Board to approve the amendments to 50- 1672-4 Property and Liability Insurance Information Document as suggested by GRF legal counsel and to remove line 17 and add “except earthquake damages” to line 11.
- CONCURRED by the Committee to reviewed 50-6101-5 Planning Ahead for My Family at a scheduled work study.
- An update by Mutual Administration Director was given to the Committee on the Stock Transfer Mail-Slot.
- MOVED and recommend that the Mutual Administration Committee approve the Coroner Information Flyer to be used by Mutual Administration and Security Department.
- CONCURRED by the Committee to discuss 50-5165- 3 Mutual Administration & Service Maintenance Charter at next scheduled meeting.

April 13, 2022, Security, Bus and Traffic Committee

- CONCURRED by the Committee to have the IT Supervisor provide an update on the Gate Access System at the next scheduled meeting.
- CONCURRED by the Committee to have the Fleet Manager provide more information about Contracted/Off-Site and On-Site Bus Service at the next scheduled meeting. Chair Pratt asked the Recording Secretary to remove the word contracted from the agenda topic.
- CONCURRED by the Committee to have the Fleet Manager provided an update on Wheelchair Lift for New Buses at the next scheduled meeting.
- CONCURRED by the Committee to have the Fleet Manager provide additional information regarding Replacement of Buses to the next scheduled meeting. Fleet Manager did update the Committee that all three buses would arrive in 90-180 days.
- MOVED and recommended the GRF Board approve the purchase of three (3) Club Car Model 510 LSV Electrical Vehicles from Long Beach Electric Car Sales, in an amount of \$20,446.36 each, Capital Funding, for a total purchase amount not to exceed \$65,000, and pending review by the Finance Committee.
- MOVED and recommended to forward Parking Tickets on Hold to the GRF Administration Committee for reactivation to policy 30-5093-3- Authorization Resident (AR) Rules of Conduct, Procedure for Notification of Violation and Right to Hearing.
- CONCURRED by the Committee to provide additional information about the Complux Ticket System to the next scheduled meeting.

April 14, 2022, Communications/IT Committee

- CONCURRED by the Committee to discuss the Employee Communications (DG) at the next scheduled meeting.
- CONCURRED by the Committee that the Emergency Text Parameters will be discussed further down under Governing Documents.
- CONCURRED by the Committee, the IT Manager will gather quotes for Clubhouse Three commercial grade TVs for the meeting rooms and forwarded it to the Recreation

Committee for review.

- CONCURRED by the Committee to have the Recreation Committee handle the Clubhouse Four Dais with the follow-up by the GRF President.
- CONCURRED by the Committee to have the IT Manager provide the updates on IT Requirements at the next scheduled meeting.
- MOVED and approved to print the companion booklet as an addition to 2021 LWSB Community Guide, in July of 2022, schedule the production of 2023 LWSB Community Guide for February/March of 2023 without the GRF Board or Mutual Directors photos, and print the companion booklets with 2023/2024 GRF and Mutual Board photos in July of 2023, with the next updated Community Guide production (without the companion booklet) in 2025.
- MOVED and recommended the GRF Board to amend 20-5050-1 Electronic Communications.
- MOVED and recommended the GRF Board to approve 20-5050-3 Digital Billboards as presented.
- MOVED and recommended the GRF Board to rescind 20-5050-1 Digital Billboards.
- MOVED and recommended the GRF Board to approve 20-5050-1
- MOVED and recommended the GRF Board to rescind 20-2807-1 GRF Emergency Text Parameters.

April 18, 2022, Finance Committee

- MOVED to accept for audit and forward to the GRF Board the interim financial statements for period ending March 31, 2022, as presented by the Director of Finance and as reviewed by the Finance Committee.
- MOVED and recommended the GRF Board authorize the purchase of brokered CDs through US Bancorp totaling \$1,750,000 with terms ranging from twelve (12) to twenty-four (24) months at the prevailing interest rates at the time of purchase and at the discretion of the financial advisors.
- MOVED to inform the Board that the Finance Committee has determined: • Capital Funds, in the amount of \$115,200, are available and have directed the Director of Finance to place a temporary hold on these funds, pending Board action on the proposed installation of storm drain screens throughout the Community, if grant is successful through the City of Seal Beach and the GRF Board will provide a commitment letter to the City and OCTA.
- MOVED to inform the Board that the Finance Committee has determined: • Capital Funds, in the amount of \$65,000, are available and have directed the Director of Finance to place a temporary hold on these funds, pending Board action the proposed purchase of three (3) LSV Electric Vehicles.
- MOVED to inform the Board that the Finance Committee has determined: • Reserve Funds, in the amount of \$3,014, are available and have directed the Director of Finance to place a temporary hold on these funds, pending Board action on the proposed project, refurbishment of the picnic tables at Clubhouse One.
- MOVED to inform the Board that the Finance Committee has determined: • Reserve Funds, in the amount of \$130,177, are available and have directed the Director of Finance to place a temporary hold on these funds, pending Board action on the proposed project, improvements at Clubhouse Two Interior, Lobby and Main Hall.
- MOVED and recommended the GRF Board to distribute the 2021 excess income as

follows: Maintain \$600,000 in operating funds; transfer \$300,000 to reserve funds; distributed \$218,522 to the Mutuals.

Financial Recap

March 2022

Financial Recap – March 2022

As of the three-month period ended March 2022, the draft financial reports indicate that GRF is in a favorable financial position with a surplus of \$341,931.

Major variances are:

Wages, Taxes & Benefits	\$289,277	Favorable: Wages \$172K; P/R Taxes \$23K; Workers' Comp \$4K; 401(k) ER Match \$17K; Group Ins \$64K; average FTE < budget by 18.4 FTEs
Professional Fees	(22,828)	Unfavorable: System security monitoring
Facilities Maintenance	55,169	Favorable: Less YTD maintenance than planned; Janitorial contract renegotiated for less.
Community Entertainment	18,669	Favorable: Community events deferred due to COVID-19
Publication Printing	22,814	Favorable: Lower pricing due to change in printing company; less pages in newspaper due to COVID impacts.
Property & Liability Insurance	24,357	Favorable: Actual premiums less than budgeted
SRO Labor Cost Recovery	(69,388)	Unfavorable: Less billable hours than budgeted

	Fund Balance	Allocated For Current Projects	Allocated For Future Projects	For details, see page
Reserve Funds				
Repairs & Replacements	\$12,106,805	\$1,183,939	\$10,922,866	7
Capital Funds		Allocated Funds	Unallocated Funds	For details, see page
Capital Improvements	\$2,743,322	\$653,289	\$2,090,033	8

Total year-to-date approved unbudgeted operating expenses are \$381,780.

Portfolio Specialist Report May 2022



Water Conservation Tips

Per Davis-Stirling, Due to cyclical droughts in California and the escalating cost of water, condominium associations need to conserve water. According to recent estimates, an average household's leaks can account for more than 10,000 gallons of water wasted every year. Common leaks are from worn toilet flappers and leaky faucets. A faucet that drips at the rate of one drip per second can waste more than 3,000 gallons per year. Water conservation is particularly difficult for master metered developments because they have no control over water usage by members inside their units.

Kitchen & Bathroom

- When cooking, peel, and clean vegetables in a large bowl of water instead of under running water.
- Fill your sink or basin when washing and rinsing dishes.
- Only run the dishwasher when it is full.
- When buying a dishwasher, select one with a "light-wash" option.
- Only use the garbage disposal when necessary (composting is a great alternative).
- Install faucet aerators.
- Take short showers instead of baths.
- Turn off the water to brush teeth, shave and soap up in the shower.
- Repair leaky toilets. Add small drops of food coloring into the tank, and if color appears in the bowl one hour later, your toilet is leaking. In case of a leak or a problem, call your Mutual Director.

Outside:

- Use a broom before a garden hose to wash off the patio or sidewalk.
- Problem with the sprinklers? Contact your Mutual Director.
- Use recycled water at Clubhouse 2 to wash the car.
- Comply with State/City regulations and limit outdoor watering to early mornings or late evenings.



SEAL BEACH MUTUAL NUMBER FIVE**Physical Property****AMEND****Bathtubs, Jacuzzi Outdoor Hot Tubs, Jacuzzi Tubs, and Therapeutic Walk-In Bathtubs****1. Bathtubs**

- 1.1.** The Mutual permits the installation of bathtubs and requires a minimum inside width of 19 inches.

2. Jacuzzi Outdoor Hot Tubs and Therapeutic Walk-In Bathtubs

- 2.1.** Mutual 5 will consider the installation of Jacuzzi Outdoor Hot Tubs and Therapeutic Walk-In Bathtubs on a case-by-case basis. The shareholder should present their case in person to the Board of Directors. ~~The shareholder request is brought in person to the board to present their case.~~

- 2.2.** Jacuzzi Outdoor Hot Tubs shall only be installed on unenclosed porches.

- 2.3.** If the shareholder's request is approved, the shareholder must supply proof of insurance (no less than \$500,000 coverage) to protect the surrounding units against any water damage caused by Jacuzzi Outdoor Hot Tubs. ~~and Therapeutic Walk-In Bathtubs.~~

3. ~~Installation of Jacuzzi~~ Existing Outdoor Hot Tubs, Jacuzzi Tubs and Therapeutic Walk-In Bathtubs

- 3.1.** A Previously a shareholder may have installed a walk-in therapeutic bathtub, outdoor hot tub or Jacuzzi tub and the related equipment/appurtenances, at the Shareholder's expense, within the Shareholder's Unit.

- 3.2.** The Shareholder shall assume financial responsibility in case the licensed installation company fails to comply with all provisions of the permit and all GRF and Mutual Rules and Regulations and agrees to return the Mutual property to its original condition or satisfactorily complete the installation upon demand by the Mutual.

- 3.3.** The Mutual has the authority and authorization to remove the bathtub/Jacuzzi and related equipment/appurtenances and return the shower/tub area to its original condition at the Shareholder's expense if the installation does not comply with the provisions of this Section.

- 3.4.** The walk-in therapeutic bathtub/Jacuzzi tub shall have:

- 3.4.1.** a Sound insulation board applied to all surrounding walls, floor to ceiling, with drywall mud and tape;
- 3.4.2.** the shower trap shall be replaced using an all-glue ABS trap and a 2" trap with accessible clean out shall be maintained;
- 3.4.3.** all new water piping shall be copper pipe type L;
- 3.4.4.** A 20" x 30" attic access shall be provided in the bathroom for access to the shut off valves. The attic access cover shall be a combination

(MAY 2022)

SEAL BEACH MUTUAL NUMBER FIVE**Physical Property****AMEND****Bathtubs, Jacuzzi Outdoor Hot Tubs, Jacuzzi Tubs, and Therapeutic Walk-In Bathtubs**

of plywood laminated to a 5/8- inch type X drywall with the drywall facing the attic side;

3.4.5. The bathtub/Jacuzzi faucets shall have quarter turn shut offs that are accessible. The discharge of water shall be by gravity drain. A pump may only be used if the discharge rate does not exceed 7 gpm. Air injection jets may only be installed if they 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.

3.4.6. 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.

3.5. All shareholders with Outdoor Hot Tubs, Jacuzzi Tubs, and Therapeutic Walk-in Bathtubs must show proof of insurance (no less than \$500,000) to protect the surrounding units against any water damage caused by Outdoor Hot Tubs, Jacuzzi Tubs and Therapeutic Walk-In Bathtubs.

4. Therapeutic Walk-In Bathtubs

4.1 The installation of new Therapeutic Walk-in Bathtubs is no longer permitted in Mutual Five.

4.2 Shareholders may petition the Board of Directors and the Board of Directors may grant an exception to the ban on new Therapeutic Bathtubs by submitting in writing a detailed explanation of the medical reason for the tub, plus a physician's letter to confirm the need for the tub.

Document History

Adopted: 18 Aug 2021

Amended: **18 May 2022**

Keywords: Bathtubs Jacuzzi Therapeutic Walk-in

(MAY 2022)

SEAL BEACH MUTUAL NUMBER FIVE**AMEND****PHYSICAL PROPERTY****Garden Areas, Turf Areas, Trees, Shrubs****Purpose**

Mutual Five's landscaping is intended to enhance its ambience and add to the Shareholders' enjoyment of its cooperative-living style. This policy is adopted so that the landscaping of Mutual Five will present an environment that enhances the ambience of its surroundings and thus adds to the enjoyment of the cooperative living style of Mutual Five. It is **These rules and standards are** designed to outline the responsibilities of the resident and the Mutual in accomplishing this aim. **Shareholders must always be mindful of the attractiveness of their gardens for the sake of the neighbors who must look at them every day. The Board of Directors is responsible for inspections and enforcement for the benefit of all.**

1. Turf Areas

The maintenance of all turf areas is the exclusive responsibility of the Mutual.

- 1.1. **Mowing:** To facilitate mowing, any Board approved hardscape items shall be removed by the resident from the turf area before scheduled mowing begins and may be returned after mowing is completed.
- 1.2. No items, such as rugs that may impede mowers, may be placed on a walkway.
- 1.3. In performing their duties, the gardeners shall use labor-saving, efficient equipment, such as blowers, as per contract.
- 1.4. Mutual turf areas may be temporarily used by resident from sunrise to sunset for such reasons as, but is not limited to: yard sales, construction activity; moving; or picnics. Any damage to the turf from such activities shall be the financial responsibility of the resident unit's resident /owner.
- 1.5. Mutual turf areas where the Mutual has granted temporary authority to a resident to build a Patio or Paved Seating Area is covered by Policy 7415.05 **Rule 05-7415-1 –** Porch and Patio Regulations.
- 1.6. **Residents are not permitted to hand - water or fertilize the grass.**

2. Turf Areas – Trees

- 2.1. **Tree removal or planting:** After consultation with a certified arborist, a **A**

(May 2022)

SEAL BEACH MUTUAL NUMBER FIVE**AMEND****PHYSICAL PROPERTY****Garden Areas, Turf Areas, Trees, Shrubs**

majority vote of the Board of Directors must be obtained prior to planting or removing any trees in the Mutual - except for storm damaged trees. Such damaged trees may be removed at the discretion of the Landscape Committee.

- 2.2. Residents **Shareholders** are not permitted to plant or remove trees either on the common ground turf or within their gardens.

2.3. **Tree wells:**

2.3.1. ~~No plants may be added to or removed from tree wells.~~ **Residents are prohibited from planting vegetation or placing any ornamental items within the tree wells on the common areas or greenbelts.**

2.3.2. Residents are not permitted to hand-water the tree wells.

- 2.4. All ~~pruning~~ **of the common area/greenbelt trees** shall be done under the direction of ~~a certified arborist.~~ **the Mutual Landscaper.**

- 2.5. **Donating trees: The Board of Directors encourages the donation of trees to enhance the Mutual's appearance. They provide shade and improve and enhance the common areas of the Mutual. To donate a tree, shareholders should send a proposal in writing to the Board of Directors about the type of tree and the location where it is to be planted. The proposal will be discussed and voted upon at a Monthly Board Meeting. After approval, the tree will be planted by the Mutual at the shareholder's expense.**

3. **Turf Areas – Sprinklers**

Turf area sprinklers are the exclusive responsibility of the Mutual.

- 3.1. Resident **Shareholders** are not permitted to install, relocate, or adjust sprinklers in turf areas. In order for the gardeners to have a true gauge of turf watering needs, ~~resident~~ **shareholders** are not permitted to hand water the grass or tree wells.

- 3.2. Projects requested by residents **shareholders** which would result in changes in turf areas, such as patios **extensions, paved seating areas (see Rule 05-7415-1), and garden expansions** must be submitted to the Mutual Board in writing, and if approved, the cost of the project, will be at the resident's **shareholder's** expense. **The shareholder will submit a hand-drawn plot plan showing all details of the request, drawn to scale, that can be easily understood with dimensions in feet and inches.**

(May 2022)

SEAL BEACH MUTUAL NUMBER FIVE**AMEND****PHYSICAL PROPERTY****Garden Areas, Turf Areas, Trees, Shrubs**

- 80
81 3.3. Resident **Shareholders** are asked to sweep walkways and avoid **water** hose
82 watering **cleaning** to conserve water. **(See Rule 05-7424-1)**
83

4. Garden Areas – Maintenance

- 84
85
86 4.1. Residents **Shareholders** must water their garden. If a resident does not adhere
87 to the requirements of the landscape policy, the Mutual will advise the
88 **shareholder** resident and/or resident, in writing, of the problem **violation** to be
89 corrected. If the problem **violation** is not corrected the Mutual may remove the
90 plant material from the flower bed. **shareholder may be fined and the Mutual**
91 **will correct the violation at the shareholder's expense. (See Rule 7581)**
92
93 4.2. The Mutual gardeners will trim and weed each resident's garden periodically.
94
95 4.3. To opt out of this service, place red flags **should be placed** in the garden,
96 **signaling that the resident will be responsible for maintaining the garden.**
97 Red flags are available from the Landscape Chair.
98
99 4.4. Residents **Shareholders** who decline gardening services are expected to keep
100 their garden groomed and free of debris **and weeds**. If accumulated debris **and**
101 **weeds are** is not removed by the resident, the Mutual has the right to have
102 gardening service perform this task, and it will be the residents' responsibility for
103 excessive costs **at the shareholder's expense.**
104
105 4.5. Plant materials or hoses must not extend outside the boundaries of the garden
106 area (as defined by "scallop" or other mowing strips), sidewalks, entry walks,
107 turf, or into neighboring gardens.
108
109 4.6. Plants must remain clear of rain gutters and not become entwined, lie upon nor
110 touch the roof, patio beams, **walls**, or other parts of the building.
111
112 4.7. A freestanding trellis may be utilized for plant support but must be installed far
113 enough away from the building to prevent plants from touching or growing onto
114 the building or deco blocks.
115
116 4.8. Any plant materials within resident garden areas whose roots are, or by the
117 nature of their growth pattern, may become damaging to the building structure,
118 to walkways, to lawn areas, to sewers or to retaining walls must be removed.
119 The Mutual may have the gardening service perform this task and any damages

(May 2022)

SEAL BEACH MUTUAL NUMBER FIVE**AMEND****PHYSICAL PROPERTY****Garden Areas, Turf Areas, Trees, Shrubs**

120 repaired will be at the shareholder's resident's expense.

121
122 4.9. In addition to plant material, ~~Only~~ a limited number of ornamental items, on
123 a site-specific basis, are allowed in the garden area. The Landscape
124 Committee will determine if a garden is unreasonably cluttered.

125
126 4.10. Mosquito control: Potted plants with saucers are ~~not allowed.~~ must be
127 maintained by the resident with no standing water in the saucer at any time.
128 Additionally, any other containers or ornaments on a porch, patio
129 extension or in the garden must be water free at all times. Fountains are
130 allowed but must be running at all times to prevent still water that invites
131 mosquitoes to breed. Non-functioning fountains must be emptied of water.

132
133 4.11. The Mutual or the shareholder may shall add soil and ~~or mulch~~ to enrich the
134 garden and fill in soil ~~annually or biannually~~ as needed. Gardens with red flags
135 are excepted.

5. Garden Areas - Sprinklers

136
137
138
139 5.1. Residents are responsible for watering their own garden area.

140
141 5.2. Personal watering/sprinkler systems may be installed in garden areas ~~by the~~
142 at the expense of the shareholder resident. The watering/sprinkler system
143 may not be connected to the Mutual's automatic sprinkler systems. The
144 resident's shareholder's sprinkler system must be installed in accordance with
145 code requirements for attaching sprinkler systems to water supply lines and must
146 be maintained at the expense of the shareholder resident. Systems must be
147 installed by the Mutual Landscaper, and they are required to have a shut-
148 off valve.

149
150 5.3. The resident's shareholder's personal irrigation system sprinkler heads must
151 be adjusted so as not to spray water onto the building structure. If the resident
152 shareholder does not adhere to these sprinkler regulations, corrections or
153 repairs will be done by the Mutual and charged to the shareholder resident.

6. Garden Areas – Sizes

154
155
156 6.1. Residents Shareholders may have a garden area at the front of their apartment.
157 The depth of this front garden area will normally ~~may~~ match the adjacent
158 apartments. ~~Residents may comply with~~ Shareholders may request
159

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exemptions to this standard at their own expense.

- 6.2. Mowing strips: All gardens must have an edging called a mowing strip made of stone, concrete, cement scallops, brick scalloped edging, or other approved dividers to define the edge of the garden are required to be in place at the resident's shareholder's expense. Shareholders are required to maintain the mow strip, and replace it, if necessary.

- 6.3. Resident Shareholders may reconfigure front garden area with approval of the Board. Landscape Committee. A sketch of the proposed plan should be submitted to the Landscape Committee for approval.

- 6.4. Pursuant to Barbecue Policy 7427.G: "Propane, butane or charcoal barbecues shall be stored on the patio extension, paved seating area outside, open porch patio but never stored in an enclosed patio. If a unit has no porch or extension, the barbecue must be covered and stored in the garden area adjacent to the main entry walkway, on a stable foundation of pavers or concrete. (See Rule 05-7427-1)

- 6.5. Residents of apartments A, F, G, and L may also have a garden area at the end of their apartment. Generally, the maximum depth of such a garden varies according to the design of each building. Changes to the size of the existing end gardens must be submitted in writing to the Board. The requested change shall be determined on an individual basis. Any planting done must not encumber entry to the attic by ladder or access to the meter panel.

- 6.6. The garden area in front of bedroom windows that open or doors must have a 36" wide path allowing for egress in emergencies and/or entry of emergency personnel. Any violation of this requirement will cause such plantings to be removed at the resident's expense.

- 6.7. The Mutual may allow a resident to have a garden area next to a laundry room. These garden areas may be requested in writing and may be granted on an individual basis.

7. Garden Areas – Prohibited Plants, Flowers, and Bushes

- 7.1. Approved Plants: Mutual 5 has a huge list of approved plants. However, most varieties of the following ARE ALLOWED: Cactus and Succulents, Aloes, Grasses, Yuccas, Dracaenas, Bushes and Flowering Shrubs, Roses, Lillies, and Annuals. Shareholders should avoid plants with

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creeping root systems. Call the Mutual Landscape Chair for advice before doing any major planting in a garden to avoid accidentally planting non-approved varieties. The following may not be planted in any garden area or in a container placed in the garden area: members of the tradescantia family i.e. (plants with a creeping root system), Yucca, citrus trees, or other fruit trees.

7.1.1. Note: A number of the above-mentioned species have been planted in Mutual Five over the years. As units are sold, these plants are being removed, and may no longer be planted in resident's garden.

7.2. Non-Approved Plants: Any plant with the word "tree" in its name will probably be a non-approved plant that cannot be planted in the ground (See 7.2.2). Call the Mutual Landscape Chair if you are unsure about a plant. The following varieties are NOT ALLOWED: Large Cactus Varieties, Asparagus Ferns, Ivy, Wild Mint, Baby Tears, Citrus Trees, Spiderwort, Bamboo Family, Fruit Trees of Any Variety, Ficus, Palm Trees, Elephant Ears, Evergreen Trees, and Cypress Trees. Plants that may only be planted in containers with a stone root barrier underneath: asparagus fern, baby tears, bird of paradise, ivy, nasturtium, palm tree, mint and all bamboo (except heavenly).

7.2.1 NOTE: A number of the above-mentioned species have been planted in Mutual Five **gardens** over the years. As units are sold, these plants are being removed **at the seller's expense**, and may no longer be planted in resident's **shareholder's** garden.

7.2.2 Non-approved plants such as dwarf citrus trees, small palms, asparagus ferns, etc. may be planted in a pot and placed on a concrete or stone root barrier in the garden.

7.3. Small quantities of vegetables may be grown in gardens but the garden cannot be planted entirely with vegetables. There are public gardens nearby where vegetable enthusiasts can plant a large garden.

7.4. All vegetables must be grown in a half-inch metal mesh rodent resistant enclosure minimum height of two feet. Ripe produce must be removed in a timely manner to deter rodents.

7.5. No trees may be planted in the resident's garden area.

7.6. Only decorative pots are allowed in **the** garden area, **paved seating area** or on patios **extensions. Black plastic** nursery plastic pots **(or nursery pots of other colors)** are not allowed. **The number of potted plants in a garden should be**

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limited to 10 pots for every 10 feet of garden length. The Landscape Committee will determine if a garden has an unreasonable number of pots.

7.7. All empty pots must be removed and stored out of sight in storage closet, carport storage, cupboard, or other out-of-sight area.

7.8. Potted plants are not permitted on top of the pad mounted electrical transformers, nor may they be hung from or placed on pad mounted enclosures (per Policy 7492) or on telephone vaults. The area in front of the transformer door must be clear to a distance of eight (8) feet.

7.9. Potted plants are not permitted on entrance walkways if they inhibit the 36-inch width entry requirement.

8. Prohibited Uses of Garden Area

8.1 Front and side gardens may not be used as storage areas. Items such as garden soil, empty pots, garden tools, potting tables, cabinets, scaffolding, ladders, shelving, bikes, kayaks, surf boards and other non-ornamental items are prohibited in front and side gardens and may not block unit windows. These items must be stored out of sight.

9. Compliance

9.1. The unit's resident shareholder will be responsible for all routine maintenance, upkeep and watering of any unit's garden.

9.2. A shareholder leasing their unit will be directly billed for all required remediation or damage caused to Mutual property by their lessee(s).

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