

SEAL BEACH MUTUAL NO. FIVE

**Shareholder Regulations – Authorized Resident Rules of Conduct
Procedure for Notification of Violation and Right to Hearing**

PURPOSE

1. Implementing fines and penalties for non-compliance with Rules of Conduct is intended to:
 - 1.1 Encourage voluntary compliance;
 - 1.2 Penalize violators who do not comply with the Rules of Conduct;
 - 1.3. Protect Mutual 5 residents, the Mutual’s property and assets, Mutual 5 directors, staff, and service providers contracted by Mutual 5, GRF or Mutual 5 residents, and visitors.

2. **NON-COMPLIANCE FINE SCHEDULE**
 - 2.1. First Offense \$100.00
 - 2.2. Second Offense \$200.00
 - 2.3. Third Offense \$500.00.
 - 2.4. Fines and Penalties for further offenses will be subject to the Mutual 5 Board of Directors’ discretion and dependent upon the severity of the infraction.
 - 2.5. Egregious offenses will be reviewed by the Board of Directors and appropriate fines, or penalties will be assessed by Board of Director action, under applicable terms of the California Civil Code.

3. **LEGAL ACTION**
 - 3.1. For infractions that rise to a criminal level type as stated in City, State or Federal laws, the appropriate authorities will be notified.
 - 3.2. Mutual 5 will seek legal action when necessary to protect Mutual 5 property and its directors, GRF staff and service providers contracted by Mutual 5 or GRF while working in Mutual 5.
 - 3.3. The prevailing party may be entitled to recover reasonable legal costs.

Document History

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